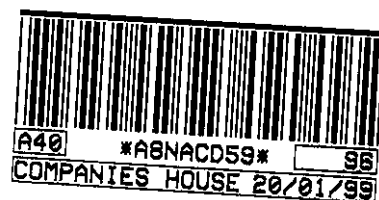


Broadgate Property Management Limited

Directors' Report And Accounts for the year ended 31st March 1998

Registered number: 1767381



Broadgate Property Management Limited

Directors' report

For the year ended 31st March 1998

The directors present their report, together with the accounts and auditors' report, for the year ended 31st March 1998.

Principal activity

The principal activities of the Company are estate management and the provision of property services. The Company did not trade during the year.

Business review

The Company is a subsidiary of Broadgate Properties Plc. The activities of the Broadgate Properties Plc group are reviewed in the Directors' Report of that company.

Results and dividends

The accounts show the state of the Company's financial affairs. No dividend is recommended.

Directors and their interests in share capital

The directors who served during the year were:

J.H. Ritblat	(appointed 8th May 1998)
J.H. Weston Smith	(appointed 8th May 1998)
D.C. Berry	(appointed 8th May 1998)
S.L. Kalman	(appointed 8th May 1998)
N.S.J. Ritblat	(appointed 8th May 1998)
R.E. Bowden	(appointed 8th May 1998)
S. Adam	
B.C. Winfield	(resigned 8th May 1998)

No director held a beneficial interest in the share capital of the Company. Messrs. J.H. Ritblat, J.H. Weston Smith, D.C. Berry, S.L. Kalman, N.S.J. Ritblat, R.E. Bowden, and S. Adam are also directors of The British Land Company PLC and, as such, their interests in the share and loan capital of that company are shown in its remuneration committee's report. The other director did not hold a beneficial interest in the ultimate holding company.

Broadgate Property Management Limited

Directors' report

For the year ended 31st March 1998

Statement of directors' responsibilities

The Directors are required to prepare financial statements which comply with the Companies Act 1985, on a going concern basis (unless inappropriate) and 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 for that period. In preparing these financial statements suitable accounting policies consistently applied and supported by reasonable and prudent judgements and estimates, and applicable accounting standards have been followed.

The Directors are also responsible for ensuring that proper and adequate accounting records have been maintained and that reasonable procedures have been followed for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Auditors

Binder Hamlyn, having become part of the Andersen Worldwide Organisation in 1994, have resigned since the last Annual General Meeting in order that Arthur Andersen could be appointed. Resolutions concerning Arthur Andersen's reappointment and remuneration will be proposed at the Annual General Meeting.

This report was approved by the board on 8 June 1998.



P. C. Clarke
Secretary

10 Cornwall Terrace
Regent's Park
London NW1 4QP

Broadgate Property Management Limited

Auditors' report

For the year ended 31st March 1998

To the shareholders of Broadgate Property Management Limited

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of the financial statements and it is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 Company's state of affairs at 31st March 1998 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants
1 Surrey Street
London WC2R 2PS

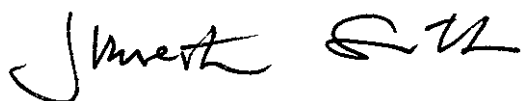
8 June 1998

Broadgate Property Management Limited

Balance sheet

At 31st March 1998

	Note	31st March 1998 £'000	31st March 1997 £'000
FIXED ASSETS			
Investment in subsidiary company	2	13	13
CURRENT ASSETS			
Debtors	3	779	779
NET ASSETS		792	792
CAPITAL AND RESERVES			
Called up share capital	4	13	13
Profit and loss account		779	779
SHAREHOLDERS' FUNDS	5	792	792



J.H. Weston Smith



S. Adam
Directors

Approved by the board on 8 June 1998

Broadgate Property Management Limited

Notes to the accounts

For the year ended 31st March 1998

1. ACCOUNTING POLICIES

Accounting basis

The accounts are prepared in accordance with applicable Accounting Standards and under the historical cost convention.

Investment in subsidiary company

Investment in subsidiary company is stated at cost, or director's valuation. In the prior year, investment in subsidiary company was stated on an equity method basis. Comparative figures have been restated in this respect.

In accordance with section 228 of the Companies Act 1985 group accounts are not required as the Company is itself a wholly owned subsidiary of another company. The accounts present information about the Company as a single company.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that directors consider that a liability to taxation is unlikely to crystallise in the foreseeable future.

2. INVESTMENT IN SUBSIDIARY COMPANY

	1998 £'000	1997 £'000
1st April 1997 and 31st March 1998	13	13

The Company owns the whole of the issued capital of Broadgate Estates Limited, which is engaged in estate management and the provision of property services.

3. DEBTORS

	1998 £'000	1997 £'000
Amounts owed by group companies	779	779

Broadgate Property Management Limited

Notes to the accounts

For the year ended 31st March 1998

4. SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised 5,000,000 ordinary shares of £1 each	5,000	5,000
Allotted, called up and partly paid 50,000 ordinary shares of £1 each, 25 pence paid	13	13

5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £'000	1997 £'000
Opening shareholders' funds	792	792
Closing shareholders' funds	792	792

6. RELATED PARTIES

The Company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group companies under the provisions of Financial Reporting Standard 8.

7. HOLDING COMPANY

The Company is a subsidiary of Broadgate Properties Plc.

The ultimate holding company is The British Land Company PLC which is registered in England and Wales. Group accounts for The British Land Company PLC and for Broadgate Properties Plc are available on request from 10 Cornwall Terrace, Regent's Park, London NW1 4QP.