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Registered number: FC024459

PICON OVERSEAS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

WEDNESDAY



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07/10/2020
COMPANIES HOUSE

PICON OVERSEAS LIMITED

COMPANY INFORMATION

Directors	N Benning-Prince E A Gretton Dr C M Wendt
Company secretary	E A Gretton
UK establishment registered number	FC024459
UK establishment office	Hanson House 14 Castle Hill Maidenhead SL6 4JJ
Registered office	22 Havilland Street St Peter Port Guernsey Channel Islands GY1 2QB
Independent auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX
Guernsey registered number	39047
UK branch number	BR007002

PICON OVERSEAS LIMITED

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PICON OVERSEAS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activity

The Company is a group investment holding company.

During the year the Company received a dividend of £5,656,000 (2018 - £413,000) from its subsidiary, Pioneer Concrete (Hong Kong) Limited, and received interest on amounts due from its ultimate parent.

Results and dividends

The profit for the year, after taxation, amounted to £5,389,000 (2018 - £564,000).

An interim dividend of £nil (2018 - £41,000,000) was paid during the year.

The Directors do not recommend the payment of a final dividend (2018 - £nil).

Future developments

The Directors anticipate the Company will continue as a group investment holding company for the foreseeable future.

The impact of COVID-19 on UK businesses is changing on a daily basis and the measures being adopted by the UK Government could have a significant adverse impact on trade in the foreseeable future. The business is monitoring and managing the impact of this on a frequent basis.

Going concern

The Company has limited activity and has limited cash flows outside of the HeidelbergCement AG ("HCAG") group. The recoverability of its assets is dependent on the financial position of the HCAG group. The Directors believe the carrying value of assets are expected to be fully realised. The Company participates in the HCAG group's centralised treasury arrangements and so shares banking arrangements with HCAG group undertakings.

The impact of COVID-19 on global economic development is currently unpredictable, however HCAG has adopted COPE ('Covid-19 Contingency Plan Execution'), which is focussed on cost savings and has significant liquidity headroom as a result of actions already taken during its refinancing strategy. The Directors, having assessed the responses of the management of HCAG to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the HCAG group to continue as a going concern.

On the basis of their assessment of the Company's financial position and relevant enquiries the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The Directors who served during the year were:

N Benning-Prince
E A Gretton
Dr C M Wendt

PICON OVERSEAS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Directors' indemnity

A fellow group undertaking has indemnified, by means of directors' and officers' liability insurance, one or more of the Directors of the Company against liability in respect of proceedings brought by third parties. Such third party indemnity provision was in force during the year and remains in force as at the date of approving the Directors' Report.

The articles of association also provide for the directors to be indemnified by the Company subject to the provisions of the Companies (Guernsey) Law, 2008.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

The developments surrounding COVID-19 represent a non-adjusting post balance sheet event and are not reflected in the fair value of the investments shown in the financial statements. If the pandemic continues for a long period of time, there may be changes in the investment value. These would be reflected in the financial statements for the year ended 31 December 2020.

Auditor

Ernst & Young LLP were appointed as auditors of the Company for the year ended 31 December 2019. Due to the introduction of EU Regulations regarding audit rotation, Ernst & Young LLP are not seeking re-appointment as auditors for the next reporting period.

This report was approved by the board on 11 August 2020 and signed on its behalf.

E A Gretton

E A Gretton
Secretary

PICON OVERSEAS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Guernsey law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. *Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.* Under Guernsey Company law the Directors must not approve the financial statements unless 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 judgments and accounting 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 to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. 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 AUDITOR'S REPORT TO THE MEMBERS OF PICON OVERSEAS LIMITED

Opinion

We have audited the financial statements of Picon Overseas Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies and Appendix I. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework'.

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework'; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 1.4 and Note 12 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which is impacting the entities ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PICON OVERSEAS LIMITED (CONTINUED)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PICON OVERSEAS LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.

Ernst & Young LLP

Ernst & Young LLP

Bristol, UK

Date: *12th August 2020*

PICON OVERSEAS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Administrative expenses		(4)	(4)
Exceptional items	5	(267)	22
Operating (loss)/profit		(271)	18
Income from shares in group undertakings		5,656	413
Interest receivable and similar income	6	4	133
Profit before tax		5,389	564
Tax on profit	7	-	-
Profit for the financial year		5,389	564
Total comprehensive income for the year		5,389	564

All amounts relate to continuing operations.

