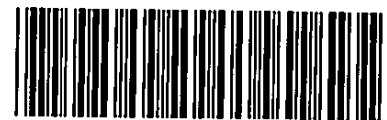


Fairview New Homes (Colindale) Limited

Report and Financial Statements

31 December 2010

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Fairview New Homes (Colindale) Limited

Report and financial statements 2010

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Fairview New Homes (Colindale) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Principal activities

The Company's principal activity is that of residential property development. There has not been any significant change in the Company's activities

Business review

Detailed results are set out in the profit and loss account on page 4. No dividends were paid during the current or preceding year. Details of the going concern basis are given in note 1

Directors

The directors holding office during the year and, except where noted, to date are set out below

A R Benton (appointed 30 November 2010)
M Blakey (appointed 29 November 2010)
S C Casey (resigned 31 March 2010)
C P Cobb (appointed 30 November 2010)
N M Dulcken (appointed 29 November 2010)
G A Malton
R J Paterson
M J Sidders
M R Smith

Auditors

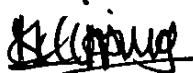
In the case of each of the persons who are directors at the time when the Directors' Report is approved, the following apply

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Pursuant to s485 of the Companies Act 2006 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually and therefore Deloitte LLP remain as auditors

By order of the board



D K Tipping
Secretary

27 April 2011

Registered office

50 Lancaster Road
Enfield
Middlesex
EN2 0BY

Fairview New Homes (Colindale) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these 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 United Kingdom 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditor's report to the members of Fairview New Homes (Colindale) Limited

We have audited the financial statements of Fairview New Homes (Colindale) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed in the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Mark Goodey (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

28 April 2011

Fairview New Homes (Colindale) Limited

Profit and loss account Year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Turnover	1	11	-
Cost of sales		(10)	-
		<u>1</u>	<u>-</u>
Gross profit			
Administrative expenses		(853)	-
Other operating income	2	14	32
		<u>14</u>	<u>32</u>
Operating (loss)/profit	4	(838)	32
Interest payable	5	(513)	(440)
		<u>(513)</u>	<u>(440)</u>
Loss on ordinary activities before taxation		(1,351)	(408)
Tax charge on loss on ordinary activities	6	(182)	(68)
		<u>(182)</u>	<u>(68)</u>
Loss for the financial year	11,12	<u>(1,533)</u>	<u>(476)</u>

All amounts relate to continuing operations

There are no recognised gains or losses in either the current or preceding year other than those stated in the profit and loss account and accordingly no statement of total recognised gains and losses is present

Fairview New Homes (Colindale) Limited

Balance sheet 31 December 2010

	Note	2010 £'000	2009 £'000
Current assets			
Land and buildings in course of development		35,095	24,637
Debtors	7	83	266
		<u>35,178</u>	<u>24,903</u>
Creditors, amounts falling due within one year	8	<u>(36,750)</u>	<u>(17,602)</u>
Net current (liabilities)/assets		<u>(1,572)</u>	<u>7,301</u>
Creditors, amounts falling due after more than one year	9	<u>-</u>	<u>(7,340)</u>
Net liabilities		<u><u>(1,572)</u></u>	<u><u>(39)</u></u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	<u>(1,572)</u>	<u>(39)</u>
Shareholder's deficit	12	<u><u>(1,572)</u></u>	<u><u>(39)</u></u>

The financial statements of Fairview New Homes (Colindale) Limited (registered number 3770488) were approved by the board of directors on 27 April 2011



M J Sidders
Director

Fairview New Homes (Colindale) Limited

Notes to the accounts

Year ended 31 December 2010

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

These financial statements are prepared under the historical cost convention.

Turnover

Turnover comprises

- (i) the fair value of the consideration received or receivable for the sale of properties developed by the Company and 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.

Interest

All interest is charged directly to the profit and loss account and included within interest payable.

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 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.

Going concern

The Company's business activities are set out in the Directors' Report on page 1.

The principal risks and uncertainties affecting the Company are inextricably linked to those affecting the Group.

