

PILLAR (DARTFORD) LIMITED

(Formerly Pardev (Manchester) Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31st March 2000

Registered number: 2783384



PILLAR (DARTFORD) LIMITED

(Formerly Pardev (Manchester) Limited)

REPORT AND FINANCIAL STATEMENTS 31ST MARCH 2000

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PILLAR (DARTFORD) LIMITED
(Formerly Pardev (Manchester) Limited)

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31st March 2000.

1. PRINCIPAL ACTIVITY

During the year the company acquired and sold an interest in commercial property, it also invested in commercial property through a 50 percent holding in an investment partnership. It is intended to continue this activity.

**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. CHANGE OF NAME

On 1st September 1999 the company changed its name from Pardev (Manchester) Limited to Pillar (Dartford) Limited.

5. 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.

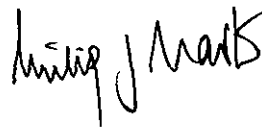
6. YEAR 2000 COMPLIANCE

Although we are now in the year 2000, the generic issue remains. Since 31 December 1999 the company has encountered no significant problems as a result of the Year 2000 issue and has not incurred any additional costs.

7. INSURANCE

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

Lansdowne House
Berkeley Square
London
W1X 6HQ



By Order of the Board
P J Martin
Secretary
29th September 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF
PILLAR (DARTFORD) LIMITED
(Formerly Pardev (Manchester) Limited)**

We have audited the financial statements on pages 3 to 7.

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 2000 and its profit 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

29th September 2000

PILLAR (DARTFORD) LIMITED
(Formerly Pardev (Manchester) Limited)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

	NOTE	Year ended 31st March 2000 £	Year ended 31st March 1999 £
SHARE OF PARTNERSHIP PROFITS		48,291	-
OTHER INCOME		25,000	-
		-----	-----
OPERATING PROFIT	2	73,291	-
PROFIT ON DISPOSAL OF INVESTMENT PROPERTY		175,133	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		248,424	-
PROPOSED DIVIDEND		(245,871)	-
		-----	-----
RETAINED PROFIT FOR THE YEAR		2,553	-
RESERVES BROUGHT FORWARD		-	-
		-----	-----
RESERVES CARRIED FORWARD		2,553	-
		=====	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	248,424	-
UNREALISED DEFICIT ON REVALUATION OF PROPERTY	(2,553)	-
	-----	-----
TOTAL GAINS AND LOSSES RELATING TO THE YEAR	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.

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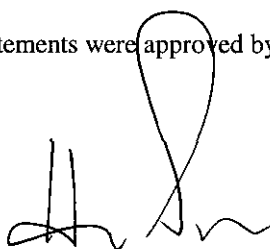
BALANCE SHEET

AS AT 31ST MARCH 2000

		NOTE	2000 £	1999 £
FIXED ASSETS	Investment partnership	6	2,941,374	-
CURRENT ASSETS	Amount due from fellow subsidiary		2,141,275	2,141,275
CREDITORS(AMOUNTS DUE WITHIN ONE YEAR)		7	5,082,648	2,141,274
NET CURRENT (LIABILITIES)/ ASSETS			(2,941,373)	1
NET ASSETS			1	1
CAPITAL AND RESERVES	Called up share capital	8	1	1
	Profit and loss account		2,553	-
	Revaluation reserve	10	(2,553)	-
SHAREHOLDERS' FUNDS			1	1

The financial statements were approved by the Board of Directors on 29th September 2000 and signed on its behalf by:

H.J.M.Price
Director



PILLAR (DARTFORD) LIMITED
(Formerly Pardev (Manchester) 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.
Hedging costs	Hedging costs are amortised over the life of the hedging instruments and the element not amortised is included within prepayments.
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 11.

2. PROFIT AND LOSS ACCOUNT

Directors' emoluments and audit fees are both nil (1999 nil). The company has no employees (1999 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	
	2000	1999
	£	£
Arising on revaluation of investment properties	717,847	-
Accelerated capital allowances	1,480	-
	-----	-----
	719,327	-
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS

**5. INVESTMENT
PROPERTIES**

**Freehold Land
and Buildings
£**

At 31st March 1999	-
Additions	14,078,000
Disposals	(14,078,000)

At 31st March 2000	-
	=====

**6. INVESTMENT
PARTNERSHIP**

	£
At 31st March 1999	-
Share of profit for the year	48,291
Deficit on revaluation of investment properties	(2,553)
Net equity additions	2,895,636

At 31st March 2000	2,941,374
	=====

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 2000 the investment portfolio of Dartford Partnership was externally valued by FPD Savills Commercial Limited, Chartered Surveyors at £15,600,000. The historical cost of the investment properties was £15,605,106.

**7. CREDITORS (AMOUNTS
FALLING DUE WITHIN
ONE YEAR)**

	2000 £	1999 £
Amount due to parent company	5,082,648	1,966,142
Accruals and deferred income	-	175,132
	-----	-----
	5,082,648	2,141,274
	=====	=====

**8. CALLED UP SHARE
CAPITAL**

	2000 £	1999 £
Authorised		
100 ordinary shares of £1 each	100	100
	=====	=====
Issued, allotted, called up and fully paid		
1 ordinary share of £1	1	1
	=====	=====

**9. RECONCILIATION OF
MOVEMENTS IN
SHAREHOLDERS FUNDS**

	2000 £	1999 £
Retained profit for the year	2,553	-
Deficit on revaluation of property	(2,553)	-
	-----	-----
	-	-
Opening shareholders' funds	1	1
	-----	-----
Closing shareholders' funds	1	1
	=====	=====

PILLAR (DARTFORD) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

10. REVALUATION RESERVE

	2000
	£
At start of year	-
Revaluation (deficit) during the year	(2,553)

At end of year	(2,553)
	=====

11. 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 W1X 6HQ.