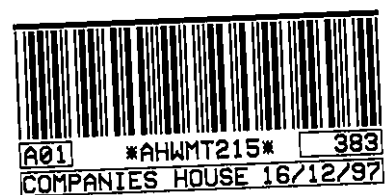


Blackwall (1) Limited

Directors Report And Accounts
for the year ended 31st March 1997

Registered number: 2024208



Blackwall (1) Limited

Directors' report

For the year ended 31st March 1997

The directors present their report, together with the accounts and auditors' report, for the year ended 31st March 1997.

Principal activity

The principal activity of the Company is property development and trading. 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' Reports of that company.

Dividends

No dividend is recommended.

Directors and their interests in share capital

The directors who served during the year were:

J.H. Ritblat	(appointed 22nd November 1996)
J.H. Weston Smith	(appointed 22nd November 1996)
S. Adam	
D.C. Berry	(appointed 22nd November 1996)
S.L. Kalman	(appointed 22nd November 1996)
N.S.J. Ritblat	(appointed 22nd November 1996)
M.J.F. Mannion	(resigned 31st December 1996)

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 and N.S.J. Ritblat are also directors of the ultimate holding company and, as such, their interests in the share and loan capital of that company are shown in its remuneration committee's report. Mr S. Adam had no interest in the share or loan capital of the ultimate holding company.

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. 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.

Blackwall (1) Limited

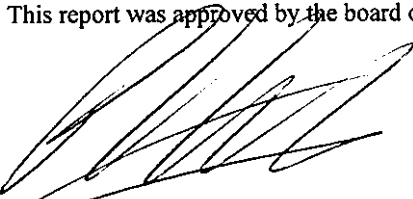
Directors' report

For the year ended 31st March 1997

Auditors

Binder Hamlyn have indicated their willingness to continue in office and a resolution proposing their re-appointment as auditors of the Company will be put before the Annual General Meeting.

This report was approved by the board on 13th June 1997.



P. Clarke

Secretary

10 Cornwall Terrace

Regent's Park

London NW1 4QP

Blackwall (1) Limited

Auditors' report

For the year ended 31st March 1997

To the shareholders of Blackwall (1) Limited

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policy set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

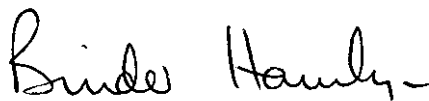
Basis of opinion

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 state of affairs of the Company at 31st March 1997 and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn
Chartered Accountants and Registered Auditors
20 Old Bailey
London EC4M 7BH

13th June 1997

Blackwall (1) Limited

Profit and loss account

For the year ended 31st March 1997

	Note	Year ended 31st March 1997 £'000	Period from 1st July 1995 to 31st March 1996 £'000
Cost of sales	2		(3,814)
GROSS PROFIT			3,814
Interest receivable	3		3
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			3,817
Taxation credit	4		3,302
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES			7,119

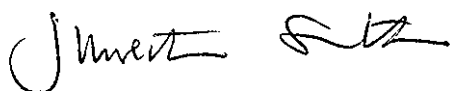
There are no recognised gains or losses other than the profit for the preceding period.

Blackwall (1) Limited

Balance sheet

At 31st March 1997

	Note	31st March 1997 £'000	31st March 1996 £'000
CURRENT ASSETS			
Amounts owed by group companies current account		10,953	10,953
CAPITAL AND RESERVES			
Called up share capital	5	13	13
Profit and loss account		10,940	10,940
SHAREHOLDERS' FUNDS		10,953	10,953



J.H. Weston Smith



S. Adam

Directors

Approved by the board on 13th June 1997

Blackall (1) Limited

Notes to the accounts

For the year ended 31st March 1997

1. ACCOUNTING POLICY

Accounting basis

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

2. COST OF SALES

During the previous period, Broadgate Properties Plc waived interest of £6,662,000 due from the Company which had been capitalised and written off to development work-in-progress in prior periods. In addition, the Company waived interest of £2,850,000 due from Broadgate Properties Plc which had been capitalised and credited to development work-in-progress in prior periods.

3. INTEREST RECEIVABLE

	1997 £'000	1996 £'000
Other interest receivable		3

4. TAXATION

	1997 £'000	1996 £'000
Amounts receivable for group relief		3,302

5. SHARE CAPITAL

	1997 £'000	1996 £'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

Blackall (1) Limited

Notes to the accounts

For the year ended 31st March 1997

6. CONTINGENT LIABILITIES

The Company is jointly and severally liable with Broadgate Properties Plc and fellow subsidiaries for all monies falling due under the group VAT registration.

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 accounts for Broadgate Properties Plc are available on request from 10 Cornwall Terrace, Regent's Park, London, NW1 4QP.