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PIONEER AGGREGATES (U.K.) LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30th JUNE 1982

Binder Hamlyn

Chartered Accountants



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

PIONEER AGGREGATES (U.K.) LIMITED

REPORT OF THE DIRECTORS
for the year ended 30th JUNE 1982

The directors herewith submit their report and accounts for the year ended 30th June 1982.

1. PRINCIPAL ACTIVITY

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

2. SUBSIDIARY COMPANY

During the year the company purchased the whole of the share capital of B.V.B. Minerals Limited for £368,855, and purchased 50% of the share capital of Westminster Aggregates Limited for £50.

3. DIRECTORS

The directors of the company during the year ended 30th June 1982 were:-

R.F. Crocker (Chairman, resigned 7th June 1982)
E.C. McCarthy
J.G. McDonald

None of the directors had, at 30th June 1982 or 1st July 1981, a notifiable interest in the shares or debentures of the company or its holding companies.

4. RESULTS

The results for the year are set out in the profit and loss account. The directors do not recommend the payment of a dividend.

5. FIXED ASSETS

Details of changes in fixed assets are included in note 6 to the accounts.

6. AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Binder Hamlyn as auditors.

By Order of the Board,



Secretary.

21st December 1982.

Binder Hamlyn

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

We have audited the accounts on pages 3 to 10 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 1982 and of its loss and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

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

6th January 1983

Binder Hamlyn
Chartered Accountants.

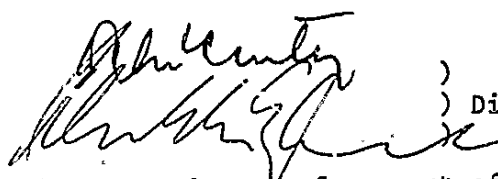
PIONEER AGGREGATES (U.K.) LIMITEDPROFIT AND LOSS ACCOUNT
for the year ended 30th JUNE 1982

	<u>Note</u>	<u>1982</u>	<u>1981</u>
TURNOVER, being sales less credits		<u>£5,355,662</u>	<u>£4,706,352</u>
		£	£
LOSS FOR THE YEAR BEFORE TAXATION		(115,944)	(58,720)
after taking into account:			
Depreciation, amortisation and depletion		384,740	377,329
Auditors' remuneration		9,000	8,036
Hire of equipment		<u>138,146</u>	<u>121,049</u>
Profit/(loss) on sale of fixed assets		3,480	(2,566)
Interest received		<u>300</u>	<u>-</u>
TAXATION CHARGE/(CREDIT)	3	<u>241,897</u>	<u>(781,404)</u>
(LOSS)/PROFIT FOR THE YEAR AFTER TAXATION		(357,841)	722,684
EXTRAORDINARY ITEM		<u>-</u>	<u>(168,091)</u>
(LOSS)/PROFIT FOR THE YEAR AFTER EXTRAORDINARY ITEM		(357,841)	554,593
BALANCE BROUGHT FORWARD		<u>547,538</u>	<u>(7,055)</u>
BALANCE CARRIED FORWARD		<u>£189,697</u>	<u>£547,538</u>

The annexed notes form part of these accounts.

PIONEER AGGREGATES (U.K.) LIMITEDBALANCE SHEET at 30th JUNE 1982

	<u>Notes</u>	<u>1982</u>	<u>1981</u>
		£	£
<u>ASSETS EMPLOYED</u>			
FIXED ASSETS	6	2,930,380	2,622,327
SUBSIDIARY COMPANIES	4	759,135	390,281
ASSOCIATED COMPANY	5	50	-
UNQUOTED INVESTMENTS	7	2,233	2,233
DEVELOPMENT PROPERTY	8	202,750	259,277
CURRENT ASSETS			
Stocks	9	481,055	359,819
Debtors and prepayments		835,666	714,166
Amounts owing by subsidiary companies		-	66,965
Amount owing by fellow subsidiary companies		286,546	439,068
Amount owing by Pioneer Group associated company		65,132	7,959
Amount owing by associated company		554,837	-
Cash at bank.	10	<u>455,294</u>	<u>56,952</u>
		<u>2,678,530</u>	<u>1,644,929</u>
		6,573,078	4,919,047
Less:			
CURRENT LIABILITIES			
Creditors and accrued expenses		993,081	748,556
Amount owing to holding company		5,313,731	3,576,475
Amount owing to subsidiary companies		<u>76,567</u>	<u>13,500</u>
		<u>6,383,379</u>	<u>4,338,531</u>
NET ASSETS		<u>£189,699</u>	<u>£580,516</u>
<u>FINANCED BY</u>			
SHARE CAPITAL			
Authorised -			
2,000 ordinary shares of £1 each		<u>£2,000</u>	<u>£2,000</u>
Issued and fully paid -			
2 ordinary shares of £1 each		2	2
PROFIT AND LOSS ACCOUNT		<u>189,697</u>	<u>547,538</u>
		189,699	547,540
DEFERRED TAXATION	11	-	32,976
		<u>£189,699</u>	<u>£580,516</u>


