

23-03-93
8/92

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

DIRECTORS' REPORT AND ACCOUNTS
for the period from 19 November 1991
to 30 June 1992

The company's registered number is 2664004

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PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

1.

REPORT OF THE DIRECTORS
for the period from 19 November 1991 to 30 June 1992

The directors present their first report and accounts for the period from incorporation on 19 November 1991 to 30 June 1992.

1. INCORPORATION

The company was incorporated on 19 November 1991 and commenced trading on 3 April 1992 when it acquired the pre-mixed concrete operations of Willment Ready Mix Concrete Limited.

2. PRINCIPAL ACTIVITY

The principal activity of the company is the manufacture and sale of pre-mixed concrete.

3. RESULTS AND DIVIDENDS

Details of the results for the period are set out in the profit and loss account on page 5. No dividend payment can be made.

4. BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The trading results reflect the severe recession being experienced in the UK construction sector. In the period, demand for concrete fell again and, at the same time, the already intense pressure on selling prices become even more severe.

During the year the Government remained committed to keeping the value of sterling high by membership of the European Exchange Rate Mechanism and this required interest rates to be kept at levels wholly inconsistent with an economy locked into deep recession. This, coupled with low levels of business and consumer confidence, has had a draconian impact on the construction market. Construction output fell by 8.9% during 1991 and fell a further 6% in the first half of 1992. Orders for new construction work fell by 7.8% in 1991 and a further 3.1% in the first half of 1992. Further declines are forecast for 1992/93.

The market for pre-mixed concrete fell to 22m cubic metres in 1991 (a decline of 17.8% from the previous year's level). This fall means that the market has fallen 26.5% from the levels experienced in 1989. The decline continued during 1992 with the first half of the year being 3.8% below the same period of 1991. 1992 is forecast to finish around 8.0% below 1991. Further declines are forecast for 1992/93. Severe price competition resulted in an increased loss being recorded.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

2.

REPORT OF THE DIRECTORS
For the period from 19 November 1991 to 30 June 1992
(continued)

4. BUSINESS REVIEW AND FUTURE DEVELOPMENTS (continued)

The Group recently published an Environmental Policy in conjunction with the industry federation BACMI. Pioneer has long accepted its responsibilities to the environment and the Board of Directors, being well aware of the Group's obligations in this area, has systems and management committees to monitor the Group's performance.

Since the year end the company has successfully combined its ready mixed concrete business with the London Region operations of Pioneer Concrete (UK) Limited, to strengthen significantly its position in the important London market.

The outlook for the construction industry in 1992/93 remains bleak. Recent interest rate reductions may help to restore confidence but the over supply of commercial property such as shops and offices will severely curtail any recovery. Whilst consumer confidence may improve slightly making a small increase in house building possible there are likely to be government spending cut-backs which may well impact on infrastructure items such as roads.

5. DIRECTORS

The members of the board during the period were:-

Instant Companies Limited	appointed 19.11.91	resigned 29.01.92
D C J Cook	appointed 29.01.92	resigned 19.03.92
C M Woodforde	appointed 29.01.92	resigned 26.03.92
I S Blackshaw	appointed 19.03.92	resigned 02.04.92
J W Leever	appointed 26.03.92	
T B M Holcroft	appointed 26.03.92	
J R Taylor	appointed 26.03.92	
D C Casey	appointed 02.04.92	

None of the directors had, during the period from 19 November 1991 to 30 June 1992, a notifiable interest in the shares or debentures of the company or any other group undertaking.

5. CHANGE OF NAME

The company changed its name from Raisepulse Limited to Pioneer Willment Concrete Limited on 3 March 1992.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Rainpulse Limited)

3.

REPORT OF THE DIRECTORS
for the period from 19 November 1991 to 30 June 1992
(continued)

6. FIXED ASSETS

Details of the changes in fixed assets are included in note 7 to the accounts.

7. EMPLOYEES AND EMPLOYMENT OF DISABLED PERSONS

The company makes every effort to ensure that disabled people receive equal opportunities and are not discriminated against on the grounds of their disability.

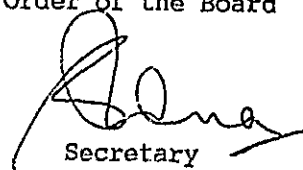
The company is committed to the involvement of employees in the activities and well being of the company. This is achieved by meetings and site visits, publication of an internal newsletter (Pioneer News UK) and by active encouragement of the activities of the Pioneer Mixconcrete Sports and Social Club.

8. AUDITORS

A resolution will be submitted to the Annual General Meeting proposing the appointment of Arthur Andersen as auditors for the ensuing year.

