

Registered number: 02902926

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N Benning-Prince R C Dowley E A Gretton Dr C M Wendt
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Company secretary	W F Rogers
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Registered number	02902926
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Registered office	Hanson House 14 Castle Hill Maidenhead SL6 4JJ
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PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

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PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The Company is a group investment holding company. It did not trade during the current or prior year and, therefore, the financial statements comprise the balance sheet, the statement of changes in equity and related notes only.

Directors

The Directors who served during the year were:

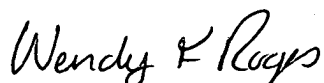
N Benning-Prince
R C Dowley
E A Gretton
Dr C M Wendt

Directors' indemnity

A fellow group undertaking has indemnified, by means of directors' and officers' liability insurance, one or more Directors of the Company 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 was in force during the year and is in force as at the date of approving the Directors' Report.

The articles of association also provide for the Directors to be indemnified by the Company subject to the provisions of the Companies Act 2006.

This report was approved by the board on 11 July 2019 and signed on its behalf.



W F Rogers
Secretary

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED
REGISTERED NUMBER:02902926

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	3	562,951	562,951
Current assets			
Debtors: amounts falling due within one year	4	324,712	324,712
Creditors: amounts falling due within one year	5	(2,332)	(2,332)
Net current assets		<u>322,380</u>	<u>322,380</u>
Net assets		<u><u>885,331</u></u>	<u><u>885,331</u></u>
Capital and reserves			
Called up share capital	6	190,796	190,796
Share premium account		726,762	726,762
Profit and loss account		(32,227)	(32,227)
Shareholders' funds		<u><u>885,331</u></u>	<u><u>885,331</u></u>

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 July 2019.



N Benning-Prince
Director

The notes on pages 4 to 11 form part of these financial statements.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2017	190,796	726,762	(32,227)	885,331
At 1 January 2018	190,796	726,762	(32,227)	885,331
At 31 December 2018	190,796	726,762	(32,227)	885,331

The notes on pages 4 to 11 form part of these financial statements.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Statement of compliance with FRS 101

Pioneer International Group Holdings Limited ("the Company") is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed in the Company Information.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have, unless otherwise stated, been consistently applied to all periods presented.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS101) 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

1.4 Investments

Investments in subsidiaries are shown at cost less provision for impairment.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Impact of new international reporting standards, amendments and interpretations

The Company adopted IFRS 9 and IFRS 15 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 9

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- the determination of the business model within which a financial asset is held.
- the designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss.

If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company assumed that the credit risk on the asset had not significantly changed since its initial recognition.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

IFRS 15

IFRS 15 Revenue from Contracts with Customers supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 January 2018.

The cumulative effect of initially applying IFRS 15 is recognised at the date of transition as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related interpretations.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Impact of new international reporting standards, amendments and interpretations (continued)

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 1 January 2018.

1.6 Financial instruments

Financial assets

Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, transaction costs.

The Company's financial assets include amounts owed by group undertakings.

Financial assets are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The ECL required for other debt instruments is determined using a three stage model.

- At the initial recognition of the financial asset an expected credit loss provision is recorded for the twelve month period following the reporting date. Any interest revenue is calculated on the gross carrying amount of the financial asset.
- If the credit risk of that financial instrument has increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is recorded. Any interest revenue is calculated on the gross carrying amount of the financial asset. Should the significant increase in credit risk reverse within subsequent reporting periods then the expected credit losses on the financial instrument revert to being measured based on an amount equal to the twelve month expected credit losses.
- If objective evidence of impairment exists, a loss allowance for full lifetime expected credit losses is recognised. Any interest revenue is calculated on the net carrying amount of the financial asset.

Financial liabilities

Financial liabilities are initially measured at fair value and, in the case of loans and borrowing and payables, net of directly attributable transactions costs.

The Company's financial liabilities include amounts owed to group undertakings.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.6 Financial instruments (continued)

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.7 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 redeemable preference shares have been accounted for as equity (see note 6).

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Impairment of investments

The Company reviews investments in subsidiaries and other investments for impairment if there are any indications that the carrying values may not be recoverable. The carrying value of the investment is compared to the recoverable amount and where a deficiency exists, an impairment charge is considered by management.

The recoverable amount represents the net assets of the investment at the time of the review or where applicable is represented by an estimate of future cash flows expected to arise from the investment. A suitable discount rate is applied to the future cash flows in order to calculate the present value.

Reversals of impairments are recognised where there is a favourable change in the economic assumptions in the period since the provision was made.

Recoverability of amounts owed by group undertakings

The Company reviews the recoverability of amounts owed by group undertakings by reviewing the net assets of the counterparty. If the counterparty has net liabilities a provision is made by management for the amount considered irrecoverable.

3. Fixed asset investments

	Investment in subsidiary company £000
Cost or valuation	
At 1 January 2018 and 31 December 2018	890,016
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Impairment	
At 1 January 2018 and 31 December 2018	327,065
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Net book value	
At 31 December 2018	562,951
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At 31 December 2017	562,951
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PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Fixed asset investments (continued)

Subsidiary undertakings

The investment in which the Company directly held any class of share capital is as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Slotcount Limited	England and Wales	US Ordinary	53.45%	Group finance company
		Deferred	53.45%	

The registered office of Slotcount Limited is Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ.

4. Debtors

	2018 £000	2017 £000
Due within one year		
Amounts owed by group undertakings	<u>324,712</u>	<u>324,712</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

5. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	<u>2,332</u>	<u>2,332</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. Share capital

	2018 £000	2017 £000
Authorised		
2 (2017 - 2) ordinary shares of £1 each	-	-
500,000,000 (2017 - 500,000,000) 'A' ordinary shares of AUS\$1 each	247,323	247,323
1,000,000,000 (2017 - 1,000,000,000) 'A' redeemable preference shares of AUS\$1 each	494,646	494,646
10,000,000 (2017 - 10,000,000) 'B' redeemable preference shares of £1 each	10,000	10,000
1,000,000,000 (2017 - 1,000,000,000) 'C' redeemable preference shares of AUS\$1 each	678,422	678,422
500,000,000 (2017 - 500,000,000) 'D' redeemable preference shares of AUS\$1 each	247,323	247,323
500,000,000 (2017 - 500,000,000) 'E' redeemable preference shares of AUS\$1 each	247,323	247,323
	<u>1,925,037</u>	<u>1,925,037</u>
Allotted, called up and fully paid		
2 (2017 - 2) ordinary shares of £1 each	-	-
11,505,297 (2017 - 11,505,297) 'A' ordinary shares of AUS\$1 each	4,693	4,693
6,900,000 (2017 - 6,900,000) 'A' redeemable preference shares of AUS\$1 each	3,843	3,843
327,221,751 (2017 - 327,221,751) 'E' redeemable preference shares of AUS\$1 each	182,260	182,260
	<u>190,796</u>	<u>190,796</u>

The rights and restrictions of the 'A' and 'E' redeemable preference shares of AUS\$1 are identical in all respects to those attaching to the ordinary shares. The 'A' and 'E' preference shares have been accounted for as equity with all classes of share ranking pari passu.

7. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned subsidiaries in the group headed by HeidelbergCement AG. Balances outstanding at 31 December with related parties, are as follows:

	2018 £000	2017 £000
Amounts owed by fellow subsidiary undertakings	324,712	324,712
Amounts owed to fellow subsidiary undertakings	(2,332)	(2,332)
	<u>322,380</u>	<u>322,380</u>

PIONEER INTERNATIONAL GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. Ultimate parent undertaking and controlling party

The Company's 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.