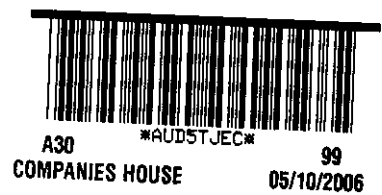


Fairview (Strategic Land) Limited

Report and Financial Statements

31 December 2005



Fairview (Strategic Land) Limited

Report and financial statements 2005

Contents	Page
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6

Fairview (Strategic Land) Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2005.

Principal activities and future prospects

The company's principal activity is that of residential property development. The company is a 50% partner in the Fairfield Partnership, an entity engaged in the development of land. The directors do not foresee that there will be any change in the company's activities in the foreseeable future.

Review of business and results

The directors regard progress as satisfactory. The results are set out on page 4. No dividends were paid during the year (2004: £nil).

Directors and their interests

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

S C Casey
G A Malton

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

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, therefore Deloitte & Touche LLP remain as auditors.

By order of the board



D K Tipping
Secretary

29 September 2006

Registered office:

50 Lancaster Road
Enfield
Middlesex
EN2 0BY

Fairview (Strategic Land) Limited

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 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; 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, for 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 (Strategic Land) Limited

We have audited the financial statements of Fairview (Strategic Land) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

3 October 2006

Fairview (Strategic Land) Limited

Profit and loss account Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Share of partnership (losses)/profits		(119)	117
Operating (loss)/profit	2	(119)	117
Net interest receivable	3	126	118
Profit on ordinary activities before taxation		7	235
Tax on profit on ordinary activities	4	21	(93)
Profit for the financial year	9	28	142

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

Fairview (Strategic Land) Limited

Balance sheet 31 December 2005

	Note	2005 £'000	2004 £'000
Current assets			
Debtors	5	5,398	4,847
Creditors: amounts falling due within one year	6	(4,074)	(3,824)
Net current assets		1,324	1,023
Provisions for liabilities	7	(757)	(484)
Net assets		567	539
Capital and reserves			
Called up equity share capital	8	-	-
Profit and loss account	9	567	539
Total equity shareholders' funds		567	539

Approved by the board



G A Malton
Director

29 September 2006

Fairview (Strategic Land) Limited

Notes to the accounts

Year ended 31 December 2005

1. Accounting policy

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policy adopted is described below, which has been applied consistently throughout the current and previous year.

Accounting convention

The financial statements are prepared under the historical cost convention. The company is a 50% partner in the Fairfield Partnership, an entity engaged in the development of land. The company's share of the partnership's profits are included within the profit and loss account and the company's share of the partnership's assets and liabilities are shown in the balance sheet on an equity basis.

Cash flow statement

The company has taken advantage of the exemption provided under Financial Reporting Standard 1 (Revised 1996) not to provide a cash flow statement, as it is a wholly owned subsidiary undertaking.

2. Operating (loss)/profit

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

3. Net interest receivable

	2005 £'000	2004 £'000
Interest due from partnership	280	262
Share of partnership interest payable	(154)	(144)
	<u>126</u>	<u>118</u>

Fairview (Strategic Land) Limited

Notes to the accounts Year ended 31 December 2005

4. Tax on profit on ordinary activities

	2005 £'000	2004 £'000
United Kingdom corporation tax at 30%	(28)	49
Prior year adjustment	7	44
	<u>(21)</u>	<u>93</u>

Reconciliation of current tax (credit)/charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2004: 30%). The tax (credit)/charge for both the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2005 £'000	2004 £'000
Profit on ordinary activities before taxation	7	235
Tax on profit on ordinary activities at 30%	2	71
Factors affecting charge:		
Notional interest on intra-group balances	(30)	(22)
Prior year adjustments	7	44
Current tax (credit)/charge	<u>(21)</u>	<u>93</u>

5. Debtors

	2005 £'000	2004 £'000
Amount due from partnership	5,370	4,847
Group relief receivable	28	-
	<u>5,398</u>	<u>4,847</u>

6. Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Amounts owed to group undertakings	4,074	3,775
Corporation tax	-	49
	<u>4,074</u>	<u>3,824</u>

Fairview (Strategic Land) Limited

Notes to the accounts Year ended 31 December 2005

7. Provisions for liabilities

	£'000
At 31 December 2004	484
Share of increase in net liabilities of partnership	273
	<hr/>
At 31 December 2005	757
	<hr/>

The provision represents the company's share of the Fairfield Partnership's net liabilities.

8. Called up equity share capital

	Number	£
Authorised share capital:		
At 31 December 2004 and 31 December 2005	100	100
	<hr/>	<hr/>
Called up, allotted and fully paid:		
At 31 December 2004 and 31 December 2005	2	2
	<hr/>	<hr/>

9. Profit and loss account

	£'000
At 31 December 2004	539
Retained profit for the year	28
	<hr/>
At 31 December 2005	567
	<hr/>

10. Contingent liabilities

The company has no contingent liabilities other than those arising in the normal course of business.

11. Related party transactions

The company is a 50% partner in the Fairfield Partnership, an entity engaged in the development of land. Interest receivable from the partnership is disclosed in note 3 and the balance due from the partnership is disclosed in note 5. The company has taken advantage of the exception granted by paragraph 3 (c) of FRS 8 not to disclose related party transactions with greater than 90% owned companies within the group.

12. Ultimate parent company

At 31 December 2005 the ultimate parent company and controlling party was Fairview Holdings Limited, a company incorporated in Great Britain. The immediate parent company is Fairview New Homes Limited, a company incorporated in Great Britain.

The largest and smallest group of undertakings for which group accounts to 31 December 2005 are drawn up and of which the company is a member is Fairview Holdings Limited. Copies of the group accounts may be obtained from 50 Lancaster Road, Enfield, Middlesex EN2 0BY.