

# HILL & SMITH (USA) LIMITED

Registered number 06876775

Annual Report and Financial Statements  
For the year ended 31 December 2022

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## Strategic report

The Directors present their Annual Report and Financial Statements of Hill & Smith (USA) Limited ('the Company') for the year ended 31 December 2022.

### Principal activity and Business Review

The Company is a non-trading, dormant entity. Its results for the year are set out in the profit and loss account on page 5.

The financial performance and position of the company are in line with the directors' expectations. The Group does not monitor risks and uncertainties or KPIs at the company level for intermediate holding companies. These are, instead, monitored at a Group level. These are included in the Consolidated Financial Statements of Hill & Smith PLC which are available to the public and may be obtained from the address detailed in note 11.

### Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 ("the Act")

The Company is part of the Hill & Smith PLC group and is therefore required to produce a Section 172 statement.

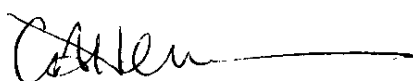
The Section 172 statement for Hill & Smith PLC, which this statement underpins, can be found on page 75 of its 2022 Annual Report.

The Board of the Company considers that it is suitably composed, with an appropriate range of pertinent skills and experience and the directors consider that they have acted, both individually and together, in good faith and in ways which would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to stakeholders and matters set out in s172 (1) (a-f) of the Act.

The Board's policies, systems and procedures mirror those of the ultimate parent company and its values are therefore in support of its ultimate parent company's strategic objectives. Further details on this can be found on page 6 of the 2022 Annual Report of Hill & Smith PLC.

During the course of the year and in support of the ultimate parent company and their strategic objectives, the Company paid dividends to its immediate parent totalling \$nil (2021: \$212,605,000).

By order of the Board



**C A Henderson**  
*Secretary*  
30 June 2023

Westhaven House  
Arleston Way  
Shirley  
Solihull  
West Midlands, United Kingdom  
B90 4LH

## Directors' Report

The Directors present their Report and Financial Statements for the year ended 31 December 2022.

### Dividends

Dividends of \$nil (2021: \$34,271,000) were received during the year. Dividends of \$nil (2021: \$212,604,000) were paid during the year. No further dividends are proposed.

### Directors

The Directors serving during the year and in the period up to the date of this Report were as follows:

P Simmons (resigned 18 July 2022)  
H K Nichols  
J P Whitehouse  
C A Henderson

### Political and charitable contributions

The Company made no political or charitable donations or incurred any political or charitable expenditure during the year.

### Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1.

*The Company is a non-trading company in the Group. The Company is a party to cross guarantees given for loans and borrowings of the wider Group and the Company may participate in the Group's centralised treasury arrangements. However, the Company has no balances in its balance sheet and does not expect to incur any liabilities in future, nor does the Company have any contingent liabilities. The Directors have considered the transactions that will occur in the 12 months following the approval of the financial statements and note no cash outflows are forecast during this period. Therefore, as the Company is effectively dormant going forwards it is highly unlikely that the Company will need any financial support from its ultimate parent company.*

Nonetheless, the Directors have assessed the ultimate parent company's ability to provide financial support, should it be needed, through obtaining the latest consolidated financial statements of the Group, discussing the financial position with Group management and assessing the level of funds available to the Group. Consequently, the directors are confident that the Company would have access to sufficient funds to allow it to meet any liabilities that may fall due within 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Directors' Report (continued)

### Employees

The Company had no employees in either the current or preceding year.

### Financial risk

The financial risk management objectives and policies are managed by the directors of Hill & Smith PLC on a Group basis. From the perspective of the Company, the financial risks are integrated within the financial risks of the Group and are not managed separately. Accordingly, the financial risks of the Group, which include those of the Company, are discussed within the financial risk management section of the Group's Annual Report which does not form part of this Annual Report. Details on how to obtain a copy of the Group's Annual Report are included in note 11.

### Auditor

The directors:

- (a) confirm that the company was entitled to exemption under section 479a of the Companies Act 2006 from the requirement to have its accounts for the financial year ended 31 December 2022 audited.
- (b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with section 476 of that Act.
- (c) acknowledge their responsibilities for:
  - (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
  - (ii) preparing accounts which give a true and fair view of the assets, liabilities, and financial position of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 393 and 394 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

By order of the Board



**C A Henderson**  
Secretary  
16 June 2023

Westhaven House  
Arleston Way  
Shirley  
Solihull  
West Midlands, United Kingdom  
B90 4LH

## **Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

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 101 *Reduced Disclosure Framework*.

