

**Company Registration No. 4284802**

## **Fairview Ventures Limited**

### **Report and Financial Statements**

**31 December 2010**

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# **Fairview Ventures Limited**

## **Report and financial statements 2010**

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# **Fairview Ventures Limited**

## **Directors' report**

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

### **Principal activities**

The Company carries on the business of residential property development and is also the holding company of a group specialising in the provision of low to medium cost housing mainly in London and the south-east of England. There has not been any change in the Company's activities.

### **Business review**

Turnover for the year was £31.6 million (2009: £47.8 million) from the completion of 215 units (2009: 359 units). The pre-tax loss for the year was £5.1 million (2009: £3.1 million profit). Detailed results are set out in the consolidated profit and loss account on page 5.

Shareholders' funds were £5.9 million at 31 December 2010 (2009: £11.4 million) and the Group had net debt of £24.7 million (2009: £33.7 million).

The major constraint on the business has remained the inadequate availability and tighter lending criteria of mortgage finance which has necessitated greater use of incentives including shared equity.

At 31 December 2010 the land bank comprised of 359 plots (2009: 574 plots), all of which benefited from full planning consent.

On 29 June 2010 the Group concluded revised terms for its bank facility, initially at an amount of £30 million, extending the maturity to March 2012.

The outlook for the house building industry remains challenging with the availability of affordable first time buyer mortgages being key to a return to more normal levels of activity.

### **Principal risks and uncertainties**

The principal risks and uncertainties affecting the Group are considered to be the impact of changes in the economic environment on the demand for and pricing of new homes, including the impact of unemployment, buyer confidence, the availability of mortgages and interest rates, the availability of bank finance, the impact of new regulations and competition from other developers for land, personnel, subcontractors and in the sales market.

Further details of interest rate and liquidity risks are described in note 13. Further details of the going concern basis is given in note 1.

### **Dividends**

No dividends were paid during the current or preceding year.

# **Fairview Ventures Limited**

## **Directors' report (continued)**

### **Directors**

The directors holding office during the year and to date are set out below

A J Hepburn  
G A Malton  
M J Sidders

### **Auditors**

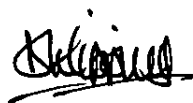
In the case of each of the persons who are directors at the time when the Directors' Report is approved, the following apply

- so far as the director is aware, there is no relevant audit information of which the Group'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 Group'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

**31 MARCH** 2011

Registered office  
50 Lancaster Road  
Enfield  
Middlesex  
EN2 0BY

## **Fairview Ventures 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 Group and of their profit or loss 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 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 and Group 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 of the Group 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 Group 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 Ventures Limited**

We have audited the financial statements of Fairview Ventures Limited for the year ended 31 December 2010 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes 1 to 23. 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 the 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 Group's and parent company's affairs as at 31 December 2010 and of the Group's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

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

31/31 2011

## Fairview Ventures Limited

### Consolidated profit and loss account Year ended 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Group turnover</b>	1, 2	31,573	47,806
Cost of sales		(31,464)	(44,522)
(Cost)/release of impairment of land and buildings in course of development		(3,479)	1,928
<b>Gross (loss)/profit</b>		(3,370)	5,212
Administrative expenses		(121)	(49)
Other operating income	4	115	99
<b>Group operating (loss)/profit</b>	5	(3,376)	5,262
Net interest and finance charges payable	6	(1,752)	(2,116)
<b>(Loss)/profit on ordinary activities before taxation</b>		(5,128)	3,146
Tax on (loss)/profit on ordinary activities	7	(284)	(750)
<b>(Loss)/profit for the financial year</b>	16, 17	(5,412)	2,396

All amounts relate to continuing activities

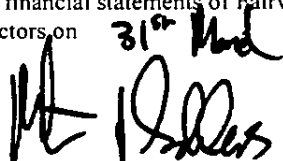
There are no recognised gains or losses in either the current or preceding year other than those stated in the consolidated profit and loss account and accordingly no statement of total recognised gains and losses is present

