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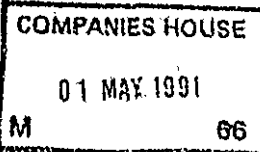
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MOLD TARMACADAM COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the year ended

30 June 1990



MOLD TARMACADAM COMPANY LIMITED**DIRECTORS**

J W Leever
T B M Holcroft
E C McCarthy
F S C Manson
M A Ogden

SECRETARY

A L J Thomas

REGISTERED OFFICE

Pioneer House
Northolt Road
South Harrow
Middlesex
HA2 OEY

AUDITORS

BDO Binder Hamlyn
20 Old Bailey
London EC4M 7BH

BANKERS

Lloyds Bank PLC

MOLD TARMACADAM COMPANY LIMITEDREPORT OF THE DIRECTORS
for the year ended 30 June 1990

The directors present their report and accounts for the year ended 30 June 1990.

1. PRINCIPAL ACTIVITY

The principal activity of the company is the exploitation and sale of aggregates.

2. RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors propose a dividend of £1,696,273 for the year (1989 - £Nil).

3. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The doubling of interest rates in the previous year had a severe impact on construction activity and confidence in the construction sector in the last quarter of 1989. As forecast last year there has been a decline in 1990 on housing starts and commercial building.

The down-turn in construction activity is expected to continue in the current year with further declines in the commercial and housing sections of the market. The 1% reduction in interest rates in October has had no favourable impact on confidence in the construction market. All areas of operation are being closely examined to ensure that cost reductions are achieved and where appropriate rationalisation of staffing is being effected.

On 1st July 1990 the company's business was transferred to Pioneer Aggregates (U.K.) Limited.

4. DIRECTORS

The directors of the company during the year ended 30 June 1990 were:-

J W Leever
T B M Holcroft
F S C Manson
E C McCarthy
M A Ogden

None of the directors had at 30 June 1990 or 1 July 1989 a notifiable interest in the shares or debentures of the company or its holding companies.

MOLD TARMACADAM COMPANY LIMITED

3.

REPORT OF THE DIRECTORS
for the year ended 30 June 1990

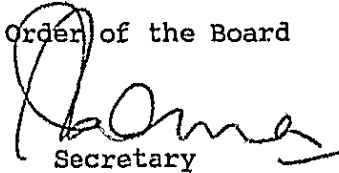
5. FIXED ASSETS

Details of changes in fixed assets are set out in notes 5 and 6 to the accounts.

6. AUDITORS

BDO Binder Hamlyn do not intend to seek re-appointment as auditors to the company at the Annual General Meeting. A resolution will be submitted to the Annual General Meeting proposing the appointment of Arthur Andersen & Co. as auditors.

By Order of the Board



Secretary

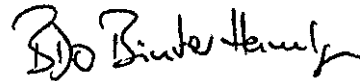
8 November 1990

**AUDITORS' REPORT TO THE MEMBERS OF
MOLD TARMACADAM COMPANY LIMITED**

We have audited the financial statements on pages 5 to 13 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30 June 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

20 Old Bailey
London
EC4M 7BH



Chartered Accountants

8 November 1990

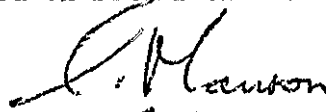
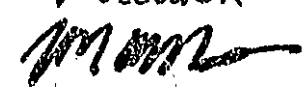
MOLD TARMACADAM COMPANY LIMITEDPROFIT AND LOSS ACCOUNT
for the year ended 30 June 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
Turnover		3,234,278	2,888,346
Other operating income		5,087	53,498
Change in stocks of finished goods	7	<u>(29,544)</u>	<u>20,870</u>
		<u>3,209,821</u>	<u>2,962,714</u>
Raw materials and consumables		(1,112,918)	(981,368)
Other external charges		(9,558)	(5,409)
Staff costs	3	(184,148)	(177,893)
Depreciation	6	(224,000)	(186,888)
Other operating charges		<u>(848,335)</u>	<u>(722,223)</u>
		<u>(2,378,959)</u>	<u>(2,073,781)</u>
Profit on ordinary activities before taxation	2	830,862	888,933
Tax on profit on ordinary activities	4	<u>(289,443)</u>	<u>(315,852)</u>
Profit on ordinary activities after taxation		541,419	573,081
Dividend proposed		1,696,273	-
(Deficit)/profit for the year transferred (from)/to reserves	12	<u>£(1,154,854)</u> =====	<u>£573,081</u> =====

MOLD TARMACADAM COMPANY LIMITEDBALANCE SHEET AT 30 JUNE 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
		£	£
FIXED ASSETS			
Intangible assets	5	49,928	-
Tangible assets	6	<u>1,424,332</u>	<u>1,035,474</u>
		1,474,260	1,035,474
CURRENT ASSETS			
Stocks	7	9,746	39,290
Debtors	8	1,147,980	2,283,034
Cash at bank and in hand		<u>359,491</u>	<u>948,035</u>
		1,517,217	3,270,356
CREDITORS (amounts falling due within one year)	9	<u>(2,672,117)</u>	<u>(2,798,301)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,154,900)</u>	<u>472,058</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		319,360	1,507,512
PROVISIONS FOR LIABILITIES AND CHARGES	10	<u>(184,113)</u>	<u>(217,431)</u>
NET ASSETS		£ 135,247 =====	£1,290,101 =====
CAPITAL AND RESERVES			
Called up share capital		6,404	6,404
Revaluation reserve		128,843	178,792
Profit and loss account		-	<u>1,104,905</u>
		£ 135,247 =====	£1,290,101 =====

