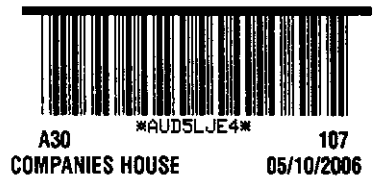


Fairview New Homes (Cambridge) Limited

Report and Financial Statements

31 December 2005



Fairview New Homes (Cambridge) Limited

Directors' report

The directors present their annual 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 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: £1,750,000).

Directors and their interests

The directors who served throughout 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, Farview 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

28 September 2006

Registered office:
50 Lancaster Road
Enfield
Middlesex
EN2 0BY

Fairview New Homes (Cambridge) 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 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; 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 (Cambridge) Limited

We have audited the financial statements of Fairview New Homes (Cambridge) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

28 September 2006

Fairview New Homes (Cambridge) Limited

Profit and loss account Year ended 31 December 2005

			As restated (see note 7)
	Note	2005 £'000	2004 £'000
Turnover	1	31	75
Cost of sales		(11)	(59)
Operating profit and profit on ordinary activities before taxation	2	20	16
Tax on profit on ordinary activities	3	(7)	(21)
Profit/(loss) on ordinary activities after taxation		13	(5)
Equity dividends paid		-	(1,750)
Profit/(loss) for the financial year	8	13	(1,755)

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 (Cambridge) Limited

Balance sheet 31 December 2005

	Note	2005 £'000	2004 £'000
Current assets			
Debtors	4	206	219
Creditors: amounts falling due within one year	5	(7)	(33)
Net assets		<u>199</u>	<u>186</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	8	<u>199</u>	<u>186</u>
Total equity shareholders' funds		<u>199</u>	<u>186</u>

Approved by the board



G A Malton
Director

28 September 2006

Fairview New Homes (Cambridge) Limited

Notes to the accounts

Year ended 31 December 2005

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

FRS 21 "Events after the balance sheet date" has been adopted during the year. The main impact of FRS 21 is that dividends declared to holders of equity instruments after the balance sheet date are not recognised as a liability at the balance sheet date. As this constitutes a change in accounting policy, the comparative amounts in the financial statements are required to be restated. The impact on the financial statements of the company for the current and previous period is set out in note 7.

All other accounting policies have been applied consistently in both years.

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.

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 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.

Fairview New Homes (Cambridge) Limited

Notes to the accounts Year ended 31 December 2005

3. Tax on profit on ordinary activities

	2005 £'000	2004 £'000
United Kingdom corporation tax at 30%	7	22
Prior year adjustment	-	(1)
	<u>7</u>	<u>21</u>

Reconciliation of current tax 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 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	20	16
Tax charge on profit on ordinary activities at 30%	6	5
Factors affecting charge:		
Notional interest on intra-group balances	1	17
Prior year adjustment	-	(1)
Current tax charge	<u>7</u>	<u>21</u>

4. Debtors

	2005 £'000	2004 £'000
Amount owed by group undertakings	206	53
Prepayments and accrued income	-	166
	<u>206</u>	<u>219</u>

5. Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Corporation tax	7	22
Accruals and deferred income	-	11
	<u>7</u>	<u>33</u>

Fairview New Homes (Cambridge) Limited

Notes to the accounts Year ended 31 December 2005

6. Called up share capital

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

7. Change in accounting policy

As stated in note 1, the adoption of FRS 21 "Events after the balance sheet date" has required a change in accounting policy for dividends with the following impact on the financial statements:

Restatement of comparatives	Previously reported £'000	Adoption of FRS 21 £'000	Restated £'000
Profit and loss account			
Equity dividend paid	(250)	(1,500)	(1,750)

There is no impact on the prior year balance sheet.

8. Profit and loss account

	£'000
At 31 December 2004	186
Retained profit for the year	13
At 31 December 2005	199

9. Contingent liabilities

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

10. 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.

11. 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.