

Broadgate (Lending) Limited

**Directors' Report and Accounts
for the period ended
31 March 1999**

Company number : 3724277



Broadgate (Lending) Limited
Report of the Directors
for the period ended 31 March 1999

The directors submit their Report and Accounts for the period ended 31 March 1999.

Incorporation

The company was incorporated on 25 February 1999.

Principal activity

The principal activity of the company is to provide short term finance within the Broadgate Property Holdings Limited group of companies.

Results and dividends

The company did not trade during the period.

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.

Directors and their interests in share and loan capital

The directors who served during the period were:

J H Ritblat	(appointed 10 March 1999)
J H Weston Smith	(appointed 25 February 1999)
S L Kalman	(appointed 10 March 1999)
N S J Ritblat	(appointed 25 February 1999)
R E Bowden	(appointed 10 March 1999)
S Adam	(appointed 10 March 1999)

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 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 at the end of the financial period and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Broadgate (Lending) Limited
Report of the Directors
for the period ended 31 March 1999

Year 2000

The matters relating to the impact of the Year 2000 issue on the reporting systems and operations of the company are contained in the Directors' Report of The British Land Company PLC, the ultimate holding company.

Auditors

The auditors, Arthur Andersen, who were appointed during the period, are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

This report was approved by the Board on 26 January 2000.



P C Clarke
Secretary

10 Cornwall Terrace
Regent's Park
London NW1 4QP

Broadgate (Lending) Limited
Report of the auditors to the Shareholders of
Broadgate (Lending) Limited

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies 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.

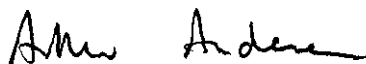
Basis of opinion

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 as at 31 March 1999 and of the result for period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants
Registered Auditors
1 Surrey Street
London WC2R 2PS
26 January 2000

Broadgate (Lending) Limited
Profit and Loss Account and Other Primary Statements
for the period ended 31 March 1999

	Note	1999 £
Turnover		
Rental income		-
Total turnover		-
Cost of turnover		-
Gross profit		-
Operating profit	2	-
Interest payable		-
Profit on ordinary activities before and after taxation		-
Retained profit transferred to reserves		-

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

There were no recognised gains or losses other than those reported above.

Historical Cost Profits and Losses

	£
Profit before taxation	-
Realisation of prior year revaluations	-
Historical cost profit before tax	-
Retained historical cost profit	-

Broadgate (Lending) Limited

**Balance Sheet
as at 31 March 1999**

	Note	1999 £
Current assets		
Debtors	5	2
Creditors due within one year	6	-
Net assets		2
Capital and reserves		
Called up share capital	7	2
Profit and loss account	8	-
Equity shareholders' funds	8	2



J H Weston Smith



N S J Ritblat

Directors

Approved by the board on 26 January 2000

Broadgate (Lending) Limited
Notes to the Financial Statements
for the period ended 31 March 1999

1. Accounting policies

A summary of the principal accounting policies is set out below. The policies have been applied consistently, in all material respects, throughout the current period.

Accounting basis

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

Cashflow statement

In accordance with Financial Reporting Standard 1 (Revised 1996), the company is exempt from preparing a cash flow statement. The company's cash flow is included in the group cashflow statement prepared by The British Land Company PLC.

1999
£

2. Operating profit

Operating profit is stated after charging:

Amortisation and depreciation	-
Directors remuneration	-
Auditors remuneration	-
Operating lease rentals	-

3. Staff costs

Wages and salaries	-
Social security costs	-

Average number of employees of the company during the period was Nil.

4. Taxation

UK corporation tax at 31%	-
Prior years adjustment	-
Deferred tax	-

5. Debtors

Amount owed by group companies	2
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Broadgate (Lending) Limited
Notes to the Financial Statements
for the period ended 31 March 1999

	1999 £
6. Creditors due within one year	
Trade creditors	-
Amount owed to group companies	-
Accruals and deferred income	-

7. Share capital

Authorised	
100 ordinary shares of £1 each	100
	100
Allotted and fully paid	
2 ordinary shares of £1 each issued at par during the period	2
	2

8. Reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total £
Opening shareholders' funds	-	-	-
Issues	2	-	2
Closing shareholders' funds	2	-	2

9. Post balance sheet event

On 14 May 1999 Broadgate (Funding) PLC, a wholly owned subsidiary of Broadgate Property Holdings Limited issued £1,540 million of Loan Notes. Fellow subsidiaries received loans from Broadgate (Funding) PLC and Broadgate Property Holdings Limited. The company entered into various agreements to support the arrangements for these borrowings.

10. 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.

11. Ultimate holding company

The immediate parent company is Broadgate Property Holdings 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 NW14QP.