

**FAIRVIEW NEW HOMES (SAFFRON
WALDEN) LIMITED**

Report and Financial Statements

31 December 2000

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



REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

Page

Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Balance sheet	4
Notes to the accounts	5

DIRECTORS' REPORT

The directors present their first report and the audited financial statements for the period from 2 March 2000 to 31 December 2000.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company was incorporated on 2 March 2000. 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 period 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 period.

DIRECTORS AND THEIR INTERESTS

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

The directors' interests, including their beneficial and family interests, at their date of appointment and the end of the period in the ordinary shares and options of the ultimate parent company, Fairview Holdings Plc, are as follows:

		Shares 2000 No.	Share options 2000 No.
R H Westcott	(appointed 2 March 2000; resigned 30 April 2001)	139,559	-
S C Casey	(appointed 2 March 2000)	180,467	5,802
J B Cousins	(appointed 2 March 2000)	144,344	-
D G Jones	(appointed 2 March 2000; resigned 20 March 2001)	-	-
M F Jewell	(appointed 2 March 2000)	-	-
G A Malton	(appointed 8 February 2001)	-	-
R J Lotherington	(appointed 20 March 2001)	1,780	1,239

The directors had no interests in the company or any other group companies apart from those listed above. In addition to the above directors, TSD Nominees Limited were appointed a director on incorporation and resigned on 2 March 2000.

On 31 December 2000, as part of the arrangement for a recommended cash offer for Fairview Holdings Plc ("Fairview"), the directors holding shares in Fairview entered into an agreement for the sale of their shares to General London Constructors Limited.

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


ISSUE OF SHARES

Details of the shares issued by the company during the period are set out in note 5 to the accounts.

AUDITORS

Deloitte & Touche were appointed first auditors of the company and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming annual general meeting.

By order of the board



D K Tipping
Secretary

12 July 2001

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 (SAFFRON WALDEN) 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, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 2000 and of the result for the period from 2 March 2000 to 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE


Chartered Accountants and
Registered Auditors

26 July 2001

BALANCE SHEET
31 December 2000

	Note	2000 £
CURRENT ASSETS		
Land and buildings in course of development	1,3	1,956,404
		<u>1,956,404</u>
CREDITORS: amounts falling due within one year	4	(1,956,402)
NET ASSETS		<u>2</u>
CAPITAL AND RESERVES		
Called up share capital	5	2
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>2</u>

Approved by the board



G A Malton
Director

12 July 2001

NOTES TO THE ACCOUNTS**Period from 2 March 2000 to 31 December 2000****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 period from incorporation on 2 March 2000 to 31 December 2000 and the company has made neither profit nor loss nor any other recognised gains or losses for the period.

The company has had no employees during the period. None of the directors has received any emoluments or other benefits. Auditors' remuneration has been borne by another group company.

3. LAND AND BUILDINGS IN COURSE OF DEVELOPMENT

As at 31 December 2000 approximately £2.0million of land included in land and buildings in the course of development 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.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £
Amount owed to Group Undertakings	1,956,402

NOTES TO THE ACCOUNTS**Period from 2 March 2000 to 31 December 2000****5. CALLED UP SHARE CAPITAL**

	2000
	£
Authorised share capital:	
100 ordinary shares of £1 each	100
	<hr/>
Called up, allotted and fully paid:	
2 ordinary shares of £1 each	2
	<hr/>

The company was incorporated with an authorised share capital of £100 divided into 100 ordinary shares of £1 each, of which two subscriber shares were issued to Fairview New Homes Plc on 2 March 2000.

6. ULTIMATE PARENT COMPANY

At 31 December 2000, the ultimate parent company and controlling party was Fairview Holdings Plc, a company incorporated in Great Britain. The immediate parent company is Fairview New Homes Plc, 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 Limited became the ultimate parent company on that date.

The largest and smallest group of undertakings for which group accounts to 31 December 2000 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.

8. POST BALANCE SHEET EVENT

On 2 April 2001 as part of the arrangements for the acquisition of the company's former parent company, Fairview Holdings plc, by General London Constructors Limited, the company gave guarantees supported by fixed and floating charges over its assets in respect of certain borrowings of General London Constructors Limited.