

Eldon Street (Birchin) Limited

Report and Accounts

For the year ended 30 November 2010

Registered No. 04368608

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COMPANIES HOUSE

Eldon Street (Birchin) Limited

Registered No 04368608

DIRECTOR

R Harper
A J Brereton

AUDITORS

Mercer & Hole
The International Press Centre
76 Shoe Lane
London
EC4A 3JB

REGISTERED OFFICE

Lehman Brothers
Level 23
25 Canada Square
London
E14 5LQ

Eldon Street (Birchin) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 November 2010

RESULTS AND DIVIDENDS

The company's profit after tax for the year is £111,376 as set out on page 7 (2009 – Loss of £311). The directors do not recommend the payment of a dividend for 2010 (2009- £nil)

PRINCIPAL ACTIVITIES

Eldon Street (Birchin) Limited invests in property companies

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The remaining asset within Melville Crescent Ventures Limited will continue to be managed as in prior years and an exit will be sought at the appropriate time. The profitability of this development will determine the recovery of the company's investment in Melville Crescent Ventures Limited and the subordinated loan made to MCV Port Talbot Limited via Melville Crescent Ventures Limited. It is the directors' opinion that the provision against the investment in Melville Crescent Ventures Limited and the subordinated loan should continue to be in force in 2010. The company has also continued to provide in full for the amount owed by the parent undertaking Eldon Street Holdings Limited.

No dividend was received from Melville Crescent Ventures Limited during the year (2009 £nil).

Following the dissolution of Kenmore Quayside Limited on 9 November 2010 the company wrote off the investment and its provision impairment to the profit and loss account.

The ultimate parent undertaking of Eldon Street (Birchin) Limited, Lehman Brothers Holdings Inc., incorporated in the State of Delaware in the United States of America, filed for Chapter 11 bankruptcy protection on 15 September 2008. Subsequent to this event, the immediate parent undertaking of Eldon Street (Birchin) Limited, Eldon Street Holdings Limited, went into administration on 9 December 2008.

Following the events noted above the company no longer has a continuing trade and there are no plans for the company to re-invest in property or joint ventures, accordingly, these financial statements have not been prepared on a going concern basis. The impact of this is discussed in note 1 of the financial statements.

DIRECTORS

The directors during the year and at the date of this report, unless stated otherwise, were

R Harper
A J Brereton

DIRECTORS' AND OFFICERS' LIABILITY AND INDEMNITY INSURANCE

Liability and indemnity insurance for the directors and officers of Eldon Street (Birchin) Limited was maintained throughout the year. The liability and indemnity insurance was still in place at the date of signing this report.

Eldon Street (Birchin) Limited

DIRECTORS' REPORT

DIRECTOR'S STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

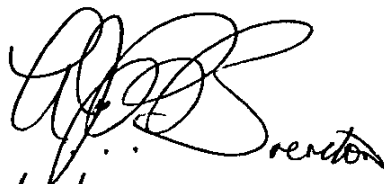
AUDITORS

The auditors, Mercer & Hole, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

For and on behalf of the board

A J Brereton

Director

A handwritten signature in black ink, appearing to be 'A J Brereton', written over the printed name and title.

Date:

6/9/2011

Eldon Street (Birchin) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 year. 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 UK 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. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping 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 2006. 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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELDON STREET
(BIRCHIN) LIMITED**

We have audited the financial statements of Eldon Street (Birchin) Limited for the year ended 30 November 2010 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 director and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Eldon Street (Birchin) Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELDON STREET
(Birchin) LIMITED (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Wm X H

**Andrew Crook ACA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole**

7 September 2011

**Chartered Accountants
Statutory Auditor**

International Press Centre
76 Shoe Lane
London
EC4A 3JB

Eldon Street (Birchin) Limited

PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2010

		2010	2009
	Notes	£	£
Operating income		155,657	-
Operating expenses		(4,942)	(5,931)
OPERATING PROFIT/(LOSS)	2	<u>150,715</u>	<u>(5,931)</u>
Interest receivable	3	<u>4,942</u>	<u>7,806</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		155,657	1,875
Tax on profit on ordinary activities	6	(44,281)	(2,186)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>111,376</u></u>	<u><u>(311)</u></u>

All activities have been discontinued

There are no recognised gains or losses other than the profit of £111,376 attributable to the shareholders of the company for the year ended 30 November 2010 (2009: loss of £311)

