

Registered no. 1810564

REPORT AND ACCOUNTS

HPL Property Limited
(Formerly Beazer Property Limited)

30 SEPTEMBER 1994



HPL Property Limited

(formerly Beazer Property Limited)

Registered No 1810564

DIRECTORS

M J Ablett
P W Nicholson
P J Turner
J F Meddins

SECRETARY

B E Rossiter

AUDITORS

Ernst & Young
One Bridewell Street
Bristol
BS1 2AA

REGISTERED OFFICE

Beazer House
Lower Bristol Road
Bath
Avon BA2 3EY

HPL Property Limited

(formerly Beazer Property Limited)

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 30 September 1994.

1. PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

By a special resolution on 23 August 1994 the company changed its name from Beazer Property Limited to HPL Property Limited.

The principal activity continued to be that of an intermediate holding company. The directors anticipate that the company will continue to act as an intermediate holding company for the foreseeable future.

2. RESULTS AND DIVIDENDS

	Year ended 30.9.94 £	Year ended 30.9.93 £
Profit for the year after taxation dealt with in the accounts is	1,993,373	25,304,301
Dividends	-	-
INCREASE IN RESERVES	<u>1,993,373</u>	<u>25,304,301</u>

3. FIXED ASSETS

The changes in fixed assets are summarised in the notes to the accounts.

In the opinion of the directors, the fixed asset investments are worth at least the figures at which they are stated in the accounts.

4. THE DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were as follows:

M J Ablett
N G Beaumont (Resigned 29 July 1994)
J F Meddins
P W Nicholson
P J Turner

No director had any beneficial interest in the shares of the company. The directors who held office at 30 September 1994 had the following declarable interests in the share capital of Hanson PLC, the ultimate parent undertaking. The interests represent ordinary shares of 25p each. The company's Register of Directors' Interests (which is open to inspection) contains full details of directors' shareholdings and options to subscribe.

		1.10.93	Granted	Exercised	30.9.94	Average exercise price	Market price when exercised
MJ Ablett	Shares	47,689	-	-	47,689	-	-
	Executive Share Options	62,000	173,000	-	235,000	242.0	-
	Sharesave options	10,768	-	-	10,768	242.0	-
JF Meddins	Executive Share Options	-	12,000	-	12,000	267.5	-
	Sharesave options	7,681	3,179	-	10,860	167.1	-

There were no other interests notifiable under Section 324 of the Companies Act 1985.

On 16 December 1994 15,000 Executive Share Options were granted to Mr JF Meddins at a price of 228.5p.

HPL Property Limited
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DIRECTORS' REPORT Cont./...

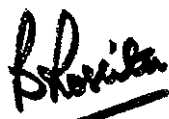
5. AUDITORS

Ernst & Young, having consented to act, will continue in office.

6. ANNUAL GENERAL MEETING

Pursuant to the Elective Resolution of the company passed on 3 February 1994, the company has dispensed with the need to hold Annual General Meetings. Any member of the company is entitled to require the laying of the accounts before a general meeting on giving due notice to that effect in accordance with Section 253 of the Companies Act 1985.

By order of the Board



B E Rossiter
Secretary

23 MAR 1995

**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 of the company for that period. 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- * 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.

HPL Property Limited

(formerly Beazer Property Limited)

REPORT OF THE AUDITORS

to the members of HPL Property Limited

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 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 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 the company's affairs as at 30 September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
Bristol

23 March 1995.

HPL Property Limited

(formerly Beazer Property Limited)

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1994

	Notes	1994 £	1993 £
Administrative (expenses)/income		(6,627)	65,210
Other operating income	2	-	9,018
Operating (loss)/profit		(6,627)	74,228
Interest receivable	7	-	81,729
PROFIT BEFORE EXCEPTIONAL ITEMS		(6,627)	155,957
Exceptional items	3	2,000,000	25,148,344
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,993,373	25,304,301
Taxation on profit on ordinary activities	8	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		1,993,373	25,304,301

A statement of the movement on reserves is given in note 13.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

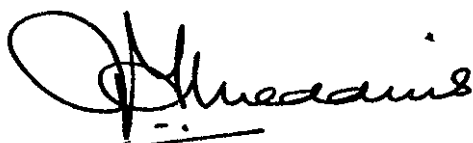
There are no recognised gains or losses other than the profit attributable to shareholders of the company of £1,993,373 in the year ended 30 September 1994 (1993: £25,304,301 profit).

HPL Property Limited
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BALANCE SHEET

As at 30 September 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Investments	9	22,835,144	22,840,144
		<u>22,835,144</u>	<u>22,840,144</u>
CURRENT ASSETS			
Debtors	10	90,661,254	90,663,682
CREDITORS: amounts falling due within one year	11	(73,861,057)	(75,861,858)
NET CURRENT ASSETS		<u>16,800,197</u>	<u>14,801,824</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,635,341</u>	<u>37,641,968</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,000,000	50,000,000
Profit and loss account	13	(10,364,659)	(12,358,032)
		<u>39,635,341</u>	<u>37,641,968</u>



J F Meddins
Director

23 MAR 1995

HPL Property Limited

(formerly Beazer Property Limited)

NOTES TO THE ACCOUNTS

at 30 September 1994

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

Interest payable

All interest payable is written off in arriving at profit on ordinary activities.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is expected the timing difference will reverse.

