

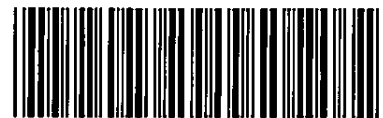
Company number  
2902926

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

in respect of the year ended

31 December 2009

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

**Directors**

B J Guyatt  
E A Gretton

**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

**Company number**

2902926



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Directors' Report**

Company number 2902926

The Directors present their report and the financial statements for the year ended 31 December 2009

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

**Principal activity**

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

**Results and dividends**

The loss for the year after taxation amounted to £76,279,000 (2008 £35,754,000) and is shown in the profit and loss account on page 6. Dividends on the A, D and E redeemable preference shares totalling £9,477,000 (2008 £14,738,000) were paid during the year and are classified as an interest expense within the profit and loss account

**Share capital**

On 26 March 2009 the Company redeemed all of the issued 327,221,751 'D' redeemable preference shares of AUS\$1. The redemption was funded out of the proceeds of the issue of 327,221,751 new 'E' redeemable preference shares of AUS\$1 each.

On 14 July 2009 the Company reduced its share premium account by £100,000,000 by way of a capital reduction.

On 10 December 2009 the rights and restrictions attached to the 'A' and 'E' redeemable preference shares of AUS\$1 were varied to be identical in all respects to those attaching to the ordinary shares.

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

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

B J Guyatt	
C Leclercq	(resigned 31 03 2010)
E A Gretton	
R R Gimmler	(resigned 30 12 2009)

**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 section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

**Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report and the 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing those 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, and
- 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 are sufficient to show and explain the Company's transactions and 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 2006. 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 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 themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Directors' Report (continued)**

Company number 2902926

**Auditors**

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

By order of the Board

A handwritten signature in black ink, appearing to read 'R T V Tyson', with a small dot at the end.

R T V Tyson  
Company Secretary

4 June 2010





**INDEPENDENT AUDITOR'S REPORT  
to the members of PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**

Company number 2902926

We have audited the financial statements of Pioneer International Group Holdings Limited for the year ended 31 December 2009, which comprise the Profit and Loss Account, Balance Sheet and related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Jane Barwell (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol  
Date 10 June 2010



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Profit and Loss Account**  
**for the year ended 31 December 2009**

Company number 2902926

	<b>Note</b>	<b>2009 £000</b>	<b>2008 £000</b>
Administrative expenses (before exceptional items)		(78,852)	(45,438)
Exceptional items	5	-	(428)
<b>Operating loss</b>	4	<u>(78,852)</u>	<u>(45,866)</u>
Interest receivable and similar income	6	12,050	24,856
Interest payable and similar charges	7	(9,477)	(14,744)
<b>Loss on ordinary activities before taxation</b>		<u>(76,279)</u>	<u>(35,754)</u>
Tax on loss on ordinary activities	8	-	-
<b>Loss for the financial year</b>	16	<u>(76,279)</u>	<u>(35,754)</u>

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

There were no other gains or losses recognised in respect of the current or previous year other than those reported above

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**  
**Balance Sheet**  
**at 31 December 2009**

Company number 2902926

	Note	2009 £000	2008 £000
<b>Fixed assets</b>			
Investments	9	562,936	562,879
<b>Current assets</b>			
Debtors	10	325,575	328,317
Cash at bank and in hand		149	-
		325,724	328,317
<b>Creditors amounts falling due within one year</b>	11	(3,408)	(166,587)
<b>Net current assets</b>		322,316	161,730
<b>Total assets less current liabilities</b>		885,252	724,609
<b>Creditors amounts falling due after more than one year</b>	12	-	(360,826)
<b>Net assets</b>		885,252	363,783
<b>Capital and reserves</b>			
Called up share capital	13	190,796	4,693
Share premium	15	726,762	415,117
Profit and loss account	16	(32,306)	(56,027)
<b>Equity shareholders funds</b>	17	885,252	363,783

The financial statements in pages 6 to 13 were approved  
by the Board of Directors and signed on its behalf by

  
B J Guyatt  
Director

4 June 2010

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**Notes to the Financial Statements  
for the year ended 31 December 2009**

**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 at 31 December 2009, the Company was a wholly owned subsidiary undertaking of HeidelbergCement AG (incorporated in Germany) and thus satisfies the conditions for exemption under section 400 of the Companies Act 2006. 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 (continued)**  
**for the year ended 31 December 2009**

Company number 2902926

**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.

On 10 December 2009 the rights and restrictions of the 'A' and 'E' redeemable preference shares of AUS\$1 were varied to be identical to those attaching to the ordinary shares. Therefore, the Company's A and E redeemable preference shares of AUS\$1 have been accounted for as equity.

**2 Staff costs**

There were no employees during the year (2008 - nil)

**3 Directors emoluments**

The directors received no emoluments in respect of their services during the year (2008 - £nil)

**4 Operating loss**

	2009 £000	2008 £000
This is stated after charging		
Foreign exchange losses	78,852	45,438
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.

