

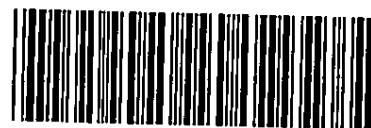
Registered number  
2902926

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

in respect of the year ended

31 December 2008

TUESDAY



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**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Directors, officers and professional advisors**

**Directors**

B J Guyatt  
C Leclercq  
E A Gretton  
R R Gimmler

**Secretary**

R T V Tyson

**Auditors**

Ernst & Young LLP  
1 Bridewell Street  
Bristol  
BS1 2AA

**Registered office**

Hanson House  
14 Castle Hill  
Maidenhead  
SL6 4JJ

**Registered number**

2902926

## **PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**

### **Directors' Report**

The Directors present their report and the financial statements for the year ended 31 December 2008.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

#### **Principal activity**

The principal activity of the Company is that of a group investment holding company.

#### **Review of business**

The Directors have noted the results for the year and consider it well placed to take advantage of opportunities as they arise in the future.

#### **Results and dividends**

The loss for the year after taxation amounted to £35,754,000 (2007: restated - £24,925,000) and is shown in the profit and loss account on page 5. Dividends on the redeemable preference shares of £14,738,000 (2007: £4,608,000) were paid during the year and are classified as an interest expense within the profit and loss account.

#### **Future developments**

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

#### **Principal risks and uncertainties**

The Company's results arise from transactions with fellow group undertakings in the group headed by HeidelbergCement AG. The Directors are therefore of the opinion that, with the exception of foreign currency risk, the Company is not directly exposed to significant risks and uncertainty; however by the very nature of its trade the Company is indirectly exposed to similar risks and uncertainties to those faced by other group companies. Details of the principal risks and uncertainties facing the group headed by HeidelbergCement AG are disclosed in the financial statements of that company.

#### **Foreign exchange risk**

The Company is exposed to foreign exchange risk arising from intra-group transactions. These are not hedged, as inflows and outflows in various currencies are cancelled out at a HeidelbergCement level to a large extent.

#### **Directors**

The Directors currently in office are shown on page one. Directors that served during the year were as follows:

E A Gretton	(appointed 02.06.2008)
C Leclercq	(appointed 02.06.2008)
R R Gimler	(appointed 13.06.2008)
B J Guyatt	(appointed 13.06.2008)
D Egan	(resigned 16.06.2008)
R Coulson	(resigned 20.06.2008)
G Dransfield	(resigned 30.06.2008)

#### **Directors' indemnity**

A fellow group undertaking has indemnified, by means of directors' and officers' liability insurance, one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

## **PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**

### **Directors' Report (continued)**

#### **Post balance sheet events**

On 26 March 2009 all of the 'D' redeemable preference shares were redeemed. Following the redemption, 327,221,751 'E' redeemable preference shares of AUS\$1 each were issued with a dividend rate of 5.6925% and are redeemable within seven years following the date issue.

On 14 July 2009 the company carried out a capital reduction from the share premium account of £100,000,000.

#### **Directors' responsibilities**

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

Company law 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law 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 that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

#### **Disclosure of information to auditors**

The Directors who held office at the date of approval of this Report each confirm that, so far as they are aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and that they have each taken all the steps that ought to have been taken as a director of the Company to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

Ernst & Young LLP, having confirmed their willingness to act, will continue in office as auditors of the Company.

By order of the Board



R T V Tyson  
Company Secretary

Date: 16 September 2009

**Independent auditors' report  
to the members of PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**

We have audited the financial statements of Pioneer International Group Holdings Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

**Respective responsibilities of directors and auditors**

The Directors' responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered auditors  
Bristol

Date: *21 September 2009*

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Profit and Loss Account**  
**for the year ended 31 December 2008**

	<b>Note</b>	<b>2008 £000</b>	<b>2007 Restated £000</b>
Administrative expenses (before exceptional items)		(45,438)	(20,317)
Exceptional items	5	(428)	-
<b>Operating loss</b>	4	<u>(45,866)</u>	<u>(20,317)</u>
Interest receivable and similar income	6	24,856	10
Interest payable and similar charges	7	(14,744)	(4,618)
<b>Loss on ordinary activities before taxation</b>		<u>(35,754)</u>	<u>(24,925)</u>
Tax on loss on ordinary activities	8	-	-
<b>Loss for the financial year</b>	16	<u>(35,754)</u>	<u>(24,925)</u>

All of the Company's results for the year arise from its continuing operations.

There are no material differences between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost loss.