The notes on pages 10 to 18 and Appendix I form part of these financial statements.

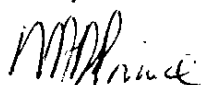
PICON OVERSEAS LIMITED
REGISTERED NUMBER:FC024459

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	8	1,825	2,092
Current assets			
Debtors: amounts falling due within one year	9	137,957	132,301
Net assets		<u>139,782</u>	<u>134,393</u>
Capital and reserves			
Called up share capital	10	7	7
Profit and loss account		139,775	134,386
Shareholder's funds		<u>139,782</u>	<u>134,393</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

11 August 2020



N Benning-Prince
Director

The notes on pages 10 to 18 and Appendix I form part of these financial statements.

PICON OVERSEAS LIMITED

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2018	7	174,822	174,829
Comprehensive income for the year			
Profit for the year	-	564	564
Dividends: Equity capital	-	(41,000)	(41,000)
At 1 January 2019	<u>7</u>	<u>134,386</u>	<u>134,393</u>
Comprehensive income for the year			
Profit for the year	-	5,389	5,389
At 31 December 2019	<u>7</u>	<u>139,775</u>	<u>139,782</u>

The notes on pages 10 to 18 and Appendix I form part of these financial statements.

PICON OVERSEAS LIMITED

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

1. Accounting policies

1.1 General information

Picon Overseas Limited ("the Company") is a limited company incorporated in Guernsey. The address of its registered office and principal place of business is disclosed in the Company Information.

The Company was incorporated in Guernsey, Channel Islands on 14 December 2001. It is tax resident in the UK and was registered as a UK Establishment on 1 April 2003.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' and the Companies (Guernsey) Law, 2008.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have, unless otherwise stated, been consistently applied to all periods presented.

The financial statements have been prepared to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the periods presented.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts as the Company's ultimate parent undertaking published consolidated financial statements. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of HeidelbergCement AG as at 31 December 2019 and these financial statements may be obtained from Berliner Strasse 6, D 69120 Heidelberg, Germany.

PICON OVERSEAS LIMITED

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

1. Accounting policies (continued)

1.4 Going concern

The accounts have been prepared on a going concern basis as the Company is in a position to meet its obligations as they fall due. The Company has limited activity and has limited cash flows outside of the HeidelbergCement AG ("HCAG") group. The recoverability of its assets is dependent on the financial position of the HCAG group. The Directors believe the carrying value of assets are expected to be fully realised. The Company participates in the HCAG group's centralised treasury arrangements and so shares banking arrangements with HCAG group undertakings.

The impact of COVID-19 on global economic development is currently unpredictable, however HCAG has adopted COPE ('Covid-19 Contingency Plan Execution'), which is focussed on cost savings and has significant liquidity headroom as a result of actions already taken during its refinancing strategy. The Directors, having assessed the responses of the management of HCAG to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the HCAG group to continue as a going concern.

On the basis of their assessment of the Company's financial position and relevant enquiries, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.5 Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less provision for impairment.

1.6 Financial instruments

Financial assets

Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, transaction costs.

The Company's financial assets include amounts owed by group undertakings.

Financial assets are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The ECL required for other debt instruments is determined using a three stage model.

- At the initial recognition of the financial asset an expected credit loss provision is recorded for the twelve month period following the reporting date. Any interest revenue is calculated on the gross carrying amount of the financial asset.

PICON OVERSEAS LIMITED

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

1. Accounting policies (continued)

1.6 Financial instruments (continued)

- If the credit risk of that financial instrument has increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is recorded. Any interest revenue is calculated on the gross carrying amount of the financial asset. Should the significant increase in credit risk reverse within subsequent reporting periods then the expected credit losses on the financial instrument revert to being measured based on an amount equal to the twelve month expected credit losses.
- If objective evidence of impairment exists, a loss allowance for full lifetime expected credit losses is recognised. Any interest revenue is calculated on the net carrying amount of the financial asset.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

1.8 Dividends

Income is recognised when the Company's right to receive payment is established.

