

Company Balance Sheet

Prepared in accordance with UK GAAP as at 31 March 2008

Company Balance Sheet UK GAAP		2008	2007
	Note	£m	£m
Non-current assets			
Investments and loans to subsidiaries	d	27,322	28,329
Investments in joint ventures	d	44	51
Intangible assets	d	63	
Other investments	d	8	8
		27,437	28,388
Current assets			
Debtors	g	433	299
Pension scheme asset (non-current)	f		9
Cash and short-term deposits	e	44	9
		477	317
Current liabilities			
Short-term borrowings and overdrafts	e	(62)	(10)
Creditors	h	(108)	(367)
Amounts due to subsidiaries		(19,181)	(18,374)
		(19,351)	(18,751)
Net current liabilities		(18,874)	(18,434)
Total assets less current liabilities		8,563	9,954
Non-current liabilities			
Debentures and loans	e	(2,217)	(2,916)
Provisions for liabilities	i		
		(2,217)	(2,916)
Net assets		6,346	7,038
Equity			
Called up share capital	j	131	130
Share premium	k	1,272	1,266
Other reserves	k	12	71
Revaluation reserve	k	139	139
Retained earnings	k	4,792	5,432
Shareholders' funds		6,346	7,038



Chris Gibson-Smith Chairman
Approved by the Board on 19 May 2008.



Graham Roberts Finance Director

(a) Accounting policies

Accounting basis

The financial statements are prepared in accordance with applicable United Kingdom law and Accounting Standards (UK GAAP) and under the historical cost convention as modified by the revaluation of investment properties and fixed asset investments (not in accordance with International Financial Reporting Standards (IFRS) which are applied by the Group).

The major accounting policies of the Company are set out below and have been applied consistently throughout the current and the previous year. The policies that differ from those applied by the Group (as stated in note 1 of the consolidated financial statements) are for investments and deferred taxation:

Investments

Investments in joint ventures are stated at cost less provision for impairment. Investments in subsidiaries are stated at cost or directors' valuation less provision for impairment.

Intangible assets

Intangible assets, such as fund management contracts, acquired through business combinations, are measured initially at fair value and are amortised on a straight-line basis over their estimated useful lives, and are subject to regular reviews for impairment.

Deferred taxation

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(b) Dividends

Details of dividends paid and proposed are included in note 19 of the consolidated financial statements.

(c) Company loss for the financial year after tax

The Company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The loss after tax for the year was £324m (2007: profit £3,992m).

The average monthly number of employees of the Company during the year was 177 (2007: 192). Employee costs include wages and salaries of £20m (2007: £22m), social security costs of £3m (2007: £3m) and pension costs of £4m (2007: £nil). Details of the executive directors' remuneration are disclosed in the remuneration report.

Audit fees in relation to the Parent Company were £0.6m (2007: £0.5m).

(d) Investments and loans to subsidiaries

	Shares in subsidiaries £m	Loans to subsidiaries £m	Investments in joint ventures £m	Intangible assets £m	Other investments £m	Total £m
At 1 April 2007	20,952	7,377	51		8	28,388
Additions	394	1,147		63		1,604
Disposals	(835)	(969)	(7)			(1,811)
Reallocations	579	(579)				
Impairment charge	(744)					(744)
At 31 March 2008	20,346	6,976	44	63	8	27,437

Shares in subsidiaries are included at cost or directors' valuation in 1977, 1995, 1997 and 1999 to 2008 inclusive; their historical cost is £21,205m (2007: £21,066m). The amount of £44m (2007: £51m) includes £26m (2007: £34m) of loans to joint ventures by the Company. The Company has a 50% interest in The Public House Company Limited, which is registered and operates in England and Wales. Results of the joint ventures are set out in note 12 of the consolidated financial statements. The historical cost of other investments is £12m (2007: £12m).

(d) Investments and loans to subsidiaries (continued)

The principal subsidiaries are wholly-owned and except where stated are registered and operate in England and Wales, are:

Executive	Property	
The British Land Corporation Limited*	1 & 4 & 7 Triton Limited	Broadgate (PHC 8) Limited
	2 & 3 Triton Limited	Broadgate (PHC 9) Limited
	201 Bishopsgate Limited	Broadgate (PHC 11) 2005 Limited
Finance, Investment and Management	350 Euston Road Limited	Broadgate (PHC 15a) Limited
British Land Property Management Limited	BF Propco (No 10) Limited	Broadgate (PHC 16) 2005 Limited
BLD Property Holdings Limited	BL Fixed Uplift Fund Limited Partnership	Eastgate Shopping Centre Basildon Limited
BL European Fund Management LLP	British Land In Town Retail Limited	Euston Tower Limited
BL European Holdings Limited	British Land Leisure Limited	Ludgate West Limited
British Land (Joint Ventures) Limited	British Land Retail Warehouses Limited	Meadowhall Limited Partnership (Jersey)
British Land Property Advisers Limited	Broadgate (PHC 2) Limited	Osnaburgh Street Limited
Broadgate Financing PLC	Broadgate (PHC 3) Limited	Peacocks Centre Limited
Meadowhall Finance PLC	Broadgate (PHC 4) Limited	Pillar Denton Limited
	Broadgate (PHC 5) 2005 Limited	Ropemaker Place Unit Trust (Jersey)
	Broadgate (PHC 6) 2005 Limited	Stockton Retail Park Limited
	Broadgate (PHC 7) Limited	The Mary Street Estate Limited
		The Retail & Warehouse Company Limited
		York House W1 Limited

