

000286/180

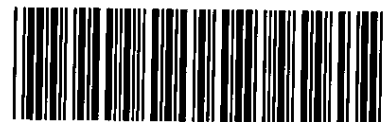
Registered number: FC020152

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

THURSDAY



\*A6KSHCLL\*

A29

07/12/2017

#74

COMPANIES HOUSE

## **PIONEER INTERNATIONAL OVERSEAS CORPORATION**

### **COMPANY INFORMATION**

<b>Directors</b>	D J Clarke (resigned 18 January 2017) E A Gretton N Benning-Prince Dr C M Wendt (appointed 18 January 2017)
<b>Company secretary</b>	W F Rogers
<b>UK Establishment registered number</b>	FC020152
<b>Registered office</b>	Craigmuir Chambers P.O. Box 71 Road Town Tortola British Virgin Islands
<b>UK establishment office</b>	Hanson House 14 Castle Hill Maidenhead England SL6 4JJ
<b>BVI registered number</b>	708853
<b>UK branch number</b>	BR012691

# **PIONEER INTERNATIONAL OVERSEAS CORPORATION**

## **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of comprehensive income</b>	<b>2</b>
<b>Balance sheet</b>	<b>3</b>
<b>Statement of changes in equity</b>	<b>4</b>
<b>Notes to the financial statements</b>	<b>5 - 13</b>

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their report and the unaudited financial statements for the year ended 31 December 2016.

**Principal activity**

The Company is a group investment holding company.

**Results and dividends**

The profit for the year, after taxation, amounted to US \$486,000 (2015 - US \$194,000).

*The directors do not recommend payment of a final dividend (2015 - nil).*

**Directors**

The Directors who served during the year were:

D J Clarke (resigned 18 January 2017)  
E A Gretton  
N Benning-Prince  
Dr C M Wendt (appointed 18 January 2017)

This report was approved by the board on 22 November 2017 and signed on its behalf.



**Dr C M Wendt**  
Director

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$000	2015 \$000
Administrative expenses		(710)	(255)
Exceptional items	7	24	-
<b>Operating loss</b>	4	(686)	(255)
Interest receivable and similar income	5	1,172	449
<b>Profit on ordinary activities before tax</b>		486	194
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		486	194
<b>Total comprehensive income for the financial year</b>		486	194

All amounts relate to continuing operations.

The notes on pages 5 to 13 form part of these unaudited financial statements.

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**  
**REGISTERED NUMBER:FC020152**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 \$000	2015 \$000
<b>Fixed assets</b>			
Investments	8	2,111,465	2,111,441
		<u>2,111,465</u>	<u>2,111,441</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	174,808	174,435
		<u>174,808</u>	<u>174,435</u>
<b>Creditors: amounts falling due within one year</b>	10	(2,111,993)	(2,112,082)
<b>Net current liabilities</b>		<u>(1,937,185)</u>	<u>(1,937,647)</u>
<b>Net assets</b>		<u>174,280</u>	<u>173,794</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Share premium account		143,999	143,999
Profit and loss account		30,279	29,793
<b>Shareholders' funds</b>		<u>174,280</u>	<u>173,794</u>

The unaudited financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2017.



**N Benning-Prince**  
Director

The notes on pages 5 to 13 form part of these unaudited financial statements.

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital \$000</b>	<b>Share premium account \$000</b>	<b>Profit and loss account \$000</b>	<b>Total equity \$000</b>
<b>At 1 January 2015</b>	2	143,999	29,599	173,600
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	194	194
<b>Total comprehensive income for the year</b>	-	-	194	194
<b>At 1 January 2016</b>	2	143,999	29,793	173,794
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	486	486
<b>Total comprehensive income for the year</b>	-	-	486	486
<b>At 31 December 2016</b>	2	143,999	30,279	174,280

The notes on pages 5 to 13 form part of these unaudited financial statements.

## **PIONEER INTERNATIONAL OVERSEAS CORPORATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. Accounting policies**

##### **1.1 Statement of compliance with FRS 101**

Pioneer International Overseas Corporation Limited ("the Company") was incorporated in the British Virgin Islands on 16 February 1996 and registered as a UK Establishment on 25 February 1997. The UK Branch commenced on November 1996. It is tax resident in the UK. 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 US Dollars, which is also the Company's functional currency, and all values are rounded to the nearest thousand dollars (US\$'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 company is not required to prepare audited accounts under British Virgin Island law. The unaudited financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS101) 'Reduced Disclosure Framework' and section 396 of the Companies Act 2006 applicable to overseas companies. The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies Regulations 2009.

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; and
- 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 Going concern**

The financial statements have been prepared on the going concern basis as the Company's ultimate parent undertaking, which indirectly owns the Company's entire share capital, has committed to continue to support the Company for the foreseeable future, in order that it can meet its liabilities as they fall due.



## PIONEER INTERNATIONAL OVERSEAS CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1. Accounting policies (continued)

##### 1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.6 Financial instruments

###### i) Financial assets other than derivatives

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

###### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus directly attributable transaction costs. The Company's financial assets include other receivables.

