FOSECO (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

COMPANY NUMBER: 4250748

DIRECTORS
Mr D G Hussey
Mr P D Dean

SECRETARY
Mrs S M Roberts

AUDITORS
Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ

REGISTERED OFFICE
Coleshill Road Fazeley Tamworth Staffordshire B78 3TL

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2005.

Principal Activity and Review of the Year

The principal activities of the Company during the year were the development, manufacture and supply of metallurgical chemicals to the higher quality segments of the foundry and steelmills industries worldwide. On 12 May 2005, the Company transferred all of its operations to a fellow subsidiary for a consideration of £13,705,000. The results of these businesses until the date of disposal are shown as "Discontinued Operations" in the Profit And Loss Account.

Future Developments

Following the sale of its operations the directors expect that the Company will continue as a holding company for certain subsidiaries of the Foseco plc Group.

Significant Events

The ultimate holding company at the start of the year was Foseco (Jersey) Limited. On 12 May 2005, a group restructuring occurred wherein a new company, Foseco plc, registered in England, acquired the entire ordinary share capital of Foseco (Jersey) Limited and was then floated on the London Stock Exchange.

Result and Dividend

The profit for the year after taxation amounted to £1,526,000 (2004: £14,851,000). The Directors paid a dividend of £16,172,000 in respect of this financial period. The resultant loss of £14,646,000 was transferred to reserves.

Directors

The names of the persons who were directors of the Company during the year and at 31 December 2005 were as follows: -

D G Hussey
P D Dean

No director had any interest in the shares of the Company.
The interests of the directors in the shares of Foseco plc were: -

	Ordinary shares of 25p each		Awards under the Long term incentive plan (Ltip) - ordinary shares of 25p each			
	As at 5.4.05*	As at 31.12.05	As at 5.4.05*	Granted 22.6.05	Lapsed	As at 31.12.05
P D Dean	Nil	692,637	Nil	139,860	Nil	139,860
D G Hussey	Nil	1,267,881	Nil	200,142	Nil	200,142

* Date of incorporation of Foseco plc.

Awards under Long term incentive plan refer to the Foseco plc scheme of which all the directors are participants. Full details of this scheme are available in the Foseco plc Annual Report and Financial Statements.

No director was interested either during or at the end of the year in any contract which was significant in relation to the Company's business.

DIRECTORS' REPORT (continued)

Directors (continued)
The company has indemnified all directors and officers of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force during the year.

Fixed Assets
The changes in fixed assets during the year are summarised in the notes to the accounts.

Auditors
In accordance with s386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually was passed on 8 October 2002. Accordingly Ernst & Young LLP shall be deemed to be reappointed as auditors 28 days after the accounts are sent to the members.

Share Capital
The authorised share capital of the Company is £1,000 divided into 1,000 Ordinary shares of £1 each. The total issued share capital of £1,000 is divided into 1,000 Ordinary shares of £1 each held by Foseco Holding Limited, the immediate parent undertaking.

Disabled Employees
The Company gives full consideration to application for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job.
Where existing employees become disabled, it is the group's policy where practicable to provide continuing employment under normal terms and conditions and to provide training and career development, and promotion to disabled employees wherever appropriate.

Employee Involvement
The Directors attach great importance to the maintenance and development of good labour relations and employee involvement and training. The results are discussed at meetings held with senior management and the opportunity is taken to inform them of Group developments. Employees everywhere are encouraged to be aware of the performance of their business and of the group as a whole. The diverse nature of the Group's activities places the responsibility for such matters with local management in a manner appropriate to the particular circumstances of each business.

Employee involvement in the Group's profitability is encouraged through locally based bonus and profit related pay schemes and executive bonus schemes.

Supplier Payment Policy
The Company seeks to agree payment terms with each of its suppliers, ensuring that they are aware of those terms, when entering into binding purchase transactions. Terms of payment are adhered to, subject to the Company being satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions in the relevant purchase contract.

DIRECTORS' REPORT (continued)

At 31 December 2005, the Company had an average of Nil days purchases in external trade creditors (2004 38 days).

