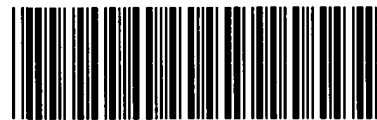


Registration number: 12002255

Vesuvius Management Services Limited
(Date of incorporation 17 May 2019)

Annual Report and Financial Statements
for the Year Ended 31 December 2019

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COMPANIES HOUSE

Vesuvius Management Services Limited

Company Information

Directors

G Godin

EO Gingell

M Satterthwaite

Company secretary

J Smith

Registration number

12002255

Registered office

165 Fleet Street

London

EC4A 2AE

Incorporated

a Private Limited Company incorporated in England & Wales

Independent auditor

Mazars LLP

Tower Bridge House

St Katharine's Way

London

E1W 1DD

Vesuvius Management Services Limited

Directors Report for the period 17 May 2019 to the Year Ended 31 December 2019

The Directors present their first report and the financial statements for the year ended 31 December 2019. The company was incorporated on 17/05/2019 and commenced trading on 17/05/2019.

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 and up to the date of signing of this Report unless otherwise stated were as follows:

G Godin (appointed 12 June 2019)

EO Gingell (appointed 17 May 2019)

HJ Knowles (appointed 17 May 2019, resigned 1 June 2020)

IJ Lawson (appointed 17 May 2019, resigned 31 October 2019)

M Satterthwaite (appointed 1 June 2020)

Dividends

No dividends were paid or recommended during the current year.

Political and charitable donations

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

Directors' indemnity provisions

The ultimate parent company of Vesuvius Management Services Limited maintains directors' indemnity cover for all Directors.

Independent Auditor

The auditor, Mazars LLP is deemed to be appointed under Section 485 of the Companies Act 2006.

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 so far as they are aware there is no relevant audit information of which they know the Company's auditor is unaware.

Post Balance sheet events

The outbreak of COVID-19 accelerated during the first half of 2020. As this event arose after the Company's year-end it is treated as a non-adjusting event for accounting purposes. The Company is a management services company but has no major operational impacts from COVID-19. The Directors have considered the impact of COVID-19 on performance of the Company's investments and liquidity, as well as in assessing and concluding on the Company's going concern.

There are no other material events after the reporting period to disclose.

Approved by the Board on 9 December 2020 and signed on its behalf by:

Geoffroy Godin

Geoffroy Godin [Dec 9, 2020 18:59 GMT+1]

G Godin
Director

Vesuvius Management Services 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 Financial Reporting Standard 101 *Reduced Disclosure Framework* and applicable law. 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;
- 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. The Directors 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.

Vesuvius Management Services Limited

Independent Auditor's Report to the Members of Vesuvius Management Services Limited

Opinion

We have audited the financial statements of Vesuvius Management Services Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Profit and Loss Account, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The company was incorporated on 17/05/2019 and commenced trading on 17/05/2019. 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 our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration of the going concern basis of preparation on page 11 and non-adjusting post balance sheet events on page 15.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 continues to evolve and, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that COVID-19 is a non-adjusting post balance sheet event and that adopting the going concern basis for preparation of the financial statements is appropriate.

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.

Other information

The Directors are responsible for the 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.

Vesuvius Management Services Limited

Independent Auditor's Report to the Members of Vesuvius Management Services Limited (continued)

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 matters 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.

Vesuvius Management Services Limited

Independent Auditor's Report to the Members of Vesuvius Management Services Limited (continued)

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 financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this audit 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.



Bob Neate (Dec 9, 2020 20:02 GMT)

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

Chartered Accountants and Statutory Auditor

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

9 December 2020

Vesuvius Management Services Limited

Statement of Profit and Loss for the period 17 May 2019 to the Year Ended 31 December 2019

	Note	17/5/19 to 31/12/19 € 000
Turnover	4	53,332
Administrative expenses		<u>(56,417)</u>
Operating loss and loss before taxation	3	<u>(3,085)</u>
Tax on loss on ordinary activities	5	<u>(233)</u>
Loss for the financial year		<u>(3,318)</u>

The above results were derived from continuing operations.