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;
- 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 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.

**Profit and Loss Account**  
*for the year ended 31 December 2022*

|   | <i>Note</i> | <b>2022<br/>\$000</b> | 2021<br>\$000 |
|---|-------------|-----------------------|---------------|
| Administrative expenses                       |             | -                     | -             |
| <b>Operating result</b>                       |             | -                     | -             |
| Income from shares in subsidiary undertakings |             | -                     | 34,271        |
| <b>Profit before interest and taxation</b>    |             | -                     | 34,271        |
| Interest payable and similar charges          | 5           | -                     | (5,205)       |
| <b>Profit before taxation</b>                 | 3           | -                     | 29,066        |
| Taxation on profit                            | 6           | -                     | -             |
| <b>Profit for the financial year</b>          |             | -                     | 29,066        |

**Statement of Comprehensive Income**

*Items that may be reclassified subsequently to profit or loss:*

|  |   |        |
|--|---|--------|
| Taxation on other comprehensive income                     | - | -      |
| <b>Other comprehensive income for the year, net of tax</b> | - | -      |
| <b>Total comprehensive income for the year</b>             | - | 41,409 |

All operations are discontinued.

The notes on pages 8 to 13 form part of the Financial Statements.

**Balance Sheet**  
*as at 31 December 2022*

|  | Note | 2022<br>\$000 | \$000 | 2021<br>\$000 | \$000 |
|--|------|---------------|-------|---------------|-------|
| <b>Fixed assets</b>  |      |               |       |               |       |
| Investments  | 7    | -             | -     | -             | -     |
| <b>Current assets</b>  |      |               |       |               |       |
| Cash at bank and in hand                                       |      | -             | -     | -             | -     |
|  |      | -             | -     | -             | -     |
| <b>Creditors: Amounts falling due within one year</b>          |      | -             | -     | -             | -     |
| <b>Net current liabilities</b>                                 |      | -             | -     | -             | -     |
| <b>Total assets less current liabilities</b>                   |      | -             | -     | -             | -     |
| <b>Creditors: Amounts falling due after more than one year</b> |      | -             | -     | -             | -     |
| <b>Net assets</b>  |      | -             | -     | -             | -     |
| <b>Capital and reserves</b>                                    |      |               |       |               |       |
| Called up share capital  |      | -             | -     | -             | -     |
| Share premium account  |      | -             | -     | -             | -     |
| Profit and loss account  |      | -             | -     | -             | -     |
| <b>Total equity shareholder's funds</b>                        |      | -             | -     | -             | -     |

The notes on pages 8 to 13 form part of the Financial Statements.

For the period ended 31 December 2022 the Company was entitled to exemption under section 479a of the Companies Act 2006.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These Financial Statements were approved by the Board of Directors and signed on their behalf by:



**H K Nichols**  
Director

30 June 2023

Company No. 06876775



**Statement of Changes in Equity**  
*for the year ended 31 December 2021*

|   | Called up<br>share<br>capital<br>\$000 | Share<br>premium<br>account<br>\$000 | Profit and<br>loss<br>account<br>\$000 | Total<br>equity<br>shareholder's<br>funds<br>\$000 |
|---|--|--------------------------------------|--|--|
| At 1 January 2021   | 2,000                                  | 68,362                               | 33,562                                 | 103,924  |
| <b>Comprehensive income</b>                                   |  |                                      |  |  |
| Profit for the year   | -                                      | -                                    | 29,066                                 | 29,066   |
| Other comprehensive income for the year                       | -                                      | -                                    | -                                      | -  |
| Tax taken directly to the Statement of Changes in Equity      | -                                      | -                                    | -                                      | -  |
| <b>Transactions with owners recognised directly in equity</b> |  |                                      |  |  |
| Issue of shares (note 7)                                      | -                                      | 79,614                               | -                                      | 79,614   |
| Share capital reduction (note 7)                              | (2,000)                                | (147,976)                            | 149,976                                | -  |
| Dividends (note 7)  | -                                      | -                                    | (212,604)                              | (212,604)  |
|   | <hr/>                                  | <hr/>                                | <hr/>                                  | <hr/>  |
| <b>At 31 December 2021</b>                                    | -                                      | -                                    | -                                      | -  |
| <b>Comprehensive income</b>                                   |  |                                      |  |  |
| Profit for the year   | -                                      | -                                    | -                                      | -  |
| Other comprehensive income for the year                       | -                                      | -                                    | -                                      | -  |
|   | <hr/>                                  | <hr/>                                | <hr/>                                  | <hr/>  |
| <b>At 31 December 2022</b>                                    | -                                      | -                                    | -                                      | -  |
|   | <hr/>                                  | <hr/>                                | <hr/>                                  | <hr/>  |

Profit and loss account reserve represents accumulated retained earnings.

