

**FAIRVIEW NEW HOMES (THAMES
DITTON) LIMITED**

Report and Financial Statements

31 December 1999

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



REPORT AND FINANCIAL STATEMENTS 1999

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year to 31 December 1999.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company's principal activity is that of property developer. The directors do not foresee that there will be any change to the activity in the current year. The only transactions during the year relate to the development of the site and no units have been sold. The company has made neither a profit nor a loss in the current period.

DIRECTORS AND THEIR INTERESTS

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

The directors' interests, including their beneficial and family interests, in the ordinary 10p shares and options of the ultimate parent company, Fairview Holdings Plc, were as follows:

	Shares		Share options	
	1999 No.	1998 No.	1999 No.	1998 No.
R H Westcott	139,559	139,559	-	-
S C Casey	180,467	180,467	4,036	3,028
C E Walker	145,747	204,570	-	-
A R Emery (appointed 10 June 1999)	234,103	231,465	-	-
D G Jones (appointed 24 May 1999)	-	-	-	-
M F Jewell (appointed 24 May 1999)	-	-	-	-

The directors had no interests in the company or any other group companies apart from those listed above.

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

YEAR 2000

The Board recognises the ongoing implications of Year 2000 issues for the business. An assessment has been made by the senior management of the possible impact on office equipment, information systems and environmental equipment owned by the company. Consideration has also been given to the action being taken by our trading partners, suppliers of materials, subcontractors and banks. To date no significant Year 2000 issues have arisen.

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.

By Order of the Board



D K Tipping
Secretary

11 July 2000

Registered Office:

50 Lancaster Road
Enfield
Middlesex
EN2 0BY

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 period 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 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF

FAIRVIEW NEW HOMES (THAMES DITTON) 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 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE

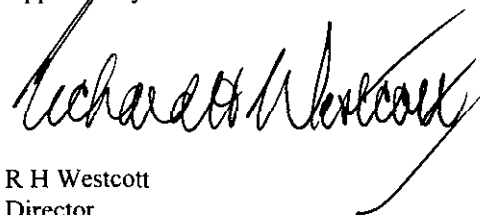
Chartered Accountants and
Registered Auditors

14 August 2000

BALANCE SHEET
31 December 1999

	Note	1999 £	1998 £
CURRENT ASSETS			
Land and buildings in course of development	1	14,910,391	12,535,345
Debtors	3	2	2
		<u>14,910,393</u>	<u>12,535,347</u>
CREDITORS: amounts falling due within one year	4	<u>(14,910,391)</u>	<u>(12,535,345)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	5	<u>2</u>	<u>2</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

Approved by the Board


R H Westcott
Director

11 July 2000

NOTES TO THE ACCOUNTS**Year ended 31 December 1999****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 will 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 to 31 December 1999. The only transaction during the year has been the development of land and hence the company has made neither profit nor 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

	1999 £	1998 £
Amount due from Fairview New Homes Plc	2	2

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Amount due to Fairview New Homes Plc	12,169,284	12,530,441
Amount due to Fairview Estates (Housing) Limited	1,905,572	4,904
Accruals and deferred income	835,535	-
	<u>14,910,391</u>	<u>12,535,345</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999**5. CALLED UP SHARE CAPITAL**

	1999 £	1998 £
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

6. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Fairview Holdings Plc, a company incorporated in Great Britain. The immediate parent company is Fairview New Homes Plc, a company incorporated in Great Britain.

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

7. 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.