

REPORT AND ACCOUNTS

WILLIAM LEECH LIMITED

30 JUNE 1994

Company Number 361750



William Leech Limited
DIRECTORS' REPORT

The directors present their report and audited accounts for the nine months ended 30 June 1994.

1. RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £6,928 and an interim dividend has been proposed and paid of £1,106,584. The directors do not recommend the payment of a final dividend leaving the profit to be retained.

2. PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company was that of an investment holding company.

3. THE DIRECTORS

The directors who have served during the period were as follows:-

D M Webb
D N Priest
D J Smith (appointed 20.1.94)

4. DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985, none of the directors had any interest in the share capital of the company.

The company was a wholly owned subsidiary of Hanson PLC until 25 March 1994 and then of Beazer Homes PLC. The only declarable interests in the share capital of Hanson PLC at 1 October 1993 and of Beazer Homes PLC at 30 June 1994 are as follows:

	30 June 1994 Beazer Homes Plc 25p Ordinary Shares	Beazer Homes PLC Option Granted	Price	Hanson Plc Options over 25p Ordinary Exercised
D N Priest	6,000	50,000	1.65	30,000

The interests of D M Webb and D J Smith are disclosed in the accounts of Beazer Homes PLC.

5. SHARE CAPITAL

On 11 February 1994 the authorised share capital was reorganised by the creation of 1,000,000 "A" Ordinary Shares of US\$0.01 each and the conversion of the Company's existing issue Ordinary Share capital into Deferred Shares of £1 each. On the same day 5,020 "A" Ordinary Shares were issued at par for cash.

6. FIXED ASSETS

Information relating to changes in tangible fixed assets are shown in note 2 to the accounts.

William Leech Limited
DIRECTORS' REPORT

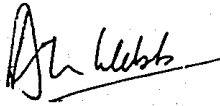
7. CHANGE OF ULTIMATE PARENT COMPANY

On 25 March 1994 Beazer Homes PLC acquired the whole of the issued share capital of the company's immediate parent undertaking thereby becoming its ultimate holding company.

8. AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By Order of the Board



D M Webb
Director

3 October 1994

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

William Leech Limited

REPORT OF THE AUDITORS TO THE MEMBERS OF WILLIAM LEECH LIMITED

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.


Basis of opinion

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

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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1994 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor

3 October 1994

William Leech Limited

PROFIT AND LOSS ACCOUNT

for the nine months ended 30 June 1994

	Notes	30 June 1994 (9 months) £	30 September 1993 (12 months) £
Income from shares in subsidiary undertakings		-	2,473,702
Operating Profit		-	2,473,702
Interest receivable		11,586	-
Write down of fixed asset investment		(950)	-
Profit on sale of fixed asset investments		115	142,405,045
Profit on ordinary activities before taxation		10,751	144,878,747
Taxation charge	3	(3,823)	-
Profit on ordinary activities after taxation for the financial year		6,928	144,878,747
Interim dividend paid		(1,106,584)	(145,402,045)
Deficit taken to reserves		(1,099,656)	(523,298)

A statement of movement on reserves is given in note 8.

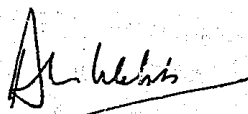
RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit on ordinary activities after taxation of £6,928 in the nine months ended 30 June 1994. (1993 - £144,878,747).

William Leech Limited
BALANCE SHEET
at 30 June 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Investments	4	<u>10,252</u>	<u>16,389</u>
CURRENT ASSETS			
Debtors	5	4,923,914	13,866,619
CREDITORS: amounts falling due within one year	6	<u>(444,980)</u>	<u>(8,294,200)</u>
NET CURRENT ASSETS		<u>4,478,134</u>	<u>5,572,419</u>
TOTAL ASSETS LESS LIABILITIES		<u><u>4,489,186</u></u>	<u><u>5,588,808</u></u>
CAPITAL AND RESERVES			
Called up Share Capital	7	3,012,214	3,012,180
Share Premium Account		1,470,044	1,470,044
Profit and Loss account	8	<u>6,928</u>	<u>1,106,584</u>
		<u><u>4,489,186</u></u>	<u><u>5,588,808</u></u>

These accounts were approved
by the Board of Directors on
3 October 1994 and were
signed on its behalf by:



D M Webb Director

William Leech Limited
NOTES TO THE ACCOUNTS
at 30 June 1994

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Investment in Subsidiary Undertakings

Group accounts have not been prepared, under Section 228 Companies Act 1985, as the company is a wholly owned subsidiary undertaking of another company registered in England and Wales.

