

Registration number: 05413927

Foseco Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2017



Foseco Limited

Company Information

Directors HJ Knowles
SC Upcott
IJ Lawson

Company secretary J Smith

Registration Number 05413927

Registered office 165 Fleet Street
London
EC4A 2AE

Incorporated a Private Limited Company incorporated in England & Wales

Foseco Limited

Directors' Report for the Year Ended 31 December 2017

The Directors present their report and the unaudited financial statements for the year ended 31 December 2017.

Directors of the company

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

HJ Knowles

SC Upcott

IJ Lawson (appointed 5 April 2017)

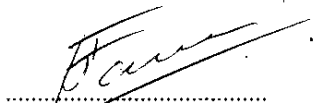
Dividends

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.

Approved by the Board on 12 September 2018 and signed on its behalf by:



.....
IJ Lawson
Director

Foseco Limited

Profit and Loss Account for the Year Ended 31 December 2017

	Note	2017 £ 000	2016 £ 000
Bad debt expense		(15)	-
Operating loss	3	(15)	-
Interest payable and similar charges	4	(486)	(285)
Loss before tax		(501)	(285)
Tax on loss on ordinary activities	5	-	-
Loss for the year		<u>(501)</u>	<u>(285)</u>

The above results were derived from continuing operations.

The notes on pages 7 to 13 form an integral part of these financial statements.

Foseco Limited

(Registration number: 05413927)
Balance Sheet as at 31 December 2017

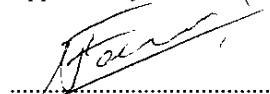
	Note	2017 £ 000	2016 £ 000
Non-current assets			
Investments	6	84,112	84,112
Debtors	7	67,450	67,450
		<u>151,562</u>	<u>151,562</u>
Current assets			
Debtors	7	-	15
Creditors: Amounts falling due within one year			
Bank overdraft		(714)	(228)
Net current liabilities		<u>(714)</u>	<u>(213)</u>
Total assets less current liabilities		150,848	151,349
Creditors: Amounts falling due after more than one year			
Creditors		(54,660)	(54,660)
Net assets		<u>96,188</u>	<u>96,689</u>
Capital and reserves			
Called up share capital	9	42,092	42,092
Capital redemption reserve		671	671
Profit and loss account		<u>53,425</u>	<u>53,926</u>
Shareholders' funds		<u>96,188</u>	<u>96,689</u>

For the financial year ended 31 December 2017 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 12 September 2018 and signed on its behalf by:



IJ Lawson

Director

The notes on pages 6 to 12 form an integral part of these financial statements.

Foseco Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2017	42,092	671	53,926	96,689
Loss for the year	-	-	(501)	(501)
At 31 December 2017	<u>42,092</u>	<u>671</u>	<u>53,425</u>	<u>96,188</u>
	Share capital £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	42,092	671	54,211	96,974
Loss for the year	-	-	(285)	(285)
At 31 December 2016	<u>42,092</u>	<u>671</u>	<u>53,926</u>	<u>96,689</u>

The notes on pages 7 to 13 form an integral part of these financial statements.

Foseco Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

1 General information

Foseco Limited (the 'Company') is a private company limited by share capital, incorporated and domiciled in England & Wales.

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 Foseco Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 which are effective for the year-ended 31 December 2017 have been applied.

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 Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

During the year, we split out the amounts owed by/to group undertakings into non-current and current, to be in line with the expected repayment timeframe.

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.

Foseco Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

Summary of disclosure exemptions

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 12 months from the date of signing of these financial statements. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Foreign currency transactions and balances

The financial statements are presented in 'Pounds Sterling (£)', which is also the Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Profit and Loss Account under 'Other interest receivable and similar income' and 'Other interest payable and similar charges' respectively.

Tax

Tax expense represents the sum of current tax and deferred tax. Current and deferred tax are recognised in the Profit or Loss Account except to the extent that they relate to items charged or credited in the Statement of Comprehensive Income or Statement of Changes in Equity, in which case the associated tax is also recognised in those statements. In arriving at its current tax charge, the Company also makes careful assessment of the likely impact of tax law changes.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Foseco Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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 loss

The Company had no employees during the year (2016: nil). The Directors received remuneration of £nil (2016: £nil) in respect of services to the Company during the year. For the year ended 31 December 2017, the audit fee was £nil (2016: £nil) as the entity is exempt from audit under Section 479A of the Companies Act 2006.

4 Interest payable and similar charges

	2017 £ 000	2016 £ 000
Interest on bank overdrafts and borrowings	3	-
Other finance costs	483	285
	<u>486</u>	<u>285</u>

5 Income tax

Tax charged in the income statement

	2017 £ 000	2016 £ 000
Total current income tax	<u>-</u>	<u>-</u>

Foseco Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016: lower than the standard rate of corporation tax in the UK) of 19.25% (2016: 20%).

