

**Company Registration No. 3657727**

**Fairview New Homes (Friern Barnet) Limited**

**Report and Financial Statements**

**31 December 2004**



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# **Fairview New Homes (Friern Barnet) Limited**

## **Report and financial statements 2004**

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

# **Fairview New Homes (Friern Barnet) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### **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. The directors have not declared a dividend for the year (2003: £nil).

### **Directors and their interests**

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


S C Casey  
J B Cousins  
S J Gough  
R J Lotherington  
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

20 MAY 2005

Registered office:

50 Lancaster Road  
Enfield  
Middlesex  
EN2 0BY

## **Fairview New Homes (Friern Barnet) 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 New Homes (Friern Barnet) Limited**

We have audited the financial statements of Fairview New Homes (Friern Barnet) Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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 2004 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

20 May 2005

## **Fairview New Homes (Friern Barnet) Limited**

### **Profit and loss account**

**Year ended 31 December 2004**

	<b>Note</b>	<b>2004 £'000</b>	<b>2003 £'000</b>
<b>Turnover</b>	1	-	-
Cost of sales		10	(4)
<b>Gross profit/(loss)</b>		10	(4)
Administrative expenses		-	-
<b>Operating profit/(loss) and profit/(loss) on ordinary activities before taxation</b>	2	10	(4)
Tax on profit/(loss) on ordinary activities	3	34	1
<b>Profit/(loss) for the financial year</b>	9	44	(3)

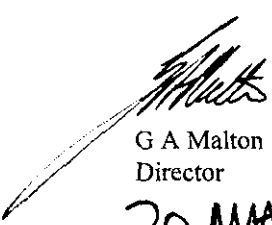
All activities derive from continuing operations. There are no recognised gains or losses or movements in shareholders' funds for the current or preceding financial year other than as stated in the profit and loss account.

# Fairview New Homes (Friern Barnet) Limited

## Balance sheet 31 December 2004

	Note	2004 £'000	2003 £'000
<b>Current assets</b>			
Land and buildings in the course of development	1,4	3,293	3,246
Debtors	5	71	37
		<u>3,364</u>	<u>3,283</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,767)</u>	<u>(2,730)</u>
<b>Net assets</b>		<u>597</u>	<u>553</u>
<b>Capital and reserves</b>			
Called up equity share capital	8	-	-
Profit and loss account	9	597	553
<b>Total equity shareholders' funds</b>		<u>597</u>	<u>553</u>

Approved by the board

  
G A Malton  
Director

20 MAY 2005

# **Fairview New Homes (Friern Barnet) Limited**

## **Notes to the accounts**

**Year ended 31 December 2004**

### **1. Accounting policies**

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

#### **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.

#### **Deferred tax**

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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



# Fairview New Homes (Friern Barnet) Limited

## Notes to the accounts

Year ended 31 December 2004

### 3. Tax on profit/(loss) on ordinary activities

	2004 £'000	2003 £'000
United Kingdom corporation tax at 30%	(30)	4
Deferred tax	(4)	(5)
	<u>(34)</u>	<u>(1)</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% (2003: 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:

	2004 £'000	2003 £'000
Profit/(loss) on ordinary activities before taxation	10	(4)
Tax charge/(credit) on profit/(loss) on ordinary activities at 30%	3	(1)
Factors affecting charge:		
Movement in short term timing differences	4	5
Notional interest on intra-group balances	(37)	-
Current tax (credit)/charge	<u>(30)</u>	<u>4</u>

### 4. Land and buildings in course of development

At 31 December 2004 the company held approximately £3.3 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.

### 5. Debtors

	2004 £'000	2003 £'000
Group relief receivable	30	-
Deferred tax (note 6)	41	37
	<u>71</u>	<u>37</u>

# Fairview New Homes (Friern Barnet) Limited

## Notes to the accounts Year ended 31 December 2004

### 6. Deferred tax asset

	2004 £'000	2003 £'000
Opening deferred tax asset	37	32
Profit and loss account	4	5
At 31 December	41	37

The deferred tax asset relates to rental income included in land and buildings in the course of development which has already been subject to corporation tax.

### 7. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Amount owed to group undertakings	2,765	2,714
Corporation tax	-	4
Accruals and deferred income	2	12
	2,767	2,730

### 8. Called up equity share capital

	Number	£
<b>Authorised share capital:</b>		
At 31 December 2003 and 31 December 2004	100	100
<b>Called up, allotted and fully paid:</b>		
At 31 December 2003 and 31 December 2004	2	2

### 9. Profit and loss account

	£'000
Balance 31 December 2003	553
Retained profit for the year	44
Balance 31 December 2004	597

### 10. Guarantees

The company has given cross guarantees and charged its property and assets to secure bank loan facilities totalling £230 million available to other group companies.

### 11. Contingent liabilities

Other than the guarantee referred to in note 10, the company has no contingent liabilities other than those arising in the normal course of business.

## **Fairview New Homes (Friern Barnet) Limited**

### **Notes to the accounts**

#### **Year ended 31 December 2004**

**12. Related party transactions**

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.

**13. Ultimate parent company**

At 31 December 2004 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 2004 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.