Signed on behalf of the Board

) Directors

MOLD TARMACADAM COMPANY LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30 June 1990

	£	<u>1990</u>	£	£	<u>1989</u>	£
Funds generated by operations:						
Profit on ordinary activities before taxation:			830,862			888,933
Adjustments for items not involving the movement of funds:						
Depreciation	224,000			186,888		
Profit on sale of fixed assets	-			(48,248)		
		<u>224,000</u>				<u>138,640</u>
Net funds generated from operations		<u>1,054,862</u>				<u>1,027,573</u>
		=====				=====
Tangible fixed assets disposed			1			48,249
Tangible fixed assets acquired			(612,859)			(385,333)
Development expenditure			(49,928)			-
Taxation paid			(257,546)			(35,001)
			(920,332)			(372,085)
(Additional)/reduced working capital:						
Stocks	29,544			(20,870)		
Debtors	1,137,548			(1,951,049)		
Creditors (excluding corporation tax and proposed dividend)						
	(1,890,164)			<u>1,863,954</u>		
			<u>(723,072)</u>			<u>(107,965)</u>
Total funds applied			<u>(1,643,404)</u>			<u>(480,050)</u>
			=====			=====
Surplus funds (required)/available			£(588,542)			£547,523
			=====			=====
(Decrease)/increase in liquid funds			£(588,542)			£547,523
			=====			=====

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts.

(a) Accounting Convention

These accounts have been prepared under the historical cost convention, as modified by the revaluation of short leasehold land and buildings.

(b) Depreciation

Depreciation and amortisation is provided on a straight line basis so as to write the fixed assets off over their estimated useful lives, at the following rates:-

Freehold buildings	- 2% per annum
Short leaseholds	- over period of the lease
Plant and equipment	- 10% - 20% per annum
Motor vehicles	- 20% per annum

Freehold land is not depreciated.

(c) Depletion

Depletion on mineral bearing land is provided on the basis of aggregates extracted, to write the assets down to residual value over their useful lives.

(d) Stocks

Stocks are stated at the lower of cost, on a first in first out basis, and net realisable value. Cost includes all direct costs plus attributable overheads.

(e) Deferred Taxation

Provision is made for deferred taxation, at the current rate, to the extent that the directors are of the opinion that a liability is likely to crystallise in the foreseeable future.

(f) Pensions

The company is affiliated to two pension schemes based upon defined benefits. The assets of these schemes are independent of the company's finances. The schemes are funded by contributions partly from employees and partly from group companies. Company policy is to charge the total cost of providing pensions over the average estimated remaining service lives of pensionable employees.

MOLD TARMACADAM COMPANY LIMITED

9.

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990
(continued)

1. ACCOUNTING POLICIES (continued)

(g) Development expenditure

Development costs, representing expenditure on aggregate sites not yet operational, are carried forward until planning permission is granted at which time they are re-allocated to tangible fixed assets. Costs are written off or provided against when sites are unlikely to become operational.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1990</u>	<u>1989</u>
	£	£
After charging:		
Hire of plant and machinery	35,705	76,624
Group management charges	186,120	176,372
	=====	=====
After crediting:		
Profit on sale of fixed assets	-	48,248
	=====	=====

3. DIRECTORS' EMOLUMENTS AND PARTICULARS OF EMPLOYEES

None of the directors received any emoluments for their services as directors of the company.

The average number of persons employed by the company during the year was:

	<u>1990</u>	<u>1989</u>
	15	16
	=====	=====
Staff costs were:	£	£
Wages and salaries	165,730	161,530
Social security costs	18,418	16,363
	£184,148	£177,893
	=====	=====

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge comprises:

	<u>1990</u>	<u>1989</u>
	£	£
UK Corporation Tax @ 35%	322,761	291,221
Transfer (from)/to deferred taxation:		
Current year	(33,318)	24,707
Prior year adjustments	-	(76)
	£289,443	£315,852
	=====	=====

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990
(continued)

5. INTANGIBLE ASSETS

Development
ExpenditureExpenditure in the year and
cost at 30th June 1990£ 49,928
=====

6. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Short leasehold properties £	Plant and equipment £	Motor Vehicles £	Total £
Cost or valuation					
At 1 July 1989	125,521	299,136	1,508,164	5,218	1,938,039
Additions	583,175	-	29,684	-	612,859
Disposals	-	-	(49,600)	-	(49,600)
At 30 June 1990	<u>708,696</u>	<u>299,136</u>	<u>1,488,248</u>	<u>5,218</u>	<u>2,501,298</u>
Depreciation/amortisation					
At 1 July 1989	62	138,589	758,698	5,216	902,565
Charge for the year	16	45,218	178,764	2	224,000
Disposals	-	-	(49,599)	-	(49,599)
At 30 June 1990	<u>78</u>	<u>183,807</u>	<u>887,863</u>	<u>5,218</u>	<u>1,076,966</u>
Net book value					
At 30 June 1990	£ 708,618 =====	£ 115,329 =====	£ 600,385 =====	£ - =====	£ 1,424,332 =====
At 1 July 1989	£125,459 =====	£160,547 =====	£749,466 =====	£ 2 =====	£1,035,474 =====

The cost or valuation for short leasehold properties is represented by:-

	£
Valuation in 1983	217,000
At historical cost	<u>82,136</u>
	£299,136 =====

Other tangible fixed assets are stated at cost.