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Loss before tax	(501)	(285)
Corporation tax credit at standard rate	(96)	(57)
Losses not surrendered to Group	96	57
Total tax charge/(credit)	-	-

Factors that may affect future tax charges

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.

6 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2017	84,112
At 31 December 2017	84,112
Carrying amount	
At 31 December 2017	84,112
At 31 December 2016	84,112

The share capital of those marked with * was not wholly owned by Foseco Limited or a subsidiary of Foseco Limited at 31 December 2017. As with Foseco Limited, all of the companies listed below have a 31 December year-end.

Details of the subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Country	Registered office
Foseco (FS) Limited	England & Wales	1 Midland Way, Central Park, Barlborough Links, DERBYSHIRE, S43 4XA, United Kingdom
Foseco (GB) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco (Jersey) Limited	Jersey	44 Esplanade, St Helier, Jersey, JE4 9WG

Foseco Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

Name of subsidiary	Country	Registered office
Foseco (MRL) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco (RUL) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco (UK) Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Foundry (China) Co. Limited	China	Room 819, Zhaoshang Building, Nanshan, Shenzhen, Guangdong, China
Foseco Holding (South Africa) (Pty) Limited	South Africa	12, Bosworth Street, Alrode, Aberton, 1449, South Africa
Foseco Holding International Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Holding Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco India Limited *	India	922/923, Gat, Sanaswadi, Taluka, Shirur, Pune, 412208, India
Foseco Industrial e Comercial Ltda	Brazil	Km 15, Rodovia Raposo Tavares, Butanta Cep, Sao Paulo, 05577-100, Brazil
Foseco International Holding (Thailand) Limited *	Thailand	170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand
Foseco Japan Ltd	Japan	9th Floor, Orix Kobe Sannomiya Building, 6-1-10, Goko dori, Chuo-ku, Kobe Hyogo, 651-0087, Japan
Foseco Korea Limited	South Korea	74 Jeongju-ro, Wonmi-gu, Bucheon-si, Gyeonggi-do, 14523, South Korea
Foseco Overseas Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Pension Fund Trustee Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Philippines Inc	Philippines	Unit 401, 4th Floor 8 Antonio Centre, Prime St. Madrigal Business Park 2, Ayala Alabang Muntinlupa City, Philippines
Foseco Steel (Holdings) China Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

Name of subsidiary	Country	Registered office
Foseco Steel (UK) Limited	England & Wales	1 Midland Way, Central Park, Barlborough Links, DERBYSHIRE, S43 4XA, United Kingdom
Foseco Technology Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Foseco Transnational Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Minerals Separation Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
PT Foseco Indonesia	Indonesia	2/5, Jalan Rawagelam, Kawasan Industri, Pulogadung, Jakarta Timur, 13930, Indonesia
PT Foseco Trading Indonesia	Indonesia	Jalan Rawagelam 2 No 5, Kawasan Industri Pulo Gadung, Jakarta Timur, 13930
Tamworth UK Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Unicorn Industries Limited	England & Wales	165 Fleet Street, London, EC4A 2AE, England
Vesuvius South Africa (Pty) Limited	South Africa	Pebble Lane, Private Bag X2, Olifantsfontein, Gauteng Province, 1665, South Africa
Foseco (Thailand) Ltd*	Thailand	170/69, 22nd Floor Ocean Tower 1, Ratchadapisek Road, Klongtoey, Bangkok, 10110, Thailand
Vesuvius Mexico SA de CV *	Mexico	Av. Ruiz Cortinez, Num. 140, Colonia, Jardines de San Rafael, Guadalupe, Nuevo, León, CP 67119, Mexico
Mastercodi Industrial Ltda*	Brazil	Avenida Giovanni Gronchi, 5174, suíte 11, Vila Andrade, ZIPCODE 05724-002, São Paulo, State of São Paulo, Brazil

7 Trade and other receivables

	2017 £ 000	2016 £ 000
Amounts owed by group undertakings - current	-	15
Amounts owed by group undertakings - non-current	67,450	67,450
	<u>67,450</u>	<u>67,465</u>

Foseco Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2017

8 Trade and other payables

	2017 £ 000	2016 £ 000
Amounts owed to group undertakings - non-current	<u>54,660</u>	<u>54,660</u>

9 Share capital

Allotted, called up and fully paid shares

	No.	2017 £ 000	No.	2016 £ 000
Ordinary Shares of £0.25 each	168,366,689	42,092	168,366,689	42,092

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.

10 Related party transactions

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

11 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.