By Order of the Board

Pioneer House
56-60 Waltholt Road
South Harrow
Middlesex HA2 0EY


Secretary
A L J Thomas

5 November 1992

23-03-93

4.

AUDITORS' REPORT TO THE MEMBERS OF PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

We have audited the accounts on pages 5 to 15 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1992 and of its loss for the financial period then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

1 Surrey Street
London WC2R 2PS

Chartered Accountants and Registered Auditor

5 November 1992

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

5.

PROFIT AND LOSS ACCOUNT
for the period from 19 November 1991 to 30 June 1992

	<u>Notes</u>	<u>For the period from 19 November 1991 to 30 June 1992</u> £
Turnover	2	2,409,262
Other operating income		<u>20,850</u> 2,430,112
Raw materials and consumables		(1,595,900)
Other external charges		(124)
Staff costs	4	(699,349)
Depreciation	7	(122,566)
Other operating charges		<u>(659,264)</u> (3,077,203)
Loss on ordinary activities	3	(647,091)
Amortisation of purchased goodwill		(279,359)
Loss on ordinary activities before taxation		(926,450)
Tax credit on loss on ordinary activities	5	211,913
Loss on ordinary activities after taxation		<u>(714,537)</u>
Deficit for the period transferred to reserves	16	<u>£(714,537)</u> =====

The accompanying notes are an integral part of this profit and loss account.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

BALANCE SHEET AT 30 JUNE 1992

	<u>Notes</u>	£	£
FIXED ASSETS			
Intangible assets	6		5,307,827
Tangible assets	7		2,108,043
Investments	8		<u>3,000</u>
			7,418,870
CURRENT ASSETS			
Stocks	9	37,345	
Debtors	10	2,174,143	
Investments	11	673,000	
Cash at bank and in hand		<u>646,905</u>	
		3,531,393	
CREDITORS (amounts falling due within one year)	12	(10,440,632)	
NET CURRENT LIABILITIES			(6,909,239)
TOTAL ASSETS LESS CURRENT LIABILITIES			509,631
CREDITORS (amounts falling due after more than one year)	13		(1,100,000)
PROVISION FOR LIABILITIES AND CHARGES	14		£ (114,168)
NET LIABILITIES			<u>£ (704,537)</u>
CAPITAL AND RESERVES			
Called up share capital	15		10,000
Profit and loss account	16		(714,537)
			<u>£ (704,537)</u>

Approved by the Board on 5 November 1992 and signed on its behalf by:

T B M Holcroft

) Directors

J R Taylor

)

The accompanying notes are an integral part of this balance sheet.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

7.

NOTES TO THE ACCOUNTS
For the period from 19 November 1991 to 30 June 1992

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

(a) Accounting Convention and basis

The accounts have been prepared under the historical cost convention. The accounts have been prepared in accordance with applicable accounting standards and on the basis that continued support will be forthcoming from the parent company, Pioneer Concrete Holdings PLC, for the foreseeable future. In accordance with the exemptions allowed in Financial Reporting Standard 1, a cash flow statement has not been included in the accounts as the company is a wholly owned subsidiary of Pioneer Concrete Holdings PLC (see note 20). A consolidated cash flow statement is included in the accounts of Pioneer Concrete Holdings PLC.

(b) Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

(c) Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the separable net assets acquired. Purchased goodwill, arising on the acquisition of an unincorporated business is amortised over the shorter of the anticipated life of the goodwill, as determined by the directors, and five years.

(d) Tangible Fixed Assets

Land and buildings are shown at cost as set out in note 7. Other fixed assets are shown at cost.

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

Freehold buildings	- 2% per annum
Short leaseholds	- over the period of the lease
Plant, machinery and equipment	- 10.0% to 25% per annum
Motor vehicles	- 14.3% to 20% per annum

No depreciation is provided on freehold land.

(e) Investments

Fixed asset investments are shown at cost.

PIONEER WILLMENT CONCRETE LIMITED
(Formerly Raisepulse Limited)

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NOTES TO THE ACCOUNTS
for the period from 19 November 1991 to 30 June 1992
(continued)

1. ACCOUNTING POLICIES (continued)

(f) Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

(g) Stocks and work in progress

Stocks are stated at the lower of cost, on a first in first out basis, and net realisable value.

(h) Pensions

The company participates in a group pension scheme which is based upon defined benefits. The assets of this scheme are independent of the company's finances. The scheme is funded by contributions partly from employees and partly from group undertakings. Company policy is to charge to the profit and loss account the total cost of providing pensions over the average estimated remaining service lives of pensionable employees.