The Group has significant financial resources and as a consequence the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Group regularly updates its trading and financial projections, which make allowances for anticipated market conditions. These show that the Group will be able to work within the terms and covenants of its committed borrowing facilities, which have recently been extended through to June 2013.

The Company relies on the support of its parent company Fairview New Homes Limited. Fairview New Homes Limited has advised the board that it will continue where necessary to support the Company's current activities to enable it to meet its liabilities as they fall due, at least until 30 April 2012.

Fairview New Homes (Colindale) Limited

Notes to the accounts

Year ended 31 December 2010

1 Accounting policies (continued)

Going concern

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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 greater than 90% owned subsidiary undertaking.

2. Other operating income

	2010 £'000	2009 £'000
Net rental income	14	32

3. Directors and employees

The Company had no employees during the current or preceding year, other than directors. None of the directors received any emoluments or other benefits during the current or preceding year.

4. Operating (loss)/profit

Auditor's fees of £1,000 have been borne by another group company in both the current and preceding year.

5. Interest payable

	2010 £'000	2009 £'000
Other interest	(513)	(440)

6. Tax charge on loss on ordinary activities

	2010 £'000	2009 £'000
United Kingdom corporation tax on loss for the year at 28% (2009 28%)	-	(182)
Adjustment in respect of prior years	182	250
	182	68

A deferred tax asset of £1,032,000 (2009 £374,000) in respect of unrelieved losses of £3,822,000 (2009 £1,337,000) has not been recognised due to the uncertainty in the amount and timing of taxable profits.

Reconciliation of current tax charge

The standard rate of current tax for the year is the United Kingdom standard rate of corporation tax of 28% (2009 28%). The tax charge for the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation.

Fairview New Homes (Colindale) Limited

Notes to the accounts Year ended 31 December 2010

6 Tax charge on loss on ordinary activities (continued)

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation	1,351	408
Tax credit on loss on ordinary activities at 28% (2009 28%)	(378)	(114)
Factors affecting charge		
Notional interest on intra-group balances	(136)	(197)
Tax losses carried forward	514	129
Prior period adjustments	182	250
Current tax charge	182	68

7 Debtors

	2010 £'000	2009 £'000
Group relief receivable	-	182
Prepayments and accrued income	83	84
	83	266

8 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	395	319
Amounts owed to group undertakings	22,961	17,283
Other creditors	10,440	-
Accruals and deferred income	2,954	-
	36,750	17,602

9 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Other creditors	-	7,340

10 Called up share capital

	Number	£
Authorised share capital:		
At 31 December 2009 and 31 December 2010	100	100
Called up, allotted and fully paid:		
At 31 December 2009 and 31 December 2010	2	2

Fairview New Homes (Colindale) Limited

Notes to the accounts Year ended 31 December 2010

11. Profit and loss account

	£'000
At 31 December 2009	(39)
Loss for the financial year	(1,533)
At 31 December 2010	<u>(1,572)</u>

12. Reconciliation of movements in shareholder's deficit

	2010 £'000	2009 £'000
Opening shareholder's (deficit)/funds	(39)	437
Loss for the financial year	<u>(1,533)</u>	<u>(476)</u>
Closing shareholder's deficit	<u>(1,572)</u>	<u>(39)</u>

13. Guarantees and contingent commitments

At 31 December 2010 the Company had given a guarantee in respect of bank loan facilities totalling £50 million (2009 £80 million) available to Fairview New Homes Limited, the immediate parent company and another group company. The amount drawn under this facility by Fairview New Homes Limited at 31 December 2010 was £4 million. There were no amounts drawn under bank facilities by either company at 31 December 2009.

Other than the guarantee referred to above the Company has no contingent liabilities other than those arising in the normal course of business.

14. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with wholly owned companies within the group. There are no other related party transactions.

15. Ultimate parent company

At 31 December 2010, the ultimate parent company was Fairview Holdings Limited, a company incorporated in Great Britain. The immediate parent company was Fairview New Homes Limited, a company incorporated in Great Britain. The controlling party was the Fairview Holdings Limited Employee Benefit Trust.

The largest and smallest group of undertakings for which group accounts to 31 December 2010 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.