

Fairview (Strategic Land) Limited

Report and Financial Statements

31 December 2003

**Deloitte & Touche LLP
London**



Fairview (Strategic Land) Limited

Report and financial statements 2003

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 2003.

Principal activities

The company's principal activity is that of residential property developer. 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 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 (2002 – £nil). The retained profit for the year of £63,103 (2002 – loss of £41,791) has been transferred to (2002 – from) reserves.

Directors and their interests

The directors who served during 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.

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

Auditors

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. 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

18 JUNE 2004

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 2003 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

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 audit 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

18 June 2004

Fairview (Strategic Land) Limited

Profit and loss account

Year ended 31 December 2003

	Note	2003 £	2002 £
Administrative expenses		-	-
Share of partnership profits/(losses)		16,042	(137,593)
Operating profit/(loss)	2	16,042	(137,593)
Net interest receivable	3	77,837	75,587
Profit/(loss) on ordinary activities before taxation		93,879	(62,006)
Tax on profit/(loss) on ordinary activities	4	(30,776)	20,215
Retained profit/(loss) on ordinary activities after taxation for the financial year	9	63,103	(41,791)

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 2003

	Note	2003 £	2002 £
Current assets			
Debtors	5	3,708,260	3,641,580
Creditors: amounts falling due within one year	6	(2,854,876)	(2,934,019)
Net current assets		853,384	707,561
Provisions for liabilities and charges	7	(456,582)	(373,862)
Net assets		396,802	333,699
Capital and reserves			
Called up equity share capital	8	2	2
Profit and loss account	9	396,800	333,697
Total equity shareholders' funds		396,802	333,699

Approved by the board


G A Malton
Director

18 June 2004

Fairview (Strategic Land) Limited

Notes to the accounts

Year ended 31 December 2003

1. Accounting policy

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policy adopted is described below.

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.

2. Operating profit/(loss)

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

	2003 £	2002 £
Interest due from partnership	176,599	154,680
Share of partnership interest payable	(98,762)	(79,093)
	<u>77,837</u>	<u>75,587</u>

4. Tax on profit/(loss) on ordinary activities

	2003 £	2002 £
United Kingdom corporation tax at 30%	28,164	(17,202)
Prior year adjustment	2,612	(3,013)
	<u>30,776</u>	<u>(20,215)</u>

Reconciliation of current year tax charge/(credit)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 30% (2002 - 30%). The tax charge for the current year is more than the standard rate for the reasons set out in the following reconciliation:

	2003 £	2002 £
Profit/(loss) on ordinary activities before taxation	93,879	(62,006)
Tax on profit/(loss) on ordinary activities at 30%	28,164	(18,602)
Factors affecting charge:		
Expenses not deductible for tax purposes	-	1,400
Prior period adjustments	2,612	(3,013)
Current tax charge/(credit) for the year	<u>30,776</u>	<u>(20,215)</u>

Fairview (Strategic Land) Limited

Notes to the accounts

Year ended 31 December 2003

5. Debtors

	2003 £	2002 £
Amount due from partnership	3,708,260	3,624,378
Corporation tax	-	17,202
	<u>3,708,260</u>	<u>3,641,580</u>

6. Creditors: amounts falling due within one year

	2003 £	2002 £
Amount owed to group undertakings	2,826,712	2,934,019
Corporation tax	28,164	-
	<u>2,854,876</u>	<u>2,934,019</u>

7. Provisions for liabilities and charges

	£
Balance 1 January 2003	373,862
Share of increase in net liabilities of partnership	82,720
At 31 December 2003	<u>456,582</u>

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

8. Called up equity share capital

	2003 £	2002 £
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>

9. Profit and loss account

	£
Balance 1 January 2003	333,697
Retained profit for the year	63,103
Balance 31 December 2003	<u>396,800</u>

Fairview (Strategic Land) Limited

Notes to the accounts

Year ended 31 December 2003

10. Ultimate parent company

At 31 December 2003 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 2003 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.

11. Contingent Liabilities

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

12. Related party transactions

The company is a 50% partner in the Fairfield Partnership, an entity engaged in the development of land. In accordance with FRS 8 "Related Party Disclosures", transactions with other undertakings within the group have not been disclosed in these financial statements.