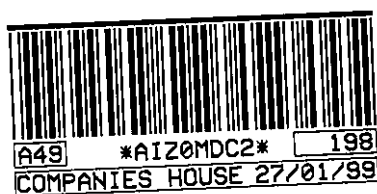


ALPHAFORM (NO. EIGHT) LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
31st MARCH 1998

Registered number: 2037401



ALPHAFORM (NO. EIGHT) LIMITED

DIRECTORS' REPORT
for the year ended 31st March 1998

The directors submit their report and accounts, for the year ended 31st March 1998.

Principal Activity

The principal activity of the Company is property development for investment. The Company did not trade during the year.

Review of the Business and Prospects

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.

Directors and their Interests in Share and Loan Capital

The directors who served during the year were:

J.H. Ritblat
J.H. Weston Smith
S. Adam
D.C. Berry
S.L. Kalman
N.S.J. Ritblat

No director held a beneficial interest in the share capital of the Company. The above directors 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.

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.

ALPHAFORM (NO. EIGHT) LIMITED

DIRECTORS' REPORT
for the year ended 31st March 1998

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 will be proposed at the Annual General Meeting.

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


P.C. Clarke
Secretary

10 Cornwall Terrace
Regent's Park
London NW1 4QP

ALPHAFORM (NO. EIGHT) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF
ALPHAFORM (NO. EIGHT) LIMITED

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

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 1998 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants
Registered Auditors
1 Surrey Street, London, WC2R 2PS

8th June 1998

ALPHAFORM (NO. EIGHT) LIMITED

**BALANCE SHEET
as at 31st March 1998**

	<u>Note</u>	<u>1998</u> <u>£'000</u>	<u>1997</u> <u>£'000</u>
Current Assets			
Amounts owed by group companies			
Current accounts		2,185	2,185
		<u> </u>	<u> </u>
Capital and Reserves			
Called up share capital	2	6,013	6,013
Profit and loss account		(3,828)	(3,828)
		<u> </u>	<u> </u>
Shareholders' Funds		<u>2,185</u>	<u>2,185</u>


J.H. Weston Smith


S. Adam
Directors

Approved by the board on 8th June 1998

ALPHAFORM (No. EIGHT) LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31st March 1998

1. **Accounting policy**

Accounting basis

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

2. **Share capital**

	<u>1998</u> <u>£'000</u>	<u>1997</u> <u>£'000</u>
Authorised		
6,100,000 ordinary shares of £1 each	6,100	6,100
	<u> </u>	<u> </u>
Allotted, called up and partly paid		
50,000 ordinary shares of £1 each, 25 pence paid	13	13
6,000,000 ordinary shares of £1 each, fully paid	6,000	6,000
	<u>6,013</u>	<u>6,013</u>
	<u> </u>	<u> </u>

3. **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.

4. **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.