

Report and Accounts

Higgs & Hill Overseas Limited

31 December 2001



Higgs & Hill Overseas Limited

Registered No. 785092

DIRECTORS

D Langbroek
N Dirkswager
J Brouwer
D J Wilson
J O Baron

SECRETARY

D J Wilson

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London SE1 7EU

REGISTERED OFFICE

Merit House
Edgware Road
Colindale
London NW9 5AF

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2001.

RESULTS AND DIVIDENDS

The profit for the year is set out in the profit and loss account on page 5.
The directors do not recommend the payment of a dividend (2000 £nil).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is engaged in building construction operations worldwide with branches and subsidiaries throughout the Caribbean, Middle East and Eastern Europe.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 2001 were as follows:

D Langbroek
N Dirkswager
J Brouwer
D J Wilson
J O Baron

The directors at the year end held no interest in the share capital of any group undertaking.

AUDITORS

Ernst and Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the board



11 SEP 2002

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGGS AND HILL
OVERSEAS LIMITED**

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Company Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

11 SEP 2002

Ernst & Young LLP
Registered Auditor
London

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2001

	Notes	2001 £	2000 £
Turnover	2	-	704,577
Cost of sales		<u>86,240</u>	<u>(628,798)</u>
Gross profit		86,240	75,779
Administration expenses		<u>(74,795)</u>	<u>(91,034)</u>
Operating Profit/(Loss)		11,445	(15,255)
Exceptional item	7	-	113,162
Interest receivable	6	1,855	5,539
Dividends from subsidiaries		<u>2,914,497</u>	<u>-</u>
Profit on ordinary activities before taxation	3	2,927,797	103,446
Tax on profit on ordinary activities	8	<u>(13,923)</u>	<u>-</u>
Retained profit for the year		<u>2,913,874</u>	<u>103,446</u>

Statement of Total Recognised Gains and Losses

Profit for the financial year	2,913,874	103,446
Foreign currency translation	(134,550)	(72,847)
Total recognised gains and losses for the year	<u>2,779,324</u>	<u>30,599</u>

Higgs & Hill Overseas Limited

BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
Fixed Assets			
Investments	9	<u>102,053</u>	<u>252,006</u>
Current Assets			
Debtors	10	83,763	347,570
Cash at bank and in hand		<u>39,646</u>	<u>131,043</u>
		123,409	478,613
Creditors: amounts falling due within one year	11	<u>(627,150)</u>	<u>(3,911,631)</u>
Net Current Liabilities		<u>(503,741)</u>	<u>(3,433,018)</u>
Net Liabilities		<u>(401,688)</u>	<u>(3,181,012)</u>
Capital and Reserves			
Share capital	12	1,000	1,000
Profit and loss account	13	<u>(402,688)</u>	<u>(3,182,012)</u>
Equity shareholder's funds	13	<u>(401,688)</u>	<u>(3,181,012)</u>

Director

11 SEP 2002

NOTES TO THE ACCOUNTS
at 31 December 2001

1 ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The accounts indicate that the company has a deficiency of net assets and is dependent upon financial support for the continuation of its operations. The parent undertaking has confirmed its intention to provide financial support to enable the company to continue its operations for the foreseeable future and accordingly the accounts have been drawn up on the going concern basis.

Group accounts

Group accounts are not produced as the company is a wholly owned subsidiary of Hollandsche Beton Groep n.v., a company incorporated in The Netherlands, which prepares and files group accounts which incorporate the activities of Higgs & Hill Overseas Limited and its subsidiaries.

Investments

Fixed asset investments are stated at historic cost.

Long-term contracts

Contract work in progress is valued at total costs incurred, plus attributable profits less foreseeable losses and applicable payments on account. Profit on long term contracts is taken as the work is carried out once the final outcome of the project can be assessed with reasonable certainty. Provision is made for losses on contracts in the year in which they are foreseen. No credit is taken in respect of contract claims until legal entitlement has been established and agreed. Total cost includes direct cost and allocated overhead. The resultant balance is included either under debtors as 'amounts recoverable on contracts' or under creditors as 'payments on account'.

Related parties

Advantage has been taken of the exemption in FRS 8, not to disclose details of transactions between wholly owned group undertakings.

Foreign Currency Translation

Assets and liabilities of overseas branches are translated into sterling at rates of exchange ruling at the balance sheet date. Trading income and expenditure are converted at average rates prevailing during the accounting period. Any differences on exchange arising are dealt with through reserves.

2 TURNOVER

The company's turnover and loss before taxation arises solely from its construction activities, and relate to continuing activities. Turnover, which is stated net of VAT, represents the value of work done in the year including estimates of amounts not invoiced and adjustments relating to prior years which have been agreed during the year.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by another group undertaking and disclosed within that company's published accounts.

NOTES TO THE ACCOUNTS
at 31 December 2001

4 DIRECTORS' EMOLUMENTS

Total emoluments (including pension contributions) paid to the directors of Higgs & Hill Overseas Limited for their services as directors of the company were £nil (2000 £nil).

5 STAFF COSTS

a The aggregate payroll costs were as follows:

	2001 £	2000 £
Wages and salaries	15,783	39,756
Social security costs	<u>2,668</u>	<u>2,845</u>
	<u>18,451</u>	<u>42,601</u>

b The average number of persons employed by the company during the year, including directors, was as follows:

Office and management	2	3
	<u>2</u>	<u>3</u>

6 INTEREST RECEIVABLE

	2001 £	2000 £
Bank	<u>1,855</u>	<u>5,539</u>

7 EXCEPTIONAL ITEM

	2001 £	2000 £
Release of provision in respect of a fundamental reorganisation of the group	<u>-</u>	<u>113,162</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Prior Year Group Relief	<u>13,923</u>	<u>-</u>

**NOTES TO THE ACCOUNTS
at 31 December 2001**

9 INVESTMENTS

Subsidiary/Associate Undertakings

	2001 Sub £	2001 Assoc £	2001 Total £	2000 Total £
Net assets:				
At 1 January	252,006	-	252,006	272,544
Exchange differences	147	-	147	62
Liquidated companies	(150,100)	-	(150,100)	(20,600)
At 31 December	102,053	-	102,053	252,006

The following are wholly owned subsidiary undertakings of the company:

Incorporated in England and Wales

Wick Investments Limited
Higgs & Hill Prague Limited
Higgs & Hill Caribbean Limited

Nature of business

Liquidated during 2001
Liquidated during 2001
Liquidated during 2001

Incorporated in Bermuda

Higgs & Hill International Limited

Building and construction

Incorporated in Jamaica

Higgs & Hill Jamaica Limited

Dormant

Incorporated in St Kitts

Higgs & Hill St Kitts Limited

Dormant

Incorporated in Czech Republic

Higgs & Hill Czech Spol sro
(formerly Higgs & Hill Czechoslovakia Spol sro)

Building and construction

NOTES TO THE ACCOUNTS
at 31 December 2001

10 DEBTORS

	2001 £	2000 £
Prepayments and accrued income	82,069	345,837
Taxation - Corporate	189	-
Other debtors	1,505	1,733
	<u>83,763</u>	<u>347,570</u>

11 CREDITORS: amounts falling due within one year

	2001 £	2000 £
Trade creditors	149,263	139,276
Amounts due to group companies	367,809	3,596,503
Taxation - Corporate (Group Relief)	13,923	-
Taxation and Social Security	24,426	28,134
Accruals	71,729	147,718
	<u>627,150</u>	<u>3,911,631</u>

12 SHARE CAPITAL

	2001 £	2000 £
Authorised, allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>