

**PILLAR (DARTFORD) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

31st March 2001

Registered number: 2783384



**PILLAR (DARTFORD) LIMITED**

**REPORT AND FINANCIAL STATEMENTS 31ST MARCH 2001**

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## PILLAR (DARTFORD) LIMITED

### DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31st March 2001.

#### 1. PRINCIPAL ACTIVITY

It is intended that the company will continue to invest in commercial property through a 50 percent holding in an investment partnership.

#### 2. 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 and of the 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 accounting standards have been followed, subject to any material departures disclosed in the financial statements
- 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. The directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### 3. DIRECTORS

The following served as directors during the year:

H J M Price  
H R Mould

Neither of the directors had any interest in the shares of the company during the year. The interests of the directors who held office at the end of the year in the shares of the parent company, Pillar Property PLC, are shown in the report and accounts of that company.

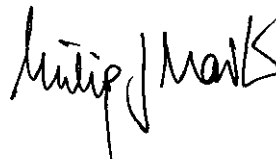
#### 4. AUDITORS

A resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG Audit Plc as auditors of the company.

#### 5. INSURANCE

The company has maintained liability insurance for its directors through a group wide scheme.

Lansdowne House  
Berkeley Square  
London  
W1J 6HQ



By Order of the Board  
P J Martin  
Secretary  
28th September 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
PILLAR (DARTFORD) LIMITED**

We have audited the financial statements on pages 3 to 6.

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the director's report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you 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.

*Basis of audit opinion*

We conducted our audit in accordance with 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 affairs of the company as at 31st March 2001 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

28th September 2001

*KPMG Audit Plc*

**PILLAR (DARTFORD) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 2001**

	NOTE	Year ended 31 <sup>st</sup> March 2001 £	Year ended 31st March 2000 £
SHARE OF PARTNERSHIP PROFITS		147,850	48,291
OTHER INCOME		-	25,000
		-----	-----
OPERATING PROFIT	2	147,850	73,291
PROFIT ON DISPOSAL OF INVESTMENT PROPERTY		-	175,133
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		147,850	248,424
PROPOSED DIVIDEND		-	(245,871)
		-----	-----
RETAINED PROFIT FOR THE YEAR		147,850	2,553
RESERVES BROUGHT FORWARD		2,553	-
		-----	-----
RESERVES CARRIED FORWARD		150,403	2,553
		=====	=====

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	147,850	248,424
UNREALISED DEFICIT ON REVALUATION OF PROPERTY	(36,240)	(2,553)
	-----	-----
TOTAL GAINS AND LOSSES RELATING TO THE YEAR	111,610	245,871
	=====	=====

There were no material differences in historical cost profit and loss.  
All items in the profit and loss account derive from continuing operations.

**PILLAR (DARTFORD) LIMITED**

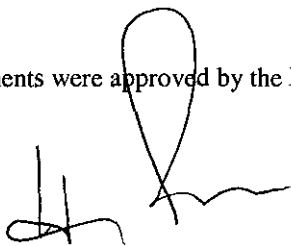
**BALANCE SHEET**

**AS AT 31ST MARCH 2001**

		NOTE	2001 £	2000 £
FIXED ASSETS	Investment partnership	5	5,292,440	2,941,374
CURRENT ASSETS	Amount due from fellow subsidiary		2,141,275	2,141,275
CREDITORS (AMOUNTS DUE WITHIN ONE YEAR)	Amount due to parent company		7,322,104	5,082,648
NET CURRENT (LIABILITIES)/ ASSETS			(5,180,829)	(2,941,373)
NET ASSETS			111,611	1
CAPITAL AND RESERVES	Called up share capital	6	1	1
	Profit and loss account	8	150,403	2,553
	Revaluation reserve	8	(38,793)	(2,553)
SHAREHOLDERS' FUNDS			111,611	1

The financial statements were approved by the Board of Directors on 28th September 2001 and signed on its behalf by:

H.J.M.Price  
Director



## PILLAR (DARTFORD) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. ACCOUNTING POLICIES

Accounting Convention	These financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of investment properties.
Accounting Basis	The accounts have been prepared on a going concern basis which is dependent on the continued financial support of the ultimate parent company. The ultimate parent company has confirmed its intention to provide, or arrange the provision of, such financial and other assistance as may be necessary to enable the company to meet its liabilities as they fall due for payment.
Turnover	Turnover, which is stated net of VAT, is derived from rental income from operations in the United Kingdom.
Deferred Taxation	Provision is made at the appropriate rates, using the liability method, for deferred taxation arising from timing differences, to the extent that it is probable that a liability will crystallise in the future.
Cash flow statement	Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and the parent company, which is incorporated in Great Britain, prepares a cash flow statement.
Related party transactions	As the company is a wholly owned subsidiary of Pillar Property PLC, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and therefore has not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Pillar Property PLC, within which this company is included, can be obtained from the address in note 9.

#### 2. PROFIT AND LOSS ACCOUNT

Directors' emoluments and audit fees are both nil (2000 nil). The company has no employees (2000 nil).

#### 3. TAXATION

The corporation tax liability has been reduced to nil due to the receipt of group relief from the parent company for nil consideration.

#### 4. DEFERRED TAXATION

The full potential deferred taxation asset not provided in the financial statements is as follows:

	Amount not Provided	
	2001	2000
	£	
Arising on revaluation of investment properties	3,212	717,847
Accelerated capital allowances	-	1,480
	-----	-----
	3,212	719,327
	=====	=====

# PILLAR (DARTFORD) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 5. INVESTMENT PARTNERSHIP

	£
At 31st March 2000	2,941,374
Share of profit for the year	147,851
Deficit on revaluation of investment properties	(36,240)
Net equity additions	2,239,455
	-----
At 31st March 2001	<b>5,292,440</b>
	=====

The company has a 50% partnership interest in Dartford Partnership, which operates in the United Kingdom. The above represents the company's share of the net assets of the partnership. At 31st March 2001 the investment portfolio of Dartford Partnership was externally valued by FPD Savills Commercial Limited, Chartered Surveyors at £21,000,000 (2000 £15,600,000). The historical cost of the investment properties was £21,072,480 (2000 £15,605,106).

### 6. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
1 ordinary shares of £1 each	1	1
	===	===
Issued, allotted, called up and fully paid		
1 ordinary share of £1	1	1
	===	===

### 7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2001 £	2000 £
Retained profit for the year	147,850	2,553
Deficit on revaluation of property	(36,240)	(2,553)
	-----	-----
	111,610	-
Opening shareholders' funds	1	1
	-----	-----
Closing shareholders' funds	<b>111,611</b>	1
	=====	=====

### 8. RESERVES

	Profit and Loss	Revaluation Reserve
At start of year	2,553	(2,553)
Retained profit for the year	147,850	-
Revaluation (deficit) during the year	-	(36,240)
	-----	-----
At end of year	<b>150,403</b>	(38,793)
	=====	=====

### 9. PARENT COMPANY

The parent company is Pillar Property PLC, a company incorporated and registered in England and Wales. A copy of that company's financial statements can be obtained from its registered office, Lansdowne House, Berkeley Square, London W1J 6HQ.