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PIONEER AGGREGATES (U.K.) LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30th JUNE 1981



Binder Hamlyn

Chartered Accountants

Offices in Ayr, Banbury, Belfast, Birmingham, Bury St Edmunds, Croydon, Doncaster, Dublin, Glasgow, Leeds, London, Manchester,
Newcastle upon Tyne, Newmarket, Nottingham, Rochdale, Stranraer & Wolverhampton

PIONEER AGGREGATES (U.K.) LIMITED

REPORT OF THE DIRECTORS
for the year ended 30th JUNE 1981

The directors herewith submit their report and accounts for the year ended 30th June 1981.

1. The principal activity of the company is the exploitation and sale of aggregates.
2. The directors of the company during the year ended 30th June 1981 were:-

R.F. Crocker (Chairman)
E.C. McCarthy
J.G. McDonald

None of the directors had, at 30th June 1981 or 1st July 1980, a notifiable interest in the shares or debentures of the company or its holding companies.

3. The results for the year are set out in the profit and loss account. The directors do not recommend the payment of a final dividend.
4. The company made no exports during the year.
5. A resolution will be submitted to the annual general meeting to re-appoint Binder Hamlyn as auditors.

By Order of the Board,


Secretary.

Binder Hamlyn

REPORT OF THE AUDITORS TO THE MEMBERS OF
PIONEER AGGREGATES (U.K.) LIMITED

We have audited the accounts on pages 3 to 8 in accordance with approved Auditing Standards.

In our opinion, the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 30th June 1981 and of its result and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1980.

8, St. Bride Street,
London, EC4A 4DA.

Binder Hamlyn.

Chartered Accountants.

15th October 1981

PIONEER AGGREGATES (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30th JUNE 1981

	<u>Notes</u>	<u>1981</u>	<u>1980</u>
TURNOVER, being sales less credits		<u>£4,706,352</u>	<u>£4,286,266</u>
		£	£
(LOSS)/PROFIT FOR THE YEAR BEFORE TAXATION		(58,720)	256,712
after taking into account:			
Depreciation, amortisation and depletion		377,329	342,854
Auditors' remuneration		8,036	8,960
Hire of equipment		121,049	106,464
Dividend from unquoted investment		-	1,373
(Loss)/profit on sale of fixed assets		(2,566)	1,749
TAXATION	2	<u>(781,404)</u>	<u>169,114</u>
PROFIT FOR THE YEAR AFTER TAXATION		722,684	87,598
EXTRAORDINARY ITEM	3	<u>(168,091)</u>	<u>(41,500)</u>
PROFIT FOR THE YEAR AFTER EXTRAORDINARY ITEM		554,593	46,098
DIVIDEND PAID		<u>-</u>	<u>961</u>
		554,593	45,137
ADVERSE BALANCE BROUGHT FORWARD		<u>(7,055)</u>	<u>(52,192)</u>
BALANCE CARRIED FORWARD		<u>£547,538</u>	<u>(£7,055)</u>

The annexed notes form part of these accounts.

4.