# Fairview Ventures Limited

## Consolidated balance sheet 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Current assets</b>			
Land and buildings in course of development	10	28,650	44,359
Debtors	11	5,479	5,787
Cash at bank and in hand		1,992	4,508
		<u>36,121</u>	<u>54,654</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,561)</u>	<u>(5,209)</u>
<b>Net current assets</b>		32,560	49,445
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(26,616)</u>	<u>(38,089)</u>
<b>Net assets</b>		<u>5,944</u>	<u>11,356</u>
<b>Capital and reserves</b>			
Called up share capital	15	200	200
Profit and loss account	16	5,744	11,156
		<u>5,944</u>	<u>11,356</u>
<b>Shareholders' funds</b>	17	<u>5,944</u>	<u>11,356</u>

The financial statements of Fairview Ventures Limited (registered number 4284802) were approved by the board of directors on 31<sup>st</sup> March 2011




**M J Sidders**  
Director

# Fairview Ventures Limited

## Parent company balance sheet 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Investments	9	217	217
<b>Current assets</b>			
Land and buildings in course of development	10	20,597	23,632
Debtors	11	12,012	24,149
Cash at bank and in hand		1,915	4,456
		34,524	52,237
<b>Creditors: amounts falling due within one year</b>	12	(8,185)	(11,198)
<b>Net current assets</b>		26,339	41,039
<b>Total assets less current liabilities</b>		26,556	41,256
<b>Creditors: amounts falling due after more than one year</b>	13	(26,616)	(38,089)
<b>Net (liabilities)/assets</b>		(60)	3,167
<b>Capital and reserves</b>			
Called up share capital	15	200	200
Profit and loss account	16	(260)	2,967
<b>Shareholders' (deficit)/funds</b>	17	(60)	3,167

The financial statements of Fairview Ventures Limited (registered number 4284802) were approved by the board of directors on 31 MARCH 2011

  
M J Sidders  
Director

## Fairview Ventures Limited

### Consolidated cash flow statement Year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Sales income		30,234	36,333
Development expenditure		(18,659)	(27,690)
Other operating cash flows		(423)	91
<b>Net cash inflow from operating activities</b>	18	<u>11,152</u>	<u>8,734</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		12	13
Interest and finance charges paid		(1,573)	(1,715)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(1,561)</u>	<u>(1,702)</u>
<b>Taxation</b>		<u>(519)</u>	<u>(602)</u>
<b>Net cash inflow before financing</b>		<u>9,072</u>	<u>6,430</u>
<b>Financing</b>			
Net decrease in bank loan		(11,500)	(4,000)
Loan arrangement costs		(88)	(89)
<b>Net cash outflow from financing</b>		<u>(11,588)</u>	<u>(4,089)</u>
<b>(Decrease)/increase in cash in the year</b>	20	<u><u>(2,516)</u></u>	<u><u>2,341</u></u>

# **Fairview Ventures 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.

#### **Basis of consolidation**

The Group accounts consolidate the accounts of the Company and its subsidiaries. All trading profits between group companies have been excluded. All subsidiaries make up their accounts to the same date and follow common accounting policies in all material respects.

The consolidated profit and loss account includes the results of subsidiary undertakings acquired or sold from the date on which control passes. Acquisitions are accounted for under the acquisition method.

#### **Turnover**

Turnover comprises

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

Turnover is derived wholly in the United Kingdom.

#### **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 and development expenditure to date.

In considering net realisable value, it is assumed that the sites will be fully developed and the completed units sold in the ordinary course of the Group's business, and that the sites would not be placed on the market for immediate sale in their existing state.

#### **Borrowing and loan arrangement costs**

Debt has been stated at the fair value of consideration received after deduction of loan arrangement costs. The loan arrangement costs are being charged to the profit and loss account at a constant rate in proportion to the total available facility.

#### **Interest**

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

#### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

#### **Shared equity debtors**

The Group has sold a number of residential units where a proportion of the purchase price remains outstanding secured by a second legal charge over the individual unit. These amounts are repayable prior to maturity on certain events including sale of the unit by the purchaser.

Shared equity debtors are recognised at cost less any provision for impairment and are discounted to reflect the time value of money.

