



**FAIRVIEW NEW HOMES (PALMERS  
GREEN) LIMITED**

**Report and Financial Statements**

**31 December 1997**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**





**REPORT AND FINANCIAL STATEMENTS 1997**

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## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 1997.

### **ACTIVITIES AND REVIEW OF DEVELOPMENTS**

The company's principal activity is that of residential property developers.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are set out below.

No director had any interest in the shares of the company.

The directors' interests, including their beneficial and family interests in the shares and options of the ultimate parent company, Hillside Holdings plc, are as follows:

	<b>Ordinary £1 shares</b>		<b>Share options held in ordinary £1 shares</b>	
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
R H Westcott	-	-	-	-
S C Casey	-	-	108,871	108,871
J B Cousins	-	-	101,520	101,520

None of the directors has a service contract or contract for services with the company.

### **AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
 and signed on behalf of the Board

*A. C. Taylor*

A C Taylor  
 Secretary

18 JUNE 1998

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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;
- prepare the financial statements on a 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 financial statements 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.



## Chartered Accountants

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## AUDITORS' REPORT TO THE MEMBERS OF

### FAIRVIEW NEW HOMES (PALMERS GREEN) LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the accounting policies set out on page 5.

#### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*  
DELOITTE & TOUCHE

Chartered Accountants and  
Registered Auditors

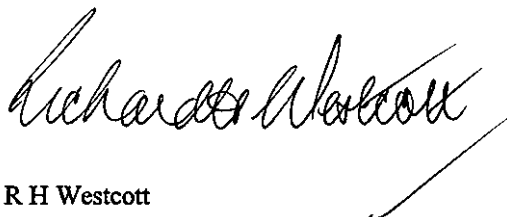
25th June 1998

**BALANCE SHEET**  
**31 December 1997**

	Note	1997 £	1996 £
<b>CURRENT ASSETS</b>			
Land and buildings in course of development	1	3,348,488	2,202,494
Debtors	3	2	2
		<u>3,348,490</u>	<u>2,202,496</u>
<b>CREDITORS: amounts falling due within one year</b>			
	4	3,348,488	(2,202,494)
<b>NET CURRENT ASSETS</b>			
		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	2	2
<b>Total equity shareholders' funds</b>			
		<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on 18 JUNE 1998.

Signed on behalf of the Board of Directors



R H Westcott  
 Director


**NOTES TO THE ACCOUNTS**
**Year ended 31 December 1997**
**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Land and buildings in course of development**

Land and buildings in course of development and land upon which development has not yet commenced are valued at the lower of cost and net realisable value. Cost includes the cost of acquiring land, development expenditure to date and an appropriate proportion of overhead expenditure.

In considering net realisable value, it is assumed that the sites will be fully developed and completed residential units sold in the ordinary course of the company's business and that the sites would not be placed on the market for immediate sale in their existing state.

**2. PROFIT AND LOSS ACCOUNT**

The company has not traded during the year ended 31 December 1997. The only transaction during the year has been the development of the site and hence the company has made neither profit or loss nor any other recognised gains or losses for the year.

The company has had no employees during the year and none of the directors has received any emoluments or other benefits. Auditors' remuneration has been borne by another group company.

**3. DEBTORS**

	1997 £	1996 £
Amount due from Fairview New Homes Plc	2	2

**4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1997 £	1996 £
Amount due to Fairview New Homes Plc	2,757,508	2,195,821
Amount due to Fairview Estates (Housing) Limited	590,980	6,673
	<u>3,348,488</u>	<u>2,202,494</u>

**5. CALLED UP SHARE CAPITAL**

	1997 £	1996 £
Authorised share capital: 100 ordinary shares of £1 each	100	100
Called up, allotted and fully paid: 2 ordinary shares of £1 each	2	2

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**6. ULTIMATE PARENT COMPANY**

The company is a subsidiary of Hillsgdown Holdings plc, a company registered in England and Wales.

The largest and smallest groups of undertakings for which group accounts are drawn up and of which the company is a member are:

**Largest and ultimate controlling party:**

Hillsgdown Holdings plc  
Hillsgdown House  
32 Hampstead High Street  
London NW3 1QD

**Smallest and controlling party:**

Fairview New Homes Plc (registered in England and Wales)  
50 Lancaster Road  
Enfield  
Middlesex EN2 0BY

Copies of the group accounts may be obtained at the addresses shown above.

**7. RELATED PARTY TRANSACTIONS**

In accordance with FRS 8 "Related Party Disclosures", transactions with other undertakings within the Fairview New Homes Plc group have not been disclosed in these financial statements.

**8. CASH FLOW STATEMENT**

The company has not presented a cash flow statement under FRS1, "Cash Flow Statements", because it is a wholly owned subsidiary of Hillsgdown Holdings plc whose consolidated financial statements include a consolidated cash flow statement.