

PILLAR (DARTFORD) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31st March 2002

Registered number: 2783384



PILLAR (DARTFORD) LIMITED

REPORT AND FINANCIAL STATEMENTS 31ST MARCH 2002

CONTENTS

	PAGE
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5-6

PILLAR (DARTFORD) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31st March 2002.

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
P L Vaughan (appointed 12 March 2002)

None 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.

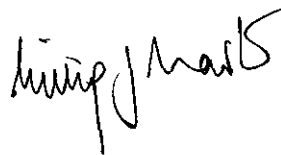
4. AUDITORS

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
20th September 2002

**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. As described on page 1, this includes responsibility for preparing 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 1985. 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 2002 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

27 September 2002

PILLAR (DARTFORD) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	NOTE	Year ended 31 st March 2002 £	Year ended 31 st March 2001 £
SHARE OF PARTNERSHIP PROFITS		-	147,850
ADMINISTRATION EXPENSES		(112)	-
OPERATING (LOSS)/ PROFIT	2	(112)	147,850
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		(112)	147,850
RETAINED (LOSS)/ PROFIT FOR THE YEAR		(112)	147,850
RESERVES BROUGHT FORWARD		150,403	2,553
RESERVES CARRIED FORWARD		150,291	150,403

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(LOSS)/ PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	(112)	147,850
UNREALISED SURPLUS/ (DEFICIT) ON REVALUATION OF INVESTMENTS	2,684,391	(36,240)
TOTAL GAINS AND LOSSES RELATING TO THE YEAR	2,684,279	111,610

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 2002

		NOTE	2002 £	2001 £
FIXED ASSETS	Investment partnership	5	9,453,762	5,292,440
CURRENT ASSETS	Amount due from fellow subsidiary		2,141,275	2,141,275
CREDITORS (AMOUNTS DUE WITHIN ONE YEAR)	Amount due to parent company		8,799,147	7,322,104
NET CURRENT (LIABILITIES)/ ASSETS			<u>(6,657,872)</u>	<u>(5,180,829)</u>
NET ASSETS			<u>2,795,890</u>	<u>111,611</u>
CAPITAL AND RESERVES	Called up share capital	6	1	1
	Profit and loss account	8	150,291	150,403
	Revaluation reserve	8	2,645,598	(38,793)
SHAREHOLDERS' FUNDS			<u>2,795,890</u>	<u>111,611</u>

The financial statements were approved by the Board of Directors on 20th September 2002 and signed on its behalf by:


H.J.M. Price
Director

PILLAR (DARTFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting Convention	The financial statements have been prepared under the historical cost accounting rules as modified by the revaluation of investment properties and in accordance with applicable accounting standards and with the Companies Act 1985 except as noted below under investment properties. The adoption of FRS 17 Retirement Benefits, FRS 18 Accounting Policies, FRS 19 Deferred Taxation and UITF 28 Operating Lease Incentives during the period has had no material impact on these results.
Turnover	Turnover, which is stated net of VAT, is derived from rental income from operations in the United Kingdom.
Investments	Investments are held at directors' valuation based on the net assets of the investment.
Deferred Taxation	Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.
Cash flow statement	Under FRS 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 FRS 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 (2001 nil). The company has no employees (2001 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	
	2002	2001
	£	£
Arising on revaluation of investment properties	<u>231,499</u>	<u>3,212</u>

PILLAR (DARTFORD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PARTNERSHIP

	£
At 31st March 2001	5,292,440
Surplus on revaluation of investments	2,684,391
Net equity additions	1,476,931
	<u>-----</u>
At 31st March 2002	<u><u>9,453,762</u></u>

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 2002 the investment portfolio of Dartford Partnership was externally valued by FPD Savills Commercial Limited, Chartered Surveyors at £26,876,584 (2001 £21,000,000). The historical cost of the investment properties was £21,876,584 (2001 £21,072,480).

6. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Issued, allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2002 £	2001 £
Retained (loss)/ profit for the year	(112)	147,850
Surplus/(deficit) on revaluation of investments	<u>2,684,391</u>	<u>(36,240)</u>
	<u>2,684,279</u>	<u>111,610</u>
Opening shareholders' funds	111,611	1
	<u>-----</u>	<u>-----</u>
Closing shareholders' funds	<u><u>2,795,890</u></u>	<u><u>111,611</u></u>

8. RESERVES

	Profit and Loss	Revaluation Reserve
At start of year	150,403	(38,793)
Retained (loss) for the year	(112)	-
Revaluation surplus during the year	-	2,684,391
	<u>-----</u>	<u>-----</u>
At end of year	<u><u>150,291</u></u>	<u><u>2,645,598</u></u>

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.