**5 Exceptional items**

	2009 £000	2008 £000
Impairment of fixed asset investment	-	428



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2009**

Company number 2902926

<b>6 Interest receivable and similar income</b>	<b>2009 £000</b>	<b>2008 £000</b>
Amounts receivable from group undertakings	<u>12,050</u>	<u>24,856</u>
<b>7 Interest payable and similar charges</b>	<b>2009 £000</b>	<b>2008 £000</b>
Amounts payable to group undertakings	-	6
'A' redeemable preference shares of AUS\$ 1 each	255	167
'D' redeemable preference shares of AUS\$ 1 each	2,377	14,571
'E' redeemable preference shares of AUS\$ 1 each	<u>6,845</u>	<u>-</u>
	<u>9,477</u>	<u>14,744</u>

**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% (2008 28.5%)

The differences are explained below

	<b>2009 £000</b>	<b>2008 £000</b>
Loss on ordinary activities before taxation	<u>(76,279)</u>	<u>(35,754)</u>
Standard rate of corporation tax in the UK	28.0%	28.5%
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	(21,358)	(10,190)
Effects of		
Redeemable preference share dividends not tax deductible	2,654	4,200
Foreign exchange losses not tax deductible	22,085	12,956
Impairment of investment not tax deductible	-	122
Imputed interest	1,545	2,808
Group relief claimed for nil charge	(4,926)	(9,896)
Current tax charge for the year	<u>-</u>	<u>-</u>



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2009**

Company number 2902926

**9 Investment**

Investments in subsidiary undertakings	Cost £000	Provision £000	Book value £000
At 1 January 2009	890,016	(327,137)	562,879
Additions	57	-	57
At 31 December 2009	890,073	(327,137)	562,936

On 3 December 2009 the Company acquired the entire issued share capital of Pioneer International Investments Plc, a company registered in England and Wales, from Pioneer Field Services Pty Limited for a cash consideration of £57,292

The investments in which the Company directly 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%
Pioneer International Investments Plc	England and Wales	Ordinary	Dormant	100%
		Income		100%

The Company is a wholly owned subsidiary undertaking of a body incorporated in the European Union and advantage has been taken of section 400 of the Companies Act 2006 in that consolidated financial statements have not been prepared. The financial statements present information about the Company as an individual undertaking.

The Directors of the Company are of the opinion that the number of subsidiary undertakings in respect of which the Company is required to disclose information under section 409 of the Companies Act 2006 is such that it would result in information of excessive length. Advantage has been taken of section 410 of the Companies Act 2006 in that the information is only given relating to directly owned subsidiary undertakings.

**10 Debtors**

	2009 £000	2008 £000
Due within one year		
Amounts owed by group undertakings	325,575	328,317

Amounts owed by group undertakings includes a loan of £209,220,000 which accrues interest at 6.1075% and a loan of £856,000 which accrues interest at 0.6031%. All other amounts are unsecured, interest free and repayable on demand.



**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2009**

Company number 2902926

<b>11 Creditors amounts falling due within one year</b>	<b>2009 £000</b>	<b>2008 £000</b>
Amounts owed to group undertakings	3,408	8,356
'D' redeemable preference shares of AUS\$1 each (note 13)	-	158,231
	<u>3,408</u>	<u>166,587</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

<b>12 Creditors amounts falling due after one year</b>	<b>2009 £000</b>	<b>2008 £000</b>
'A' redeemable preference shares of AUS\$1 each (note 13)	<u>-</u>	<u>360,826</u>

<b>13 Share capital</b>	<b>2009 No</b>	<b>2008 No</b>	<b>2009 £000</b>	<b>2008 £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	6,900,000	6,900,000	3,843	3,337
'D' redeemable preference shares of AUS\$1 each	-	327,221,751	-	158,231
'E' redeemable preference shares of AUS\$1 each	327,221,751	-	<u>182,260</u>	<u>-</u>
			<u>190,796</u>	<u>166,261</u>

On 26 March 2009 the Company redeemed all of the issued 327,221,751 'D' redeemable preference shares of AUS\$1. The redemption was funded out of the proceeds of the issue of 327,221,751 new 'E' redeemable preference shares of AUS\$1 each.

On 10 December 2009 the rights and restrictions of the 'A' and 'E' redeemable preference shares of AUS\$1 were varied to be identical in all respects to those attaching to the ordinary shares. Therefore, following the variation the 'A' and 'E' preference shares have been accounted for as equity with all classes of share ranking *pari passu*.

**14 Dividends**

The dividends paid on the 'A', 'D' and 'E' redeemable preference shares totalling £9,477,000 (2008 £14,738,000) are included within interest payable and similar charges.





**PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 December 2009**

Company number 2902926

**15 Share premium**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
At 1 January	415,117	415,117
Capital reduction	(100,000)	-
Reclassification of redeemable preference shares (note 13)	411,645	-
At 31 December	<u>726,762</u>	<u>415,117</u>

On 14 July 2009 the Company reduced its share premium account by £100,000,000 following a capital reduction

**16 Profit and loss account**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
At 1 January	(56,027)	(20,273)
Capital reduction (note 15)	100,000	-
Loss for the financial year	<u>(76,279)</u>	<u>(35,754)</u>
At 31 December	<u>(32,306)</u>	<u>(56,027)</u>

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

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
At 1 January	363,783	399,537
Reclassification of redeemable preference shares (note 13)	597,748	-
Loss for the financial year	<u>(76,279)</u>	<u>(35,754)</u>
At 31 December	<u>885,252</u>	<u>363,783</u>

**18 Parent undertakings**

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

**19 Related party transactions**

The Company has taken advantage of the exemption in FRS 8 not to disclose transactions with wholly owned subsidiaries.