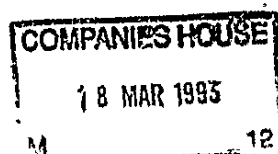


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PIONEER AGGREGATES (UK) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30 June 1992



The company's registered number is 648560

PIONEER AGGREGATES (UK) LIMITED

1.

REPORT OF THE DIRECTORS
for the year ended 30 June 1992

The directors present their report and accounts for the year ended 30 June 1992.

1. PRINCIPAL ACTIVITY

The principal activity of the company is the extraction, processing and sale of aggregates.

2. RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

3. BUSINESS REVIEW

The trading results recorded a further decline, reflecting the severe recession being experienced in the UK construction sector. Demand for premium aggregates fell again and, at the same time, the already intense pressure on selling prices became 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 company's sales volumes were broadly in line with the previous year due to high levels of sales to the roads sector where demand for base course materials remained relatively buoyant. The continuing decline in demand for premium aggregates led to increased competition and further erosion of selling prices. A replacement quarry in Scotland came on stream at the end of the year. A reassessment of the mineral reserves of one of the company's quarries necessitated a significant provision to be made in the accounts and the mothballing of that quarry in the current difficult market environment.

The decline in the premium aggregate market continues to have a severe impact on United Marine Aggregates, the 50% joint venture with Tarmac Quarry Products Limited. The wharves have been operating well below capacity and some ships have had to be laid up for parts of the year. Action has been taken to reduce costs and to seek alternative outlets in Europe for the ships.

The Group recently published an Environmental Policy in conjunction with the industry federation BACMI. As a company with operations and products which could significantly affect or transform the natural landscape, 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.

PIONEER AGGREGATES (UK) LIMITED

REPORT OF THE DIRECTORS
for the year ended 30 June 1992
(continued)

3. BUSINESS REVIEW (continued)

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.

Stringent cost cutting measures continue to be adopted and capital expenditure remains severely curtailed for all but essential 'stay-in-business' items or for certain strategic developments which will ensure that the company is well placed when economic activity does improve.

4. DIRECTORS

The directors of the company during the year ended 30 June 1991 were:

J W Leever
T B M Holcroft
F S C Manson
M A Ogden
E C McCarthy (resigned 10.9.91)

None of the directors had at 30 June 1992 nor at 1 July 1991, a notifiable interest in the shares or debentures of the company or any other group undertaking.

5. FIXED ASSETS

Details of the changes in intangible and tangible fixed assets and fixed asset investments are set out in notes 7, 8 & 9 to the accounts.

6. 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.

PIONEER AGGREGATES (UK) LIMITED

REPORT OF THE DIRECTORS
for the year ended 30 June 1992
(continued)

7. CHARITABLE DONATIONS

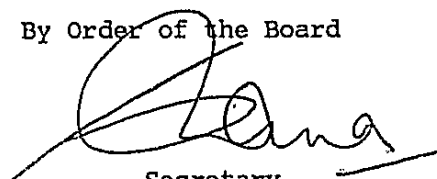
Donations made by the company during the year for charitable purposes amounted to £5,801 (1991 £3,064). No political donations were made.

8. AUDITORS

A resolution will be submitted to the Annual General Meeting to re-appoint Arthur Andersen (formerly Arthur Andersen & Co) as auditors for the ensuing year.

By Order of the Board

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


Secretary
A L J Thomas

5 November 1992

AUDITORS' REPORT TO THE MEMBERS OF PIONKER AGGREGATES (UK) LIMITED

We have audited the accounts on pages 5 to 17 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 profit for the financial year 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 AGGREGATES (UK) LIMITEDPROFIT AND LOSS ACCOUNT
for the year ended 30 June 1992

