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Registration number BR008171

# Foseco (Jersey) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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## **Foseco (Jersey) Limited**

### **Company Information**

<b>Directors</b>	HJ Knowles KF SLOW
<b>Company secretary</b>	Elian Corporate Services (Jersey) Limited
<b>Registered office</b>	44 Esplanade St Helier Jersey JE4 9WG
<b>Auditors</b>	KPMG LLP 15 Canada Square London E14 5GL

## **Foseco (Jersey) Limited**

### **Strategic Report for the Year Ended 31 December 2015**

The Directors present their strategic report for the year ended 31 December 2015

#### **Fair review of the business**

The Company is an investment holding company for investments in group undertakings, and its investing activities during the year are detailed in the investments note. The Directors do not envisage any change in the business of the Company in the foreseeable future.

The loss before tax for the year is £8,000 (2014: loss of £15,000). The net assets for the year are £18,182,000 (2014: £18,369,000).

#### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the following:

##### **Financial counterparty risk**

The treasury activities of the ultimate parent company, Vesuvius plc, are monitored and co-ordinated by a central treasury department on behalf of the whole Vesuvius group. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group companies.

Approved by the Board on 17 June 2016 and signed on its behalf by



KF Slow  
Director

## **Foseco (Jersey) Limited**

### **Directors Report for the Year Ended 31 December 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015

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

The Directors who held office during the year were as follows

HJ Knowles

KF Siow

#### **Dividends**

The Directors do not recommend payment of a final dividend (2014 £nil)

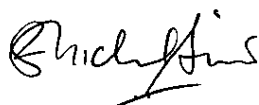
#### **Disclosure of information to the auditors**

The Directors have 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.

#### **Reappointment of auditors**

In accordance with the Companies (Jersey) Law 1991, KPMG LLP, chartered accountants and registered auditor, will continue in office.

Approved by the Board on 17 June 2016 and signed on its behalf by



KF Siow  
Director

## **Foseco (Jersey) Limited**

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

The Directors are responsible for preparing the Strategic Report, Directors 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 (Jersey) Law 1991. 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.

## **Foseco (Jersey) Limited**

### **Independent Auditor's Report**

We have audited the financial statements of Foseco (Jersey) Limited for the year ended 31 December 2015, set out on pages 7 to 14. 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'.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Foseco (Jersey) Limited**  
**Independent Auditor's Report**

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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 (Jersey) Law 1991

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

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 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



Jeremy Hall (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square  
London  
E14 5GL

17 June 2016

## **Foseco (Jersey) Limited**

### **Profit and Loss Account for the Year Ended 31 December 2015**

	<b>Note</b>	<b>2015 £ 000</b>	<b>2014 £ 000</b>
Administrative expenses		<u>(8)</u>	<u>(15)</u>
Operating loss		<u>(8)</u>	<u>(15)</u>
Loss before tax		(8)	(15)
Tax on loss on ordinary activities	2	<u>(179)</u>	<u>158</u>
(Loss)/profit for the year		<u><u>(187)</u></u>	<u><u>143</u></u>

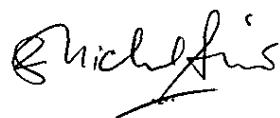
The above results were derived from continuing operations



**Foseco (Jersey) Limited**  
**(Registration number: BR008171)**  
**Balance Sheet as at 31 December 2015**

	Note	31 December 2015 £ 000	31 December 2014 £ 000
<b>Non current assets</b>			
Investments	3	30,439	30,439
Debtors	4	54,916	54,923
		<u>85,355</u>	<u>85,362</u>
<b>Current assets</b>			
Debtors	4	-	158
Cash at bank and in hand		1	1
		1	159
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	5	(22)	-
Net current (liabilities)/assets		(21)	159
Total assets less current liabilities		85,334	85,521
<b>Creditors: Amounts falling due after more than one year</b>			
Creditors	5	(67,152)	(67,152)
Net assets		<u>18,182</u>	<u>18,369</u>
<b>Capital and reserves</b>			
Called up share capital	6	10	10
Share premium reserve		16,250	16,250
Capital redemption reserve		746	746
Profit and loss account		1,176	1,363
Shareholders' funds		<u>18,182</u>	<u>18,369</u>

Approved by the Board on 17 June 2016 and signed on its behalf by



KF Siow  
Director

# Foseco (Jersey) Limited

## Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	10	16,250	746	1,363	18,369
Loss for the year	-	-	-	(187)	(187)
Total comprehensive income	-	-	-	(187)	(187)
At 31 December 2015	10	16,250	746	1,176	18,182
	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2014	10	16,250	746	1,220	18,226
Profit for the year	-	-	-	143	143
Total comprehensive income	-	-	-	143	143
At 31 December 2014	10	16,250	746	1,363	18,369

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

## **Foseco (Jersey) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **1 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.

