

# 2009

## Financial Report



Summary

Turning Vision into Value.



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## Directors and Professional advisors

### Executive directors

J Jackson

T P Lloyd

S Hebgen

U Reinke

H Funke-Oberhag

### Secretary and registered office

T P Lloyd

Epsilon

Windmill Hill Business Park

Swindon

Wiltshire SN5 6NX

### Registered auditors

Deloitte LLP

Reading

### Registered Number

02489026



## Directors' report for the year ended 31 December 2009

The directors present their annual report and the audited financial statements for the year ended 31 December 2009.

### Principal activities

The principal activity of the group continues to be building and civil engineering construction both on the company's own account and in joint arrangements.

### Review of business

The Board is pleased to report a profit before tax of £0.5m for the current year (2008: £0.7m), being 1.1% of Turnover (2008: 1.4%).

The business is managed by monitoring a range of financial and non-financial KPI's, principally turnover, operating expenses, profit, cash balances and reportable accidents. The turnover has decreased from £46.3m to £43.5m, down 6% as anticipated, due to a small reduction in contract income from new and existing contracts as a result of the economic downturn. During the year the operating expenses have increased by £0.5m compared with 2008 as the company has consciously extended its tendering activities to secure a forward order book for the years ahead. A gross profit of 10.1% has been achieved in 2009, a significant improvement to the 7.8% in 2008, which reflects the improved efficiency on projects. This has generated a pre-tax profit of £0.5m, which is in line with the company forecast expectations for the year. The Group cash balance at year end has improved, up 10% to £14.4m, an increase of £1.3m from the 2008 balance of £13.1m. The Company Accident Frequency Rate has improved again this year to 0.16 compared to 0.25 in 2008 using a base of 100,000 employed hours per year.

The company has increased its business opportunities in the South East of England, securing new work, on the back of its successes on the Olympic Development site. The Board has also continued to focus its attention to increase its market share on Civil projects which demand a high level of competence to bring innovative solutions to demanding and intricate structural work.

The company works with its HOCHTIEF European competence centres, and co-operates closely with the HOCHTIEF Marine, Tunnelling and Nuclear Divisions on a number of exciting tender opportunities throughout the UK for 2010 and beyond.

## **Directors' report for the year ended 31 December 2009 (continued)**

### Directors

The directors of the company during the year ended 31 December 2009, and to the date of signing were as detailed on page 2.

### Employment policies

The group's policies respect the individual regardless of sex, race or religion. Full and fair consideration is given to applications for employment from disabled people having regard to their particular aptitudes and abilities.

It is company policy to ensure the health and safety of employees and visitors. Employees are encouraged to participate in health and safety matters and the group continually seeks to improve safety standards.

### Environmental policy

The directors recognise and accept that concern for the environment is an essential part of business strategy and seek to minimise risk to the environment by effective management of the group's resources.

## Consolidated profit and loss account for the year ended 31 December 2009

	<b>2009</b> <b>£'000</b>
Turnover	43,452
Cost of sales	(39,049)
Gross profit	4,403
Other operating expenses	(3,967)
<b>Operating profit</b>	436
Interest receivable and similar income	175
Interest payable and similar charges	(130)
<b>Profit on ordinary activities before taxation</b>	481
Taxation	-
<b>Retained profit for the financial year</b>	481

All results derive from continuing operations in both the current and preceding financial years.

## Consolidated statement of total recognised gains and losses for the year ended 31 December 2009

	<b>2009 £'000</b>
Profit for the year	481
Actuarial profit/(loss) on pension scheme	(1,821)
<b>Total recognised gains for the financial year, being total gains recognised since last annual report</b>	<b>(1,340)</b>

## Balance sheets as at 31 December 2009

	<b>2009</b> <b>£'000</b>
<b>Fixed assets</b>	
Tangible assets	413
Investments	-
	413
<b>Current assets</b>	
Stocks	-
Debtors - due within one year	10,588
- due after one year	646
Cash at bank and in hand	14,465
	25,699
Creditors: amounts falling due within one year	(17,893)
<b>Net current assets</b>	7,806
<b>Total assets less current liabilities</b>	8,219
Creditors : amounts falling due after more than one year	(374)
<b>Net assets excluding pension deficit</b>	7,845
Pension deficit	(3,748)
<b>Net assets including pension deficit</b>	4,097
<b>Capital and reserves</b>	
Called up share capital	27,700
Profit and loss account	(23,603)
<b>Total shareholders' funds</b>	4,097

## Ultimate and immediate parent companies

HOCHTIEF Construction Aktiengesellschaft, a company incorporated and registered in Germany, has a 100% interest in the equity share capital of HOCHTIEF (UK) Construction Limited at 31 December 2009 and is the company's immediate parent undertaking. The ultimate parent company is HOCHTIEF Aktiengesellschaft, a company incorporated and listed in Germany. Copies of the immediate and ultimate parent's consolidated financial statements may be obtained from HOCHTIEF (UK) Construction Limited at its registered office.



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