Investment in subsidiary undertakings

The company is a wholly owned subsidiary undertaking of a body incorporated in the United Kingdom and advantage has been taken of S228 of the Companies Act 1985 in that consolidated accounts have not been prepared.

2. OTHER OPERATING INCOME

	1994	1993
	£	£
Royalties receivable	-	10,127
Provision re investments	-	(1,109)
	<u>-</u>	<u>9,018</u>

3. EXCEPTIONAL ITEMS

	1994	1993
	£	£
Sale of investments	-	26,735,344
Release of Provision	-	413,000
Release/(provision) for loan guarantee	2,000,000	(2,000,000)
	<u>2,000,000</u>	<u>25,148,344</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1994	1993
	£	£
Depreciation	<u>-</u>	<u>2,511</u>

HPL Property Limited

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NOTES TO THE ACCOUNTS

at 30 September 1994

5. DIRECTORS' EMOLUMENTS

There were no directors' emoluments during the year (1993: £Nil).

6. EMPLOYEES

There were no persons employed by the company during the year (1993: Nil).

7. INTEREST RECEIVABLE

	1994 £	1993 £
Bank loans and overdraft	-	81,729
	<u>-</u>	<u>81,729</u>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

After adjustment for tax purposes a tax loss arises; however, there is no corporation tax credit in the current year due to losses being surrendered to other group companies without consideration.

There is no deferred taxation liability nor any unprovided deferred tax (1993: £Nil).

9. INVESTMENTS

	Subsidiary Shares Cost £	Subsidiary Loanstock Cost £	Related Company Shares Cost £	Provision £	Net £
At 1 October 1993 - Shares	14,911,253			(71,109)	14,840,144
At 1 October 1993 - Loanstock		25,100,000		(17,100,000)	8,000,000
At 1 October 1993 - Shares			50	(50)	-
Disposals	(5,000)				(5,000)
At 30 September 1994	<u>14,906,253</u>	<u>25,100,000</u>	<u>50</u>	<u>(17,171,159)</u>	<u>22,835,144</u>

The principal subsidiary undertakings at 30 September 1994 were:

	Country of registration	Proportion of ordinary shares held	Holding	Nature of business
CHB Investment Properties Ltd (Formerly C H Beazer (Investment Properties) Ltd)	England & Wales	100%	Ordinary shares	Dormant
Second City Properties Ltd	England & Wales	100%	Ordinary shares	Dormant
HB Property Investments Ltd (Formerly Beazer Property Investments Limited)	England & Wales	100%	Ordinary shares	Dormant
St James Properties Ltd	England & Wales	100%	Ordinary shares	Dormant
Irisbeck Ltd	England & Wales	100%	Ordinary shares	Dormant*
Envoykent Ltd	England & Wales	100%	Ordinary shares	Dormant
HB Property Management Services Ltd (Formerly Beazer Property Management Services Limited)	England & Wales	50%	Ordinary shares	Dormant**
CHB Premises Ltd (Formerly C.H. Beazer (Premises) Limited)	England & Wales	50%	Ordinary shares	Dormant**
South West Developers Ltd	England & Wales	100%	Ordinary shares	Inactive
Maldonian Ltd	England & Wales	100%	Ordinary shares	Dormant
HB Commercial Developments Ltd (Formerly Beazer Commercial Development Limited)	England & Wales	100%	Ordinary shares	Dormant
HB Offices Ltd (Formerly Beazer Offices Limited)	England & Wales	100%	Ordinary shares	Inactive

* Part of holding indirectly held

** The remaining shares in these companies are held by Company Investments Limited, a nominee company.

In the opinion of the directors, the value of the Company's investment in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

HPL Property Limited

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NOTES TO THE ACCOUNTS

at 30 September 1994

10. DEBTORS

	1994 £	1993 £
Amounts owed by group undertakings	90,643,580	90,641,973
Other debtors	-	4,035
Advance Corporation Tax recoverable	17,674	17,674
	<u>90,661,254</u>	<u>90,663,682</u>

No formal arrangements exist for repayment of the amounts owed by group undertakings. In practice, these amounts represent long term advances and are unlikely to be repaid within one year.

11. CREDITORS

	1994 £	1993 £
Amounts falling due within one year:		
Amounts owed to group undertaking	73,861,057	73,861,858
Accruals and deferred income	-	2,000,000
	<u>73,861,057</u>	<u>75,861,858</u>

No formal arrangements exist for repayment of the amounts owed to group undertakings. In practice, these amounts represent long term advances and are unlikely to be repaid within one year.

12. SHARE CAPITAL

	1994 £	1993 £
Authorised		
50,000,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
Allotted, called up and fully paid		
50,000,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>

13. SHARE CAPITAL, MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total Shareholders' Funds £
Balance 1 October 1992	50,000,000	(37,662,333)	12,337,667
Profit attributable to members	-	25,304,301	25,304,301
Balance 1 October 1993	50,000,000	(12,358,032)	37,641,968
Profit attributable to members	-	1,993,373	1,993,373
Balance 30 September 1994	<u>50,000,000</u>	<u>(10,364,659)</u>	<u>39,635,341</u>

14. CASH FLOW STATEMENT

The company is not required to produce a cash flow statement as it is wholly owned subsidiary of Hanson PLC which prepares a consolidated cash flow statement.

15. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Hanson PLC, which is registered in England and Wales. Copies of their accounts can be obtained from Hanson PLC, One Grosvenor Place, London, SW1X 7JH.