

FAIRVIEW NEW HOMES (GREENWOOD) LIMITED

Report and Financial Statements

31 December 2001



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

REPORT AND FINANCIAL STATEMENTS 2001

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The company's principal activity is that of residential property developer. The directors do not foresee that there will be any change in the company's activities during the current year.

REVIEW OF BUSINESS AND RESULTS

The directors regard progress as satisfactory. The results are set out on page 4. No dividend was paid or proposed during the year (2000 – £1,100,000). The retained profit for the year of £155,686 (2000 – loss £1,108,086) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and to date are set out below.

S C Casey
J B Cousins
M F Jewell
D G Jones (resigned 20 March 2001)
R J Lotherington (appointed 20 March 2001)
G A Malton (appointed 8 February 2001)
R H Westcott (resigned 30 April 2001)

The directors had no interests in the company during the year or the prior year. S C Casey and G A Malton are also directors of the ultimate parent company, General London Constructors Holdings Limited. Directors' interests in the ultimate parent company are detailed in the group financial statements.


On 21 December 2000 as part of the arrangement for a recommended cash offer for Fairview Holdings Plc, the directors holding shares in Fairview Holdings Plc entered into an agreement for the sale of their shares to General London Constructors Limited. The terms of this offer became wholly unconditional on 26 January 2001 and the shares of Fairview Holdings Plc were de-listed on the London Stock Exchange on 26 February 2001. Gains made by the directors on the exercise of share options have been disclosed in the group accounts.

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

AUDITORS

Pursuant to section 386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually.

By order of the board



D K Tipping
Secretary

29 JUL 2002

Registered office:
50 Lancaster Road
Enfield
Middlesex
EN2 0BY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 year. 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; and
- prepare the financial statements 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 financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control and safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIRVIEW NEW HOMES (GREENWOOD) LIMITED

We have audited the financial statements of Fairview New Homes (Greenwood) Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

29 July 2002

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2001

	Note	2001 £	2000 £
TURNOVER	1	809,434	-
Cost of sales		(551,862)	(12,204)
GROSS PROFIT/(LOSS)		257,572	(12,204)
Administration expenses		(35,271)	-
OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	222,301	(12,204)
Tax (charge)/credit on profit/(loss) on ordinary activities	3	(66,615)	4,118
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		155,686	(8,086)
Dividend paid		-	(1,100,000)
Retained profit/(loss) for the year	8	155,686	(1,108,086)

All activities derive from continuing operations. There are no recognised gains and losses or movements in shareholders' funds for the current financial year and preceding financial year other than as stated in the profit and loss account.

BALANCE SHEET
31 December 2001

	Note	2001 £	2000 £
CURRENT ASSETS			
Land and buildings in course of development	1.4	12,143,524	1,727,019
Debtors	5	-	3,661
		<u>12,143,524</u>	<u>1,730,680</u>
CREDITORS: amounts falling due within one year	6	(11,899,672)	(1,642,514)
NET CURRENT ASSETS		<u>243,852</u>	<u>88,166</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account	8	<u>243,850</u>	<u>88,164</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>243,852</u>	<u>88,166</u>

Approved by the Board



G A Malton
Director

29 JUL

2002

NOTES TO THE ACCOUNTS**Year ended 31 December 2001****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.

Turnover

Turnover comprises:

- (i) the net proceeds of properties sold to third parties, together with the sale proceeds of both partially developed and undeveloped sites. Sales of units and undeveloped sites are recognised at the time of legal completion; and
- (ii) the value of the freehold title in respect of units sold under leasehold terms. This is recognised at the time of legal completion of the individual leasehold units occupying the respective freehold.

All turnover arises in the United Kingdom.

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 sites will be fully developed and completed residential units sold in the ordinary course of the company's business and that sites will not be placed on the market for immediate sale in their existing state.

2. OPERATING PROFIT/(LOSS)

The company has had no employees during the current or preceding year. None of the directors has received any emoluments or other benefits during the current year or the preceding year. Auditors' remuneration has been borne by another group company in both the current year and preceding years.

3. TAX CHARGE/(CREDIT) ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2001 £	2000 £
United Kingdom corporation tax at 30% (2000 – 30%)	66,690	(4,118)
Overprovision in respect of previous years	(75)	-
	<u>66,615</u>	<u>(4,118)</u>

4. LAND AND BUILDINGS IN COURSE OF DEVELOPMENT

At 31 December 2001 the company held approximately £8.8 million of land included within land and buildings in the course of development which had not received appropriate residential planning consent.

It is the nature of the company's business activities that negotiations with local authorities to obtain planning consent often continue for a number of months and delays in resolution of these negotiations can occasionally occur. The directors have assessed the status of negotiations with local authorities on the sites currently without planning permission and are of the opinion that the underlying value of the site is at least equal to the value shown in the financial statements.

NOTES TO THE ACCOUNTS
Year ended 31 December 2001**5. DEBTORS**

	2001 £	2000 £
Corporation tax debtor	-	3,661

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Amount owed to group undertakings	11,801,404	1,642,514
Corporation tax payable	66,690	-
Accruals and deferred income	31,578	-
	<u>11,899,672</u>	<u>1,642,514</u>

7. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised share capital: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. PROFIT AND LOSS ACCOUNT

	£
Balance 1 January 2001	88,164
Profit for the year	<u>155,686</u>
Balance 31 December 2001	<u>243,850</u>

9. ULTIMATE PARENT COMPANY

At 31 December 2001 the ultimate parent company and controlling party was General London Constructors Holdings Limited, a company incorporated in Great Britain. The immediate parent company is Fairview New Homes Limited, a company incorporated in Great Britain.

An offer for Fairview Holdings Plc by General London Constructors Limited was declared wholly unconditional on 26 January 2001 and accordingly General London Constructors Holdings Limited became the ultimate parent company on that date. During the year Fairview Holdings Plc re-registered as a private company and changed its name to Fairview Holdings Limited.

The largest and smallest group of undertakings for which group accounts to 31 December 2001 are drawn up and of which the company is a member are General London Constructors Holdings Limited and Fairview Holdings Limited respectively. Copies of the group accounts may be obtained from 50 Lancaster Road, Enfield, Middlesex EN2 0BY.

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

10. GUARANTEES

The company has given cross guarantees and charged its property and assets to secure bank loan facilities totalling £225 million available to Fairview New Homes Limited and to General London Constructors Limited, an intermediate parent company.

11. RELATED PARTY TRANSACTIONS

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