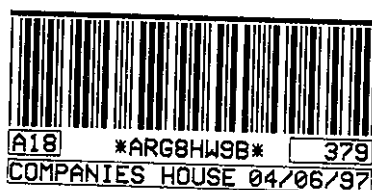


REPORT AND ACCOUNTS

Hanson (BHL) Limited

30 SEPTEMBER 1996



Hanson (BHL) Limited

Registered No. 2755729

DIRECTORS

M J Ablett
J F Meddins
P W Nicholson

SECRETARY

B E Rossiter

AUDITORS

Ernst & Young
One Bridewell Street
Bristol
BS1 2AA

REGISTERED OFFICE

Beazer House
Lower Bristol Road
Bath
Avon BA2 3EY

BANKERS

National Westminster Bank PLC
15 High Street
Bath
BA1 5AH

Hanson (BHL) 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 company did not trade during the year. Therefore the accounts have been prepared on a break-up basis as explained in note 1.

2. RESULTS AND DIVIDENDS

There was no profit or loss for the year (1995: Nil).

3. 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)

The only declarable interests were in the ordinary share capital of Hanson PLC, the ultimate parent undertaking, as follows:

	<u>Ordinary Shares</u>		<u>Options (1)</u>		<u>Contingent Rights in Ordinary Shares (2)</u>	
	At 1.10.95	At 30.9.96	At 1.10.95	At 30.9.96	At 1.10.95	At 30.9.96
P W Nicholson	1,150	1,150	134,817	190,817	5,860	5,860
J F Meddins	-	4,388	37,860	53,694	1,730	1,508

	<u>Options granted/ (exercised) during the year(3)</u>	<u>Exercise Price</u>	<u>Market Price at date of exercise</u>	<u>Dates Exercisable</u>	<u>Weighted average price of out-standing options</u>
P W Nicholson	56,000 / -	135.0	204.5	1995 - 2005	219.1p
J F Meddins	20,000 / (4,166)	-	-	1997 - 2005	217.5p

There were no other notifiable interests.

Notes

- Options include options under Hanson's executive share option scheme and Sharesave plan.
- Consequent on the demerger of certain businesses by Hanson PLC on May 31, 1995 adjustments were made to the option schemes giving each participant a contingent right to a pro-rata ex-gratia award of fully paid ordinary shares on the exercise of options granted prior to June 1, 1995.

Hanson (BHL) Limited

DIRECTORS' REPORT cont.

Notes cont.

3. Options granted during the year were at a subscription price of 189.5p. No options lapsed during the year.
4. The range of the middle market quotations for Hanson ordinary shares during the year was 152.3p to 211.5p. The middle market quotation for Hanson ordinary shares on 30 September, 1996 was 156.8p.
5. Full details of directors' interests are recorded in the company's Register of Directors' Interests, which is open to inspection.

4. AUDITORS

The company is a dormant company within the meaning of Section 250 of the Companies Act 1985 and a resolution will be proposed at a forthcoming general meeting that no auditors be appointed.

5. 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.

By order of the Board



B E Rossiter
Secretary

21 MAY 1997

Hanson (BHL) Limited

REPORT OF THE AUDITORS to the members of Hanson (BHL) Limited

We have audited the accounts on pages 5 to 7, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

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 have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young.

Ernst & Young
Chartered Accountants
Registered Auditor
Bristol

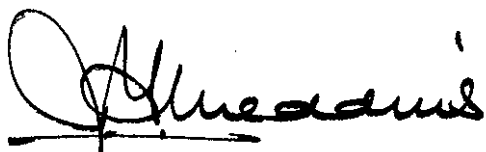
21 May 1997.

Hanson (BHL) Limited

BALANCE SHEET

at 30 September 1996

	Notes	1996 £	1995 £
CURRENT ASSETS			
Debtors	4	339,638,355	339,638,355
CREDITORS: amounts falling due within one year	5	<u>(20,162,054)</u>	<u>(20,162,054)</u>
NET CURRENT ASSETS		319,476,301	319,476,301
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>319,476,301</u>	<u>319,476,301</u>
CAPITAL AND RESERVES			
Called up share capital	6	277,910,001	277,910,001
Profit and loss account	7	<u>41,566,300</u>	<u>41,566,300</u>
		<u>319,476,301</u>	<u>319,476,301</u>



J F Meddins
Director

21 MAY 1997

Hanson (BHL) Limited

NOTES TO THE ACCOUNTS

at 30 September 1996

1(a) BASIS OF PREPARATION

The accounts have been prepared on a break-up basis reflecting that the company's business has effectively ceased. Accordingly, adjustments have been made to reduce current assets to their realisable amount, to provide for any further liabilities which will arise and to reclassify long term liabilities as current liabilities.

1(b) ACCOUNTING POLICIES

Accounting convention

The accounts are prepared in accordance with applicable accounting standards.

2. TAXATION

There is no corporation tax charge in the current year (1995 - nil).

There is no deferred taxation liability nor any unprovided deferred tax (1995 - nil).

3. INVESTMENTS

Investments at 30 September 1995 and 30 September 1996 comprise 100% of the issued share capital in Beazer Property France SA at a cost of £714,000 which has been fully provided against. Beazer Property France SA is incorporated in France and is in the property development business.

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. These financial statements only present information about the company as an individual undertaking.

4. DEBTORS

	1996 £	1995 £
Amounts owed by parent undertaking	<u>339,638,355</u>	<u>339,638,355</u>

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

5. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	1996 £	1995 £
Amounts owed to fellow subsidiary undertaking	<u>20,162,054</u>	<u>20,162,054</u>

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

Hanson (BHL) Limited

NOTES TO THE ACCOUNTS

at 30 September 1996

6. SHARE CAPITAL

	1996 £	1995 £
Authorised 300,000,000 ordinary shares of £1 each	<u>300,000,000</u>	<u>300,000,000</u>
Allotted, called up and fully paid 277,910,001 ordinary shares of £1 each	<u>277,910,001</u>	<u>277,910,001</u>

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

	Share Capital £	Profit & Loss Account £	Total Shareholders' Funds £
Balance at 1 October 1994	277,910,001	41,566,300	319,476,301
Profit attributable to members of the company	-	-	-
Balance at 30 September 1995 and 30 September 1996	<u>277,910,001</u>	<u>41,566,300</u>	<u>319,476,301</u>

8. 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.

9. 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 Hanson PLC, 1 Grosvenor Place, London SW1X 7JH.