PIONEER AGGREGATES (U.K.) LIMITED

BALANCE SHEET at 30th JUNE 1981

	Notes	1981		1980	
		£	£	£	£
<u>ASSETS EMPLOYED</u>					
FIXED ASSETS	5		2,622,327		2,879,942
SUBSIDIARY COMPANIES	4		390,281		558,372
UNQUOTED INVESTMENTS	6		2,233		2,233
PREDEVELOPMENT EXPENSES			259,277		194,422
<u>CURRENT ASSETS</u>					
Stocks	7	359,819		204,342	
Debtors		714,166		583,629	
Amounts owing by subsidiary companies		66,965		68,927	
Amount owing by fellow subsidiary companies		439,068		444,961	
Amount owing by Pioneer Group associated company		7,959		9,127	
Cash at bank	8	<u>56,952</u>		<u>-</u>	
			<u>1,644,929</u>		<u>1,310,986</u>
			4,919,047		4,945,955
Less:					
<u>CURRENT LIABILITIES</u>					
Bank overdraft	8	-		198,747	
Creditors and accrued expenses		748,556		525,847	
Corporation tax liability		-		28,721	
Amount owing to holding company		3,576,475		3,290,438	
Amount owing to subsidiary companies		13,500		13,500	
Amount owing to fellow subsidiary companies		<u>-</u>		<u>7,589</u>	
			<u>4,338,531</u>		<u>4,064,842</u>
NET CURRENT ASSETS			£580,516		£881,113
<u>FINANCED BY</u>					
<u>SHARE CAPITAL</u>					
Authorised -					
2,000 ordinary shares of £1 each			£2,000		£2,000
Issued and fully paid -					
2 ordinary shares of £1 each			2		2
PROFIT AND LOSS ACCOUNT			<u>547,538</u>		<u>(7,055)</u>
			547,540		(7,053)
DEFERRED TAXATION	9		<u>32,976</u>		<u>888,166</u>
			<u>£580,516</u>		<u>£881,113</u>

 Directors

The annexed notes form part of these accounts.

PIONEER AGGREGATES (U.K.) LIMITEDNOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1981**1. ACCOUNTING POLICIES**

- (a) These accounts have been prepared under the historical cost convention.
- (b) Depreciation and amortisation is provided on a straight line basis so as to write off the fixed assets over their estimated lives. No depreciation is provided on freehold land.
- (c) Depletion is provided on the basis of aggregates extracted to write the assets down to residual value over their useful lives.
- (d) 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.
- (e) Stocks are stated at the lower of cost and net realisable value.

2. TAXATION

	<u>1981</u>	<u>1980</u>
	£	£
The (credit)/charge comprises:-		
U.K. corporation tax at 52%:		
Current year	-	28,721
Prior year	(28,721)	-
Group relief at 52%:		
Current year	96,534	-
Prior year	5,973	-
Tax on dividends received	-	412
Transfer to/(from) deferred taxation	<u>(855,190)</u>	<u>139,981</u>
	<u>(£781,404)</u>	<u>£169,114</u>

3. EXTRAORDINARY ITEM

This represents a provision against the investment in Tams Loup Quarries Limited, a subsidiary company.

4. SUBSIDIARY COMPANIES

- (a) Shares at cost, less provision (note 3), £390,281 (1980 - £558,372).
- (b) The company owns the whole of the issued share capital of Mold Tarmacadam Company Limited, Newport Marine Aggregates Limited and Tams Loup Quarries Limited, together with 90% of the issued share capital of James Barrie (Sand and Gravel) Limited.
- (c) Group accounts have not been prepared as the company is a wholly owned subsidiary of another body corporate, incorporated in Great Britain.
- (d) The directors are satisfied that the investments are worth in aggregate at least the amount stated in the balance sheet.

PIONEER AGGREGATES (U.K.) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1981
(continued)

5. FIXED ASSETS

	Freehold land and buildings	Short leasehold properties	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost -					
At 1st July 1980	630,056	678,251	2,237,947	72,947	3,619,201
Additions	20,001	46,724	64,273	7,790	138,788
Inter-group transfers	-	39,265	(27,866)	826	12,225
Disposals	-	(16,670)	(50,000)	(6,150)	(72,820)
At 30th June 1981	650,057	747,570	2,224,354	75,413	3,697,394
Amortisation - depletion/ depreciation					
At 1st July 1980	39,892	40,779	641,538	17,050	739,259
Charge for the year	17,505	41,641	308,296	9,887	377,329
Inter-group transfers	-	667	(11,519)	500	(10,352)
Disposals	-	(83)	(26,169)	(4,917)	(31,169)
At 30th June 1981	57,397	83,004	912,146	22,520	1,075,067
Net book amount At 30th June 1981	£592,660	£664,566	£1,312,208	£52,893	£2,622,327
At 30th June 1980	£590,164	£637,472	£1,596,409	£55,897	£2,879,942