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Statement of total recognised gains and losses**  
**for the year ended 31 December 2008**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>Restated £000</b>
Loss for the financial year	(35,754)	(24,925)
Prior year adjustment (as explained in note 1)	(20,454)	-
Total recognised gains and losses related to the year	<u>(56,208)</u>	<u>(24,925)</u>

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Balance Sheet**  
**at 31 December 2008**

	Note	2008 £000	2007 Restated £000
<b>Fixed assets</b>			
Investments	9	<u>562,879</u>	<u>563,307</u>
<b>Current assets</b>			
Debtors	10	328,317	313,234
<b>Creditors: amounts falling due within one year</b>	11	(166,587)	(3,407)
<b>Net current assets</b>		<u>161,730</u>	<u>309,827</u>
<b>Total assets less current liabilities</b>		<u>724,609</u>	<u>873,134</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(360,826)	(473,597)
<b>Net assets</b>		<u>363,783</u>	<u>399,537</u>
<b>Capital and reserves</b>			
Called up share capital	13	4,693	4,693
Share premium	15	415,117	415,117
Profit and loss account	16	(56,027)	(20,273)
<b>Shareholders' funds</b>	17	<u>363,783</u>	<u>399,537</u>

The financial statements in pages 5 to 14 were approved  
by the Board of Directors and signed on its behalf by:

C Leclercq  
Director

Date: 16 September 2009



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**1 Accounting policies**

***Accounting convention***

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

***Cash flow statement***

In accordance with FRS 1 (revised), the Company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking within the HeidelbergCement AG group.

***Fixed asset investments***

Investments are stated at cost less provision for impairment.

***Group accounts***

No consolidated group financial statements have been prepared because as at 31 December 2008 the Company was a wholly owned subsidiary undertaking of HeidelbergCement AG (incorporated in Germany) and thus satisfies the conditions for exemption under Section 228 of the Companies Act 1985. These financial statements contain information about the Company as an individual undertaking, and not its group.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Deferred tax***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets (and similar fair value adjustments), or gains on disposal of fixed assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made when, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled into replacement assets and charged to tax only when the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

***Interest bearing loans and borrowings***

All interest bearing loans and borrowings are initially recognised as net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of debt in the period.

***Interest income***

Revenue is recognised as interest accrues using the effective interest method.

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**1 Accounting policies (continued)**

***Classification of shares as debt or equity***

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

The proceeds of an issue are allocated to shareholders' equity, net of transaction costs. The carrying amount of equity is not re-measured in subsequent years.

When shares are issued that create a financial liability of the Company they are presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss. The Company's cumulative redeemable preference shares have been accounted for as a financial liability (see note 11).

***Prior period adjustment***

An error was identified in the prior year financial statements regarding the treatment of the cumulative redeemable preference shares in accordance with FRS 25 'Financial Instruments: Disclosure and Presentation'.

The financial statements have been adjusted to reflect the change by reclassifying the 'A' and 'D' cumulative redeemable preference shares of AUS\$1 each, including their associated share premium, as financial liabilities of £473,597,000, thereby reducing net assets by £473,597,000.

It has reduced the profit and loss account by £20,454,000 being the recognition of a foreign exchange loss on the translation of the 'A' and 'D' cumulative redeemable preference shares of AUS\$1 each, including their associates share premium, at the exchange rate at the balance sheet date.

Dividends of £4,608,000 relating to these financial liabilities are now treated as an interest expense, rather than as an appropriation of shareholder funds.

**2 Staff costs**

There were no employees during the year (2007 - nil)

**3 Directors emoluments**

The directors received no emoluments in respect of their services during the year (2007: £nil).

**4 Operating loss**

	2008 £000	2007 Restated £000
This is stated after charging:		
Foreign exchange losses	45,438	20,317
Auditors' remuneration	-	-

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

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

<b>5 Exceptional items</b>	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Impairment of fixed asset investment	428	-
<b>6 Interest receivable and similar income</b>	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Amounts receivable from group undertakings	24,856	10
<b>7 Interest payable and similar charges</b>	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>Restated</b>
		<b>£000</b>
Amounts payable to group undertakings	6	10
'A' Cumulative redeemable preference shares of AUS\$ 1 each	167	146
'D' Cumulative redeemable preference shares of AUS\$ 1 each	14,571	4,462
	14,744	4,618

**8 Taxation**

**a) Tax on loss on ordinary activities**

Current tax:

UK corporation tax on loss of the year  
Adjustments in respect of previous periods  
Tax charge on loss on ordinary activities

