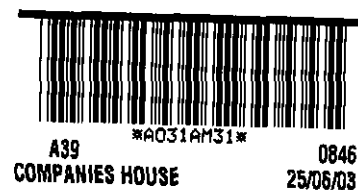


FAIRVIEW NEW HOMES (THAMES DITTON) LIMITED

Report and Financial Statements

31 December 2002

**Deloitte & Touche
London**



REPORT AND FINANCIAL STATEMENTS 2002

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

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. A dividend of £3,500,000 was proposed during the year (2001 – £3,000,000). The retained loss for the year ended 31 December 2002 of £1,702,073 (2001 – profit of £552,897) has been deducted from (2001 – transferred to) reserves.

DIRECTORS AND THEIR INTERESTS

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

S C Casey
A R Emery
S J Gough (appointed 30 July 2002)
M F Jewell (resigned 30 July 2002)
R J Lotherington
G A Malton
C E Walker

The directors had no interests in the company during this year or the prior year. S C Casey, G A Malton and C E Walker 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.

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

13 JUNE 2003

Registered office:

50 Lancaster Road
Enfield
Middlesex EN2 OBY

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, 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 (THAMES DITTON) LIMITED**

We have audited the financial statements of Fairview New Homes (Thames Ditton) Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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.

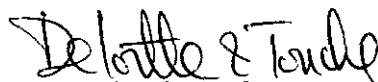
Basis of audit opinion

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 2002 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
London

13 June 2003

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	1	12,992,038	22,715,430
Cost of sales		<u>(9,530,367)</u>	<u>(16,656,246)</u>
GROSS PROFIT		3,461,671	6,059,184
Administrative expenses		<u>(893,205)</u>	<u>(983,616)</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,568,466	5,075,568
Tax on profit on ordinary activities	3	<u>(770,539)</u>	<u>(1,522,671)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,797,927	3,552,897
Dividend proposed		<u>(3,500,000)</u>	<u>(3,000,000)</u>
Retained (loss)/profit for the financial year	7	<u><u>(1,702,073)</u></u>	<u><u>552,897</u></u>

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

BALANCE SHEET
31 December 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Land and buildings in course of development	1	-	7,963,418
Debtors	4	5,158,708	30,087
		<u>5,158,708</u>	<u>7,993,505</u>
CREDITORS: amounts falling due within one year	5	(4,478,873)	(5,611,597)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>679,835</u>	<u>2,381,908</u>
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account	7	679,833	2,381,906
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>679,835</u>	<u>2,381,908</u>

Approved by the board



G A Malton
Director
13 JUNE 2003

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom 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

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 during the current or preceding year. Auditors' remuneration has been borne by another group company in both the current and preceding years.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001 – 30%)	770,539	1,522,671

4. DEBTORS

	2002 £	2001 £
Amount owed by group undertakings	5,140,708	-
Prepayments and accrued income	18,000	30,087
	<u>5,158,708</u>	<u>30,087</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amount owed to group undertakings	-	1,083,339
Proposed dividend	3,500,000	3,000,000
Corporation tax	770,539	1,522,671
Accruals and deferred income	208,334	5,587
	<u>4,478,873</u>	<u>5,611,597</u>

6. CALLED UP SHARE CAPITAL

	2002 £	2001 £
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>

7. PROFIT AND LOSS ACCOUNT

	£
Balance 1 January 2002	2,381,906
Retained loss for the year	<u>(1,702,073)</u>
Balance 31 December 2002	<u>679,833</u>

8. ULTIMATE PARENT COMPANY

At 31 December 2002 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.

The largest and smallest groups of undertakings for which group accounts to 31 December 2002 are drawn up and of which the company is a member are General London Constructors Holdings Limited and Fairview Holdings Ltd 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 2002

9. GUARANTEES

The company has given cross guarantees and charged its property and assets to secure bank loan facilities totalling £230 million available to Fairview New Homes Limited and to General London Constructors Limited, an intermediate parent company.

10. 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.