Short leasehold properties were revalued on the basis of an open market valuation for existing use at 30 June 1983. If the short leasehold land and buildings had not been revalued they would have been included at the following amounts:

	£
Cost	88,157
Depreciation based on cost	<u>74,820</u>
Net book value	£13,337 =====

MOLD TARMACADAM COMPANY LIMITED

11.

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990
(continued)

7. STOCKS	<u>1990</u>	<u>1989</u>
Finished goods and goods for resale	£ 9,746 =====	£39,290 =====
8. DEBTORS	<u>1990</u>	<u>1989</u>
	£	£
Trade debtors	331,632	141,043
Amounts owed by holding company and fellow subsidiaries	794,779	2,115,356
Other debtors	15,489	22,514
Prepayments and accrued income	6,080	4,121
	£1,147,980 =====	£2,283,034 =====
9. CREDITORS (amounts falling due within one year)	<u>1990</u>	<u>1989</u>
	£	£
Trade creditors	223,617	166,795
Amounts owed to fellow subsidiaries	220	2,018,789
Other taxes and social security	2,500	1,625
Dividend payable	1,696,373	-
Corporation Tax	473,453	408,240
Other creditors	829	830
Accruals and deferred income	275,225	202,022
	£2,672,117 =====	£2,798,301 =====
10. PROVISION FOR LIABILITIES AND CHARGES	<u>Deferred taxation</u>	
	£	
At 1 July 1989	217,431	
Transfer to profit and loss account:	(33,318)	
At 30 June 1990	£184,113 =====	

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990
(continued)

10. PROVISION FOR LIABILITIES AND CHARGES (continued)

Details of the potential and amount provided for deferred taxation are set out below:

	<u>Provided</u>		<u>Potential</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£	£	£	£
Excess of tax allowances over depreciation charged	215,358	244,638	215,358	244,638
Other timing differences	(31,245)	(27,207)	(31,245)	(27,207)
Tax potentially payable on disposed of properties at their revalued amounts	-	-	44,118	48,370
	<u>£184,113</u>	<u>£217,431</u>	<u>£228,231</u>	<u>£265,801</u>
	=====	=====	=====	=====

Deferred tax is provided in full except on rolled over capital gains and revaluation surpluses as these assets are not held for disposal. The potential liability is shown above.

11. CALLED UP SHARE CAPITAL

1990 and 1989

Authorised:

Ordinary shares of £1 each £7,000

=====

Allotted and fully paid:

Ordinary shares of £1 each £6,404

=====

12. RESERVES

	<u>Revaluation reserve</u>	<u>Profit and Loss account</u>
	£	£
At 1 July 1989	178,792	1,104,905
Deficit for the year	-	(1,154,854)
Transfer of depletion charge attributable to unrealised surplus on fixed asset revaluation	<u>(49,949)</u>	<u>49,949</u>
At 30 June 1990	<u>£128,843</u>	<u>£ -</u>
	=====	=====

13. CONTINGENT LIABILITIES

The company is party to a cross guarantee in respect of a bank account in the name of Pioneer Concrete Group. At 30 June 1990 this account was overdrawn in the holding Company's books to the extent of £3,167,465 (1989 - 3,076,093).

NOTES TO THE ACCOUNTS
for the year ended 30 June 1990
(continued)

14. PENSIONS

The pension cost has been assessed in accordance with the information provided by professionally qualified independent actuaries on 1 November 1989 and 1 July 1988 for the Pioneer Concrete Holdings PLC Retirement Benefits Scheme and the Mixconcrete Holdings Plc Pension and Assurance Scheme respectively. Across all group companies, whose employees are members of the schemes, the normal cost in the year of providing pensions is £211,000 which is reduced to a net cost of £80,000 by the spreading forward of pension surpluses. There is, however, no provision in the balance sheet at 30 June 1990 because of the materiality of the amount involved. The company has decided to adopt a four year contribution holiday as part of the overall funding policy to reduce the funding surpluses.

15. ULTIMATE HOLDING COMPANY

Pioneer International Limited (incorporated in Australia) is regarded by the directors as the company's ultimate holding company.

X 16. POST BALANCE SHEET EVENT

On 1st July 1990 the company's business was transferred to Pioneer Aggregates (U.K.) Limited.

X 17. APPROVAL OF ACCOUNTS

These accounts were approved at a directors' meeting held on 8 November 1990.