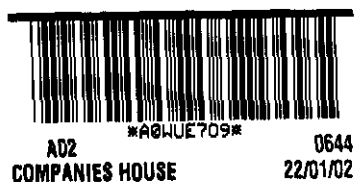

LUDGATE INVESTMENT HOLDINGS LIMITED

Annual Report and Accounts

Year ended 31 March 2001

Company number: 2261712



LUDGATE INVESTMENT HOLDINGS LIMITED

REPORT OF THE DIRECTORS for the year ended 31 March 2001

The directors present their Report and Accounts for the year ended 31 March 2001.

Principal activity

The principal activity of the company is that of property investment.

The subsidiaries held by the company are listed in note 7 to the accounts. Consolidated accounts are not presented as the company takes advantage of the exemption afforded by Section 228 of the Companies Act 1985.

Review of business and prospects

The activities and prospects of this and other group companies are reviewed in the Chairman's Statement and Operating and Financial Review of The British Land Company PLC, the ultimate holding company.

Details of significant events since the balance sheet date are contained in note 20 of the accounts.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (2000 - £Nil).

Directors

The directors who served during the year were:

J H Ritblat
C Metliss
J H Weston Smith
N S J Ritblat
R E Bowden
S Adam (deceased 27 February 2001)

The directors greatly regret to announce the untimely death on 27 February 2001 of Shen Adam FCA, a director of the company.

The directors' interests in the share and loan capital of the company are set out in note 12 to the accounts.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is 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 enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LUDGATE INVESTMENT HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
for the year ended 31 March 2001**

Annual General Meeting

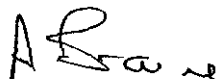
At the Annual General Meeting of the company held on 18 December 1998 Elective Resolutions were passed to dispense with the following requirements:

- to lay accounts and reports before a general meeting of the company
- to appoint auditors annually
- to hold annual general meetings in the future.

Auditors

The auditors, Arthur Andersen, are willing to continue in office.

This report was approved by the Board on *15 January 2002.*



A Braine
Secretary

10 Cornwall Terrace
Regent's Park
London
NW1 4QP

LUDGATE INVESTMENT HOLDINGS LIMITED

**REPORT OF THE AUDITORS
for the year ended 31 March 2001**

To the Shareholders of Ludgate Investment Holdings Limited

We have audited the accounts on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the accounts 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.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 2001 and of the company's results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

15 January 2002

LUDGATE INVESTMENT HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2001

	Note	2001 £	2000 £
Rental income		-	-
Gross profit (loss)	2	<u>-</u>	<u>-</u>
Disposal of subsidiaries		100	-
Profit (loss) on ordinary activities before taxation	3	100	-
Taxation	5	<u>-</u>	<u>-</u>
Profit (loss) after taxation		100	-
Retained profit (loss) for the year	13	<u>100</u>	<u>-</u>

Turnover and results are derived from continuing operations in the United Kingdom.

The accompanying notes form part of these accounts.

LUDGATE INVESTMENT HOLDINGS LIMITED

TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2001

	2001 £	2000 £
Profit (loss) for the financial year	100	-
	<hr/>	<hr/>
Total recognised gains and losses	<u>100</u>	<u>-</u>

HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 March 2001

Profit (loss) before taxation	100	-
	<hr/>	<hr/>
Historical cost profit (loss) before tax	<u>100</u>	<u>-</u>
	<hr/>	<hr/>
Retained historical cost profit (loss)	<u>100</u>	<u>-</u>

The accompanying notes form part of these accounts.

