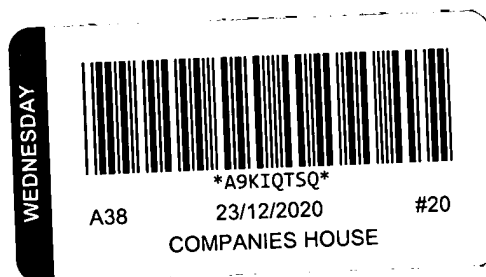


Company Registration No. 11434220 (England and Wales)

FUSION FINCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019



FUSION FINCO LIMITED

COMPANY INFORMATION

Directors Mr M Mahomed
Mr A Gilson

Company number 11434220

Registered office One Eleven Edmund Street
Birmingham
West Midlands
B3 2HJ

Auditor KPMG LLP
St Nicholas House
31 Park Row, Nottingham
NG1 6FQ

Bankers HSBC (UK) Plc
60 Queen Victoria Street
London
EC4N 4TR

Solicitors Gateley LLP
One Eleven Edmund Street
Birmingham
West Midlands
B3 2HJ

FUSION FINCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

On 10 July 2018, the company acquired 100% of the share capital of Fusion Midco Limited for £1.

The company made a loss for the year of £5,865,000 (period ended 31 December 2018: £2,812,000) due to interest payable.

At 31 December 2019, the company has net liabilities of £8,677,000.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company are the general economic background and ability to repay the existing financing arrangements. The company's operations expose it to interest rate risk and cash flow risk.

The company is dependent on the wide group in order to meet its obligations as they fall due. The company monitors cash flow as part of its day to day procedures. The Board considers cash flow projections constantly and ensures that the appropriate facilities are available to be drawn upon as necessary.

Key Performance Indicators

Given the simple nature of the Company the directors do not believe further analysis using key performance indicators is necessary for further understanding of financial performance.

Brexit and potential impacts

On 29 March 2019 the UK was due to leave the membership of the European Union. In advance of that date, and in preparedness for a transition agreement not being agreed, the trading business discussed the risks and concerns with its customers and suppliers to mitigate, as far as practically possible, any potential disruption arising from that situation. Such a deal would mean that the UK will become an export country for customs purposes.

Subsequently, the European Union leaders agreed to extend the Brexit deadline until 31 October 2019 and subsequently 31 December 2020. The trading business will continue to liaise with its customers and suppliers to minimise disruption leading up to and beyond the leave date taking account of the Brexit terms. Although it is unknown what those terms will be, it is possible that there will be greater restrictions on imports and exports between the U.K. and E.U. countries and increased regulatory complexities which may impact short term working capital management and trading.

COVID-19

The advent of COVID-19 has introduced some risk and uncertainty which may impact on the future trading performance and liquidity of the group. As the situation with the COVID-19 pandemic continues to evolve the company has put in place various measures to protect the business and employees. Strong health and safety measures have been put in place, reduced density in the offices, hygiene stations, increased cleaning routines and physical distance to name but a few measures in place. Where appropriate the company has also protected those that are needing to "shield" for health reasons. Occupational Health and HR team have worked to support those who have had to self-isolate. Whilst this pandemic is still ongoing the directors are ensuring that strong measures are in place to protect the business, employees and ensuring continued supply to our valued customers.

FUSION FINCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement by the directors in performance of their statutory duties in accordance with Section 172(1) statement Companies Act 2006

Throughout 2019, the directors have complied with the requirements of Section 172 of the Companies Act 2006, in promoting the long-term success of the Group for the benefit of all stakeholders. The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors statement required under section 414GZA of the Companies Act 2006.

The directors intention is to behave responsibly towards our stakeholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan. When making strategic decisions the directors have taken into account the likely consequences of these decisions in the long term.

Engaging with stakeholders

The governance framework of the Group delegates authority for local decision making to directors up to defined levels of cost and impact. Reports are regularly made to the Group Board by the business units about the strategy, performance and key decisions taken which provides the Group Board with assurance that proper consideration is given to stakeholder interests in decision making.