	<u>Notes</u>	<u>1992</u> £	<u>1991</u> £
Turnover	2	30,063,498	32,459,725
Change in stocks of finished goods		(21,118)	77,143
Other operating income		<u>1,349,677</u>	<u>1,519,761</u>
		<u>31,392,057</u>	<u>34,056,629</u>
Raw materials and consumables		(1,836,061)	(1,977,510)
Other external charges		(2,427,891)	(1,871,588)
Staff costs	5	(4,020,763)	(4,042,601)
Depreciation	8	(4,813,208)	(3,116,726)
Other operating charges		<u>(15,829,811)</u>	<u>(16,688,720)</u>
		<u>(28,927,734)</u>	<u>(27,697,145)</u>
Operating profit		2,464,323	6,359,484
Interest receivable and similar income		-	639,156
Group interest payable		-	(5,572,971)
Profit on ordinary activities before taxation	3	2,464,323	1,425,669
Tax on profit on ordinary activities	6	<u>(1,698,575)</u>	<u>(67,674)</u>
Profit on ordinary activities after taxation		765,748	1,357,995
Dividend paid		-	(1,255,030)
Profit for the year transferred to reserves	16	<u>£ 765,748</u>	<u>£ 102,965</u>

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

PIONEER AGGREGATES (UK) LIMITEDBALANCE SHEET AT 30 JUNE 1992

	<u>Notes</u>	<u>1992</u> £	<u>1991</u> £
FIXED ASSETS			
Intangible assets	7	-	992,714
Tangible assets	8	27,203,270	29,356,276
Investments	9	<u>18,244,379</u>	<u>18,244,379</u>
		<u>45,447,649</u>	<u>48,593,369</u>
CURRENT ASSETS			
Stocks	10	855,990	878,108
Debtors	11	8,140,616	10,40,201
Cash at bank and in hand		<u>377,281</u>	<u>11,237</u>
		9,373,887	10,929,546
CREDITORS (amounts falling due within one year)	12	(<u>18,323,530</u>)	(<u>24,093,417</u>)
NET CURRENT LIABILITIES		(<u>8,949,643</u>)	(<u>13,163,871</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES		36,498,006	35,429,498
CREDITORS (amounts falling due after more than one year)	13	(31,704,252)	(31,704,252)
PROVISION FOR LIABILITIES AND CHARGES	14	<u>(452,760)</u>	<u>-</u>
NET ASSETS		£ 4,340,994 =====	£ 3,725,246 =====
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Revaluation reserve	16	2,053,788	2,432,731
Other reserve	16	632,000	782,000
Profit and loss account	16	<u>1,655,204</u>	<u>510,513</u>
		£ 4,340,994 =====	£ 3,725,246 =====

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

T B M Holcroft

F S C Manson

)
) Directors
)

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

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992

1. ACCOUNTING POLICIES

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

(a) Accounting convention

These accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings. The accounts have been prepared in accordance with applicable accounting standards. 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 19). A consolidated cash flow statement is included in the accounts of Pioneer Concrete Holdings PLC.

(b) Tangible Fixed Assets

Land and buildings are shown at original historical cost or subsequent valuation as set out in note 8. Other fixed assets are shown at cost.

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

Freehold buildings	- 2% per annum
Long leasehold properties	- 2% per annum
Short leasehold properties	- over the period of the lease
Plant, machinery and equipment	- 10% to 20% per annum
Motor vehicles	- 20% per annum

No depreciation is provided on non-mineral bearing freehold land.

(c) Investments

Fixed asset investments are shown at cost less amounts written off.

(d) Depletion

Depletion on mineral bearing land is provided on the basis of aggregates extracted, to write the assets down to residual value over their useful lives.

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

1. ACCOUNTING POLICIES (continued)

(e) 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 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. However, the amount of all deferred tax, including that which will probably not reverse, is shown in note 14.

(f) Stocks

Stocks are stated at the lower of cost, on a first in first out basis and net realisable value. Cost includes all direct costs plus attributable overheads.

(g) Development expenditure

Development costs, representing expenditure on aggregate sites as yet not operational are carried forward until planning permission is likely to be granted, at which time they are reallocated to tangible fixed assets. Costs are written off or provided for when sites are unlikely to become operational.

(h) Pensions

The company participates in a group pension scheme which is based upon defined benefits. The assets of the scheme are independent of the company's finances. The scheme is funded by contributions partly from employees and partly from group companies. 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.

(i) Revaluation reserve

Surpluses arising on the revaluation of individual fixed assets are credited to a non-distributable reserve known as the revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account. Where depreciation charges are increased following a revaluation, an amount equal to such increase is transferred annually from this reserve to the profit and loss account below the profit for the financial year. On the disposal of a revalued fixed asset, any remaining revaluation surplus corresponding to the item is also transferred to the profit and loss account.