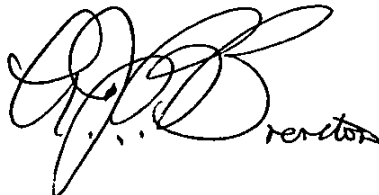
Eldon Street (Birchin) Limited

BALANCE SHEET
at 30 November 2010

	Notes	2010 £	2009 £
CURRENT ASSETS			
Investments	7	-	-
Debtors	8	-	-
Cash at bank		687	-
CURRENT LIABILITIES			
Creditors amounts falling due within one year	9	(63,843)	(174,532)
NET CURRENT LIABILITIES		<u>(63,156)</u>	<u>(174,532)</u>
NET LIABILITIES		<u>(63,156)</u>	<u>(174,532)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	(63,157)	(174,533)
SHAREHOLDER'S DEFICIT	11	<u>(63,156)</u>	<u>(174,532)</u>

Approved by the board of directors on 6/9/2011 and signed on its behalf by

A J Brereton
Director



Registered No. 04368608

Eldon Street (Birchin) Limited

CASH FLOW STATEMENT
for the year ended 30 November 2010

	<i>Notes</i>	<i>2010</i> £	<i>2009</i> £
Net cash inflow from operating activities	12	-	-
Taxation			
Income in respect of losses surrendered in prior years		687	-
Net cash inflow before management of liquid resources and financing		<u>687</u>	<u>-</u>
Increase in cash in the year	14	<u>687</u>	<u>-</u>

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

1. ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

The directors have considered the factors discussed in the Directors' Report regarding the post balance sheet events and the lack of a continuing trade in the company and have resolved that they do not consider the company to be a going concern. These accounts have therefore been prepared on a break-up basis

Current Asset Investments

Unlisted investments are stated at the lower of historic cost and net realisable value

2. OPERATING PROFIT/(LOSS)

	2010	2009
	£	£
Provision against loan due from Eldon Street Holdings Limited	(4,942)	(7,806)
Write back of amount due from Kenmore Quayside Limited	155,657	-
Administrative income	-	1,875
	<u>150,715</u>	<u>(5,931)</u>

During the year, Eldon Street (Birchin) Limited provided for the amount due from its immediate parent company, Eldon Street Holdings Ltd, as described above. It is the directors' opinion that the recovery of this balance is not sufficiently certain due to the factors discussed in the Directors' Report

During the year, the amount due to Kenmore Quayside Limited was written back. This entity was dissolved on 9 November 2010

3. INTEREST RECEIVABLE

	2010	2009
	£	£
Interest receivable from immediate parent undertaking	<u>4,942</u>	<u>7,806</u>

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

4. ADMINISTRATIVE EXPENSES

Auditors' remuneration for the year and prior year in respect of audit services was borne by a fellow subsidiary

Eldon Street (Birchin) Limited had no employees during the year (2009 - none)

5. DIRECTORS' EMOLUMENTS

The directors who served during the year were remunerated by LB SF Warehouse Limited. There were no directors' emoluments in 2009.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
a) Tax on profit on ordinary activities		
UK corporation tax on profit for the period	44,968	2,186
Income received in respect of losses surrendered in prior years	(687)	-
Total current tax	44,281	2,186

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the current year differs from the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are reconciled below:

Profit on ordinary activities before tax	155,657	1,875
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 28%)	43,584	525
Effect of:		
Impact of tax rate change from 30% to 28% as at 1 April 2008	-	-
Non-taxable operating income	-	(525)
Non-deductible operating expenses	1,384	2,186
Income received in respect of losses surrendered in prior years	(687)	-
Current tax charge for the year	44,281	2,186

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

7. CURRENT ASSET INVESTMENTS

	Investments
Cost:	£
At 1 December 2009	980
Write off in the year	(490)
	<hr/>
At 30 November 2010	490
-	<hr/>
Impairment:	
At 1 December 2009	(980)
Write off in the year	490
	<hr/>
At 30 November 2010	(490)
	<hr/>
Net carrying amount as at 1 December 2009 and 30 November 2010	-
	<hr/>

Following the dissolution of Kenmore Quayside Limited on 9 November 2010 the company wrote off the investment and its provision impairment to the profit and loss account.

The following information as at 30 November 2010 relates to the current asset investments of Eldon Street (Birchin) Limited in Melville Crescent Ventures Limited and Kenmore Quayside Limited, both of which are registered in England and Wales.