# Fairview Ventures Limited

## Notes to the accounts Year ended 31 December 2010

### 1 Accounting policies (continued)

#### 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 Group's business activities, together with the factors likely to affect its future development, performance and financial position, including principal risks and uncertainties, are set out in the Directors' Report on page 1. In addition, note 13 to the financial statements includes the Group's policies and processes for managing its liquidity and interest rate risk.

Current economic conditions create uncertainties across many business sectors including the housebuilding industry. In particular the availability of mortgage finance and provision of bank lending to the sector have both been significantly curtailed and the terms on which each is made available remain stringent.

The Company regularly updates its trading and financial projections, which make allowance 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 31 March 2012.

Therefore, after making enquiries, and considering the uncertainties described above, 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, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

### 2 Group turnover

	2010 £'000	2009 £'000
<b>Group turnover comprises:</b>		
Sale of residential dwellings, commercial properties and land	30,909	46,980
Value of ground rents	664	826
	<u>31,573</u>	<u>47,806</u>

### 3. Employees and directors

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 Other operating income

	2010 £'000	2009 £'000
Net rental income	115	99

# Fairview Ventures Limited

## Notes to the accounts Year ended 31 December 2010

### 5. Group operating (loss)/profit

	2010 £'000	2009 £'000
<b>Operating (loss)/profit is after charging.</b>		
Auditor's remuneration		
Audit fees for the audit of		
Company accounts	6	4
Subsidiary accounts	7	9
Non-audit fees		
Tax services	5	6

### 6. Net interest and finance charges payable

	2010 £'000	2009 £'000
<b>Interest payable</b>		
Bank loans	1,134	1,448
Other loans	369	385
	1,503	1,833
<b>Interest receivable</b>		
Bank and other interest	(12)	(12)
<b>Net interest payable</b>	1,491	1,821
<b>Finance charges</b>		
Amortisation of loan arrangement costs	115	103
Bank commitment fees	146	192
	1,752	2,116

### 7. Tax on (loss)/profit on ordinary activities

	2010 £'000	2009 £'000
United Kingdom corporation tax on (loss)/profit for the year at 28% (2009 28%)	-	857
Adjustment in respect of prior years	4	(126)
Deferred taxation	280	19
	284	750

A deferred tax asset of £1,658,000 in respect of unrelieved losses of £6,141,000 has not been recognised due to uncertainty in the amount and timing of taxable profits

# Fairview Ventures Limited

## Notes to the accounts

### Year ended 31 December 2010

#### 7. Tax on (loss)/profit on ordinary activities (continued)

##### 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 both the current and preceding year differs from the standard rate for the reasons set out in the following reconciliation

	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before taxation	(5,128)	3,146
Tax credit/(charge) on (loss)/profit on ordinary activities at 28% (2009 28%)	1,436	(880)
Factors affecting charge		
Allowance in respect of contaminated land	3	4
Movement in short term timing differences	512	19
Tax losses carried forward	(1,951)	-
Prior period adjustments	(4)	126
Current tax charge	(4)	(731)

#### 8. Loss for the year attributable to members of Fairview Ventures Limited

	2010 £'000	2009 £'000
Loss of the parent company for the year	(3,227)	(1,352)

The Company has taken advantage of s408 of the Companies Act 2006 and consequently a profit and loss account for the Company alone is not presented

#### 9. Investment in subsidiaries

Company	£'000
<b>Cost</b>	
At 31 December 2009 and 31 December 2010	217
<b>Net book value</b>	
At 31 December 2009 and 31 December 2010	217

The Company holds 100% of the issued share capital and controls 100% of the voting rights of the following subsidiaries

Fairview Ventures Crawley No 1 Limited  
 Fairview Ventures Crawley No 2 Limited  
 Fairview Ventures Crawley No 3 Limited  
 Fairview Ventures Crawley No 4 Limited  
 Okus Properties Limited  
 Rialto No 5 Limited

Okus Properties Limited holds 100% of the issued share capital and controls 100% of the voting rights of Okus Developments Limited

The principal activity of all subsidiaries is residential development and related activities and they operate in Great Britain and are registered in England and Wales