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

2. SEGMENT INFORMATION

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

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated:

	<u>1992</u>	<u>1991</u>
	£	£
After charging:		
Amounts payable under operating leases	810,349	567,616
Hire of plant and machinery	2,040,288	2,312,912
Directors' emoluments (note 4)	123,241	148,818
Group management charges	1,334,483	2,441,008
	=====	=====

	<u>1992</u>	<u>1991</u>
	£	£
After crediting:		
Profit on sale of fixed assets	£122,999	£334,106
	=====	=====

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

4. EXCEPTIONAL ITEM

	<u>1992</u>	<u>1991</u>
	£	£
Additional depreciation on reassessment of quarry reserves (note 8)	1,397,293	-
Other operating charges (provision for additional costs)	102,968	-
	£1,500,261	£ -
	=====	=====

5. DIRECTORS' EMOLUMENTS AND PARTICULARS OF EMPLOYEES

	<u>1992</u>	<u>1991</u>
	£	£
Directors' emoluments amounted to:		
Remuneration as executives	£123,241	£148,818
	=====	=====

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

	<u>1992</u>	<u>1991</u>
	£	£
Chairman	Nil	Nil
Highest paid director	£64,571	£60,588
	=====	=====

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

5. DIRECTORS' EMOLUMENTS AND PARTICULARS OF EMPLOYEES (continued)

Directors' remuneration is within the following bands:-

	<u>1992</u> <u>Number</u>	<u>1991</u> <u>Number</u>
£0 - £5,000	2	2
£ 5,001 - £10,000	1	-
£35,001 - £40,000	-	1
£45,001 - £50,000	1	1
£60,001 - £65,000	1	1
	=====	=====

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

<u>Category</u>	<u>1992</u> <u>Number</u>	<u>1991</u> <u>Number</u>
Production staff	166	181
Administration and sales staff	58	60
	224	241
	===	===

Staff costs were:	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
Wages and salaries	3,620,627	3,639,521
Social security costs	353,910	361,512
Pension costs	46,226	41,568
	£4,020,763	£4,042,601
	=====	=====

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
The charge comprises:		
UK corporation tax @ 33% (1991 - 33.75%)		
- current year	(241,027)	2,050,648
- prior year	710,569	27,575
Transfer (from)/to deferred tax		
- current year	1,260,552	(1,997,796)
- prior year	(31,519)	-
- due to change in rate	-	(12,753)
	£1,698,575	£ 67,674
	=====	=====

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

7. INTANGIBLE FIXED ASSETS

	<u>Development expenditure</u>	
	<u>1992</u>	<u>1991</u>
	£	£
Cost:		
At 1 July 1991	992,714	601,833
Additions	812,402	492,890
Transfer to group undertaking	(42,268)	(9,533)
Transfers to fixed assets additions	(1,611,302)	(8,439)
Written off	(151,546)	(169,635)
Transfers from group undertakings	-	85,598
At 30 June 1992	£ -	£992,714

8. TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u>	<u>Leasehold Long leases</u>	<u>Property Short leases</u>	<u>Plant, machinery and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£	£	£
Cost or valuation						
At 1 July 1991	26,729,550	675,806	6,971,324	21,899,349	185,790	56,461,819
Additions	2,060,507	-	11,300	623,064	2,900	2,697,771
Disposals	(19,953)	-	(317,366)	(1,040,419)	(5,037)	(1,382,775)
Transfers out to group undertakings	-	-	-	(121,334)	-	(121,334)
Transfers in from group undertakings	-	-	-	10,180	-	10,180
Reclassification	(3,435)	-	34,204	67,231	(98,000)	-
At 30 June 1992	<u>28,766,669</u>	<u>675,806</u>	<u>6,699,462</u>	<u>21,438,071</u>	<u>85,653</u>	<u>57,665,661</u>
Depreciation/ amortisation						
At 1 July 1991	9,399,294	7,157	5,690,330	11,912,001	96,761	27,105,543
Charge for the year	941,547	-	282,908	2,187,452	4,008	3,415,915
Exceptional charge	1,049,431	-	952	346,910	-	1,397,293
Disposals	(7,094)	-	(315,235)	(1,017,628)	(5,037)	(1,344,994)
Transfers out to group undertakings	-	-	-	(121,334)	-	(121,334)
Transfers in from group undertakings	-	-	-	9,968	-	9,968
Reclassification	(5,270)	-	10,698	7,405	(12,833)	-
At 30 June 1992	<u>11,377,908</u>	<u>7,157</u>	<u>5,669,653</u>	<u>13,324,774</u>	<u>82,899</u>	<u>30,462,391</u>
Net book value						
At 30 June 1992	<u>£17,388,761</u>	<u>£668,649</u>	<u>£1,029,809</u>	<u>£8,113,297</u>	<u>£2,754</u>	<u>£27,203,270</u>
At 1 July 1991	<u>£17,330,256</u>	<u>£668,649</u>	<u>£1,280,994</u>	<u>£9,987,348</u>	<u>£89,029</u>	<u>£29,356,276</u>