On behalf of the Board

Sharon Roberts

S M Roberts
Secretary
30 August 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare accounts for the period, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the accounts comply with Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with these requirements, and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOSECO (UK) LIMITED

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Birmingham
31 August 2006

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £'000 Discontinued operations	2005 £'000 Continuing operations	2005 £'000 Total	2004 £'000 Discontinued operations	2004 £'000 Continuing operations	2004 £'000 Total
Turnover	2	14,437	-	14,437	390	35,348	35,738
Cost of sales		(11,956)	-	(11,956)	(242)	(29,142)	(29,384)
Gross profit		2,481	-	2,481	148	6,206	6,354
Distribution costs		(517)	-	(517)	(26)	(1,314)	(1,340)
Selling costs		(1,090)	-	(1,090)	(125)	(4,135)	(4,260)
Administration expenses		(1,119)	-	(1,119)	(56)	(1,315)	(1,371)
Operating exceptional items	3	-	-	-	-	991	991
Operating (loss)/profit	3	(245)	-	(245)	(59)	433	374
Net (loss)/profit on sale of businesses	6	(393)		(393)	1,757	-	1,757
(Loss)/profit before interest and taxation		(638)	-	(638)	1,698	433	2,131
Interest receivable and similar income	7	-	-	-	-	20	20
Income from Investments		-	2,164	2,164	-	12,700	12,700
Profit/(loss) on ordinary activities before tax		(638)	2,164	1,526	1,698	13,153	14,851
Taxation	8	-	-	-	-	-	-
Profit/(loss) on ordinary activities after tax	19	(638)	2,164	1,526	1,698	13,153	14,851

The Company has no recognised gains or losses other than the profit for the year.

FOSECO (UK) LIMITED

Balance Sheet at 31 December 2005

Notes		2005 £'000	2004 £'000
	Fixed Assets		
	Intangible assets:		
10	Negative goodwill	-	(3,393)
10	Positive goodwill	-	901
11	Tangible assets	-	3,450
12	Investments	18,495	18,495
		18,495	19,453
	Current Assets		
13	Stocks	-	3,122
14	Debtors	18,095	35,105
		18,095	38,227
15	Creditors: amounts falling due within one year	(1)	(6,367)
	Net current assets	18,094	31,860
	Total assets less current liabilities	36,589	51,313
16	Creditors: amounts due after one year	-	(78)
	Net assets	36,589	51,235
	Capital and reserves		
18	Called up share capital	1	1
19	Share Premium	35,238	35,238
19	Reserves	1,350	15,996
19	Equity shareholders' funds	36,589	51,235

Approved by the Board of Directors on 30 August 2006
and signed on their behalf by:

.... Director

Notes on the Financial Statements

1. Accounting Policies

a) Basis of accounting
The financial statements are prepared in accordance with the Companies Act 1985 and with applicable accounting standards and under the historical cost accounting rule.

b) Group Accounts
These financial statements present information about the Company as an individual undertaking and not about its group. The Company is exempt from the obligation to prepare and deliver group financial statements.

The Company's accounts are incorporated into the consolidated accounts of Foseco plc, which are prepared in accordance with UK legislation and include a consolidated cash flow statement. Therefore, group accounts are not required by reason of Section 228(1) of the Companies Act 1985 and the Company is also exempt from the requirement of Financial Reporting Statement No. 1 (Revised) – "Cash Flow Statements".

The report and accounts of Foseco plc may be obtained from Coleshill Road, Tamworth, Staffordshire, B78 3TL. This is the parent undertaking of the of the smallest and largest group into which the company's results are consolidated and for which group accounts are prepared and are publicly available.

c) Intangibles
Goodwill arising on consolidation, being the difference between the purchase consideration paid for a business and the fair value of the net identifiable assets acquired, is capitalised and amortised through the profit and loss account over its expected useful life (up to a maximum of 20 years). If the fair value of assets acquired exceeds the purchase consideration paid, negative goodwill is recognised and credited to the profit and loss account over its expected useful life (up to a maximum of 20 years). Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortised on a straight-line basis over their estimated useful lives up to a maximum of 20 years.

d) Turnover
Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of sales taxes.