# Fairview Ventures Limited

## Notes to the accounts

### Year ended 31 December 2010

#### 10. Land and buildings in course of development

During the year the Group made provisions for impairment of £3.5 million (2009: £1.9 million provision release) and the Company made provisions for £1.2 million (2009: £1.9 million provision release)

#### 11. Debtors

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade debtors	551	1,833	539	1,833
Amounts owed by Group companies	-	-	10,368	20,657
Amounts owed by related parties				
Fairview New Homes Limited (note 22)	-	74	-	74
Shared equity debtors	4,812	3,507	1,063	690
Group relief receivable	42	-	42	789
Other debtors	-	19	-	18
Prepayments and accrued income	74	74	-	88
Deferred tax asset (note 14)	-	280	-	-
	<u>5,479</u>	<u>5,787</u>	<u>12,012</u>	<u>24,149</u>

The shared equity debtors fall due after more than one year

#### 12. Creditors: amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade creditors	113	554	113	551
Amounts owed to Group companies	-	-	4,647	6,595
Amounts owed to related parties				
Fairview New Homes Limited (note 22)	831	-	831	-
Corporation tax	-	472	-	-
Other creditors	4	-	4	-
Accruals and deferred income	2,613	4,183	2,590	4,052
	<u>3,561</u>	<u>5,209</u>	<u>8,185</u>	<u>11,198</u>

#### 13. Creditors: amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Due in more than one but not more than two years				
Bank loan due to Bank of Scotland	18,500	30,000	18,500	30,000
Loan stock held by related parties				
Fairview New Homes Limited	4,100	4,100	4,100	4,100
Uberior Ventures Limited	4,100	4,100	4,100	4,100
Prepaid loan arrangement costs	26,700	38,200	26,700	38,200
	<u>(84)</u>	<u>(111)</u>	<u>(84)</u>	<u>(111)</u>
	<u>26,616</u>	<u>38,089</u>	<u>26,616</u>	<u>38,089</u>

# Fairview Ventures Limited

## Notes to the accounts

### Year ended 31 December 2010

#### 13 Creditors' amounts falling due after more than one year (continued)

On 29 June 2010 the Group concluded revised terms for its bank facility, initially at an amount of £30 million, extending the maturity to March 2012

On 30 June 2010 the maturity date of the loan stock held by related parties was extended from 31 March 2011 to 30 September 2012. Interest is payable on loan stock at a floating rate linked to the base lending rate of the Bank of Scotland

At 31 December 2010 the Group had secured bank loan facilities of £30.0 million of which £18.5 million was drawn. Loans under the facility are subject to interest at floating rates linked to LIBOR. The facility is repayable on 31 March 2012

The Company has entered into £14 million (2009: £22 million) of interest rate swaps to hedge the interest rate risk on variable rate borrowing. The interest rate swaps fix borrowings at a rate of 2.03% for the period to 31 March 2011. The fair value of those swaps at 31 December 2010 was a liability of £60,000 (2009: £251,000)

#### *Liquidity risk*

The Group's treasury policy is to maintain sufficient flexible bank and other loan facilities to cover anticipated borrowing requirements. A comprehensive cash flow forecast enables the Group to anticipate its future treasury needs. Short-term cash surpluses are placed on deposit with the lending bank, thereby limiting credit risk.

#### *Interest rate risk*

The Group's banking facilities enable the Group to borrow for fixed length terms at interest rates linked to LIBOR. The Group has the opportunity to manage interest rate risk through a range of financial instruments. Apart from the interest rate swaps detailed above, there are no such instruments currently in place. The Group does not trade in financial instruments.