2. SEGMENT INFORMATION

All sales by the company are supplies made to the contracting and building industries, and all were within the U.K.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1992</u> £
The loss on ordinary activities before taxation is stated after charging:	
Amounts payable under operating leases	31,740
Hire of plant and machinery	787
Directors' emoluments (note 4)	14,600
	=====

Auditors' remuneration is borne by the parent company, Pioneer Concrete Holdings PLC.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

3.

NOTES TO THE ACCOUNTS
for the period from 19 November to 30 June 1992
(continued)

4. DIRECTORS' EMOLUMENTS AND PARTICULARS OF EMPLOYEES

	<u>1992</u>
Directors' emoluments amounted to:	
Remuneration as executives	£14,600
	=====

Directors' remuneration, excluding pension contributions, is as follows:-

	<u>1992</u>
Chairman	-
Highest paid director	£14,500
	=====

Directors' remuneration, excluding pension contributions, is within the following bands:-

		<u>1992</u>
		<u>Number</u>
£0	-	£5,000
		7
£10,001	-	£15,000
		1
		===

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

	<u>1992</u>
Category	<u>Number</u>
Production and ancillary staff	12
Management and sales staff	17
	29
	===

Staff costs were:	<u>1992</u>
	£
Wages and salaries	633,548
Social security costs	62,885
Pension costs	2,916
	=====
	£699,349
	=====

5. TAX ON LOSS ON ORDINARY ACTIVITIES

The charge/(credit) comprises:

UK corporation tax @ 33%	
- current period	(326,081)

Transfer to deferred taxation	
- current period	114,168

(211,913)

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

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NOTES TO THE ACCOUNTS
for the period from 19 November 1991 to 30 June 1992
(continued)

6. INTANGIBLE ASSETS

	<u>Goodwill</u>
Cost:	£
Purchased goodwill on acquisition of business	5,587,186
At 30 June 1992	£5,587,186 =====
Accumulated Amortisation:	
Charge for the period	279,359
At 30 June 1992	£ 279,359 =====
Net book value:	
At 30 June 1992	£5,307,827 =====

On 2 April 1992 the company acquired the assets and business of Willment Ready Mix Concrete Limited and all of the shares in a dormant company, Nodekrete (Readimix) Limited.

The fair value of the net assets acquired and the resulting goodwill is set out below:

<u>Fair value of net assets acquired</u>	£
Tangible fixed assets	2,950,777
Stocks	46,000
Nodekrete (Readimix) Limited shares	3,000
Other costs	127,956
Goodwill	5,587,186
	8,714,919 =====
Represented by:-	
Cash consideration	6,014,919
Deferred consideration	
Other creditors - amounts falling due within one year	1,600,000
Other creditors - amounts falling due after more than one year (note 13)	1,100,000
	8,714,919 =====

The goodwill is written off over its anticipated life which, in the opinion of the directors, is five years.

PIONEER WILLMONT CONCRETE LIMITED
(formerly Raisepulse Limited)

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NOTES TO THE ACCOUNTS
for the period from 19 November 1991 to June 1992
(continued)

7. TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u>	<u>Short leaseholds</u>	<u>Plant, machinery and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£	£
Cost					
At 19 November 1991	-	-	-	-	-
Additions	383,620	305	1,119,486	779,657	2,283,068
Disposals	-	-	-	(54,600)	(54,600)
At 30 June 1992	<u>383,620</u>	<u>305</u>	<u>1,119,486</u>	<u>725,057</u>	<u>2,228,468</u>
Amortisation/depreciation					
At 19 November 1991	-	-	-	-	-
Charge for the period	1,570	-	43,517	77,479	122,566
Disposals	-	-	-	(2,141)	(2,141)
At 30 June 1992	<u>1,570</u>	<u>-</u>	<u>43,517</u>	<u>75,338</u>	<u>120,425</u>
Net book value					
At 30 June 1992	<u>£382,050</u>	<u>£305</u>	<u>£1,075,969</u>	<u>£649,719</u>	<u>£2,108,043</u>
At 19 November 1991	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

Included in freehold land and buildings is an amount of £354,500 of freehold land which is not depreciated.

8. INVESTMENTS

	<u>1992</u>
	£
Shares at cost:	
Additions	3,000
At 30 June 1992	<u>£3,000</u>

On 2 April 1992 the company acquired all of the 2,000 ordinary £1 shares and all of the 1,000 5% non-cumulative preference £1 shares in Nodekrete (Readimix) Limited, a company which is registered in England, for a cash consideration of £3,000.

Consolidated accounts have not been prepared as the company is itself a wholly owned subsidiary of a body corporate incorporated in Great Britain (see note 20), which prepares consolidated accounts in the required form.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

12.

NOTES TO THE ACCOUNTS
for the period from 19 November 1991 to 30 June 1992
(continued)

9. STOCKS	<u>1992</u>
	£
Raw materials and consumables	28,394
Finished goods	<u>8,951</u>
	£37,345
	=====

The replacement cost of stocks is not considered to be materially different from the balance sheet value.

