

Company Registration No. 3941995

Fairview New Homes (Saffron Walden) Limited

Report and Financial Statements

31 December 2003

**Deloitte & Touche LLP
London**



Fairview New Homes (Saffron Walden) Limited

Report and financial statements 2003

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

Fairview New Homes (Saffron Walden) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

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. A dividend of £500,000 was proposed during the year (2002 - £nil). The retained profit for the year of £152,559 (2002 - £295,212) has been transferred to reserves.

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.

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

Auditors

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. 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

4 JUNE 2004

Registered office:

50 Lancaster Road
Enfield
Middlesex
EN2 0BY

Fairview New Homes (Saffron Walden) 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, 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 2003 which comprise the profit and loss account, 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

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.

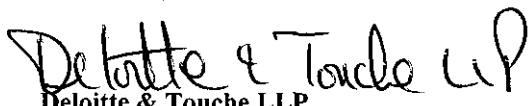
Basis of audit opinion

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 2003 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

4 June 2004

Fairview New Homes (Saffron Walden) Limited

Profit and loss account Year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	1	7,842,241	1,891,439
Cost of sales		<u>(6,238,104)</u>	<u>(1,339,194)</u>
Gross profit		1,604,137	552,245
Administrative expenses		<u>(671,910)</u>	<u>(130,514)</u>
Operating profit and profit on ordinary activities before taxation	2	932,227	421,731
Tax on profit on ordinary activities	3	<u>(279,668)</u>	<u>(126,519)</u>
Profit on ordinary activities after taxation		652,559	295,212
Dividend proposed		<u>(500,000)</u>	<u>-</u>
Retained profit for the financial year	7	<u>152,559</u>	<u>295,212</u>

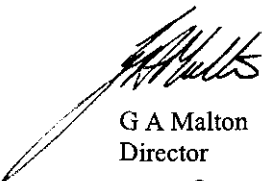
All activities derive from continuing operations. There are no recognised gains or losses or movements in shareholders' funds for the current or preceding financial year other than as stated in the profit and loss account.

Fairview New Homes (Saffron Walden) Limited

Balance sheet 31 December 2003

	Note	2003 £	2002 £
Current assets			
Land and buildings in course of development	1	-	3,682,315
Debtors	4	1,306,223	-
Creditors: amounts falling due within one year	5	(858,450)	(3,387,101)
Net assets		<u>447,773</u>	<u>295,214</u>
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account	7	447,771	295,212
Equity shareholders' funds		<u>447,773</u>	<u>295,214</u>

Approved by the board



G A Malton
Director

14 June 2004

Fairview New Homes (Saffron Walden) Limited

Notes to the accounts

Year ended 31 December 2003

1. Accounting policies

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

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 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 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.

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.

3. Tax on profit on ordinary activities

	2003 £	2002 £
United Kingdom corporation tax at 30%	279,668	126,519

4. Debtors

	2003 £	2002 £
Amount owed by group undertakings	1,112,991	-
Prepayments and accrued income	193,232	-
	1,306,223	-

Fairview New Homes (Saffron Walden) Limited

Notes to the accounts Year ended 31 December 2003

5. Creditors: amounts falling due within one year

	2003 £	2002 £
Amount owed to group undertakings	-	2,870,092
Corporation tax	279,668	126,519
Accruals and deferred income	78,782	390,490
Proposed dividend	500,000	-
	<u>858,450</u>	<u>3,387,101</u>

6. Called up share capital

	2002 £	2003 £
Authorised share capital:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

7. Profit and loss account

	£
Balance 1 January 2003	295,212
Retained profit for the year	<u>152,559</u>
Balance 31 December 2003	<u>447,771</u>

8. Ultimate parent company

At 31 December 2003 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 2003 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.

9. 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.

10. Contingent liabilities

Other than the guarantee referred to in note 9, the company has no contingent liabilities other than those arising in the normal course of business.

11. 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.