#### 14 Deferred tax asset

	2010 £'000	2009 £'000
Opening deferred tax asset	280	299
Charge to the profit and loss account	(280)	(19)
At 31 December	-	280
Analysed as		
Short term timing differences	-	280

#### 15 Called up share capital

	Number	£'000
<b>Authorised share capital.</b>		
At 31 December 2009 and 31 December 2010		
100,000 Ordinary 'A' shares of £1 each	100,000	100
100,000 Ordinary 'B' shares of £1 each	100,000	100
	<u>200,000</u>	<u>200</u>
<b>Called up, allotted and fully paid:</b>		
At 31 December 2009 and 31 December 2010		
100,000 Ordinary 'A' shares of £1 each	100,000	100
100,000 Ordinary 'B' shares of £1 each	100,000	100
	<u>200,000</u>	<u>200</u>

The rights attached to the 'A' and 'B' shares are the same

# Fairview Ventures Limited

## Notes to the accounts Year ended 31 December 2010

### 16. Profit and loss account

	Group £'000	Company £'000
At 31 December 2009	11,156	2,967
Loss for the financial year	(5,412)	(3,227)
At 31 December 2010	<u>5,744</u>	<u>(260)</u>

### 17. Reconciliation of movements in shareholders' funds/(deficit)

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Opening shareholders' funds	11,356	8,960	3,167	4,519
(Loss)/profit for the financial year	<u>(5,412)</u>	<u>2,396</u>	<u>(3,227)</u>	<u>(1,352)</u>
Closing shareholders' funds/(deficit)	<u>5,944</u>	<u>11,356</u>	<u>(60)</u>	<u>3,167</u>

### 18. Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2010 £'000	2009 £'000
Group operating (loss)/profit	(3,376)	5,262
Decrease in land and buildings in course of development	15,709	6,233
Decrease/(increase) in debtors	69	(3,637)
(Decrease)/increase in creditors	<u>(1,250)</u>	<u>876</u>
Net cash inflow from operating activities	<u>11,152</u>	<u>8,734</u>

### 19. Reconciliation of net cash flow to movement in net debt

	2010 £'000	2009 £'000
(Decrease)/increase in cash in the year	(2,516)	2,341
Repayment of loans	<u>11,500</u>	<u>4,000</u>
Movement in net debt in the financial year	8,984	6,341
Net debt at the start of the financial year	<u>(33,692)</u>	<u>(40,033)</u>
Net debt at the end of the financial year (note 20)	<u>(24,708)</u>	<u>(33,692)</u>

# Fairview Ventures Limited

## Notes to the accounts

### Year ended 31 December 2010

#### 20. Analysis of net debt

	31 December 2009 £'000	Cash flows £'000	31 December 2010 £'000
<b>Cash</b>			
Cash at bank and in hand	4,508	(2,516)	1,992
<b>Debt</b>			
Bank loans	(30,000)	11,500	(18,500)
Loan stock	(8,200)	-	(8,200)
	(38,200)	11,500	(26,700)
<b>Net debt</b>	(33,692)	8,984	(24,708)

#### 21. Guarantees and contingent commitments

Group companies have entered into various counter indemnities for performance bonds arising in the normal course of business

At the 31 December 2010 group companies had given cross guarantees and charged their property and assets to secure bank loan facilities totalling £30 million (2009 £47.5 million) available to the Company. The amount drawn down under bank facilities at 31 December 2010 was £18.5 million (2009 £30 million)

#### 22. Transactions with related parties

Fairview New Homes Limited ('Fairview') is a related party as a consequence of it owning 50% of the issued share capital of the Company. During the year Fairview made charges for development costs and fees totalling £2,419,000 (2009 £3,422,000) and received interest on loan stock of £185,000 (2009 £191,000)

Uberior Ventures Limited ('Uberior') is a related party as a consequence of it owning 50% of the issued share capital of the Company. During the year Uberior received interest on loan stock of £185,000 (2009 £191,000) and fees of £29,000 (2009 £29,000)

The Governor and Company of The Bank of Scotland is a related party as a consequence of it owning 100% of the issued share capital of Uberior Ventures Limited. All of the group's bank loans, commitment fees and bank interest payable are with this related party. The Group received bank interest of £6,000 (2009 £2,000) from The Governor and Company of The Bank of Scotland during the year. Details of bank interest payable and commitment fees are disclosed in note 6

Year end balances with Fairview, Uberior, and The Governor and Company of The Bank of Scotland are shown in notes 11, 12 and 13

#### 23. Ultimate parent company and controlling party

The share capital of the Company is owned equally by Uberior Ventures Limited and Fairview New Homes Limited. As a result, in the directors' opinion, there is no ultimate controlling party