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and in accordance with the Companies (Jersey) Law 1991.

The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately 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 in order to comply with Companies (Jersey) Law 1991 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 had no effect on the reported financial position, financial performance and cash flows of the Company.

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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

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

Exemption from preparing group accounts

The Company is exempt 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.

##### **Fixed asset investments**

Investment in subsidiary undertakings ('subsidiaries') are stated at cost, less any impairment value.

## Foseco (Jersey) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Company.

#### Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet. Foreign exchange gains and losses arising on the retranslation of monetary assets and liabilities are reported in the P&L under other interest receivable and similar income and interest payable and similar charges respectively.

#### Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. 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.

## 2 Income tax

Tax charged/(credited) in the income statement

	2015 £ 000	2014 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>179</u>	<u>(158)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 lower than the standard rate of corporation tax in the UK) of 20.25% (2014 21.5%).

The differences are reconciled below

	2015 £ 000	2014 £ 000
Loss before tax	<u>(8)</u>	<u>(15)</u>
Corporation tax at standard rate	(2)	(3)
Increase (decrease) in current tax from adjustment for prior periods	158	(158)
Tax increase from utilisation of tax losses	2	3
Increase from effect of foreign tax rates	<u>21</u>	<u>-</u>
Total tax charge/(credit)	<u>179</u>	<u>(158)</u>

#### Factors that may affect future tax charges

Further UK and corporate tax rate reductions to 19% from 1 April 2017 and 18% from 1 April 2020, were substantively enacted on 26 October 2015.

## **Foseco (Jersey) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **3 Investments**

##### **Subsidiaries**

**£ 000**

##### **Cost and net book value**

At 31 December 2015

30,439

At 31 December 2014

30,439

## **Foseco (Jersey) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

Details of the subsidiaries as at 31 December 2015 are as follows

<b>Name of subsidiary</b>	<b>Country of incorporation</b>
ECIL MET TEC LTDA *	Brazil
Foseco Holding International Limited	England & Wales
Foseco Holding Limited	England & Wales
Foseco Holding (South Africa) (Pty) Limited	South Africa
Foseco India Limited*	India
Foseco Industrial e Comercial Ltda	Brazil
Foseco International Holding (Thailand) Limited*	Thailand
Foseco Foundry (China) Limited	China
Foseco (FS) Limited	England & Wales
Foseco (GB) Limited	England & Wales
Foseco Japan Limited	Japan
Foseco Korea Limited	Korea
Foseco (MRL) Limited	England & Wales
Foseco Overseas Limited	England & Wales
Foseco Pension Fund Trustee Limited	England & Wales
Foseco Philippines Inc*	Philippines
Foseco Steel (Holdings) China Limited	England & Wales
Foseco Steel (UK) Limited	England & Wales
Foseco (RUL) Limited	England & Wales
Foseco Technology Limited	England & Wales
Foseco (Thailand) Limited*	Thailand
Foseco Transnational Limited	England & Wales
Foseco (UK) Limited	England & Wales
Minerals Separation Limited	England & Wales
PT Foseco Indonesia	Indonesia
PT Foseco Trading Indonesia	Indonesia

## Foseco (Jersey) Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

Sidermes Sensores Termicos do Brasil Ltda*	Brazil
Tamworth UK Limited	England & Wales
Unicorn Industries Limited	England & Wales
Vesuvius South Africa (Pty) Limited	South Africa

those marked with \* are not wholly owned by Foseco (Jersey) Limited

#### 4 Trade and other receivables

	31 December 2015 £ 000	31 December 2014 £ 000
Amounts owed by group undertaking non current	54,916	54,923
Other receivables	-	158
	<u>54,916</u>	<u>55,081</u>

#### 5 Trade and other payables

	31 December 2015 £ 000	31 December 2014 £ 000
Amounts owed to group undertakings non current	67,152	67,152
Other payables	22	-
	<u>67,174</u>	<u>67,152</u>

#### 6 Share capital

##### Allotted, called up and fully paid shares

	2015		2014
	No. 000	£ 000	No. 000      £ 000
Ordinary Shares of £0.01 each	<u>982</u>	<u>9.82</u>	<u>982      9.82</u>

#### 7 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

#### 8 Parent and ultimate parent undertaking

The company's immediate parent is Foseco 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