The share premium account represents the amount of proceeds received for shares in excess of their nominal value of \$1 per share.

## Notes to the financial statements

### 1 General Information

The Company is a private company limited by shares and incorporated and domiciled in England, United Kingdom. The registered office is Westhaven House, Arlestone Way, Shirley, Solihull, B90 4LH.

### 2 Accounting policies

The following accounting policies have been applied consistently in the current and prior year in dealing with items which are considered material in relation to the Company's Financial Statements.

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

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The presentational and functional currency of these financial statements is US dollars and all amounts are stated in thousands (\$000), except where otherwise indicated.

The Company's ultimate parent undertaking, Hill & Smith PLC includes the Company in its Consolidated Financial Statements. The Consolidated Financial Statements of Hill & Smith Holdings PLC are prepared in accordance with UK adopted international accounting standards and are available to the public and may be obtained from Group Headquarters (see note 11).

#### ***Significant accounting estimates or judgements***

In the application of the Company's accounting policies outlined below, the directors are required to make estimates, assumptions and judgements about the carrying value of assets and liabilities that are not readily apparent.

As a result of the Group internal restructuring exercise in the prior year (explained in note 7) the Company no longer has any balances in its balance sheet. As such, the Directors no longer consider there to be any key accounting estimates or judgements.

#### ***New IFRS standards and interpretations adopted during 2022***

The following amendments and interpretations apply for the first time in 2022, and therefore were adopted by the company:

- Amendments to IFRS 3 – Reference to Conceptual Frameworks
- Amendments to IAS 16 – Proceeds before intended use
- Amendments to IAS 37 – Onerous Contracts – costs of fulfilling a contract

The amendments noted above have not had a material impact on the financial statements.

#### ***Exemptions***

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;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- 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 the compensation of Key Management Personnel.

## Notes to the financial statements *(continued)*

### 2 Accounting policies *(continued)*

#### **Exemptions *(continued)***

As the Consolidated Financial Statements of Hill & Smith Holdings PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

#### **Measurement convention**

The Financial Statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale, investment property and liabilities for cash-settled share-based payments. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1.

The Company is a non-trading company in the Group. The Company is a party to cross guarantees given for loans and borrowings of the wider Group and the Company may participate in the Group's centralised treasury arrangements. However, following the dividend in specie during the year, the Company has no balances in its balance sheet and does not expect to incur any liabilities in future, nor does the Company have any contingent liabilities. The Directors have considered the transactions that will occur in the 12 months following the approval of the financial statements and note no cash outflows are forecast during this period. Therefore, as the Company is effectively dormant going forwards it is highly unlikely that the Company will need any financial support from its ultimate parent company.

Consequently, the directors are confident that the Company would have access to sufficient funds to allow it to meet any liabilities that may fall due within 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes to the financial statements *(continued)*

### 2 Accounting policies *(continued)*

#### **Consolidation**

In accordance with Section 400 of the Companies Act 2006, consolidated accounts have not been prepared as the Company is a wholly owned subsidiary of Hill & Smith PLC, a company incorporated in England, which has prepared Consolidated Financial Statements to include the results of the Company.

#### **Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less amounts written off for impairment. Investments are reviewed for impairment where events or circumstances indicate that their carrying value may not be recoverable.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Balance Sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

## Notes to the financial statements *(continued)*

### 2 Accounting policies *(continued)*

#### **Foreign currencies**

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

#### **Expenses**

##### ***Interest receivable and Interest payable***

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities, interest expense on lease liabilities, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Profit and Loss Account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the Profit and Loss Account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### **Dividends**

Dividends are recognised in the Financial Statements in the period in which they are approved by the Company's shareholders. Dividend income is recognised in the Profit and Loss account on the date the entity's right to receive payment is established.

### 3 Profit before taxation

The audit fees attributable to the Company for the years ended 31 December 2022 and 31 December 2021 are incidental to the Company and were borne by Hill & Smith PLC.