1.9 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investment in subsidiaries, branches and associates, and interests in joint ventures, a deferred tax liability shall be recognised in accordance with IAS 12.39.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

PICON OVERSEAS LIMITED

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

1. Accounting policies (continued)

1.9 Taxation (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

1.10 Exceptional items

The Company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Impairment of investments

The Company reviews investments in subsidiaries and other investments for impairment if there are any indications that the carrying values may not be recoverable. The carrying value of the investment is compared to the recoverable amount and where a deficiency exists, an impairment charge is considered by management.

The recoverable amount represents the net assets of the investment at the time of the review or where applicable is represented by an estimate of future cash flows expected to arise from the investment. A suitable discount rate is applied to the future cash flows in order to calculate the present value. Reversals of impairments are recognised where there is a favourable change in the economic assumptions in the period since the provision was made.

Recoverability of amounts owed by group undertakings

The Company reviews the recoverability of amounts owed by group undertakings by reviewing the net assets of the counterparty. If the counterparty has net liabilities a provision is made by management for the amount considered irrecoverable.

3. Auditor's remuneration

Fees for audit and non-audit services provided to the Company have been borne by other group undertakings. It is not practicable to ascertain what proportion of such fees relates to the Company.

4. Staff costs

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £751,000 (2018 - £722,000) which was paid by various fellow subsidiaries. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

PICON OVERSEAS LIMITED

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

5. Exceptional items

	2019 £000	2018 £000
Impairment of investment	(267)	-
Release of impairment of investment	-	22
	<u>(267)</u>	<u>22</u>

An impairment was made against the Company's investment in Pioneer Concrete (Hong Kong) Limited in the current year, following a partial reversal of a previous impairment in the same investment in the prior year, both which reflected changes in the underlying net assets

6. Interest receivable

	2019 £000	2018 £000
Interest receivable from group companies	<u>4</u>	<u>133</u>

7. Taxation

	2019 £000	2018 £000
Current tax		
Current UK corporation tax on profit for the year	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

PICON OVERSEAS LIMITED

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

7. Taxation (continued)

Reconciliation of the tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	5,389	564
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,024	107
Effects of:		
Release of impairment of fixed asset investment	51	(4)
Non-taxable dividend income	(1,075)	(78)
Group relief	(338)	(369)
Transfer pricing adjustments	338	344
Total tax charge for the year	-	-

Change in corporation tax rate

As at the balance sheet date, there was an enacted reduction in the main rate of corporation tax from 19% to 17% from 1 April 2020. On 11 March 2020, the Chancellor of the Exchequer announced that the main rate of corporation tax would remain at 19% and this change has since been substantively enacted.

PICON OVERSEAS LIMITED

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

8. Fixed asset investments

	Investments in subsidiary companies £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 1 January 2019 and 31 December 2019	13,691	620	14,311
Impairment			
At 1 January 2019	12,219	-	12,219
Charge for the period	267	-	267
At 31 December 2019	12,486	-	12,486
Net book value			
At 31 December 2019	1,205	620	1,825
At 31 December 2018	1,472	620	2,092

Subsidiary undertakings and joint ventures

The investments in which the Company directly held any class of share capital are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Pioneer Concrete (Hong Kong) Limited	Hong Kong	Ordinary	100%	Property investment company
Alliance Construction Materials Ltd	Hong Kong	Ordinary	50%	Investment holding company
Pioneer Overseas Investments Limited	Guernsey	Ordinary	100%	Investment holding company

The registered office of Pioneer Concrete (Hong Kong) Limited and Alliance Construction Materials Ltd is Room 1901A, 19F., One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong.

The registered office of Pioneer Overseas Investments Limited is P.O. Box 280, 22 Havilland Street, St. Peter Port, GY1 2QB, Guernsey.

A full listing of indirectly held investments is presented within Appendix I.

PICON OVERSEAS LIMITED

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

9. Debtors

	2019 £000	2018 £000
Due within one year		
Amounts owed by group undertakings	137,957	132,301

Amounts owed by group undertakings includes an amount of £5,681,000 (2018 - £27,000), which accrues interest at three month LIBOR, all other amounts included above are interest free. All amounts included above are unsecured and repayable on demand.