*Direct subsidiary of the Company

(e) Net debt

	2008 £m	2007 £m
Secured on the assets of the Company		
5.264% First Mortgage Debenture Bonds 2035	327	327
5.0055% First Mortgage Amortising Debentures 2035	105	106
5.357% First Mortgage Debenture Bonds 2028	307	307
6.75% First Mortgage Debenture Bonds 2020	221	224
6.75% First Mortgage Debenture Bonds 2011	103	103
Floating Rate Secured Loan Notes 2035	256	256
	1,319	1,323
Unsecured		
5.50% Senior Notes 2027	98	98
6.30% Senior US Dollar Notes 2015 ¹	77	78
10.25% Bonds 2012		2
Bank loans and overdrafts	785	1,425
	960	1,603
Gross debt	2,279	2,926
Interest rate derivatives: liabilities	31	19
Interest rate derivatives: assets	(13)	(62)
	2,297	2,883
Cash and short-term deposits	(44)	(9)
Net debt	2,253	2,874

¹ Principal and interest on these borrowings were fully hedged into Sterling at the time of issue.

Maturity analysis of net debt

	2008 £m	2007 £m
Repayable within one year and on demand	62	10
between:		
one and two years	3	53
two and five years	473	1,136
five and ten years	705	689
ten and fifteen years	213	213
fifteen and twenty years	442	106
twenty and twenty-five years	5	342
twenty-five and thirty years	376	377
	2,217	2,916
Gross debt	2,279	2,926
Interest rate derivatives	18	(43)
Cash and short-term deposits	(44)	(9)
Net debt	2,253	2,874

(f) Pension

The Company's pension scheme is the principal pension scheme of the Group and details are set out in note 10 of the consolidated financial statements.

(g) Debtors

	2008 £m	2007 £m
Trade and other debtors	22	5
Amounts owed by subsidiaries	388	232
Corporation tax	10	
Interest rate derivative assets*	13	62
	433	299

(h) Creditors

	2008 £m	2007 £m
Trade creditors	1	1
Amounts due to joint ventures	29	27
Corporation tax	10	249
Other taxation and social security	4	12
Accruals and deferred income	33	59
Interest rate derivative liabilities*	31	19
	108	367

* Includes contracted cash flow with a maturity greater than one year at fair value.

(i) Provision for liabilities

	Deferred tax 2008 £m	2007 £m
At 1 April 2007		3
Charged to the profit and loss account		(3)
At 31 March 2008		

(j) Share capital

	£m	Ordinary shares of 25p each
Issued, called and fully paid		
At 1 April 2007	130	521,298,357
Issues	1	891,723
At 31 March 2008	131	522,190,080

(k) Share capital and reserves

	Share capital £m	Share premium £m	Other reserves £m	Revaluation reserve £m	Profit and loss account £m	Total £m
At 1 April 2007	130	1,266	71	139	5,432	7,038
Share issues	1	6				7
Dividends paid					(166)	(166)
Purchase of own shares					(151)	(151)
Adjustment for share and share option awards					11	11
Pension scheme movements					(10)	(10)
Retained loss for year					(324)	(324)
Derivatives valuation movement			(60)			(60)
Exchange movements on net investments			1			1
	131	1,272	12	139	4,792	6,346

The value of distributable reserves within the profit and loss account is £806m (2007: £623m).

(l) Contingent liabilities, capital commitments and related party transactions

At 31 March 2008, the Company had no contingent liabilities for guarantees to third parties (2007: £nil). The Company also had no capital commitments (2007: £nil).

The Company has used the exemption under FRS 8 where disclosure is not required of transactions with fellow subsidiary undertakings 90% or more of whose voting rights are controlled within the Group.

Related party transactions are the same for the Company as for the Group. For details refer to note 25 of the consolidated financial statements.

The Company has utilised the exemptions provided by FRS 1 (Revised) and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group Financial Statements.

Report of the Auditors

Independent Auditors' Report to the Members of The British Land Company PLC

We have audited the individual Company financial statements of The British Land Company PLC for the year ended 31 March 2008 which comprise the balance sheet and the related notes a to l. These individual Company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of The British Land Company PLC for the year ended 31 March 2008 and on the information in the directors' remuneration report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the individual Company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the individual Company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the individual Company financial statements give a true and fair view and whether the individual Company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the directors' report is consistent with the individual Company financial statements. The information given in the directors' report includes that specific information presented in the business review that is cross-referred from the business review section of the directors' report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited individual Company financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the individual Company financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the individual Company financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the individual Company 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 individual Company 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 individual Company financial statements.

Opinion

In our opinion:

- the individual Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the individual Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the individual Company financial statements.

Deloitte & Touche LLP

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Chartered Accountants and Registered Auditors
London, United Kingdom
19 May 2008