LUDGATE INVESTMENT HOLDINGS LIMITED

BALANCE SHEET
as at 31 March 2001

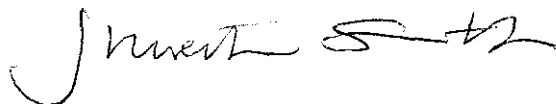
	Note	2001	2000
		£	£
Fixed assets			
Investment properties	6	-	-
Investments	7	-	-
Loans to group companies	7	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors	8	<u>-</u>	<u>-</u>
Creditors due within one year	9	<u>1,612,713</u>	<u>1,612,813</u>
Net current assets (liabilities)		<u>(1,612,713)</u>	<u>(1,612,813)</u>
Total assets less current liabilities		<u>(1,612,713)</u>	<u>(1,612,813)</u>
Creditors due after one year			
Provisions for liabilities and charges	10	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Net assets (liabilities)		<u><u>(1,612,713)</u></u>	<u><u>(1,612,813)</u></u>
Capital and reserves			
Called up share capital	11	12,500	12,500
Share premium	13	-	-
Capital reserves			
- Realised	13	(1,584,776)	(1,584,876)
- Revaluation	13	-	-
- Other - unrealised	13	-	-
Profit and loss account	13	<u>(40,437)</u>	<u>(40,437)</u>
Shareholders' funds	13	<u><u>(1,612,713)</u></u>	<u><u>(1,612,813)</u></u>

Non-equity interests are stated in note 19.

C Metliss



J H Weston Smith
Directors



Approved by the Board on 15 January 2002.

The accompanying notes form part of this Balance Sheet.

LUDGATE INVESTMENT HOLDINGS LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2001

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and the preceding year.

The accounts have been prepared using a computer system. This is designed to cover a wide variety of companies and circumstances. As a result some notes may not be relevant for this company and so may be intentionally left blank.

Accounting basis

The accounts are prepared in accordance with applicable Accounting Standards and under the historical cost convention and as a going concern on the basis that the ultimate holding company will not demand repayment of amounts owed to it within twelve months of the date of signing these accounts.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company. Group accounts which include the company, for The British Land Company PLC are publicly available (see note 21).

The company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

Turnover

Turnover represents rental income receivable, net of VAT.

Properties

Investment properties are independently valued each year on an open market basis. Any surplus or deficit arising is transferred to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account. The profit on disposal is based on book value.

In accordance with Statement of Standard Accounting Practice 19 no amortisation or depreciation is provided in respect of freehold or long leasehold properties. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from these rules cannot reasonably be quantified as depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified. Where properties held for investment are appropriated to trading stock, they are transferred at market value.

Investments

Fixed asset investments are stated at market value when listed and at directors' valuation when unlisted. Any surplus or deficit arising on revaluation is taken to the revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account.

Current asset investments are stated at the lower of cost and net realisable value.

Investments in subsidiaries are stated at cost or directors' valuation.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

On disposal of an investment property the element of tax relating to the current year capital profit is charged to the profit and loss account and the element relating to earlier revaluation surpluses is included in the statement of total recognised gains and losses.

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 to the extent that it is probable that a liability or asset will crystallise.

LUDGATE INVESTMENT HOLDINGS LIMITED

**NOTES TO THE ACCOUNTS
for the year ended 31 March 2001**

2. Gross profit (loss)

Net rental income
Fees and commissions
Other trading income

2001 £	2000 £
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

3. Profit (loss) on ordinary activities before taxation

Profit (loss) on ordinary activities before taxation is stated after charging (crediting):

Amortisation and depreciation
Auditors' remuneration for audit services
Operating lease rentals

2001 £	2000 £
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

Amounts payable to Arthur Andersen and their associates by the company in respect of non-audit services were £Nil (2000 - £Nil).

4. Staff costs

Wages and salaries
Social security costs
Pension costs

2001 £	2000 £
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

No director received any remuneration for services to the company in either period.

Average number of employees, including directors, of the company during the year was Nil (2000 - Nil).