Notes on the Financial Statements (continued)
1. Accounting Policies (continued)

e) Depreciation
Depreciation is calculated on original cost, on a straight-line basis over the expected life of the asset so as to write the asset down to its estimated residual value. The rates of depreciation adopted are:

Freehold land	Nil
Freehold buildings and long leasehold property	Over expected economic life not exceeding 50 years
Short leasehold property	over the term of the lease
Plant and other equipment	4% to 33%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

f) Stocks
Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and appropriate production overhead expenditure incurred in bringing goods to their current state under normal operating conditions. Net realisable value is based on estimated selling price less costs expected to be incurred to completion and disposal. Provision has been made for obsolescence or other losses where necessary.

g) Taxation
Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures, only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes on the Financial Statements (continued)

1. Accounting Policies (continued)

h) Pensions

The Company participates in a defined benefit plan as a member of a UK-wide group pension scheme, but is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore the plan is accounted for as a defined contribution scheme, and contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

j) Leasing

Finance leases are capitalised at the estimated fair value at the date of inception of each lease. The total finance charges are allocated over the period of the lease so as to give an approximately constant annual rate of charge on the balance of each obligation.

Rentals paid under operating leases are charged to income evenly over the term of the lease.

k) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

l) Going concern

After considering the Company's budget and its strategic plans, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of the financial statements. They therefore continue to adopt the going concern basis in the financial statements.

2 Segmental analysis

Geographical area (destination of sales)

	2005			2004		
	Total Sales £000	Inter Segment Sales £000	Sales to third parties £000	Total Sales £000	Inter Segment Sales £000	Sales to third parties £000
To the UK	7,213	-	7,213	17,523	270	17,253
To Continental Europe	5,727	-	5,727	13,947	-	13,947
To the Americas	818	-	818	1,980	-	1,980
To the Pacific	678	-	678	2,168	-	2,168
Discontinued	-	-	-	390	-	390
Total	14,437	-	14,437	36,008	270	35,738

Notes on the Financial Statements (continued)

3 Operating (loss)/profit

	Note	2005 £'000	2004 £'000
This is stated after charging/(crediting):			
Staff costs	4	3,170	8,233
Depreciation of owned assets	10	306	997
Amortisation of goodwill	9	(53)	(154)
Rentals payable under operating leases - land and buildings		151	219
- plant and machinery		308	925
Auditors' remuneration - audit fees		12	22

The following costs have been separately identified as operating exceptional items within operating profit because of their size and non-recurrent nature:

	2005 £'000	2004 £'000
European restructuring costs in connection with the transfer and reorganisation of production facilities and associated redundancies from the rationalisation of the business.	-	1,192
Abortive sale costs	-	(5)
Provision for impairment of investments	-	(196)
	-	991

4 Staff costs

	2005 £'000	2004 £'000
Wages and salaries	2,683	7,333
Social security costs	254	645
Current service pension costs	233	255
	3,170	8,233

Average number employed:

	2005 Number	2004 Number
Manufacturing	67	195
Administration	24	82
	91	277

Notes on the Financial Statements (continued)

5 Directors' Remuneration

The Directors are also Directors of the parent company, Foseco plc and details of their remuneration are disclosed in the accounts of that company. Remuneration paid in respect of the Directors has been paid through another group company and the Directors consider it inappropriate to allocate the relevant proportions of their remuneration across the group.

6 Non operating exceptional items

	2005	2004
	£'000	£'000
Profit on sale of business - note (a)	-	409
Profit on sale of business - note (b)	-	1,348
Loss on transfer of businesses – note (c)	(393)	-
	(393)	1,757

(a) The profit on sale arose from the further payment arising from an adjustment for the assets relating to the disposal of the investment casting business in 2003.
(b) The profit on sale arose from the disposal of the releasants business of the Company.
(c) The loss on transfer arose from the transfer of the Foundry and Steel Businesses on 12 May to New Foseco (UK) Limited, a fellow subsidiary undertaking, for £ 13,705,000, and includes attributable negative less positive goodwill of £ 2,512,000.