The notes on pages 10 to 15 form an integral part of these financial statements.

Vesuvius Management Services Limited

Statement of Financial Position for the period 17 May 2019 to the Year Ended 31 December 2019

	Note	17/5/19 to 31/12/19 € 000
Current Assets		
Amounts due from group undertakings	6	14,371
Cash at bank and in hand		<u>64</u>
		<u>14,435</u>
 Creditors: Amounts falling due within one year		
Amounts owed to group undertakings	8	<u>(15,147)</u>
Net current liabilities		(712)
 Creditors: Amounts falling due after more than one year		
Amounts owed to group undertakings	8	<u>(2,606)</u>
Net assets		<u>(3,318)</u>
 Capital and reserves		
Called up share capital	7	-
Retained earnings		<u>(3,318)</u>
Total shareholders' funds		<u>(3,318)</u>

Approved by the Board on 9 December 2020 and signed on its behalf by:

Geoffroy Godin
Geoffroy Godin (Del-3, 2020 18:59 GMT+1)

G Godin
Director

(Registration number: 12002255)

The notes on pages 10 to 15 form an integral part of these financial statements.

Vesuvius Management Services Limited

**Statement of Changes in Equity
for the period 17 May 2019 to the Year Ended 31 December 2019**

	Share capital € 000	Retained earnings € 000	Total € 000
At 17 May 2019	-	-	-
Loss for the financial year	-	(3,318)	(3,318)
Total comprehensive expense	-	(3,318)	(3,318)
At 31 December 2019	-	(3,318)	(3,318)

The notes on pages 10 to 15 form an integral part of these financial statements.

Vesuvius Management Services Limited

Notes to the Financial Statements for the period 17 May 2019 to the Year Ended 31 December 2019

1 General information

Vesuvius Management Services Limited (the 'Company') is a management services company that provides centralised services to the Vesuvius Group. The company was incorporated on 17/05/2019 and commenced trading on 17/05/2019.

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

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.

Basis of preparation

The financial statements of Vesuvius Management Services Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 as applicable to Companies using FRS 101. The financial statements have been prepared under the historical cost convention apart from financial assets and liabilities (including derivative instruments) which are carried at fair value through the profit or loss.

Amounts owed by/to group undertakings are classified into current and non-current and current, in line with their expected repayment timeframe.

The Directors were not entitled to prepare the financial statements in accordance with the small companies regime but have taken advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Summary of disclosure exemptions

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; (IAS 1 para 10(d) and IAS 7)
- Comparative period reconciliation of investments; (IAS 1 Para 38)
- Disclosures in respect of related party transactions with wholly owned members of the Vesuvius plc Group (IAS 24 para 17)
- Disclosures in respect of capital management; (IAS 1 para 134-136)
- Disclosures in respect of fair value measurements (IFRS 13 para 91-99)
- Disclosures in respect of leases (IFRS 16 para 52, 89-91, 93)
- The effects of new but not yet effective IFRSs (IAS 8 para 30-31)

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

- IFRS 2 (para 45(b) and 46-52) Share Based Payment in respect of Group settled share based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Vesuvius Management Services Limited

Notes to the Financial Statements for the period 17 May 2019 to the Year Ended 31 December 2019

Going concern

Details of the impact of COVID-19 are provided in note 11. The Directors of the Company are satisfied that there are no material events or uncertainties that they are aware of which will impact the ability of the Company to continue as a 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 financial statements. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

Changes in accounting policy

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the Company's financial statements.

Foreign currency transactions and balances

The financial statements are presented in 'EURO' (€), 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 Statement of Profit and Loss.

Rounding

All amounts in the financial statements and notes have been rounded off to the nearest thousand sterling pound, unless otherwise stated.

Income recognition

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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.

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.

Vesuvius Management Services Limited

Notes to the Financial Statements for the period 17 May 2019 to the Year Ended 31 December 2019

Turnover

Management fee income is recognised on an accruals basis.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Critical accounting judgements and key sources of estimation uncertainty

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 classification of intercompany balances

Intercompany balances are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The company applies IFRS 9 simplified approach to measuring expected credit losses which uses a 12-month expected loss allowance for amounts due from other group companies.

