

Registered no. 1810564

REPORT AND ACCOUNTS

HPL Property Limited

30 SEPTEMBER 1996



HPL Property Limited

Registered No 1810564

DIRECTORS

M J Ablett
P W Nicholson
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

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 30 September 1996.

1. PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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 30.9.96 £	Year Ended 30.9.95 £
Loss for the year after taxation dealt with in the accounts is	(17,674)	-
TRANSFER FROM RESERVES	<u>(17,674)</u>	<u>-</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
J F Meddins
P W Nicholson
P J Turner (Resigned 24.2.97)

None of the directors had any declarable interests in the share or loan capital of the company or any associated company during the year under review.

5. AUDITORS

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

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.

HPL Property Limited

DIRECTORS' REPORT Cont./...

7. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN THE 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.

By order of the Board



B E ROSSITER
Secretary

21 MAY 1997

HPL Property Limited

REPORT OF THE AUDITORS to the members of HPL Property 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 the 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 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 1996 and of its loss 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

21 May 1997.

HPL Property Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1996

	Notes	1996 £	1995 £
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation	4	(17,674)	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		<u>(17,674)</u>	<u>-</u>

A statement of the movement on reserves is given in note 9.

Statement of Total Recognised Gains and Losses

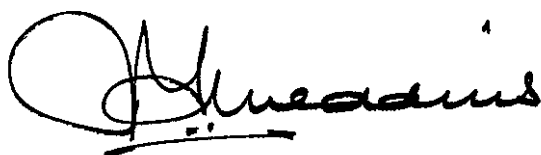
There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £17,674 in the year ended 30 September 1996 (£ Nil in the year ended 30 September 1995).

HPL Property Limited

BALANCE SHEET

As at 30 September 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Investments	5	22,835,144	22,835,144
		<u>22,835,144</u>	<u>22,835,144</u>
CURRENT ASSETS			
Debtors	6	84,415,977	90,661,254
CREDITORS: amounts falling due within one year	7	(67,633,454)	(73,861,057)
NET CURRENT ASSETS		<u>16,782,523</u>	<u>16,800,197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,617,667</u>	<u>39,635,341</u>
CAPITAL AND RESERVES			
Called up share capital	8	50,000,000	50,000,000
Profit and loss account	9	(10,382,333)	(10,364,659)
EQUITY SHAREHOLDERS' FUNDS		<u>39,617,667</u>	<u>39,635,341</u>



J F Meddins
Director

21 MAY 1997

HPL Property Limited

NOTES TO THE ACCOUNTS

at 30 September 1996

1. ACCOUNTING POLICIES

Accounting convention

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

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. DIRECTORS' EMOLUMENTS

There were no directors' emoluments during the year (1995: £Nil).

3. EMPLOYEES

There were no persons employed by the company during the year (1995: Nil).

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Adjustment in respect of irrecoverable ACT £17,674 (1995 - £ Nil) .

There is no deferred taxation liability nor any unprovided deferred tax (1995: £Nil).

5. INVESTMENTS

	Subsidiary Shares Cost £	Subsidiary Loanstock Cost £	Related Company Shares Cost £	Provision £	Net £
At 1 October 1995 - Shares	14,906,253			(71,109)	14,835,144
At 1 October 1995 - Loanstock		25,100,000		(17,100,000)	8,000,000
At 1 October 1995 - Shares			50	(50)	-
At 30 September 1996	14,906,253	25,100,000	50	(17,171,159)	22,835,144

HPL Property Limited

NOTES TO THE ACCOUNTS

at 30 September 1996

5. INVESTMENTS cont.

The principal subsidiary undertakings at 30 September 1996 were:

	<i>Country of registration</i>	<i>Proportion of ordinary shares held</i>	<i>Holding</i>	<i>Nature of business</i>
CHB Investment Properties Ltd	England & Wales	100%	Ordinary shares	Dormant
Second City Properties Ltd	England & Wales	100%	Ordinary shares	Dormant
HB Property Investments Ltd	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	England & Wales	50%	Ordinary shares	Dormant**
CHB Premises Ltd	England & Wales	50%	Ordinary shares	Dormant**
South West Developers Ltd	England & Wales	100%	Ordinary shares	Dormant
Maldonian Ltd	England & Wales	100%	Ordinary shares	Dormant
HB Commercial Developments Ltd	England & Wales	100%	Ordinary shares	Dormant
HB Offices Ltd	England & Wales	100%	Ordinary shares	Dormant

* 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.

6. DEBTORS

	1996 £	1995 £
Amounts owed by group undertakings	84,415,977	90,643,580
Advance Corporation Tax recoverable	-	17,674
	<u>84,415,977</u>	<u>90,661,254</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.

7. CREDITORS

	1996 £	1995 £
Amounts falling due within one year:		
Amounts owed to group undertaking	<u>67,633,454</u>	<u>73,861,057</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.

HPL Property Limited

NOTES TO THE ACCOUNTS

at 30 September 1996

8. SHARE CAPITAL

	1996 £	1995 £
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>

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

	Share Capital £	Profit & Loss Account £	Total Shareholders' Funds £
Balance 1 October 1994	50,000,000	(12,358,032)	37,641,968
Profit attributable to members	-	1,993,373	1,993,373
Balance 1 October 1995	<u>50,000,000</u>	<u>(10,364,659)</u>	<u>39,635,341</u>
Loss attributable to members	-	(17,674)	(17,674)
Balance as at 30 September 1996	<u>50,000,000</u>	<u>(10,382,333)</u>	<u>39,617,667</u>

10. CASH FLOW STATEMENT

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

11. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Hanson PLC, which is registered in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Hanson PLC. Copies of their accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.