

# **Report and Accounts**

*Higgs & Hill Overseas Limited*

**31 December 2000**



# Higgs & Hill Overseas Limited

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Registered No. 785092

## **DIRECTORS**

D Langbroek

N Dirkswager

C J Klap

Resignation 13.04.2000

J Brouwer

Appointment 13.04.2000

D J Wilson

Appointment 13.04.2000

J O Baron

Appointment 16.05.2000

## **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 2000.

## **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 (1999 £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 2000 were as follows:

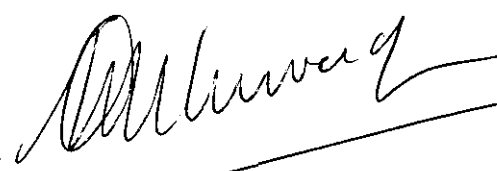
D Langbroek  
N Dirkswager  
C J Klap  
J Brouwer  
D J Wilson  
J O Baron

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

## **AUDITORS**

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst and Young as extending to Ernst and Young LLP with effect from 28 June 2001. 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

Director 

19 SEP 2001

**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.

**REPORT OF THE AUDITORS**

to the shareholders of Higgs & Hill Overseas Limited.

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable UK law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the UK by statute, the Auditing Practices Board and by our profession's ethical guidance.

**Basis of opinion**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP  
Registered Auditor  
London

19 September 2001

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2000**

	<i>Notes</i>	<b>2000</b> <b>£</b>	<b>1999</b> <b>£</b>
Turnover	2	<b>704,577</b>	2,562,545
Cost of sales		<b>(628,798)</b>	<b>(2,581,138)</b>
Gross profit/(loss)		<b>75,779</b>	(18,593)
Administration expenses		<b>(91,034)</b>	(152,776)
<b>Operating Loss</b>		<b>(15,255)</b>	(171,369)
Interest receivable	6	<b>5,539</b>	6,607
Exceptional item	7	<b>113,162</b>	100,000
<b>Profit/(loss) on ordinary activities before taxation</b>	3	<b>103,446</b>	(64,762)
Tax on profit/(loss) on ordinary activities	8	-	312,922
<b>Retained profit for the year</b>		<b>103,446</b>	248,160

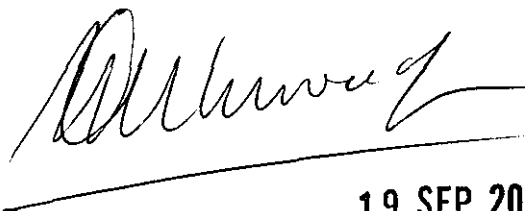
**Statement of Total Recognised Gains and Losses**

Profit for the financial year	<b>103,446</b>	248,160
Foreign currency translation	<b>(72,847)</b>	52,824
<b>Total recognised gains and losses for the year</b>	<b>30,599</b>	300,984

**BALANCE SHEET**  
**at 31 December 2000**

	Notes	2000 £	1999 £
<b>Fixed Assets</b>			
Investments	9	<u>252,006</u>	<u>272,544</u>
<b>Current Assets</b>			
Debtors	10	347,570	1,068,215
Cash at bank and in hand		<u>131,043</u>	<u>178,001</u>
		478,613	1,246,216
<b>Creditors: amounts falling due within one year</b>	11	<u>(3,911,631)</u>	<u>(4,730,371)</u>
<b>Net Current Liabilities</b>		<u>(3,433,018)</u>	<u>(3,484,155)</u>
<b>Net Liabilities</b>		<u>(3,181,012)</u>	<u>(3,211,611)</u>
<b>Capital and Reserves</b>			
Share capital	12	1,000	1,000
Profit and loss account	13	<u>(3,182,012)</u>	<u>(3,212,611)</u>
<b>Equity shareholder's funds</b>	13	<u>(3,181,012)</u>	<u>(3,211,611)</u>

Director



19 SEP 2001

**NOTES TO THE ACCOUNTS**  
**at 31 December 2000**

**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/(LOSS) 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 2000

**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 (1999 £nil).

**5 STAFF COSTS**

a The aggregate payroll costs were as follows:

	2000 £	1999 £
Wages and salaries	39,756	111,414
Social security costs	<u>2,845</u>	<u>9,679</u>
	<u>42,601</u>	<u>121,093</u>

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

Office and management	3	4
Production and sales	-	1
	<u>3</u>	<u>5</u>

**6 INTEREST RECEIVABLE**

	2000 £	1999 £
Bank	<u>5,539</u>	<u>6,607</u>

**7 EXCEPTIONAL ITEM**

	2000 £	1999 £
Release in respect of the fundamental reorganisation of the group.	<u>113,162</u>	<u>100,000</u>

**8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	2000 £	1999 £
Prior Year Group Relief	-	305,233
Overseas Taxation	<u>-</u>	<u>7,689</u>
	<u>-</u>	<u>312,922</u>

**NOTES TO THE ACCOUNTS**  
**at 31 December 2000**

**9 INVESTMENTS**

***Subsidiary/Associate Undertakings***

	2000 Sub £	2000 Assoc £	2000 Total £	1999 Total £
Net assets:				
At 1 January	251,944	20,600	272,544	273,972
Exchange differences	62	-	62	(322)
Disposal	-	(20,600)	(20,600)	(1,106)
At 31 December	252,006	-	252,006	272,544

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***

Dormant  
Dormant  
Dormant

***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

The following are associated undertakings of the company:

***Thailand - 50% shareholding***

Higgs & Hill Stancon Company Limited -  
Disposed of during 2000

**NOTES TO THE ACCOUNTS**  
**at 31 December 2000**

**10 DEBTORS**

	2000 £	1999 £
Trade debtors	345,837	719,021
Prepayments and accrued income	-	40,515
Taxation	-	305,233
Other debtors	1,733	3,446
	<u>347,570</u>	<u>1,068,215</u>

**11 CREDITORS: amounts falling due within one year**

	2000 £	1999 £
Trade creditors	139,276	628,696
Amounts due to group companies	3,596,503	3,751,527
Taxation and Social Security	28,134	29,790
Accruals	147,718	320,358
	<u>3,911,631</u>	<u>4,730,371</u>

**12 SHARE CAPITAL**

	2000 £	1999 £
Authorised, allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**NOTES TO THE ACCOUNTS**  
at 31 December 2000

**13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES**

	Share capital 2000 £	Profit and loss account 2000 £	Total share- holders' funds 2000 £	Total share- holders' funds 1999 £
At 1 January	1,000	(3,212,611)	(3,211,611)	(3,512,595)
Profit for the financial year	-	103,446	103,446	248,160
Foreign currency translation	-	(72,847)	(72,847)	52,824
At 31 December	<u>1,000</u>	<u>(3,182,012)</u>	<u>(3,181,012)</u>	<u>(3,211,611)</u>

**14 CONTINGENT LIABILITIES**

There are contingent liabilities in respect of performance bonds and supplier guarantees given in the normal course of business.

**15 CASH FLOW STATEMENT**

As the company is a wholly owned subsidiary of Hollandsche Beton Groep n.v., a company registered in the EC, which prepares consolidated financial statements, the company has taken advantage of the exemption provided under FRS 1 (Revised) not to prepare a Cash Flow Statement.

**16 ULTIMATE PARENT UNDERTAKING**

The company's immediate parent undertaking is Hollandsche Beton Groep ( UK ) Limited. The ultimate parent undertaking is Hollandsche Beton Groep n.v., a company incorporated in The Netherlands. The group accounts of the ultimate parent undertaking (the largest and smallest group of which the company is a member and for which group accounts are prepared) are available from this company's registered office.