) Directors

The annexed notes form part of these accounts.

PIONEER AGGREGATES (U.K.) LIMITEDNOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1982

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, at the following rates:-

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

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. DIRECTORS EMOLUMENTS

	<u>1982</u>	<u>1981</u>
	£	£
Fees	-	-
Other emoluments	<u>34,045</u>	<u>29,944</u>
	£34,045	£29,944
	<u> </u>	<u> </u>

Directors emoluments, excluding pension contributions, are as follows:-

Chairman	Nil	Nil
Highest paid director	<u>£20,403</u>	<u>£18,528</u>

Other directors whose emoluments fall into the following brackets:-

£10,001 - £15,000	1	1
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Mr. R.F. Crocker is remunerated as a director of Pioneer Concrete (Holdings) Limited and his remuneration is disclosed in the accounts of that company.

PIONEER AGGREGATES (U.K.) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1982
(continued)

3. TAXATION

	<u>1982</u>	<u>1981</u>
	£	£
The charge/(credit) comprises:-		
U.K. corporation tax at 52%:		
Current year	-	-
Prior year	-	(28,721)
Group relief at 52%:		
Current year	281,224	96,534
Prior year	(6,351)	5,973
Transfer from deferred taxation	<u>(32,976)</u>	<u>(855,190)</u>
	£241,897	(£781,404)

4. SUBSIDIARY COMPANIES

	<u>1982</u>	<u>1981</u>
	£	£
(a) Shares at cost less amounts written off	927,226	558,372
Less: Provisions made	<u>(168,091)</u>	<u>(168,091)</u>
	£759,135	£390,281

(b) The company owns the whole of the issued share capital of Mold Tarmacadam Company Limited, Newport Marine Aggregates Limited, Tams Loup Quarries Limited and B.V.B. Minerals Limited, together with 90% of the issued share capital of James Barrie (Sand and Gravel) Limited. The company acquired its holding in B.V.B. Minerals Limited on 7th August 1981 for £368,855.

(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.

5. ASSOCIATED COMPANY

The company owns 50% of the share capital of Westminster Aggregates Limited. The investment is shown at cost, and has not been accounted for on an equity basis, as Pioneer Aggregates (UK) Limited is a wholly owned subsidiary of another body corporate, incorporated in Great Britain.

PIONEER AGGREGATES (U.K.) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1982
(continued)

6. FIXED ASSETS

	Freehold land and buildings	Short leasehold properties	Long leasehold properties	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost:						
At 1st July 1981	650,057	747,570	-	2,224,354	75,413	3,697,394
Additions	583,357	563	-	115,118	9,589	708,627
Inter-group transfers	-	15,997	-	447,231	87,155	550,383
Reclassifications	-	(88,943)	88,943	-	-	-
Disposals	-	-	-	(23,632)	-	(23,632)
Transfers to associated company	(9,835)	(1,143)	-	(350,670)	(7,129)	(368,777)
At 30th June 1982	1,223,579	674,044	88,943	2,412,401	165,028	4,563,995
Amortisation - depletion/depreciation						
At 1st July 1981	57,397	83,004	-	912,146	22,520	1,075,067
Charge for the year	13,234	40,538	-	308,380	22,588	384,740
Inter-group transfers	-	-	-	290,691	72,368	363,059
Reclassifications	-	(6,945)	6,945	-	-	-
Disposals	-	-	-	(21,962)	-	(21,962)
Transfers to associated company	(2,342)	(469)	-	(160,253)	(4,225)	(167,289)
At 30th June 1982	68,289	116,128	6,945	1,329,002	113,251	1,633,615
Net book amount						
At 30th June 1982	£1,155,290	£557,916	£81,998	£1,083,399	£51,777	£2,930,380
At 30th June 1981	£592,660	£664,566	-	£1,312,208	£52,893	£2,622,327

