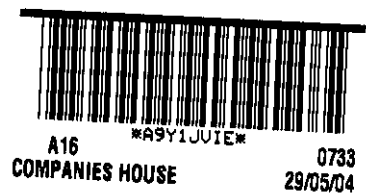


**Pillar Options Limited**  
(formerly known as Jackvale Limited)

**Report of the Directors and Financial Statements**

**31 December 2003**

Registered number 4498061



## **Pillar Options Limited**

### **Report of the Directors and Financial Statements**

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## **Pillar Options Limited**

### **Report of the Directors**

The Directors submit their report and the audited financial statements for the 17 month period ended 31 December 2003.

#### **Incorporation**

The Company was incorporated in England and Wales on 29 July 2002 with company number 4498061 under the name of Jackvale Ltd.

#### **Change of Name**

The Company name was changed from Jackvale Ltd to Pillar Options Limited on 1 October 2002 by way of Board resolution.

#### **Principal activities and business review**

The Company was established as an investment holding company. The Company has an option to acquire the loan notes issued by Group undertakings upon the occurrence of bankruptcy within the Group undertakings. The Directors believe that the company will not commence to trade until such time as this option may be exercised. The Directors consider the state of affairs and future prospects of the company to be satisfactory.

#### **Results and dividends**

The Company did not trade during the period. The Directors do not recommend the payment of a dividend.

#### **Directors**

Listed below are the names of the Directors who served on the Board during the period under review:

<b>Name</b>	<b>Date of appointment</b>	<b>Date of resignation</b>
C Bright	20 November 2002	-
J P J Fairrie	1 October 2002	-
M R Layton	29 July 2002	1 October 2002
M E Richards	29 July 2002	1 October 2002
SPV Management Limited	1 October 2002	-

#### **Directors' interests**

SPV Management Limited is the sole non-beneficial owner of the Company's ultimate parent, Pillar Holdings Charitable Trust.

None of the other Directors, or their immediate family, had any interest in the shares in the Company during the year.

## **Pillar Options Limited**

### **Report of the Directors** *(continued)*

#### **Statement of Directors' responsibilities in relation to financial statements**

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 as at the end of the financial year and of the profit or loss of the Company for the financial year. In preparing those financial statements, the Directors are required to:

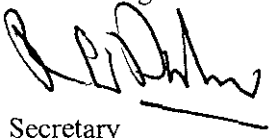
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to resume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have 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.

#### **Auditors**

An ordinary resolution will be proposed at the Annual General Meeting to re-appoint KPMG Audit Plc as auditors of the Company.

By Order of the Board  
SPV Management Limited



Secretary

 **SPV Management Limited**

Date: 27/05/ 2004

## **Pillar Options Limited**

### **Independent Auditors' Report to the Members of Pillar Options Limited**

We have audited the financial statements on pages 4 to 5.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and Auditors**

The Directors are responsible for the preparation of the Directors' report and, as described on page 2, 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 opinion**

We conducted our audit in accordance with the 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 the Company's affairs as at 31 December 2003 and of its result for the period 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**

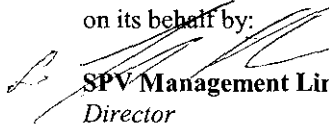
**Date :** 27 May 2004

## Pillar Options Limited

### Balance Sheet at 31 December 2003

	Note	2003 £
<b>Current assets</b>		
Amounts owed by Group undertakings		<u>1</u>
<b>Net assets</b>		<u>1</u>
<b>Capital and reserves</b>		
Called up share capital	4	<u>1</u>
		<u>1</u>

These financial statements were approved by the Board of Directors on 27/05/2004 and were signed on its behalf by:

  
**SPV Management Limited**  
Director

The notes on page 5 form part of the financial statements.

# Pillar Options Limited

## Notes to the Accounts

### 1. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards currently applicable in the United Kingdom.

### 2. Audit fees

Audit fees of £1,000.00 relating to the Company have been equally borne by Pillar Funding 2002-1 and Pillar Funding 2003-1.

### 3. Directors and employees

No emoluments were received or are receivable by any Director in respect of services during the period. The Company did not have any employees during the period.

### 4. Share capital

	2003 £
<b>Authorised:</b>	
100 ordinary shares of £1 each	<u>100</u>
<b>Allotted and fully paid up</b>	
1 ordinary share of £1 each	<u>1</u>
	<u>1</u>

### 5. Related party transactions

The Company, together with its parent companies, are deemed to be a quasi-subsiidiary of Egg Banking plc under the principles of FRS 5 'Reporting the substance of transactions'.

### 6. Parent undertakings

The immediate parent undertaking of the Company is Pillar Holdings Limited and the ultimate parent undertaking is Pillar Holdings Charitable Trust, whose sole non-beneficial shareholder is SPV Management Ltd. Copies of the financial statements can be obtained from Tower 42, International Financial Centre, 25 Old Broad Street, London EC2N 1HQ.