Included in freehold land and buildings is an amount of £1,107,435 (1991 £1,097,392) of freehold land which is not depreciated.

PIONEER AGGREGATES (UK) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

8. TANGIBLE FIXED ASSETS (continued)

The cost or valuation figure at 30 June 1992 for land and buildings is represented by:-

	<u>Freehold land and buildings</u>	<u>Long leases</u>	<u>Short leases</u>	<u>Total</u>
	£	£	£	£
Valuation in 1988	1,510,000	-	-	1,510,000
Valuation in 1983	1,364,350	300,000	1,622,500	3,286,850
At cost	<u>25,892,319</u>	<u>375,806</u>	<u>5,076,962</u>	<u>31,345,087</u>
	<u>£28,766,669</u>	<u>£675,806</u>	<u>£6,699,462</u>	<u>£36,141,937</u>

The net book value of freehold land and buildings comprises:

	<u>1992</u>	<u>1991</u>
	£	£
Freehold land	16,959,168	16,905,623
Freehold buildings	<u>429,594</u>	<u>424,633</u>
	<u>£17,388,762</u>	<u>£17,330,256</u>

Certain freehold land and buildings and long and short leasehold properties were revalued on the basis of an open market valuation for existing use at 30 June 1983 and freehold non-mineral bearing land was similarly revalued by the directors at 1 March 1988. If the properties had not been revalued they would have been included at the following amounts:-

	<u>Freehold land and buildings</u>	<u>Long leases</u>	<u>Short leases</u>	<u>Total</u>
	£	£	£	£
Cost	27,313,427	400,030	5,874,654	33,588,111
Depreciation based on cost	<u>9,105,549</u>	<u>7,123</u>	<u>5,375,527</u>	<u>14,488,199</u>
Net book value	<u>£18,207,878</u>	<u>£392,907</u>	<u>£ 499,127</u>	<u>£19,099,912</u>

PIONEER AGGREGATES (UK) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Other invest- ments £	Shares in associated undertaking £	Total £
Cost less amounts written off				
At 1 July 1991 and 30 June 1992	19,138,048	2,233	1,000,000	20,140,281
	=====	=====	=====	=====
Provisions for diminution in value				
At 1 July 1991 and 30 June 1992	1,895,902	-	-	1,895,902
	=====	=====	=====	=====
Net book value				
At 1 July 1991 and 30 June 1992	£17,242,146	£2,233	£1,000,000	£18,244,379
	=====	=====	=====	=====

The company's principal subsidiary undertakings which is wholly owned and incorporated in Great Britain, is as follows:-

TMC Pioneer Aggregates Limited

The shares in associated undertaking represent a 50% interest in the issued share capital of United Marine Holdings Limited a company incorporated in Great Britain.

The loss after taxation for the year ended 30 June 1992 of United Marine Holdings Limited amounted to £2,976,000 (1991 £16,000) and the aggregate amount of its profit and (loss) reserves at 30 June 1992 was (£3,969,000) (1991 £(1,191,000)).

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 19), which prepares consolidated accounts in the required form.

In the opinion of the directors the investments in subsidiaries and associated undertakings are worth not less than the amount stated above.