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

7. CURRENT ASSET INVESTMENTS (CONTINUED)

<i>Name of company</i>	<i>Description of shares held by company</i>	<i>Proportion of nominal value and voting rights of shares held</i>	<i>Principal business</i>
Kenmore Quayside Limited**	Ordinary	49%	Real Estate development
Melville Crescent Ventures Limited	Ordinary	49%	Real Estate development
MCV Southampton Limited*	Ordinary	49%	Real Estate development
MCV Edgbaston Limited*	Ordinary	49%	Real Estate development
MCV Port Talbot Limited*	Ordinary	49%	Real Estate development
MCV Wrexham Limited*	Ordinary	49%	Real Estate development
MCV North Shields Limited*	Ordinary	49%	Real Estate development
MCV Dundee Limited*	Ordinary	49%	Real Estate development

*Indirectly owned

**Dissolved on 9 November 2010

The following information is taken from the consolidated accounts of Melville Crescent Ventures Limited for the year ended 31 December 2009. Kenmore Quayside Limited sold its trading property in July 2006 and was dissolved on 9 November 2010

	<i>Year ended 31 December 2009</i>
	Melville Crescent Ventures Limited
	£
Capital and reserves	423,723
Loss for the year	(28,599)

8. DEBTORS

	<i>2010 £</i>	<i>2009 £</i>
Amounts owed from immediate parent undertaking	916,585	911,643
Provision against amounts owed from immediate parent undertaking	(916,585)	(911,643)
Subordinated loan due from MCV Port Talbot Limited	336,893	336,893
Provision against subordinated loan due from MCV Port Talbot Limited	(336,893)	(336,893)
	-	-

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

8. DEBTORS (CONTINUED)

All amounts due are considered to be repayable within one year

The subordinated loan due from MCV Port Talbot Limited (via Melville Crescent Ventures Limited) continues to be provided against

The movement in the loan due from the immediate parent undertaking during the year is represented by interest charges in the amount of £4,942. Interest is charged on the loan at weekly LIBOR and provided for as above. Following the announcement of the immediate parent undertaking going into administration, the directors' resolved to provide for 100% of the amount owed from the immediate parent undertaking.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts due to Kenmore Quayside Limited	-	155,657
Accruals and deferred income	3,000	3,000
Corporation Tax	60,843	15,875
	<u>63,843</u>	<u>174,532</u>

During the year, the amount owed to Kenmore Quayside Limited has been written off to the profit and loss account; this entity was dissolved on 9 November 2010 without any claims being made for this balance

10. SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid:		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

11. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholder's funds £</i>
At 30 November 2008	1	(174,222)	(174,221)
Loss for the financial year	-	(311)	(311)
At 30 November 2009	<u>1</u>	<u>(174,533)</u>	<u>(174,532)</u>
Profit for the financial year	-	111,376	111,376
At 30 November 2010	<u>1</u>	<u>(63,157)</u>	<u>(63,156)</u>

12. CASH FLOW FROM OPERATING ACTIVITIES

Reconciliation of operating loss to net cash inflow from operating activities

	<i>2010 £</i>	<i>2009 £</i>
Operating profit/(loss)	150,715	(5,931)
(Decrease)/Increase in debtors	(110,689)	311
Non cash movements	(40,026)	5,620
Total net cash inflow from operating activities	<u>-</u>	<u>-</u>

13. ANALYSIS OF NET FUNDS

	<i>At 1 December 2009 £</i>	<i>Cash flows £</i>	<i>At 30 November 2010 £</i>
Cash at bank and in hand	<u>-</u>	<u>687</u>	<u>687</u>
Net funds	<u>-</u>	<u>687</u>	<u>687</u>

Eldon Street (Birchin) Limited

NOTES TO THE ACCOUNTS
at 30 November 2010

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010 £	2009 £
Increase in cash in the year	687	-
Movement in net funds in the year	<u>687</u>	<u>-</u>
Opening net funds	-	-
Closing net funds	<u>687</u>	<u>-</u>

15. CONTINGENT LIABILITIES

The Company is registered with HM Customs & Excise as a member of the Lehman Brothers Limited group for VAT purposes and as a result, is jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of unpaid VAT

16. PARENT UNDERTAKING

The immediate parent undertaking of the company is Eldon Street Holdings Limited, which went into administration on 9 December 2008