

REPORT AND ACCOUNTS

Beazer Homes Limited
(formerly Hanson Homes Limited)

30 September 1993

Company Number 2755729



Beazer Homes Limited
Registered No. 2755729

DIRECTORS

J S Cadwallader
R L Macfarlane
R W Thomas
D M Webb
D N Priest
D J Smith
S Murray

SECRETARY

D N Priest

AUDITORS

Ernst & Young
PO Box 3
Lowgate House
Lowgate
Hull
HU1 1JJ

BANKERS

National Westminster Bank PLC
15 High Street
Bath BA1 5AH

REGISTERED OFFICE

Beazer House
Lower Bristol Road
Bath
Avon BA2 3EY

Beazer Homes Limited
DIRECTORS' REPORT

The directors present their report and the audited accounts for the period from the date of incorporation on 14 October 1992 to 30 September 1993.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company's principal activity is that of a holding company for companies engaged in house building in the United Kingdom.

On 15 January 1993, the Company acquired the whole of the share capital of the companies undertaking the house building operations of Beazer Homes in exchange for 277,910,000 ordinary shares of £1 each. On 8 April 1993 the company changed its name to Beazer Homes Limited.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £19,251,092. Interim dividends were proposed and paid of £15,908,092 leaving £3,343,000 carried to reserves. The directors do not propose the payment of a final dividend.

SHARE CAPITAL

Movements in share capital are set out in note 8 to the accounts.

FIXED ASSETS

The changes in fixed assets are shown in note 5 to the accounts.

DIRECTORS

The directors who served during the year were:

| | | |
|--------------------|--------------------|-----------------|
| G Dransfield | appointed 14/10/92 | resigned 8/4/93 |
| M C Murray | appointed 14/10/92 | resigned 8/4/93 |
| C W Hamshaw Thomas | appointed 14/10/92 | resigned 8/4/93 |
| R A N Chiese | appointed 06/01/93 | resigned 8/4/93 |
| A R Cotton | appointed 06/01/93 | resigned 8/4/93 |
| D M Webb | appointed 11/03/93 | |
| J S Cadwallader | appointed 11/03/93 | |
| R L Macfarlane | appointed 11/03/93 | |
| R W Thomas | appointed 11/03/93 | |
| D N Priest | appointed 11/03/93 | |

S Murray and D J Smith were appointed on 2 November 1993 and 20 January 1994 respectively.

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 is a wholly owned subsidiary of Hanson PLC. The only declarable interests in the share capital of Hanson Plc are as follows:

| | 25p Ordinary Shares | | Warrants over Ordinary shares | |
|-----------------|---------------------|---|-------------------------------|---|
| | 30 September 1993 | 14 October 1992 or subsequent date of appointment | 30 September 1993 | 14 October 1992 or subsequent date of appointment |
| D M Webb | - | - | 9,760 | 9,760 |
| J S Cadwallader | - | - | - | - |
| R L Macfarlane | 893 | 893 | - | - |
| R W Thomas | 650 | 650 | - | - |
| D N Priest | - | - | - | - |

Beazer Homes Limited
DIRECTORS' REPORT continued

Details of options granted or exercised in Hanson PLC shares in the year were as follows:-

| | Options granted |
|-----------------|--------------------|
| J S Cadwallader | 33,737 |
| R L Macfarlane | 33,737 |
| R W Thomas | 34,484 |
| D N Priest | 30,000 |
| D M Webb | 66,737 |

AUDITORS

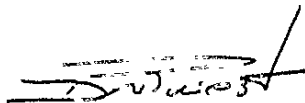
Ernst & Young who were appointed as auditors by the directors have expressed their willingness to continue in office and a resolution proposing their reappointment will be put to the members at the Annual General Meeting.

POST BALANCE SHEET EVENTS

On 2 November 1993 the company purchased the entire issued share capital of Walker Homes (Scotland) Limited and Torwood Homes (Scotland) Limited. The sum of £17 million was paid to the vendors on completion of the purchase. Additional consideration will be payable up to a maximum of £11.2 million subject to finalisation of a completion balance sheet.

On 2 December 1993 Hanson PLC, the ultimate parent company, announced plans to dispose of its Beazer Homes business in the UK by way of a public offering in the first half of 1994 subject to satisfactory market conditions.

By order of the Board



D N Priest
Secretary

21 February 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 of the company 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;
- * state whether applicable accounting standards have been followed, with 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 confirm that the accounts comply with the above requirements.

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.

Beazer Homes Limited

**REPORT OF THE AUDITORS TO THE MEMBERS OF
BEAZER HOMES 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 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.

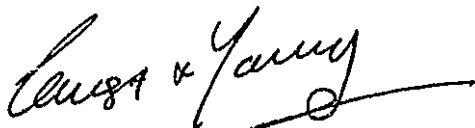
Basis of opinion

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 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 September 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Hull

21 February 1994

Beazer Homes Limited

PROFIT AND LOSS ACCOUNT

for the period ended 30 September 1993

| | Notes | From incorporation to 30 September 1993 £ |
|--|-------|--|
| Income from shares in subsidiary undertakings | 2 | <u>19,251,092</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 19,251,092 |
| Tax on profit on ordinary activities | 3 | <u>-</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD | | 19,251,092 |
| Interim dividends paid | 4 | <u>(15,908,092)</u> |
| RETAINED PROFIT FOR PERIOD | | <u><u>3,343,000</u></u> |

Movements on reserves are set out in note 9.