7 Interest receivable and similar income

	2005	2004
	£'000	£'000
Interest receivable	-	20
	-	20

8 Taxation

a) Tax charge
The tax charge is nil for the year (2004: £nil) due to the benefits of group relief available at nil cost since the Company is a member of a group for the purposes of relief under Section 402 of the Income and Corporation Taxes Act 1998.

b) Factors affecting the tax charge for the period
The tax charge for the year is nil which is lower than the expected tax charge calculated at the standard rate of corporation tax in the UK (30%).

Notes on the Financial Statements (continued)

8 Taxation (continued)

The differences are explained below:

	2005 £'000	**2004** £'000
Profit on ordinary activities before tax	1,526	14,851
UK Corporation Tax		
UK corporation tax @ (30%) of profit before tax	458	4,455
Expenses not deductible	427	
Non-taxable items	(649)	1,396
Decelerated/(accelerated) capital allowances	92	-
Movements in short term timing differences	(45)	
Utilisation of group relief not paid	(283)	(5,851)
Current tax charge for the period	-	-

c) Factors that may affect future tax charges
Unrelieved losses in the UK are likely to continue due to the expected availability of unrelieved losses which are accounted for in affiliated UK companies of the Foseco plc Group of companies.

d) Deferred tax
On 12 May 2005, the trade and assets were transferred to a fellow Group company at book value. Accordingly, the assets were, for tax purposes, transferred at tax written down value and any capital allowances will be claimed by the transferee company. As the Company's trade and assets were transferred on 12 May, no provision for deferred tax is required.

9. Dividends

	2005 £'000	**2004** £'000
Equity dividends on ordinary shares:		
Final paid £16,172 per share (2004: Nil)	16,172	-

10 Intangible assets

	Negative Goodwill *£'000*	**Positive Goodwill** *£'000*	**Total** *£'000*
Cost			
At 1 January 2005	(4,055)	1,073	(2,982)
Disposal	4,055	(1,073)	2,982
At 31 December 2005	-	-	-
Amortisation			
At 1 January 2005	662	(172)	490
Amortisation for the period	68	(15)	53
Disposal	(730)	187	(543)
At 31 December 2005	-	-	-
Net book value			
At 31 December 2005	-	-	-
At 1 January 2005	(3,393)	901	(2,492)

The disposal occurred on 12 May 2005 when the Foundry and Steel businesses were transferred to New Foseco (UK) Limited See note 6 (c)

Notes on the Financial Statements (continued)

11 Tangible fixed assets

	Land and buildings £'000	Plant and Other equipment £'000	Total £'000
Cost			
At 1 January 2005	801	4,193	4,994
Additions	120	181	301
Disposals	(921)	(4,374)	(5,295)
At 31 December 2005	-	-	-
Depreciation			
At 1 January 2005	56	1,488	1,544
Charge for the year	13	293	306
Disposals	(69)	(1,781)	(1,850)
At 31 December 2005	-	-	-
Net book value			
At 31 December 2005	-	-	-
At 1 January 2005	745	2,705	3,450

Notes

	<u>2005</u> £'000	<u>2004</u> £'000
a) Land and buildings:		
Freehold	-	745
Net book value	-	745

b) The disposals occurred on 12 May 2005 when the Foundry and Steel businesses were transferred to New Foseco (UK) Limited See note 6 (c)

c) The net book value of plant and other equipment includes £Nil in respect of assets held under finance leases (2004: £Nil).

Notes on the Financial Statements (continued)

12 *Fixed asset investments*

	Shares in subsidiary undertakings £'000
Cost	
At 1 January and 31 December 2005	18,691
Amounts provided:	
At 1 January and 31 December 2005	196
Net book value	
At 1 January and 31 December 2005	18,495

a) The Company's cost of investment in subsidiary undertakings is stated at the aggregate of the cash consideration and either the nominal value of the shares issued as consideration where Sections 131 and 133 of the Companies Act 1985 apply or in all other cases the market value of the Company's shares on the date they were issued as consideration.
b) Details of subsidiary undertakings at 31 December 2005 are shown in note 23.