2. FIXED ASSETS

	Freehold Land and Buildings £
At Cost:	
Transferred from group undertakings	498,409
Transferred to group undertakings	(498,409)
At 30 June 1994	-
Depreciation:	
Transferred from group undertakings	53,578
Transferred to group undertakings	(53,578)
	-
Net Book Value:	
At 30 June 1994	-
At 1 October 1993	-

3. TAXATION

Corporation tax at 33% based on the profits for the period is £3,823 (1993 - £nil).

4. INVESTMENTS

	Subsidiary Undertakings £	Associated Undertakings £	Total £
Cost at 1st October 1993	11,389	5,000	16,389
Disposals in period	(285)	(5,000)	(5,285)
Additions in period	98	-	98
Writedown of investment	(950)	-	(950)
Cost at 30 June 1994	<u>10,252</u>	<u>-</u>	<u>10,252</u>

Shares in subsidiary undertakings represent the entire called up share capital of the following companies, which are registered in England and Wales.

Leech Homes (Yorkshire) Limited
A S Nixon and Company Limited
Leech Homes (Showhouses) Limited
Steelhaven (7) Limited

In the opinion of the directors, the investments are worth at least their book values.

William Leech Limited
NOTES TO THE ACCOUNTS
at 30 June 1994

5. DEBTORS

	1994 £	1993 £
Amounts falling due within one year		
Amounts owed by fellow subsidiary undertakings	275,787	7,392,867
Amounts owed by ultimate parent undertaking	4,648,127	-
Amounts owed by associated undertakings	-	50
Amount owed by subsidiary undertakings	-	6,473,702
	<u>4,923,914</u>	<u>13,866,619</u>

6. CREDITORS

	1994 £	1993 £
Amounts falling due within one year		
Amount due to group undertakings	444,980	10,200
Proposed dividends	-	8,284,000
	<u>444,980</u>	<u>8,294,200</u>

7. SHARE CAPITAL

	1994	1993
AUTHORISED		
1,000,000 "A" Ordinary Shares of US\$0.01 (1993 nil)	\$10,000	-
4,939,100 Ordinary Shares of 20p (1993 20,000,000)	£987,820	£4,000,000
15,060,900 Deferred Ordinary Shares of 20p (1993 nil)	£3,012,180	-
	<u>£</u>	<u>£</u>
ALLOTTED, CALLED UP AND FULLY PAID		
5,020 "A" Ordinary Shares of US\$0 (1993 nil)	34	-
15,060,900 Ordinary Shares of £1	-	3,012,180
15,060,900 Deferred Ordinary Shares of £1	3,012,214	-
	<u>3,012,180</u>	<u>3,012,180</u>

On 11 February 1994 the authorised share capital was reorganised by the creation of 1,000,000 "A" Ordinary Shares of US\$0.01 each and the conversion of the Company's existing issued Ordinary Share capital into Deferred Shares of £1 each. On the same day 5,020 "A" Ordinary Shares were issued at par for cash.

The value of the authorized US dollar denominated share capital has been shown in that currency. Their value, when allotted, called up and fully paid is the sterling proceeds received at the time of issue.

William Leech Limited
NOTES TO THE ACCOUNTS
at 30 June 1994

8. RESERVES

	Profit and Loss Account £
At 1 October 1993	1,106,584
Retained deficit	(1,099,656)
At 30 June 1994	<u>6,928</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
At 1 October 1993	5,588,808	6,112,106
Increase in issued Share Capital in the period	34	-
Profit for the period attributed to shareholders	6,928	144,878,747
Dividend paid	(1,106,584)	(145,402,045)
Balance at 30 June 1994	<u>4,489,186</u>	<u>5,588,808</u>

10. CONTINGENT LIABILITIES

The company is a party to cross guarantees given to National Westminster Bank PLC in respect of group bank overdrafts which at 30 June 1994 were £3,284,000.

11. ULTIMATE PARENT COMPANY

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Beazer Homes PLC, registered in England and Wales. Beazer Homes PLC is also the company's ultimate parent company.

A copy of Beazer Homes PLC's accounts will be filed at Companies House, Crown Way, Cardiff, where they would be available to the public.