-	-
-	-
-	-

**b) Factors affecting tax charge for year**

The tax assessed for the year is different to the standard rate of corporation tax in the UK 28.5% (2007: 30%).  
The differences are explained below:

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>Restated</b>
		<b>£000</b>
Loss on ordinary activities before taxation	(35,754)	(24,925)
Standard rate of corporation tax in the UK	28.5%	30.0%
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(10,190)	(7,478)
Effects of:		
Redeemable preference share dividends not tax deductible	4,200	1,382
Foreign exchange losses not tax deductible	12,956	6,136
Impairment of investment not tax deductible	122	-
Imputed interest	2,808	5,923
Group relief claimed for nil charge	(9,896)	(5,963)
Current tax charge for the year	-	-

**c) Factors that may affect future tax charges**

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the Company's losses for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**9 Investment**

Investment in subsidiary undertaking	Cost £000	Provision £000	Book value £000
At 1 January 2008	890,016	(326,709)	563,307
Provided for in year	-	(428)	(428)
At 31 December 2008	<u>890,016</u>	<u>(327,137)</u>	<u>562,879</u>

The investment in which the Company held more than 20% of the nominal value of any class of share capital was as follows:

Company	Country of registration	Shares held Class	Principal activity	Proportion of shares held %
Slotcount Limited	England and Wales	Ordinary	Investment holding company	53.45%
		Deferred		53.45%

The Company is a wholly owned subsidiary undertaking of a body incorporated in the European Union and advantage has been taken of s228 of the Companies Act 1985 in that consolidated accounts have not been prepared. The accounts presents information about the Company as an individual undertaking.

10 Debtors	2008 £000	2007 £000
Due within one year:		
Amounts owed by group undertakings	<u>328,317</u>	<u>313,234</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand, except for an interest bearing loan of £209,220,000 which accrues interest at 6.1075%.

11 Creditors: amounts falling due within one year	2008 £000	2007 £000
Amounts owed to group undertakings	8,357	3,407
'D' Cumulative preference shares of AU\$1 each (note 13)	158,230	-
	<u>166,587</u>	<u>3,407</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand, except for an interest bearing loan of £4,943,000 which bears interest at 3.5%.

12 Creditors: amounts falling due after one year	2008 £000	2007 Restated £000
'A' Cumulative preference shares of AU\$1 each (note 13)	360,826	329,192
'D' Cumulative preference shares of AU\$1 each (note 13)	-	144,405
	<u>360,826</u>	<u>473,597</u>

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

<b>13 Share capital</b>	<b>2008 No.</b>	<b>2007 No.</b>	<b>2008 £000</b>	<b>2007 £000</b>
Authorised:				
Ordinary Shares of £1 each	2	2	-	-
'B' redeemable preference shares of £1 each				
(classified as a liability under FRS25)	10,000,000	10,000,000	10,000	10,000
			<u>10,000</u>	<u>10,000</u>
	<b>2008 No.</b>	<b>2007 No.</b>	<b>2008 AUS\$000</b>	<b>2007 AUS\$000</b>
Authorised:				
Ordinary shares of AUS\$1 each	500,000,000	500,000,000	500,000	500,000
'A' redeemable preference shares of AUS\$1 each				
(classified as a liability under FRS25)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
'D' redeemable preference shares of AUS\$1 each				
(classified as a liability under FRS25)	500,000,000	500,000,000	500,000	500,000
			<u>2,000,000</u>	<u>2,000,000</u>
	<b>2008 No.</b>	<b>2007 No.</b>	<b>2008 US\$000</b>	<b>2007 US\$000</b>
Authorised:				
C' redeemable preference shares of US\$1 each				
(classified as a liability under FRS25)	1,000,000,000	1,000,000,000	1,000,000	1,000,000
	<b>2008 No.</b>	<b>2007 No.</b>	<b>2008 £000</b>	<b>2007 Restated £000</b>
Allotted, called up and fully paid:				
Ordinary Shares of £1 each	2	2	-	-
Ordinary shares of AUS\$1 each	11,505,297	11,505,297	4,693	4,693
'A' redeemable preference shares of AUS\$1 each				
(classified as a liability under FRS25)	6,900,000	6,900,000	3,337	3,045
'B' redeemable preference shares of £1 each				
(classified as a liability under FRS25)	-	-	-	-
'C' redeemable preference shares of US\$1 each				
(classified as a liability under FRS25)	-	-	-	-
'D' redeemable preference shares of AUS\$1 each				
(classified as a liability under FRS25)	327,221,751	327,221,751	158,231	144,405
			<u>166,261</u>	<u>152,143</u>

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**13 Share capital (continued)**

The following summarises the principal rights only attaching to the non-equity shares in issue. Reference should be made to the articles of association of the company for a full description of the rights attaching to such shares.