3 Operating loss

The Company had no employees during the year (2018: nil). The Directors received remuneration of £nil (2018: £nil) in respect of services to the Company during the year. An allocated audit fee was borne by the ultimate parent undertaking, Vesuvius plc, of £10k.

The Operating loss is arrived at after charging:

	2019 € 000
Management fees payable	<u>56,398</u>

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 € 000
Provision of management services	<u>53,332</u>

Vesuvius Management Services Limited

Notes to the Financial Statements for the period 17 May 2019 to the Year Ended 31 December 2019

5 Income tax

Tax charged in the Statement of profit and loss is:

	2019 € 000
Total current income tax	<u>233</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 € 000
Loss before tax	<u>(3,085)</u>
Corporation tax at standard rate	(586)
Group relief not surrendered	<u>586</u>
Increase from effect of foreign WHT suffered	<u>(233)</u>
Total tax (charge)	<u>(233)</u>

Factors that may affect future tax charges

Following the 2020 Budget announcement, the rate of corporation tax has been held at 19% for financial years 2020 and 2021, despite a previously enacted reduction to the rate of corporation tax to 17% (previously effective 1 April 2020).

Accordingly, profits earned in future periods will be taxed at 19% rather than 17% and any deferred tax assets or liabilities will be revalued reflecting the latest enacted rate.

The Company has the following unrecognised deferred tax assets, €0.6m in respect of corporate tax losses. If circumstances change in the future resulting in recoverability becoming more certain, the asset will be recognised. This will only be the case if there is persuasive and reliable evidence suggesting that sustainable taxable profits will be generated in the future.

6 Amount due from group undertaking

	31 December 2019 € 000
Receivables from group undertaking	<u>14,371</u>

Vesuvius Management Services Limited

Notes to the Financial Statements for the period 17 May 2019 to the Year Ended 31 December 2019

7 Called up share capital

Allotted, called up and fully paid shares

17/5/19 to 31/12/19

	No.	€
Ordinary Shares of £1 each	100	100

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.

8 Amount owed to group undertakings

31 December
2019
€ 000

Non-current trade and other payables

Amounts due to group undertaking

(2,606)

(2,606)

31 December
2019
€ 000

Current trade and other payables

Trade payables

(5)

Amounts due from group undertaking

(15,142)

(15,147)

Interest on loans from other companies within the Vesuvius group are interest free from dormant companies and charged on an arm's length basis from non-dormant companies. Repayment dates across all loans are variable and includes loans repayable on demand but can be renewed as required.

9 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 form part of the Vesuvius plc group.

Vesuvius Management Services Limited

Notes to the Financial Statements for the period 17 May 2019 to the Year Ended 31 December 2019

10 Parent and ultimate parent undertaking

The company's immediate parent is Vesuvius Holdings 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

11 Events after the Balance Sheet date

The outbreak of COVID-19 accelerated during the first half of 2020. As this event arose after the Company's year-end it is treated as a non-adjusting event for accounting purposes. The Company is a management services company and therefore there have been no major operational impacts from COVID-19. Vesuvius plc ("the Group") has considered the risks on the Group's liquidity and viability in connection with the COVID-19, including those that may be relevant to the Company. A detailed exercise was performed by Vesuvius plc as part of the announcement of its half year results to 30 June 2020 to determine the impact of the decline in its revenues and turnover in the first six months of 2020 as compared to 2019 on going concern for the Group. Based on this, Group management consider that the Group is in a robust financial position, with a strong balance sheet and liquidity position as well as covenant headroom and is acting to conserve cash so as to remain well positioned for long term success. Although the full extent of the potential impact on our business, operations and the global economy as a whole is not yet clear, Group management continue to respond to the COVID-19 pandemic as effectively as possible. The COVID-19 pandemic has not materially impacted the Company's financial position or its performance at the date of these financial statements, particularly in relation to the valuation of investments held and the recoverability of inter-company balances. This remains a matter of close attention for the Board.

There are no other material events after the reporting period to disclose.