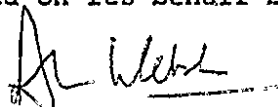
RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit on ordinary activities after taxation of £19,251,092 in the period from incorporation to 30 September 1993.

Beazer Homes Limited
BALANCE SHEET
at 30 September 1993

| | Notes | 1993 £ |
|--|-------|---------------------|
| FIXED ASSETS | | |
| Investments | 5 | <u>296,663,488</u> |
| CURRENT ASSETS | | |
| Debtors | 6 | 3,343,001 |
| CREDITORS: amounts falling due within one year | 7 | <u>(18,753,488)</u> |
| NET CURRENT LIABILITIES | | <u>(15,410,487)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>281,253,001</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 8 | 277,910,001 |
| Profit and loss account | 9 | <u>3,343,000</u> |
| | | <u>281,253,001</u> |

These accounts were approved by the Board of Directors on 21 February 1994 and were signed on its behalf by:



D M Webb Director

Beazer Homes Limited
NOTES TO THE ACCOUNTS
at 30 September 1993

1. ACCOUNTING POLICIES

Accounting convention

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

Fixed Asset Investments

Fixed asset investments are stated at cost except where it is required to make a provision for diminution in value.

2. INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS

| | From incorporation to 30 September 1993 £ |
|----------------------|--|
| Dividends received | 15,908,092 |
| Dividends receivable | <u>3,343,000</u> |
| | <u>19,251,092</u> |

3. TAXATION

There is no tax payable on the transactions in the year.

4. DIVIDENDS

| | From incorporation to 30 September 1993 £ |
|-------------------------|--|
| Interim dividend paid | 15,908,092 |
| Final dividend proposed | <u>-</u> |
| | <u>15,908,092</u> |

5. INVESTMENTS

| | Subsidiary undertakings £ |
|-------------------------------------|---------------------------------|
| Cost: | |
| Additions in the period | <u>296,663,488</u> |
| Net book value at 30 September 1993 | <u>296,663,488</u> |

Beazer Homes Limited
NOTES TO THE ACCOUNTS
at 30 September 1993

The principal subsidiary undertakings at 30 September 1993, all of which were wholly owned and engaged in house building were:

| | Country of registration and operation |
|----------------------------------|--|
| Beazer Homes (Anglia) Limited | England |
| Beazer Homes (Central) Limited | England |
| Beazer Homes (East) Limited | England |
| Beazer Homes (Mercia) Limited | England |
| Beazer Homes (Northern) Limited | England |
| Beazer Homes (Scotland) Limited | Scotland |
| Beazer Homes (Southern) Limited | England |
| Beazer Homes (West) Limited | England |
| Beazer Homes (Yorkshire) Limited | England |
| Leech Homes Limited | England |
| Second City Homes Limited | England |
| Second City (South West) Limited | England |
| Beazer Property France SA | France |

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.

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.

6. DEBTORS

| | 1993 £ |
|---|------------------|
| Amounts owed by subsidiary undertakings | <u>3,343,001</u> |

7. CREDITORS

| | 1993 £ |
|---|-------------------|
| Amounts falling due within one year: | |
| Amounts owed to subsidiary undertakings | <u>18,753,488</u> |

8. SHARE CAPITAL

| | 1993 £ |
|--|--------------------|
| Authorised: | |
| 300,000,000 ordinary shares of £1 each | <u>300,000,000</u> |
| Allotted, called up and fully paid: | |
| 279,910,001 ordinary shares of £1 each | <u>279,910,001</u> |

On 13 January 1993 the authorised share capital was increased by 290,000,000 £1 ordinary shares to £300,000,000. On 15 January 1993 277,910,00 ordinary shares of £1 each were issued in exchange for the whole of the issued share capital of the companies listed in note 5.

Beazer Homes Limited
NOTES TO THE ACCOUNTS
at 30 September 1993

9. PROFIT AND LOSS ACCOUNT

| | £ |
|--------------------------------|------------------|
| Retained profit for the period | <u>3,343,000</u> |
| At 30 September 1993 | <u>3,343,000</u> |

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

| | From Incorporation to 30 September 1993 £ |
|---|---|
| Share Capital issued | 277,910,001 |
| Profit for the period attributable to shareholders | 19,251,092 |
| Dividends | <u>(15,908,092)</u> |
| At 30 September 1993 | <u>281,253,001</u> |

11. CASE FLOW STATEMENT

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

12. 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 Hanson PLC, registered in England and Wales. Hanson PLC is also the company's ultimate parent company.

Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London SW1X 7JH.

13. POST BALANCE SHEET EVENTS

On 2 November 1993 the company purchased the entire issued share capital of Walker Homes (Scotland) Limited and Torwood Homes (Scotland) Limited. The sum of £17 million was paid to the vendors on completion of the purchase. Additional consideration will be payable up to a maximum of £11.2 million subject to finalisation of a completion balance sheet.

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