10. Share capital

	2019 £000	2018 £000
Authorised, allotted, called up and fully paid		
12,000 (2018 - 12,000) ordinary shares of US\$1 each	7	7

11. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned subsidiaries in the group headed by HeidelbergCement AG. Balances outstanding at 31 December with related parties, are as follows:

	2019 £000	2018 £000
Amounts owed by fellow subsidiary undertakings	132,274	132,274
Amounts owed by ultimate parent company	5,683	27
	137,957	132,301

12. Post balance sheet events

The developments surrounding COVID-19 represent a non-adjusting post balance sheet event and are not reflected in the fair value of the investments shown in the financial statements. If the pandemic continues for a long period of time, there may be changes in the investment value. These would be reflected in the financial statements for the year ended 31 December 2020.

PICON OVERSEAS LIMITED

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

13. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Shapedirect Limited, a company registered in England and Wales. The Company's ultimate parent undertaking is HeidelbergCement AG, a company registered in Germany. The largest and smallest group in which the results of the Company are consolidated is that headed by HeidelbergCement AG. Copies of the consolidated financial statements of HeidelbergCement AG may be obtained from Berliner Strasse 6, D 69120 Heidelberg, Germany.

PICON OVERSEAS LIMITED

**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2019**

Name	Country of incorporation	Group ownership %	Registered office
AHK Aggregates Ltd.	Hong Kong		18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
AHK Concrete Ltd	Hong Kong	31.75	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
Anche Holdings Inc	Republic of Panama	25	PH ARIFA, 9th and 10th Floors, West Boulevard, Santa Maria Business District, Panama City, Republic of Panama
Anderson Concrete Ltd	Hong Kong	100	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
Asia Stone Co Ltd	Hong Kong	50	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
Boom Victory Investments Ltd	Virgin Islands, British	50	Vistra Corporate Services Centre, Wickhams Cay 11, Road Town, VG 1110, British Virgin Islands
Concrete Services Ltd	Hong Kong	25	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
Double Crown Investment Ltd	Hong Kong	50	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
Hong Kong Concrete - Anderson Concrete JV	Hong Kong	50	Unit 2601, 26/F, 118 Connaught Road West, Hong Kong, Hong Kong
K. Wah Construction Products (Shenzhen) Company Limited	China	25	He Ping Tong Fu Yu Industrial Park, Fuyong Town, Bao'an District, Shenzhen, China
K.Wah Materials (Huidong) Ltd	China	25	Shi Xia Pai Community, Niu Gu Dun Village, Hui Zhou City, Guangdong, China
K.Wah Materials and Development (Huidong) Co Ltd	Virgin Islands, British	25	Vistra Corporate Services Centre, Wickhams Cay 11, Road Town, VG 1110, British Virgin Islands
Latent Developments Limited	Virgin Islands, British	25	Vistra Corporate Services Centre, Wickhams Cay 11, Road Town, VG 1110, British Virgin Islands
Pioneer International Overseas Corporation	Virgin Islands, British	25	Craigmuir Chambers, P O Box 71, Road Town, Tortola, Virgin Islands, British
Pioneer Quarries (Hong Kong) Limited	Hong Kong	100	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
Shek O Quarry Limited	Hong Kong	50	18 Tak Fung Street, Room 1901A, 19/F., One Harbourfront, Hunghom, Kowloon, Hong Kong
		50	Hunghom, Kowloon, Hong Kong

PICON OVERSEAS LIMITED

**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2019**

Name	Country of incorporation	Group ownership %	Registered office
Zhuhai City Asia Stone Trading Co Ltd.	China	50	No 88 Port Road, No. 1810A&B, Block 2, Hengqin New District, Hengqin, China
Zhuhai Guishan Reclamation Project Co. Ltd.	China	50	Gui Shan Tower, Wan Shan District, Zhuhai City, China
Zhuhai Hengqin Alliance Trading Co. Ltd	China	50	No 88 Port Road, No. 1810A&B, Block 2, Hengqin New District, Hengqin, China