13 Stocks

	2005 £'000	2004 £'000
Raw materials	-	835
Work-in-progress	-	435
Finished stock	-	1,852
	-	3,122

The directors consider that the replacement value of stocks is not materially different to their balance sheet value as at 31 December 2005.

14 Debtors

	2005 £'000	2004 £'000
Trade debtors	-	4,041
Amounts due from fellow subsidiary companies	18,079	30,498
Other debtors	16	351
Prepayments	-	215
	18,095	35,015

Notes on the Financial Statements (continued)

15 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Bank overdrafts	-	97
Trade creditors	-	3,730
Amounts due to fellow subsidiary companies	1	1,676
Other creditors	-	566
Other taxes and social security	-	276
Accruals and deferred income	-	22
	1	6,367

16 Creditors: amounts due after one year

	2005 £'000	2004 £'000
Other creditors	-	78

17 *Obligations under leases and hire purchase contracts*

Annual commitments under non-cancellable operating leases are as follows:-

	Land and buildings 2005 £'000	Other 2005 £'000	Total 2005 £'000	Land and buildings 2004 £'000	Other 2004 £'000	Total 2004 £'000
Operating leases which expire:						
Within one year	-	-	-	14	31	45
In two to five years	-	-	-	-	184	184
In over five years	-	-	-	417	-	417
	-	-	-	431	215	646

Notes on the Financial Statements *(continued)*

18 Share capital

	2005 £'000	2004 £'000
a) Authorised, 1,000 Ordinary shares of £1 each	1	1

	£'000	£'000
b) Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	1	1

19 Reconciliation of movement in shareholders' funds and movement on reserves

	Share capital £'000	Share premium £'000	Profit & loss account £'000	Total £'000
At 1 January 2004	1	35,238	1,145	36,384
Profit for the year	-	-	14,851	14,851
At 31 December 2004	1	35,238	15,996	51,235
Profit for the year	-	-	1,526	1,526
Dividend paid			(16,172)	(16,172)
At 31 December 2005	1	35,238	1,350	36,589

Notes on the Financial Statements (continued)

20 Pension schemes

The Company is a member of a defined benefit pension scheme which includes all the UK subsidiaries of the group, and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. At 31 December 2005 the deficit in this scheme was £6.9m.

21 Related Party Transactions

The Company is a subsidiary undertaking and 90% or more of its voting rights are controlled within the group. The Foseco plc group Financial Statements are publicly available. The Company is therefore exempt from the requirements of FRS8 to disclose material related party transactions insofar as the transactions occur within the group. There were no material transactions with related parties outside the group during the period.

22 Ultimate Parent Undertaking

The ultimate parent undertaking is Foseco plc, incorporated in England.

23 Subsidiary undertakings and joint ventures

The share capital of the subsidiary undertakings is designated, with minor exceptions, as ordinary shares.

The following is a list of principal subsidiary undertakings of which Foseco (UK) Limited is either directly or through subsidiary companies, the beneficial owner of the whole, or such lesser percentage as is stated, of the equity share capital. The subsidiary undertakings operating in the UK are all registered in England. Particulars of minor or non-trading subsidiary undertakings which do not materially affect the Company's results have been excluded. All shareholdings represent 100% of the equity and the voting rights except where indicated. The trading activities of the companies are set out on page 2.

Operating in the UK
- Foseco Overseas Limited (formerly Foseco Limited) - Holding company +
- Foseco International Limited
- Foseco Steel (Holdings) China Limited

Operating outside the UK
- Foseco India Limited (66.48%) (incorporated in India) ++
- Foseco Foundry (China) Limited (incorporated in China)

\+ Shares held by Foseco (UK) Ltd
++ Shares held by Foseco (UK) Ltd 8.48% by Foseco Overseas Limited 58%

Notes on the Financial Statements (continued)

24 Significant event

The ultimate holding company at the start of the year was Foseco (Jersey) Limited. On 12 May 2005, a group restructuring occurred wherein a new company, Foseco plc, registered in the United Kingdom, acquired the entire ordinary share capital of Foseco (Jersey) Limited and was then floated on the London Stock Exchange.