5. Taxation

UK corporation tax
Deferred tax
Adjustments in respect of prior years:
- UK corporation tax
- Deferred tax

2001 £	2000 £
-	-
-	-
-	-
-	-
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>

LUDGATE INVESTMENT HOLDINGS LIMITED

**NOTES TO THE ACCOUNTS
for the year ended 31 March 2001**

6. Investment properties

	Freehold £	Long leasehold £	Total £
Cost and valuation			
1 April 2000	-	-	-
Additions	-	-	-
Disposals	-	-	-
Group transfers	-	-	-
Revaluation surplus	-	-	-
	-	-	-
31 March 2001	-	-	-
Amortisation and depreciation			
1 April 2000	-	-	-
External disposals	-	-	-
Group transfers	-	-	-
Charge to revenue	-	-	-
	-	-	-
31 March 2001	-	-	-
Net book value			
31 March 2001	-	-	-
1 April 2000	-	-	-
Analysis of cost and valuation			
31 March 2001			
Cost	-	-	-
Revaluation	-	-	-
	-	-	-
Net book value	-	-	-
1 April 2000			
Cost	-	-	-
Revaluation	-	-	-
	-	-	-
Net book value	-	-	-

Freehold and leasehold properties were externally valued at 31 March 2001 by Weatherall Green & Smith, Chartered Surveyors, on the basis of open market value in accordance with the Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors.

Properties charged to secure borrowings of the ultimate holding company are stated in note 14.

Capitalised interest is stated in note 15.

LUDGATE INVESTMENT HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

7. Investments and loans to group companies

	Shares in subsidiaries £	Other investments £	Total £	Loans to Group companies £
At cost or directors' valuation				
1 April 2000	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
31 March 2001	-	-	-	-
At cost				
31 March 2001	-	-	-	-
1 April 2000	-	-	-	-

Subsidiaries

The company has investments in the following subsidiaries. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

	Activity
Ludgate Finance Limited	Dormant
Ludgate Services Limited	Property management
One Hundred Ludgate Hill Limited	Property investment
Ludgate Phase 5 Limited	Dormant

These companies are wholly owned and are registered and operate in England and Wales.

LUDGATE INVESTMENT HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

	2001 £	2000 £
8. Debtors	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
9. Creditors due within one year		
Amounts owed to group companies		
- current accounts	<u>1,612,713</u>	<u>1,612,813</u>
	<u>1,612,713</u>	<u>1,612,813</u>

LUDGATE INVESTMENT HOLDINGS LIMITED

**NOTES TO THE ACCOUNTS
for the year ended 31 March 2001**

10. Provision for liabilities and charges

	Sinking funds £
1 April 2000	-
Additions	-
31 March 2001	-

11. Share capital

	2001 £	2000 £
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Allotted, called up and partly paid		
50,000 ordinary shares of £1 each, 25p paid	12,500	12,500
	<u>12,500</u>	<u>12,500</u>

LUDGATE INVESTMENT HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

12. Directors' interests in share and loan capital

No director held a beneficial interest in the share capital of the company. The directors set out on page 1 are also directors of The British Land Company PLC and, as such, their interests in the share and loan capital, including share options, of that company are shown in the accounts of the ultimate holding company.

LUDGATE INVESTMENT HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

13. Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Capital reserve - realised £	Capital reserve - revaluation £	Capital reserve - other unrealised £	Profit and loss account £	Total £
Opening shareholders' funds	12,500	-	(1,584,876)	-	-	(40,437)	(1,612,813)
Retained profit (loss)	-	-	100	-	-	-	100
Closing shareholders' funds	<u>12,500</u>	<u>-</u>	<u>(1,584,776)</u>	<u>-</u>	<u>-</u>	<u>(40,437)</u>	<u>(1,612,713)</u>

LUDGATE INVESTMENT HOLDINGS LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

14. Secured properties

Properties valued at £Nil (2000 - £Nil) were charged to secure borrowings of the ultimate holding company.

15. Capitalised interest

The cumulative interest capitalised on the development of properties is £Nil (2000 - £Nil).

16. Capital commitments

The company had capital commitments contracted at 31 March 2001 of £Nil (2000 - £Nil).

17. Contingent liabilities

In the event of the realisation of properties at book value the liability for tax, after available reliefs at 31 March 2001 is estimated at £Nil (2000 - £Nil).

18. 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.

19. Non-equity interests

Shareholders' funds includes non-equity interests of £Nil (2000 - £Nil).

20. Subsequent events

There have been no significant events since the year end.

21. Ultimate holding company

The immediate parent company is Broadgate Properties Limited.

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