

BL (SP) Investment (3) Limited

Directors' Report and Accounts

For the year ended
31st March 1996

Company Number: 2446636



BL (SP) Investment (3) Limited
Report of the directors
for the year ended 31st March 1996

The directors submit their report and accounts for the year ended 31st March 1996.

Principal activity

The principal activity of the Company is that of the holding of investments.
The Company did not trade during the year.

Change of name

The company changed its name on 25th April 1995 from Stanhope Investment (3) Limited to BL (SP) Investment (3) Limited.

Directors and their interests in share capital

The directors who served during the year were:

C. Metliss	(appointed 24th May 1995)
D.C. Berry	(appointed 10th April 1995)
N.S.J. Ritblat	(appointed 10th April 1995)
C.M.J. Forshaw	(appointed 12th May 1995)

D.J. Camp	(resigned 10th April 1995)
P.W. Rogers	(resigned 10th April 1995)

No director held any beneficial interest in the share capital of the Company.

Messrs C.Metliss, D.C.Berry 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 The British Land Company PLC directors' report.

The beneficial interests of Mr C.M.J. Forshaw in the ultimate holding company is as follows:

Options over Ordinary Shares <u>1984 Option Scheme</u>	
<u>31.3.96</u>	<u>On appointment</u>
25,000	Nil

Mr C.M.J. Forshaw was granted options over 25,000 shares during the year.

Dividends

An interim dividend of £110 was paid during the year.

BL (SP) Investment (3) Limited
Report of the directors (*Continued*)
for the year ended 31st March 1996

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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and

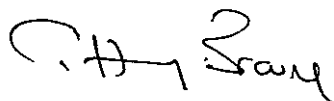
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A special resolution pursuant to Section 250 of the Companies Act 1985 will be proposed at the Company's annual general meeting to exempt the Company from the obligation to appoint auditors.

By order of the Board

A. Braine



Secretary

10 Cornwall Terrace
Regent's Park
London NW1 4QP

Date: 11st January 1997

Report of the auditors

To the members of BL (SP) Investment (2) Limited

We have audited the accounts on pages 4 to 6 which have been prepared on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

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

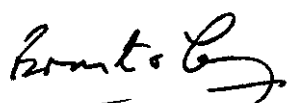
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 the Company's affairs as at 31st March 1996 and its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG

Chartered Accountants

and Registered Auditors

London

Date: 28 January 1997

BL (SP) Investment (3) Limited
Profit & Loss account
for the year ended 31st March 1996

	Note	Year ended 31st March 1996	Period ended 31st March 1995
Interim Dividend paid		110	
Retained loss	2	<u>(110)</u>	
Balance brought forward		110	
Balance carried forward		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

The Company had no recognised gains or losses during the year.

BL (SP) Investment (3) Limited
Balance sheet
at 31st March 1996

	Note	31st March 1996 £	31st March 1995 £
Current assets			
Amounts owed by group companies			
- current account		£ 2	£ 112
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	3	2	2
Profit and loss account			110
		<u> </u>	<u> </u>
Shareholders' funds		£ 2	£ 112
		<u> </u>	<u> </u>

The accounts were approved by the Board on

N.S.J. Ritblat

)

) **Directors**

C.M.J. Forshaw

)




**Notes to the accounts
for the year ended 31st March 1996**

1 Accounting policies

Accounting basis

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Retained loss

No director received any remuneration for service to the Company during the year. The auditors' remuneration has been borne by the Company's immediate parent company.

3 Share capital

	Authorised		Allotted and fully paid	
	1996 no.	1995 no.	1996 £	1995 £
Ordinary shares of £1 each	1,000	1,000	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Ultimate holding company

The ultimate holding company is The British Land Company PLC, which is registered in England and Wales. This is the only group of which the Company is a member and for which group accounts are prepared. Copies of the group accounts are available on request from 10 Cornwall Terrace, Regent's Park, London NW1 4QP.