###### *Subsequent measurement*

The Company reviews indicators of impairment on an ongoing basis and where such indicators exist, the Company makes an estimate of the asset's recoverable amount.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, loans and receivables are measured at fair value plus directly attributable transaction costs. Subsequently, such assets are measured at amortised cost, using the effective interest rate ("EIR") method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the Statement of Comprehensive Income.

Losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

###### ii) Financial liabilities other than derivatives

###### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Company determines the classification of financial liabilities at initial recognition.

###### *Subsequent measurement*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and interest payable.

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. Accounting policies (continued)**

**1.7 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is US Dollars.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

*At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.*

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**1.8 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

## **PIONEER INTERNATIONAL OVERSEAS CORPORATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. Accounting policies (continued)**

##### **1.9 Current and deferred taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investment in subsidiaries, branches and associates, and interests in joint ventures, a deferred tax liability shall be recognised in accordance with IAS 12.39.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

##### **1.10 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

## PIONEER INTERNATIONAL OVERSEAS CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 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. Staff costs

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of US \$1,033,000 (2015 - US \$1,289,000), which was paid by various fellow subsidiaries. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies..

#### 4. Operating loss

The operating loss is stated after charging:

	2016 \$000	2015 \$000
Exchange differences	705	248

#### 5. Interest receivable

	2016 \$000	2015 \$000
Interest receivable from group companies	1,172	449

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**6. Taxation**

	<b>2016 \$000</b>	<b>2015 \$000</b>
<b>Current income tax</b>		
Current UK Corporation tax on profit for the year	-	-
<b>Total current income tax</b>	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	<b>2016 \$000</b>	<b>2015 \$000</b>
Profit on ordinary activities before tax	<u>486</u>	<u>194</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	97	39
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(5)	-
Group relief	(116)	(67)
Transfer pricing adjustments	24	28
<b>Total tax charge/(credit) for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The main rate of corporation tax reduces from 20% to 19% on 1 April 2017 and then to 17% on 1 April 2020.

**7. Exceptional items**

	<b>2016 \$000</b>	<b>2015 \$000</b>
Release of impairment in value of fixed asset investments	<u>24</u>	<u>-</u>

The partial release of impairment against the Company's investment in its subsidiary, Anche Holdings Inc, has been made to reflect the improvement in the underlying net assets.

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. Fixed asset investments**

	<b>Investment in subsidiary undertaking \$000</b>
<b>Cost or valuation</b>	
At 1 January 2016 (as previously stated)	2,111,441
Prior Year Adjustment	94
	<hr/>
At 1 January 2016 (as restated)	2,111,535
	<hr/>
At 31 December 2016	2,111,535
	<hr/>
<b>Impairment</b>	
At 1 January 2016 (as previously stated)	-
Prior Year Adjustment	94
	<hr/>
At 1 January 2016 (as restated)	94
Reversal of impairment losses	(24)
	<hr/>
At 31 December 2016	70
	<hr/>
<b>Net book value</b>	
At 31 December 2016	2,111,465
	<hr/> <hr/>
At 31 December 2015 (as restated)	2,111,441
	<hr/> <hr/>

The cost and impairment of fixed asset investments as at 1 January 2016 has been restated to show the correct allocation between cost and impairment. The cost had previously been shown net of provision for impairment.

The partial release of impairment against the Company's investment in its subsidiary, Anche Holdings Inc, has been made to reflect the improvement in the underlying net assets.

# PIONEER INTERNATIONAL OVERSEAS CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 8. Fixed asset investments (continued)

#### Subsidiary undertaking

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

Name	Country of incorporation	Class of shares	Holding	Principal activity
Anche Holdings Inc.*	Republic of Panama	Ordinary	100 %	Group finance company

\*Registered as a UK establishment.

The registered office address of Anche Holdings Inc is Ph Arifa, 9th and 10th Floors, West Boulevard, Santa Maria Business District, Panama City, Republic of Panama.

### 9. Debtors

	2016 \$000	2015 \$000
<b>Due within one year</b>		
Amounts owed by group undertakings	174,808	174,435

Amounts owed by group undertakings includes a loan of US\$170,717,000 (2015 - US\$169,554,000) which accrues interest at 3 month LIBOR, is unsecured and repayable on demand. The remaining balance is unsecured, interest free and repayable on demand.

### 10. Creditors: Amounts falling due within one year

	2016 \$000	2015 \$000
Amounts owed to group undertakings	2,111,993	2,112,082

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

### 11. Share capital

	2016 \$000	2015 \$000
<b>Shares classified as equity</b>		
<b>Authorised</b>		
10,000 ordinary shares of US \$1 each	10	10
<b>Allotted, called up and fully paid</b>		
1,540 ordinary shares of US \$1 each	2	2

**PIONEER INTERNATIONAL OVERSEAS CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**12. 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:

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Amounts owed by ultimate parent undertaking	170,721	169,554
Amounts owed by fellow subsidiary undertaking	4,087	4,881
Amounts owed to subsidiary undertaking	(2,111,535)	(2,111,535)
Amounts owed to fellow subsidiary undertaking	(458)	(547)
	<u>(1,937,185)</u>	<u>(1,937,647)</u>

**13. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Pioneer Overseas Investments Limited, a company registered in Guernsey. 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.