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

10. STOCKS

	<u>1992</u>	<u>1991</u>
	£	£
Raw materials and consumables	68,153	69,153
Finished goods and goods for resale	<u>787,837</u>	<u>808,955</u>
	£855,990	£878,108
	=====	=====

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

11. DEBTORS

	<u>1992</u>	<u>1991</u>
	£	£
Trade debtors	3,205,566	4,373,316
Amounts owed by associated undertaking	4,150,000	4,150,000
Prepayments and accrued income	475,261	556,747
Other debtors	309,789	183,865
Deferred taxation asset (note 14)	<u>-</u>	<u>776,273</u>
	£8,140,616	£10,040,201
	=====	=====

12. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>1992</u>	<u>1991</u>
	£	£
Trade creditors	1,866,859	1,855,458
Amounts owed to parent company and other group undertakings	13,007,322	17,189,094
Corporation tax	333,045	2,145,424
Other creditors	475,141	417,833
Other taxes and social security	80,242	26,374
Accruals and deferred income	<u>2,560,921</u>	<u>2,459,234</u>
	£18,323,530	£24,093,417
	=====	=====

13. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	<u>1992</u>	<u>1991</u>
Amounts owed to parent company	£31,704,252	£31,704,252
	=====	=====

PIONEER AGGREGATES (UK) LIMITED

15.

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

14. PROVISION FOR LIABILITIES AND CHARGES

	<u>Deferred</u> <u>taxation</u> £
At 1 July 1991	(776,273)
Transfer from profit and loss account	1,229,033
At 30 June 1992	<u>£ 452,760</u> <u>=====</u>

The 1991 deferred taxation asset is shown in Debtors (Note 11)

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

	<u>1992</u> £	<u>Provided</u> <u>1991</u> £	<u>1992</u> £	<u>Potential</u> <u>1991</u> £
Accelerated capital allowances	528,509	1,130,963	528,509	1,130,963
Deferred tax on revaluation surpluses	-	-	2,079,822	2,355,372
Group interest payable	-	(1,839,080)	-	(1,839,080)
Realised capital gains rolled over	-	-	490,489	490,489
Other timing differences	<u>(75,749)</u>	<u>(68,156)</u>	<u>(75,749)</u>	<u>(68,156)</u>
	<u>£452,760</u> <u>=====</u>	<u>£ (776,273)</u> <u>=====</u>	<u>£3,023,071</u> <u>=====</u>	<u>£2,069,588</u> <u>=====</u>

Deferred tax is provided in full except on rolled over capital gains and revaluation surpluses as the relevant assets are not held for disposal. The potential liability is shown above.

15. CALLED UP SHARE CAPITAL

1992 and 1991

Authorised:	
2,000 ordinary shares of £1 each	£2,000 <u>=====</u>
Issued, allotted and fully paid:	
2 ordinary shares of £1 each	£2 <u>==</u>

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

16. RESERVES

	<u>Revaluation reserve</u>	<u>Other reserve</u>	<u>Profit and loss account</u>
	£	£	£
At 1 July 1991	2,432,731	782,000	510,513
Profit for the year	-	-	765,748
Adjustment to depletion of revalued assets	(378,943)	-	378,943
Realisation of unrealised profit	-	(150,000)	-
At 30 June 1992	<u>£2,053,788</u>	<u>£632,000</u>	<u>£1,655,204</u>

The other reserve represents 50% of profits arising on the sale of assets to a 50% owned associated undertaking.

17. FINANCIAL COMMITMENTS

(a) Guarantees

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 account was overdrawn in the holding company's books to the extent of £Nil (1991 - £Nil).

(b) Guarantees of Performance

The company has indemnified its bankers who are surety for £127,500 (1991: £163,500) in respect of performance guarantees to customers.

(c) Operating Lease Commitments

The company has operating lease commitments on agreements due to expire:-

	<u>1992</u>	<u>1991</u>
	£	£
After 5 years	£892,767	£345,692
	=====	=====

(d) Capital Expenditure Commitments

	<u>1992</u>	<u>1991</u>
	£	£
Capital commitments:		
Contracted for but not provided for	2,033,884	1,823,503
Authorised but not contracted	<u>2,398,087</u>	<u>1,184,240</u>
	<u>£4,431,971</u>	<u>£3,007,743</u>
	=====	=====

NOTES TO THE ACCOUNTS
for the year ended 30 June 1992
(continued)

17. FINANCIAL COMMITMENTS (continued)

(e) 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.

18. 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 year was £46,226 (1991 - £41,568).

19. 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 Aggregates (UK) 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.

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.

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