

FAIRVIEW NEW HOMES (SAFFRON WALDEN) LIMITED

Report and Financial Statements

31 December 2001



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

REPORT AND FINANCIAL STATEMENTS 2001

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2001.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company's principal activity is that of residential property developer. The only transactions during the year relate to the development of sites and no completed units have been sold. The company has made neither a profit nor a loss in the current or preceding year.

The directors do not foresee that there will be any change in the company's activities in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

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

S C Casey

J B Cousins

M F Jewell

D G Jones (resigned 20 March 2001)

R J Lotherington (appointed 20 March 2001)

G A Malton (appointed 8 February 2001)

R H Westcott (resigned 30 April 2001)

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, General London Constructors Holdings Limited. Directors' interests in the ultimate parent company are detailed in the group financial statements.

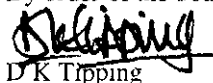
On 21 December 2000, as part of the arrangement for a recommended cash offer for Fairview Holdings Plc, the directors holding shares in Fairview Holdings Plc entered into an agreement for the sale of their shares to General London Constructors Limited. The terms of this offer became wholly unconditional on 26 January 2001 and the shares of Fairview Holdings Plc were de-listed on the London Stock Exchange on 26 February 2001. Gains made by the directors on the exercise of share options have been disclosed in the group accounts.

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

29 JUL 2002

Registered office:

50 Lancaster Road

Enfield

Middlesex EN2 0BY

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 and 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 (SAFFRON WALDEN) LIMITED

We have audited the financial statements of Fairview New Homes (Saffron Walden) Limited for the year ended 31 December 2001 which comprise the balance sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

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 2001 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
Hill House
1 Little New Street
London EC4A 3TR

29 July 2002

BALANCE SHEET
31 December 2001

	Note	2001 £	2000 £
CURRENT ASSETS			
Land and buildings in course of development	1	2,019,708	1,956,404
CREDITORS: amounts falling due within one year	3	(2,019,706)	(1,956,402)
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

Approved by the board



G A Malton
Director

29 JUL 2002

NOTES TO THE ACCOUNTS**Year ended 31 December 2001****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 the 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 site 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 made no sales during the year to 31 December 2001 and 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 current or preceding period. None of the directors has received any emoluments or other benefits during the current or preceding period. Auditors' remuneration has been borne by another group company in both the current and preceding period.

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Amount owed to group undertakings	2,019,706	1,956,402

4. CALLED UP SHARE CAPITAL

	2001 £	2000 £
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

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

5. ULTIMATE PARENT COMPANY

At 31 December 2001 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.

An offer for Fairview Holdings Plc by General London Constructors Limited was declared wholly unconditional on 26 January 2001 and accordingly General London Constructors Holdings Limited became the ultimate parent company on that date. During the year Fairview Holdings Plc re-registered as a private company and changed its name to Fairview Holdings Limited.

The largest and smallest groups of undertakings for which group accounts to 31 December 2001 are drawn up and of which the company is a member are General London Constructors Holdings Limited and Fairview Holdings Limited respectively. Copies of the group accounts may be obtained from 50 Lancaster Road, Enfield, Middlesex EN2 0BY.

6. GUARANTEES

The company has given cross guarantees and charged its property and assets to secure bank loan facilities totalling £225 million available to Fairview New Homes Limited and to General London Constructors Limited, an intermediate parent company.

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.