

35 BASINGHALL STREET FIRST LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31st December 2001

Registered number: 3902915



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35 BASINGHALL STREET FIRST LIMITED

REPORT AND FINANCIAL STATEMENTS 31ST DECEMBER 2001

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35 BASINGHALL STREET FIRST LIMITED

DIRECTORS' REPORT

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

1. PRINCIPAL ACTIVITY

It is intended that the company will invest in commercial property in the future. During the period under review the company did not trade and accordingly a profit and loss account has not been prepared.

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 considered 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:

P C R Wates (Chairman)	(resigned 5 January 2001)
R Clutton	(resigned 5 January 2001)
J D Nettleton	(resigned 5 January 2001)
P L Vaughan	(appointed 5 January 2001, resigned 2 March 2001)
H J M Price	(appointed 5 January 2001)
E Doyle	(appointed 5 January 2001)

None of the directors had any interest in the shares of the company during the year.

The interests of Mr Vaughan and Mr Price in the shares of the parent company, Pillar Property PLC, are shown in the report and accounts of that company. Mr Doyle did not hold shares in the parent company, Pillar Property PLC.

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 June 2002

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
35 BASINGHALL STREET FIRST LIMITED**

We have audited the financial statements on pages 3 and 4.

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 December 2001 and its result 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

28th June 2002

35 BASINGHALL STREET FIRST LIMITED

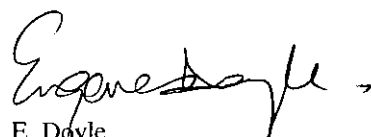
BALANCE SHEET

AS AT 31ST DECEMBER 2001

		NOTE	2001 £	2000 £
CURRENT ASSETS	Amount due from parent company		1	1
NET CURRENT ASSETS			1	1
TOTAL ASSETS LESS CURRENT LIABILITIES			1	1
NET ASSETS			1	1
CAPITAL AND RESERVES	Called up share capital	3	1	1
SHAREHOLDERS' FUNDS			1	1

The company did not trade during the year, or the previous year and consequently received no income and incurred no expenditure.

The financial statements were approved by the Board of Directors on 28th June 2002 and signed on its behalf by:



E. Doyle
Director

35 BASINGHALL STREET FIRST 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.
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 6.

2. PROFIT AND LOSS ACCOUNT

During the financial year and the proceeding financial year, the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss. 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. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised 100 ordinary shares of £1 each	100 =====	100 =====
Issued, allotted, called up and fully paid 1 ordinary shares of £1	1 ===	1 ===

5. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	2001 £	2000 £
Opening shareholders' funds	1 -----	1 -----
Closing shareholders' funds	1 =====	1 =====

6. 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.