**'A' redeemable preference shares of AUS\$1 each**

Dividends - priority right (over ordinary shares but ranking pari pasu with any other class of redeemable preference share) to a fixed non-cumulative cash dividend of 5% p.a. on the paid up capital. Payable on 30 June annually.

Repayment of capital - priority right (over ordinary shares but ranking pari pasu with any other class of redeemable preference share) to repayment of paid up capital, any premium paid and unpaid dividends.

Voting - voting rights at general meetings only if unpaid dividend, unpaid redemption or business of meeting involves purchase of own shares, reduction in capital, winding-up or variation of special rights attaching to the shares.

Redemption - in whole or in part at the Company's option at any time after 11 May 1995. Redemption amount to be aggregate of paid up capital, premium paid and unpaid dividends.

**'D' redeemable preference shares of AUS\$1 each**

Dividends - priority right (over ordinary shares and any other class of redeemable preference share) to a fixed cumulative cash dividend at the rate of 6.5025% p.a. on the paid up capital. Payable on 30 June and 31 December annually.

Repayment of capital - priority right (over ordinary shares and any other class of redeemable preference share) to repayment of paid up capital and unpaid dividends.

Voting - voting rights at general meetings only if unpaid dividend, unpaid redemption or business of meeting involves purchase of own shares, reduction in capital, winding-up or variation of special rights attaching to the shares.

Redemption - in whole or in part at the Company's option at any time from date of issue. Latest date for redemption is 7th anniversary from date of issue.

**14 Dividends**

The dividends paid on the 'A' and 'D' redeemable preference shares of £14,738,000 (2007: £4,608,000) are included within interest payable and similar charges.

**15 Share premium**

	2008 £000	2007 Restated £000
At 1 January (as originally stated)	744,476	415,117
Prior year adjustment (see note 17)	(329,359)	-
At 1 January and 31 December (as restated)	<u>415,117</u>	<u>415,117</u>

**16 Profit and loss account**

	2008 £000	2007 Restated £000
At 1 January (as originally stated)	181	-
Prior year adjustment (see note 17)	(20,454)	-
At 1 January (as restated)	<u>(20,273)</u>	4,652
Loss for the financial year	<u>(35,754)</u>	<u>(24,925)</u>
At 31 December	<u>(56,027)</u>	<u>(20,273)</u>

**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**17 Reconciliation of movement in shareholders' funds**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>Restated</b>
		<b>£000</b>
At 1 January (as originally stated)	873,134	-
Prior year adjustment	(473,597)	-
At 1 January (as restated)	399,537	424,462
Loss for the financial year	(35,754)	(24,925)
At 31 December	363,783	399,537

An error was identified in the prior year financial statements regarding the treatment of the redeemable preference shares of AUS\$1 each and 'D' cumulative redeemable preference shares of AUS\$1 each, in accordance with FRS 25 'Financial Instruments: Disclosure and Presentation'.

The financial statements have been adjusted to reflect the change by reclassifying the 'A' redeemable preference shares of AUS\$1 each and 'D' cumulative redeemable preference shares of AUS\$1 each, including their associated share premium, as financial liabilities of £473,597,000, thereby reducing net assets by £473,597,000.

It has reduced the profit and loss account by £20,454,000 being the recognition of a foreign exchange loss on the translation of the 'A' redeemable preference shares of AUS\$1 each and 'D' cumulative redeemable preference shares of AUS\$1 each, including their associated share premium, at the exchange rate at the balance sheet date.

**18 Post balance sheet events**

On 26 March 2009 all of the 327,221,751 'D' redeemable preference shares in issue were redeemed. Following the redemption, 327,221,751 'E' redeemable preference shares of AUS\$1 each were created and issued with a cumulative dividend at a rate of 5.6925% and are redeemable within seven years of the date issue.

On 14 July 2009 the company carried out a capital reduction from the share premium account of £100,000,000.

**19 Parent undertakings**

The immediate parent undertaking is Pioneer International Holdings Pty Limited, a company registered in Australia. 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.

**20 Related party transactions**

The Company has taken advantage of the 90% owned subsidiary exemption afforded by FRS 8: Related Party Disclosures, and has not disclosed information regarding transactions with other group companies, in the group headed by HeidelbergCement AG.