The directors place significant importance on the strength of its relationships with all its stakeholders to promote the sustainable success of the Group. In order to fulfil their duties, the directors, and the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Such considerations ensure the business is making decisions with a longer term view in mind and with the sustainable success of the business is at its core.

Where possible, decisions are carefully discussed with affected groups and are therefore, fully understood and supported when taken. Details of the Group's key stakeholders and how we engage with them are set out below.

Shareholder

We rely on the support of our shareholder, Equistone, and its opinions are important to us. We have an open dialogue with our shareholder through regular one-to-one meetings and reporting to the Group Board during monthly Board meetings.

Discussions cover a wide range of topics including financial performance, strategy, outlook, governance, ethical practices, environmental practices, governance and health and safety.

Employees

Our people are key to the Group's success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including monthly briefing meetings, listening groups, face-to-face briefings, employee safety meetings, newsletters, tool box talks and through our occupational health support. Key areas of focus include business updates, new products and services, health and wellbeing, training programmes, development opportunities, pay and benefits. Feedback from employees are made to the Board via the People Team ensuring consideration is given to employee needs and via Health and Safety meetings.

Customers

We build relationships with our customers and spend considerable time analysing customer trends and reviewing customer feedback, including from customer review meetings, to understand their needs and views and listen to how we can improve our offer and service. The senior management team meets on a monthly basis to discuss the customer concerns in Management Reviews on quality. For certain customers the business reviews the customer dashboards to identify where improvements can be made.

Suppliers

We have built strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through formal reviews. Key areas of focus include quality, product development, health and safety and productivity. The Group agrees payment terms with suppliers when it enters into contracts for the purchase of goods or services and seeks to abide by those terms when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

FUSION FINCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Communities and the environment

We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. In consultation with our employees we select one main charity partner to work with across the business but also work with local charities and organisations at a site level to raise awareness and funds. The impact of decisions on the environment both locally and nationally is considered with such considerations as the use of energy in the process and how this might be minimised. We, for example, have taken action to take 100% of our electrical energy from renewable sources.

Government and regulators

We engage with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and product safety. The Board is updated on legal and regulatory developments as appropriate and takes these into account when considering future actions.

Decision making in practice

One of the major decisions made by the Group's shareholder this year was to demerge the Automotive and Engineered Products business. The Holdings Board supported this decision and as part of preparing to operate as a standalone entity it considered the interests of and the impact on current and future stakeholders in its decision making in relation to the demerger.

On behalf of the board



Mr M Mahomed
Director

Date: 22.12.2020

FUSION FINCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company is that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Mahomed

Mr D-R Mintim

Mr A Gilson

(Resigned 18 December 2019)

(Appointed 19 December 2019)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid (2018: £Nil)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

Information on future developments, principal risks and uncertainties and financial risk management objectives and policies as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report.

On behalf of the board



Mr M Mahomed

Director

Date: 22.12.2020

FUSION FINCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION FINCO LIMITED

Opinion

We have audited the financial statements of Fusion Finco Limited ("the company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report:

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FUSION FINCO LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with JSAs (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Louise De Lucchi (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

22 December 2020
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FUSION FINCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

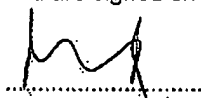
	Notes	Year to 31 December 2019 £000	*Period to 31 December 2018 £000
Interest payable and similar expenses	4	(5,865)	(2,812)
Loss before taxation		(5,865)	(2,812)
Tax on loss	5	-	-
Loss for the financial year/period		(5,865)	(2,812)

*Period from 26 June 2018 to 31 December 2018

FUSION FINCO LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		£000	£000	£000	£000
Fixed assets					
Investments	6		-		-
Current assets					
Debtors falling due after more than one year	8	59,338		59,288	
Creditors: amounts falling due within one year	9	(687)		(637)	
Net current assets			58,651		58,651
Creditors: amounts falling due after more than one year	10		(67,328)		(61,463)
Net liabilities			(8,677)		(2,812)
Capital and reserves					
Called up share capital	12		-		-
Profit and loss reserves	13		(8,677)		(2,812)
Total equity			(8,677)		(2,812)