10. DEBTORS	<u>1992</u>
	£
Trade debtors	2,004,181
Amount owed by parent company and other group undertakings	-
Other debtors	169,922
Prepayments and accrued income	<u>40</u>
	£2,174,143
	=====

11. CURRENT ASSET INVESTMENTS	<u>1992</u>
Property held for sale	£673,000
	=====

The property was acquired as part of the assets of Willment Ready Mix Concrete Limited and is stated at its fair value at the date of acquisition which approximates to its net realisable value.

12. CREDITORS (amounts falling due within one year)	<u>1992</u>
	£
Trade creditors	839,555
Amount owed to parent company and other group undertakings	7,177,965
Other creditors	1,867,046
Other taxes and social security	65,367
Accruals and deferred income	490,699
	<u>£10,440,632</u>
	=====

13. CREDITORS (amounts falling due after more than one year)	<u>1992</u>
Other creditors (see Note 6)	£1,100,000
	=====

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

13.

NOTES TO THE ACCOUNTS
for the period from 19 November 1991 to 30 June 1992
(continued)

14. PROVISION FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u>
	£
At 19 November 1991	-
Transfer from profit and loss account	114,168
At 30 June 1992	<u>£114,168</u> =====

The deferred tax balance at 30 June 1992 is made up as follows:-

	<u>Provided</u> <u>1992</u>	<u>Potential</u> <u>1992</u>
Accelerated capital allowances	<u>£114,168</u> =====	<u>£114,168</u> =====

15. CALLED UP SHARE CAPITAL

	<u>1992</u>
Authorised -	
10,000 ordinary shares of £1 each	<u>£10,000</u> =====
Issued and fully paid -	
10,000 ordinary shares of £1 each	<u>£10,000</u> =====

On incorporation, the company allotted 2 ordinary shares of £1 each at par. On 26 March 1992 the company allotted a further 9,998 ordinary shares of £1 each at par to rank pari passu with the existing ordinary shares.

16. RESERVES

	<u>Profit and loss account</u>
	£
At 19 November 1991	-
Loss for the period	(714,537)
At 30 June 1992	<u>£(714,537)</u> =====

17. CONTINGENT LIABILITIES

(a) Bank Guarantee

The company is party to a cross guarantee in respect of bank accounts in the name of Pioneer Concrete Group. At 30 June 1992 the group account was overdrawn in the parent company's books to the extent of £Nil.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raicepulse Limited)

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NOTES TO THE ACCOUNTS
for the period from 19 November to 30 June 1992
(continued)

17. CONTINGENT LIABILITIES (continued)

(b) Operating Lease Commitments

The minimum annual rentals under operating lease agreements are as follows:

Operating leases which expire:	<u>1992</u>
	£
After 5 years	160,348
	=====

(c) VAT

The company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group would give rise to additional liabilities for the company. The directors are of the opinion that no liability is likely to arise from the failure of those companies.

19. PENSIONS

The company participates in a group pension scheme operated for Pioneer Concrete Holdings PLC and its subsidiary undertakings. The scheme provides benefits based on final pensionable pay and the assets of the scheme are held separately from the group.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives and the company's contributions are based on pension costs and surpluses across the group as a whole. The actuarial position is determined by a qualified actuary on the basis of triennial valuations using the projected unit method. Details of pension arrangements and the actuarial position are disclosed in the accounts of Pioneer Concrete Holdings PLC.

The pension cost provided in the period was £2,916.

20. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Pioneer International Limited incorporated in Australia.

The largest group in which the results of Pioneer Willment Concrete Limited are consolidated is that headed by Pioneer International Limited, incorporated and registered in Australia, whose principal place of business is at level 20, 580 George Street, Sydney, NSW 2000, Australia.

PIONEER WILLMENT CONCRETE LIMITED
(formerly Raisepulse Limited)

15.

NOTES TO THE ACCOUNTS
for the period from 19 November to 30 June 1992
(continued)

20. ULTIMATE PARENT COMPANY (continued)

The smallest group in which the company is consolidated is that headed by Pioneer Concrete Holdings PLC, incorporated and registered in England, whose principal place of business is at Pioneer House, 56-60 Northolt Road, South Harrow, Middlesex HA2 0EY.

Pioneer Concrete Holdings PLC has indicated its intention to provide financial support to the company to enable it to meet its obligations as they fall due, including the settlement of intercompany liabilities.

Accounts of the consolidated groups are available to the public and may be obtained from Pioneer House, 56-60 Northolt Road, South Harrow, Middlesex HA2 0EY.