Depreciation/amortisation is provided on a straight-line basis as follows:-

Freehold buildings	- 5% to 6.6% per annum
Short leasehold properties	- over the period of the lease
Plant and equipment: Fixed	- 6.6% to 10% per annum
Mobile	- 25% per annum
Motor vehicles	- 20% per annum

6. UNQUOTED INVESTMENTS

	1981	1980
Shares at cost and directors' valuation	£2,233	£2,233

7. STOCKS

	1981	1980
	£	£
Stock comprises:		
Unprocessed aggregates	60,391	53,233
Processed aggregates	299,428	151,109
	£359,819	£204,342

PIONEER AGGREGATES (U.K.) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1981
(continued)

8. BANK BALANCE

The bank balance is held in a memorandum bank account as part of an account with the bank in the name of Pioneer Concrete Group, which the company has guaranteed. At 30th June 1981 the group account was overdrawn in the group's books to the extent of £1,222,608.

9. DEFERRED TAXATION

Deferred taxation is provided under the liability method, on the amount of all timing differences in respect of which it is anticipated that tax will be payable or recoverable in the foreseeable future. In 1980 this resulted in a full provision which the directors no longer consider necessary.

Details of the amount of deferred taxation are set out below:-

	<u>1981</u>		<u>1980</u>
	Full amount of deferred tax	Amount provided in accounts	Amount provided in accounts
	£	£	£
Excess of tax allowances over depreciation charged	758,621	-	870,219
Stock relief	-	-	33,497
Other timing differences	<u>(17,147)</u>	<u>32,976</u>	<u>(15,550)</u>
	£741,474	£32,976	£888,166
	<u> </u>	<u> </u>	<u> </u>

10. CAPITAL COMMITMENTS

At 30th June 1981 the company had contracts outstanding for capital expenditure worth £127,277 (1980 - £212,300) for which provision had not been made in the accounts.

Amounts authorised by the board, but not contracted for, was £3,553,711 (1980 - £4,207,200).

11. ULTIMATE HOLDING COMPANY

Pioneer Concrete Services Limited (incorporated in Australia) is regarded by the directors as the ultimate holding company.

12. CONTINGENT LIABILITY

The company has guaranteed amounts owing to the ultimate holding company by Pioneer Concrete (Holdings) Limited and certain other fellow subsidiaries.

PIONEER AGGREGATES (U.K.) LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT
for the year ended 30th JUNE 1981

	<u>1981</u>		<u>1980</u>	
	£	£	£	£
SOURCE OF FUNDS				
Generated within the business:				
(Loss)/profit before taxation	(58,720)		256,712	
Depreciation	377,329		342,854	
Loss/(profit) on sale of fixed assets	<u>2,566</u>	321,175	<u>(1,749)</u>	597,817
OTHER SOURCES				
Proceeds from sale of fixed assets:				
Third party	39,085		34,241	
Group company (net)	<u>16,347</u>	<u>55,432</u>	<u>-</u>	<u>34,241</u>
		376,607		632,058
APPLICATION OF FUNDS				
Purchase of fixed assets	(138,788)		(693,066)	
Third parties	(38,924)		-	
Group company (net)	(102,507)		(412)	
Group relief	-		(961)	
Tax paid	-		<u>(694,439)</u>	
Dividend paid	<u>(280,219)</u>			
(Increase)/decrease in working capital:	222,709		115,419	
Creditors				
Amount owing by group associated company	1,168		(10,868)	
Amount owing by subsidiary company	1,962		848	
Amount owing to fellow subsidiary company	(1,696)		(111,292)	
Amount owing to holding company	286,037		350,536	
Stock	(155,477)		(52,681)	
Debtors	<u>(195,392)</u>		<u>(378,205)</u>	
	159,311	<u>(120,908)</u>	<u>(86,243)</u>	<u>(780,682)</u>
INCREASE/(DECREASE) IN LIQUID FUNDS				
Decrease/(increase) in bank overdraft	198,747		(148,624)	
Increase in cash at bank	<u>56,952</u>	<u>£255,699</u>	<u>-</u>	<u>(£148,624)</u>