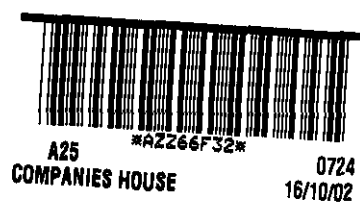


PILLAR (YORK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31st March 2002

Registered number: 2840719



PILLAR (YORK) LIMITED

REPORT AND FINANCIAL STATEMENTS 31ST MARCH 2002

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PILLAR (YORK) 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

The company intends to invest in commercial property in the future.

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
23rd August 2002

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PILLAR (YORK) 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

23rd August 2002

PILLAR (YORK) 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		-	305,035
ADMINISTRATIVE AND OTHER EXPENSES		(35,117)	(473)
OPERATING PROFIT	2	(35,117)	304,562
NET INTEREST RECEIVABLE AND SIMILAR CHARGES	3	-	25,898
LOSS/PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		(35,117)	330,460
PROPOSED DIVIDEND		(200,000)	-
RETAINED LOSS/PROFIT FOR THE YEAR	9	(235,117)	330,460

All items in the profit and loss account derive from continuing operations.
There were no gains or losses relating to the year other than those shown above.
There were no material differences in the historical cost profit and loss.

PILLAR (YORK) LIMITED

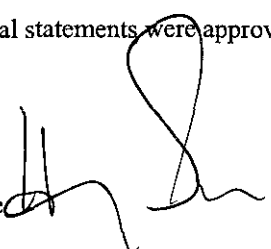
BALANCE SHEET

AS AT 31ST MARCH 2002

		NOTE	2002 £	2001 £
CURRENT ASSETS	Debtors	5	95,344	330,461
NET CURRENT ASSETS			<u>95,344</u>	<u>330,461</u>
NET ASSETS			<u>95,344</u>	<u>330,461</u>
CAPITAL AND RESERVES	Called up share capital	6	1	1
	Profit and loss account	8	95,343	330,460
SHAREHOLDERS' FUNDS			<u>95,344</u>	<u>330,461</u>

The financial statements were approved by the Board of Directors on 23rd August 2002 and signed on its behalf by:

H.J.M.Price
Director



PILLAR (YORK) 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.
Basis of Preparation	The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.
Turnover	Turnover, which is stated net of VAT, is derived from rental income from operations in Great Britain.
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 ultimate 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. NET INTEREST RECEIVABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Interest receivable	-	25,898

4. TAXATION

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

5. DEBTORS

	2002	2001
	£	£
Amounts due within one year;		
Amount due from parent company	95,344	295,344
Other debtors	-	35,117
	<u>95,344</u>	<u>330,461</u>

6. CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued, allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

PILLAR (YORK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS		2002	2001
		£	£
	Retained (loss)/profit for the year	(35,117)	330,460
	Dividend payable	(200,000)	-
	Opening shareholders' funds	330,461	1
		<hr/>	<hr/>
	Closing shareholders' funds	95,344	330,461
		<hr/>	<hr/>

8. RESERVES

	Profit and Loss Account
	£
At 31st March 2001	330,460
Retained loss for the year	(35,117)
Dividend payable	(200,000)
	<hr/>
At 31st March 2002	95,343
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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.