The financial statements were approved by the board of directors and authorised for issue on 22nd December 2020 and are signed on its behalf by:



 Mr. M. Mahomed
 Director

FUSION FINCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
Balance at 26 June 2018	-	-	-
Period ended 31 December 2018:			
Loss and total comprehensive expense for the period	-	(2,812)	(2,812)
Balance at 31 December 2018	-	(2,812)	(2,812)
Year ended 31 December 2019:			
Loss and total comprehensive expense for the year	-	(5,865)	(5,865)
Balance at 31 December 2019	-	(8,677)	(8,677)

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Fusion Finco Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is One Eleven Edmund Street, Birmingham, West Midlands, B3 2HJ.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The comparative period was for the period from incorporation, 26 June 2018 to 31 December 2018. The current period is for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Fusion Topco Limited. These consolidated financial statements are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £8.7m. The directors have prepared cash flow forecasts for the Group for a 12 month period from the date of signed of the Group consolidated financial statements, including a calculation of the interest to be incurred on the loan notes within this entity, and such forecasts indicate that sufficient funds should be available to enable the company to continue in operational existence for the forecast period by meeting its liabilities as they fall due for payments, whilst taking account of reasonably possible downsides.

Those forecasts are dependent on the company's immediate parent company, Fusion Topco Limited, not seeking repayment of the amounts currently due, which at 31 December 2019 amounted to £687,000.

Fusion Topco Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts.

The company itself has loan notes held by the shareholders of the Group. The loan notes are repayable in June 2028 or on an earlier sale of the business. It is common for private equity investors to advance capital to businesses with repayment usually delayed until the sale of the business. The interest on these loan notes rolls up into the amount owing.

As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements they have no reason to believe that it will not do so.

Taking all of the above into account the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore they have been prepared on the going concern basis.

Fixed asset investments

Investments in subsidiaries are recognised at the initial costs including transaction costs and are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

Classification of financial liabilities

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments;

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Amounts owed by group undertakings

At each reporting date, amounts owed by group undertakings are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. All impairment losses are recognised immediately in the Statement of Comprehensive Income.

The recoverable amount is estimated using a discounted cash flow model which involves estimation of future cash flows and the discount rate that is appropriate to be applied in these circumstances.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	Year to 31 December 2019 Number	Period to 31 December 2018 Number
Directors	2	2

The directors do not receive any remuneration for their services to the company, they are paid Nylacast Limited. Their services to the company are deemed immaterial.

4 Interest payable and similar expenses

	Year to 31 December 2019 £000	Period to 31 December 2018 £000
Interest on loan notes	5,865	2,812

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Taxation

The total tax charge for the year included in the Statement of Comprehensive Income can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	Year to 31 December 2019 £000	Period to 31 December 2018 £000
Loss before taxation	(5,865)	(2,812)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(1,114)	(534)
Tax effect of expenses that are not deductible in determining taxable profit	-	534
Deferred tax not recognised	997	-
Deferred tax adjustments to average rate	117	-
Taxation charge for the year	-	-

A reduction of the main rate of corporation tax from 19% to 17%, with effect from 1 April 2020, was substantively enacted on 15 September 2017. The company has therefore measured its UK deferred tax liabilities at the end of the reporting period at 17%. A pledge to increase the rate of corporation tax to 19% was made in December 2019 and was subsequently enacted after the year end.

6 Fixed asset investments

	2019 £000	2018 £000
Investments in subsidiaries	7	-
Movements in fixed asset investments		Shares in group undertakings £000
Cost or valuation		
At 1 January 2019 & 31 December 2019		-
Additions		-
Carrying amount		
At 31 December 2019		-
At 31 December 2018		-

