

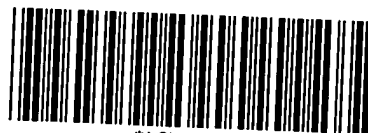
Registration number: 04985516

# Brazil 1 Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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## **Brazil 1 Limited**

### **Company Information**

<b>Directors</b>	HJ Knowles G Godin E Gingell
<b>Company secretary</b>	J Smith
<b>Registered office</b>	165 Fleet Street London EC4A 2AE
<b>Registration number</b>	04985516
<b>Incorporated</b>	a Private Limited Company incorporated in England & Wales
<b>Auditors</b>	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

## **Brazil 1 Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The Directors present their report and the financial statements for the year ended 31 December 2018.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors have taken exemption under this regime not to disclose the strategic report.

#### **Directors' of the company**

The Directors who held office during the year were as follows:

SC Upcott (resigned 21 May 2019)

HJ Knowles

IJ Lawson (resigned 31 October 2019)

The following Directors were appointed after the year end:

G Godin (appointed 15 November 2019)

E Gingell (appointed 15 November 2019)

#### **Dividends**

No dividends were paid or recommended during the current and prior year.

#### **Political and charitable donations**

The Company made no political or charitable donations or incurred any political expenditure during the year.

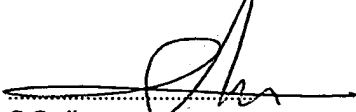
#### **Independent auditors**

The auditors, Mazars LLP have been appointed as auditors of the Company for the financial year ended 31 December 2018 and for future financial years until Mazars LLP resign or an audit is no longer required. For prior years the Company has been entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 31 January 2020 and signed on its behalf by:



G Godin  
Director

## **Brazil 1 Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Brazil 1 Limited**

### **Independent Auditor's Report to the Members of Brazil 1 Limited**

#### **Opinion**

We have audited the financial statements of Brazil 1 Limited (the 'Company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework', in accordance with the provisions applicable to companies subject to the small companies regime.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The impact of uncertainties due to Britain exiting the European Union on our audit.**

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Brazil 1 Limited**

### **Independent Auditor's Report to the Members of Brazil 1 Limited**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Brazil 1 Limited**

### **Independent Auditor's Report to the Members of Brazil 1 Limited**

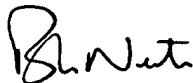
#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



Robert Neate (Senior Statutory Auditor)  
For and on behalf of Mazars LLP, Statutory Auditor

Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Date: 31 January 2020

**Brazil 1 Limited**

**Profit and Loss Account for the Year Ended 31 December 2018**

		2018	Unaudited 2017
	Note	£ 000	£ 000
Revenue		-	-
Operating profit/(loss)	3	-	-
Finance income		432	191
Finance costs		(1,084)	(673)
Net finance cost		(652)	(482)
Loss before tax		(652)	(482)
Tax on loss on ordinary activities	6	(65)	(29)
Loss for the year		(717)	(511)

The above results were derived from continuing operations.

The notes on pages 10 to 14 form an integral part of these financial statements.



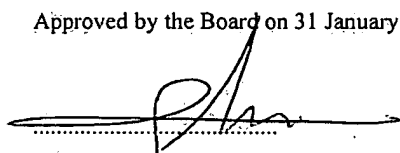
**Brazil 1 Limited**

**(Registration number: 04985516)  
Balance Sheet as at 31 December 2018**

		<b>31 December 2018 £.000</b>	<b>Unaudited 31 December 2017 £.000</b>
	<b>Note</b>		
<b>Fixed assets</b>			
Investments	7	63,821	63,821
<b>Current assets</b>			
Debtors	8	13,980	5,832
Cash at bank and in hand		<u>529</u>	<u>158</u>
		14,509	5,990
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	9	<u>(38,394)</u>	<u>(29,158)</u>
Net current liabilities		<u>(23,885)</u>	<u>(23,168)</u>
Net assets		<u>39,936</u>	<u>40,653</u>
<b>Capital and reserves</b>			
Called up share capital	10	27,470	27,470
Profit and loss account		<u>12,466</u>	<u>13,183</u>
Shareholders' funds		<u>39,936</u>	<u>40,653</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 31 January 2020 and signed on its behalf by:



G Godin  
Director

# **Brazil 1 Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2018**

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2018	27,470	13,183	40,653
Loss for the year	-	(717)	(717)
Total comprehensive income	-	(717)	(717)
At 31 December 2018	27,470	12,466	39,936

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2017	27,470	13,694	41,164
Loss for the year	-	(511)	(511)
Total comprehensive income	-	(511)	(511)
At 31 December 2017	27,470	13,183	40,653

The notes on pages 10 to 14 form an integral part of these financial statements.