PIONEER AGGREGATES (U.K.) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1982
(continued)

7. UNQUOTED INVESTMENTS

	<u>1982</u>	<u>1981</u>
Shares at cost and directors' valuation	£2,233	£2,233

8. DEVELOPMENT PROPERTY

Development property represents expenditure on sites not yet operational.

9. STOCKS

	<u>1982</u>	<u>1981</u>
	£	£
Stock comprises:		
Unprocessed aggregates	45,488	60,391
Processed aggregates	<u>435,567</u>	<u>299,428</u>
	<u>£481,055</u>	<u>£359,819</u>

10. 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 1982 the group account was overdrawn in the group's books to the extent of £2,233,377 (1981 - £1,222,068).

11. DEFERRED TAXATION

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

	<u>1982</u>	<u>1981</u>
	Full amount of deferred tax	Amount provided in accounts
	£	£
Excess of tax allowances over depreciation charged	649,066	-
Other timing differences	<u>(30,558)</u>	<u>32,976</u>
	<u>£618,508</u>	<u>£32,976</u>

PIONEER AGGREGATES (U.K.) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30th JUNE 1982
(continued)

12. CAPITAL COMMITMENTS

At 30th June 1982 the company had contracts outstanding for capital expenditure worth Nil (1981 - £127,277) for which provision had not been made in the accounts.

Amounts authorised by the board, but not contracted for, was £1,421,700 (1981 - £3,553,711).

13. ULTIMATE HOLDING COMPANY

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

14. CONTINGENT LIABILITY

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

15. PREPARATION OF ACCOUNTS

The accounts are for a period to which the accounting provisions of the Companies Act 1981 do not relate. Consequently, they have been drawn up in compliance with Section 149A of, and Schedule 8A to, the Companies Act 1948.

16. APPROVAL OF ACCOUNTS

These accounts were approved by the Board on 21st December 1982.

PIONEER AGGREGATES (U.K.) LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT
for the year ended 30th JUNE 1982

	<u>1982</u>		<u>1981</u>	
	£	£	£	£
SOURCE OF FUNDS				
Generated within the business:				
Loss before taxation	(115,944)		(58,720)	
Depreciation	384,740		377,329	
(Profit)/loss on sale of fixed assets	(3,480)		2,566	
Development property write off	<u>100,000</u>		<u>95,232</u>	
		365,316		416,407
OTHER SOURCES				
Proceeds from sale of fixed assets		5,150		10,559
To third parties		<u>201,488</u>		<u>-</u>
To associated company		571,954		426,966
APPLICATION OF FUNDS				
Expenditure on development property	(43,473)		(160,087)	
Purchase of fixed assets				
Third parties	(708,627)		(130,633)	
Group company (net)	(187,324)		(2,206)	
Group relief paid	(274,872)		(102,507)	
Purchase of shares in:-				
Subsidiary company	(368,855)		-	
Associated company	<u>(50)</u>		<u>-</u>	
	<u>(1,583,201)</u>		<u>(395,433)</u>	
Decrease/(increase) in working capital:				
Creditors	244,525		222,709	
Amount owing by associated companies	(612,010)		1,168	
Amount owing to subsidiary companies	63,067		1,962	
Amount owing by fellow subsidiary and subsidiary companies	219,487		(1,696)	
Amount owing to holding company	1,737,256		286,037	
Stock	(121,236)		(155,477)	
Debtors	<u>(121,500)</u>		<u>(130,537)</u>	
	1,409,589		224,166	
		<u>(173,612)</u>		<u>(171,267)</u>
INCREASE IN LIQUID FUNDS				
Decrease in bank overdraft	-		198,747	
Increase in cash at bank	<u>398,342</u>		<u>56,952</u>	
		<u>£398,342</u>		<u>£255,699</u>