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Fusion Midco Limited	1	Holding company	Ordinary	100.00	-
Fusion Bidco Limited	1	Holding company	Ordinary	-	100.00
Nylacast Holdings Limited	1	Holding company	Ordinary	-	100.00
Nylacast Limited	1	Manufacturing	Ordinary	-	100.00
Nylacast Trustees Limited	1	Non-trading	Ordinary	-	100.00
Nylacast Overseas Holdings Limited	1	Holding company	Ordinary	-	100.00
Nylacast Nylontechnics Limited	1	Dormant	Ordinary	-	100.00
Nylacast Oilon Limited	1	Dormant	Ordinary	-	100.00
Nylacast Technology Limited	1	Dormant	Ordinary	-	100.00
Nylacast Components Limited	1	Dormant	Ordinary	-	100.00
Nylacast USA Inc	2	Holding company	Ordinary	-	100.00
Nylacast LLC	2	Distributor	Ordinary	-	100.00
Nylacast (Shanghai) Trading Co. Ltd.	4	Dormant	Ordinary	-	100.00
Nylacast Engineering Plastics (Changshu) Co. Ltd	5	Manufacturing	Ordinary	-	100.00
Nylacast SA (Proprietary) Limited	3	Manufacturing	Ordinary	-	84.00

1. One Eleven, Edmund Street, Birmingham, B3 2HJ

2. 1349 Cumberland Street, Suite 10, Lebanon, PA 17042.

3. P O Box 30445, Jet Park, Johannesburg

4. Unit 12-08M Platinum Tower, 233 Taicang Road, Huangpu District, 200120 Shanghai

5. 10 Workshop, Maqiao Industrial Park, Maqiao Road, Changshu Economic and Technological Development Zone, Jiangsu

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8	Debtors	2019	2018
		£000	£000
	Amounts falling due after more than one year:		
	Amounts owed by group undertakings	59,338	59,288

Amounts owed by group undertakings relate to amounts owed by Fusion Midco Limited, a subsidiary of the company. The company does not intend to recall this debt within the foreseeable future and therefore classified this balance as amounts falling due after more than 1 year.

9	Creditors: amounts falling due within one year	2019	2018
		£000	£000
	Amounts owed to group undertakings	687	637

10	Creditors: amounts falling due after more than one year	2019	2018	
		£000	£000	
				Notes
	Unsecured vendor loan notes	58,651	58,651	11
	Accruals and deferred income	8,677	2,812	
		<u>67,328</u>	<u>61,463</u>	

11	Interest bearing loans and borrowings	2019	2018
		£000	£000
	Unsecured vendor loan notes	58,651	58,651

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2019 £000	2018 £000
Unsecured vendor loan notes	GBP	10%	2028	On maturity	58,651	58,651

The unsecured vendor loan notes are listed on The International Stock Exchange.

Included in accruals and deferred income at 31 December 2019 is accrued interest of £8,677,000 (2018: £2,812,000) in relation to the unsecured vendor loan notes.

FUSION FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Share capital

	2019	2018
	£000	£000
1 Ordinary share of £1 each	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

13 Reserves

Profit and loss reserves

The profit and loss reserve represents cumulative profit and losses for the company net of distributions to owners.

14 Ultimate controlling party

The company's parent undertaking is Fusion Topco Limited. Copies of the consolidated financial statements of Fusion Topco Limited are available from Companies House. The ultimate controlling party of the Group is Equistone Partners Europe Fund VI "B" SCSP.

15 Related party transactions

Included within creditors are loan notes amounting to £9,097,000 (2018: £9,097,000) and accrued interest of £1,346,000 (2018: £436,000) held by directors and key management personnel.

Included within creditors are loan notes amounting to £49,555,000 (2018: £49,555,000) and accrued interest of £7,331,000 (2018: £2,376,000) held by entities with control over the group.

16 Auditors remuneration

The auditors do not receive any remuneration for their services to the company. Their fees are paid by Nylacast Limited.

17 Events after the reporting date

Following preparation of these accounts, on 11 March 2020 the World Health Organization declared the global coronavirus outbreak to be a pandemic and the United Kingdom implemented lockdown measures on 23 March 2020 which is considered a non-adjusting event. Reduced customer demand and interruptions to normal working practices are expected in the short to medium term, however based on the most recent business forecast, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing the financial statements.

The directors have also assessed that the COVID-19 pandemic does not have a significant impact on areas of estimation and judgement in these accounts.