### 4 Directors and employees

The Company had no employees during either the current or prior year and, as such, the aggregate payroll costs in both periods were \$nil. The remuneration of the Directors is paid by another Hill & Smith Holdings PLC group company as their services to the Company are incidental to their services provided to other Hill & Smith Holdings PLC group companies.

## Notes to the financial statements *(continued)*

### 5 Interest payable and similar charges

|                                  | 2022<br>\$000 | 2021<br>\$000 |
|----------------------------------|---------------|---------------|
| On loans from group undertakings | -             | 5,205         |
|                                  | <u>-</u>      | <u>5,205</u>  |

### 6 Taxation on profit

#### *Analysis of charge in year*

|                           | 2022<br>\$000 | 2021<br>\$000 |
|---------------------------|---------------|---------------|
| <i>UK corporation tax</i> |               |               |
| Current tax for the year  | -             | -             |
|                           | <u>-</u>      | <u>-</u>      |
| Total tax charge          | <u>-</u>      | <u>-</u>      |

#### *Factors affecting tax charge for the year*

The effective current tax rate for the year is the same (2021: lower) as the standard rate of corporation tax in the UK. The differences are explained below:

|  | 2022<br>\$000 | 2021<br>\$000 |
|--|---------------|---------------|
| <i>Total tax reconciliation</i>  |               |               |
| Profit before taxation   | -             | 29,066        |
|  | <u>-</u>      | <u>29,066</u> |
| Profit multiplied by the effective rate of corporation tax in the UK of 19%<br>(2021: 19%) | -             | 5,523         |
| Non-deductible expenses  | -             | 989           |
| Non-taxable dividend income  | -             | (6,512)       |
|  | <u>-</u>      | <u>-</u>      |
| Total tax charge   | <u>-</u>      | <u>-</u>      |

The UK headline corporation tax rate for the year was 19.0% (2021: 19.0%). In the Spring Budget of 2021, the UK Government announced that from 1 April 2023 the rate of UK corporation tax will increase from 19% to 25%. This new law was substantively enacted on 24 May 2021. The company had no provided or unprovided deferred tax at either year-end and as such the impact of the future tax rate change on the Company is \$nil.

## Notes to the financial statements *(continued)*

### 7 Fixed asset investments

During the prior year, the Group undertook an internal corporate restructuring project impacting the Company. As a result, the following transactions occurred in the Company:

- The Company issued 100 \$1 ordinary shares and \$79,613,958 share premium to Hill & Smith Holdings LLC in consideration for the release of the outstanding loan principal of \$79,000,000 and accrued interest of \$614,058 owed to Hill & Smith Holdings LLC;
- The Company subsequently undertook a share capital reduction and applied the reduction to its distributable reserves;
- The Company declared a dividend in specie to Hill & Smith Group Holdings Inc of its entire shareholding in Creative Pultrusions Inc, Voigt & Schweitzer LLC, Hill & Smith Inc and Carpenter and Paterson Inc, resulting in the Company's investments in these entities being reduced to nil.

### 8 Contingent liabilities

The Company is a party to cross guarantees given for bank loans and overdrafts of the ultimate parent company and certain fellow subsidiaries amounting to \$138,117,333 (2021: \$197,106,000).

The Company has no other guarantees (2021: \$nil).

### 9 Dividends

|   | 2022<br>\$000 | 2021<br>\$000 |
|---|---------------|---------------|
| Aggregate amount of dividends paid in the financial year: \$nil (2020: \$212,605,000 per share) | -             | 212,605       |
|   | <hr/>         | <hr/>         |

### 10 Related party transactions

As an ultimately wholly owned subsidiary of Hill & Smith PLC, the Company has taken advantage of the exemption available under FRS 101 not to disclose transactions that have been made between the Company and other fellow subsidiaries of Hill & Smith PLC.

### 11 Ultimate parent company and controlling party

The Company's immediate parent entity is Hill & Smith (Americas) Limited, a company incorporated in the United Kingdom. The company's registered address is the same as the Company's ultimate parent and controlling party, stated below.

The Company's ultimate parent undertaking and controlling party is Hill & Smith PLC, a company registered in England. Copies of the Group Financial Statements may be obtained from Group headquarters:

Westhaven House  
Arleston Way  
Shirley  
Solihull  
B90 4LH

### 12 Post Balance Sheet events

There were no significant post Balance Sheet events.