## **Brazil 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

Brazil 1 Ltd (the 'Company') is a holding company. The company is a private limited company and is incorporated and domiciled in the UK.

The address of its registered office is:  
165 Fleet Street  
London  
EC4A 2AE

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Determining the carrying amount of some assets and liabilities requires the estimation of the effect of uncertain future events. The major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities are noted below.

##### *Impairment and valuation of investments*

Investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on the fair value prepared on the basis of management's assumptions and estimates.

##### **Basis of preparation**

The financial statements of Brazil 1 Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The Company's parent undertaking, Vesuvius plc includes the Company in its consolidated financial statements. The consolidated financial statements of Vesuvius plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 165 Fleet Street, London, EC4A 2AE.

## **Brazil 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Summary of disclosure exemptions**

##### **Exemption from preparing group accounts**

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements since the Company is itself a wholly-owned subsidiary of Vesuvius plc. These financial statements present information about the Company as an individual undertaking and not about its group.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of Key Management Personnel

As the consolidated financial statements of Vesuvius plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

#### **Going concern**

The directors consider that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing of these accounts. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

#### **Investments**

Investments in subsidiaries are held at cost less accumulated impairment losses.

The Directors regularly review the performance of the business and the external business environment to determine whether there is any indication that the carrying value of its investments have suffered an impairment loss. If such indication exists, the higher of the value in use and the fair value less costs to sell of the asset is estimated and compared with the value in order to determine the extent, if any, of the impairment loss. For the purpose of impairment testing, the recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. An impairment loss recognised in a prior year for an asset may be reversed where there has been a change in estimates used to measure the asset's recoverable amount since the impairment loss was recognised.

### **3 Operating profit**

The Company had no employees during the year (2017: nil). The Directors received remuneration of £nil (2017: £nil) in respect of services to the Company during the year.

## Brazil 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 4 Other interest receivable and similar income

	2018 £ 000	Unaudited 2017 £ 000
Interest income on bank deposits	2	-
Other finance income	430	191
	<u>432</u>	<u>191</u>

#### 5 Interest payable and similar charges

	2018 £ 000	Unaudited 2017 £ 000
Interest on bank overdrafts and borrowings	4	-
Foreign exchange losses	1,080	673
	<u>1,084</u>	<u>673</u>

#### 6 Income tax

Tax charged/(credited) in the profit and loss account

	2018 £ 000	Unaudited 2017 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>65</u>	<u>29</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	Unaudited 2017 £ 000
Loss before tax	<u>(652)</u>	<u>(482)</u>
Corporation tax at standard rate	(124)	(93)
Tax decrease from utilisation of tax losses	124	93
Increase arising from overseas tax suffered	<u>65</u>	<u>29</u>
Total tax charge	<u>65</u>	<u>29</u>

## Brazil 1 Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

Further UK corporation tax rate reductions to 19% from 1 April 2017 and 17% from 1 April 2020 were substantively enacted on 6 September 2016.

#### 7 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2018	<u>63,821</u>
At 31 December 2018	<u>63,821</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 December 2018	<u>63,821</u>

The subsidiaries of Brazil 1 Ltd and the countries in which they are incorporated are set out below. As with Brazil 1 Ltd, all of the companies listed below have a 31 December year-end.

Details of the subsidiaries as at 31 December 2018 are as follows:

Name of subsidiary	Registered office
Vesuvius Refratarios Ltda	Av Brasil, 49550, Distrito Industrial de Palmares, Campo Grande, Rio de Janeiro, 23065-480 Brazil

#### 8 Trade and other debtors

	31 December 2018 £ 000	Unaudited 31 December 2017 £ 000
Trade debtors from related parties	<u>13,980</u>	<u>5,832</u>

#### 9 Trade and other payables

	2018 £ 000	Unaudited 31 December 2017 £ 000
Amounts owed to group undertakings	<u>38,394</u>	<u>29,158</u>

#### 10 Share capital

Allotted, called up and fully paid shares

## **Brazil 1 Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

	<b>31 December 2018</b>		<b>Unaudited 31 December 2017</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary Shares of £1 each	<u>27,470,300</u>	<u>27,470,300</u>	<u>27,470,300</u>	<u>27,470,300</u>

The Company only has one class of shares in issue, Ordinary Shares. All shareholders enjoy the same rights in relation to these shares, including rights in relation to voting at general meetings of the Company, distribution of dividends and repayment of capital.

#### **11 Related party transactions**

As the Company is a wholly owned subsidiary of Vesuvius plc, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which part of the Vesuvius plc group.

#### **12 Parent and ultimate parent undertaking**

The Company's immediate parent is Vesuvius Overseas Limited.

The most senior parent entity producing publicly available financial statements is Vesuvius plc. These financial statements are available upon request from the Company Secretary, Vesuvius plc, 165 Fleet Street, London EC4A 2AE.