

**Eldon Street (Birchin) Limited**

**Annual Reports and Financial Statements**

For the year ended 30 November 2011

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COMPANIES HOUSE

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# Eldon Street (Birchin) Limited

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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

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# Eldon Street (Birchin) Limited

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## DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 30 November 2011

### RESULTS AND DIVIDENDS

The company's profit after tax for the year is £13,949 as set out on page 7 (2010 - £111,376) The Directors do not recommend the payment of a dividend for 2011 (2010 - £nil)

### PRINCIPAL ACTIVITIES

Eldon Street (Birchin) Limited invests in property companies

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The remaining investment 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 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 2011 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 (2010 - £nil)

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

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

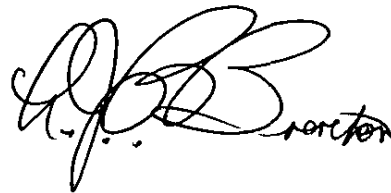
**AUDITORS**

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 read 'A J Brereton', with a stylized flourish.

Date

31/8/2012

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that 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 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 2011 set out on pages 10 to 14. 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 directors 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2011 and of its result for the year then ended
- have been properly prepared in accordance with the Companies Act 2006
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

**Opinion on other matter prescribed by the Companies Act 2006**

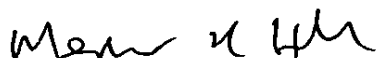
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



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

31 August 2012

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 2011

		2011	2010
	Notes	£	£
Operating income		-	155,657
Operating expenses		(5,451)	(4,942)
<b>OPERATING (LOSS)/PROFIT</b>	2	<u>(5,451)</u>	<u>150,715</u>
Interest receivable	3	5,451	4,942
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>-</u>	<u>155,657</u>
Tax on profit on ordinary activities	6	13,949	(44,281)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>13,949</u>	<u>111,376</u>

All activities have been discontinued

There are no recognised gains or losses other than the profit of £13,949 attributable to the shareholders of the company for the year ended 30 November 2011 (2010 £111,376)



Eldon Street (Birchin) Limited

**BALANCE SHEET**  
at 30 November 2011

	<i>Notes</i>	<i>2011</i> £	<i>2010</i> £
<b>CURRENT ASSETS</b>			
Investments	7	-	-
Debtors	8	-	-
Cash at bank		7,992	687
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	9	(57,199)	(63,843)
<b>NET CURRENT LIABILITIES</b>		<u>(49,207)</u>	<u>(63,156)</u>
<b>NET LIABILITIES</b>		<u>(49,207)</u>	<u>(63,156)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	(49,208)	(63,157)
<b>SHAREHOLDER'S DEFICIT</b>	11	<u>(49,207)</u>	<u>(63,156)</u>

The notes on pages 10 to 14 form part of the financial statements

These financial statements were approved by the board of directors on 31/8/2012 and were signed on its behalf by

A J Brereton  
Director



Registered No 04368608

**CASH FLOW STATEMENT**  
for the year ended 30 November 2011

	<i>Notes</i>	<i>2011</i> £	<i>2010</i> £
<b>Net cash inflow from operating activities</b>	12	-	-
<b>Taxation</b>			
Tax refunds received		7,778	-
(Payment)/Income in respect of losses surrendered in prior years		(473)	687
<b>Net cash inflow before management of liquid resources and financing</b>		<u>7,305</u>	<u>687</u>
<b>Increase in cash in the year</b>	14	<u>7,305</u>	<u>687</u>

NOTES TO THE ACCOUNTS  
at 30 November 2011

**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)**

	2011	2010
	£	£
Provision against interest on loan due from Eldon Street Holdings Limited	(5,451)	(4,942)
Write back of amount due from Kenmore Quayside Limited	-	155,657
	<u>(5,451)</u>	<u>150,715</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

**3. INTEREST RECEIVABLE**

	2011	2010
	£	£
Interest receivable from immediate parent undertaking	<u>5,451</u>	<u>4,942</u>

**4. ADMINISTRATIVE EXPENSES**

Auditors' remuneration for the year and prior year in respect of audit services was borne by its immediate parent company

Eldon Street (Birchin) Limited had no employees during the year (2010 - none)

**5. DIRECTORS' EMOLUMENTS**

The directors serving during the year were remunerated by LB SF Warehouse Limited both in 2010 and 2011

NOTES TO THE ACCOUNTS  
at 30 November 2011

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2011 £	2010 £
<b>a) Tax on profit on ordinary activities</b>		
UK corporation tax on profit for the period	1,453	44,968
Adjustments in respect of prior periods	(15,875)	-
Payment/(income) in respect of losses surrendered in prior years	473	(687)
Tax on profit / (loss) on current activities	<u>(13,949)</u>	<u>44,281</u>

**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 26% (2010 - 28%) The differences are reconciled below

Profit on ordinary activities before tax	-	155,657
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	-	43,584
Effect of		
Non – deductible operating expenses	1,453	1,384
Adjustments in respect of prior periods	(15,875)	-
Payment/(income) in respect of losses surrendered in prior years	473	(687)
Current tax charge for the year	<u>(13,949)</u>	<u>44,281</u>

**c) Factors affecting future tax charges**

The reduction in the UK corporation tax rate from 28% to 26% was substantively enacted in March 2011 and is effective from 1 April 2011 A further reduction from 26% to 24% was substantively enacted in March 2012 and will be effective from 1 April 2012 In addition, the Government announced its intention to further reduce the UK corporation tax rate to 23% from 1 April 2013 and to 22% from 1 April 2014

**7. CURRENT ASSET INVESTMENTS**

	Investments
Cost	£
At 1 December 2010 and 30 November 2011	<u>490</u>
Impairment	
At 1 December 2010 and 30 November 2011	<u>(490)</u>
Net carrying amount as at 1 December 2010 and 30 November 2011	<u>-</u>

NOTES TO THE ACCOUNTS  
at 30 November 2011

7. CURRENT ASSET INVESTMENTS (CONTINUED)

The following information as at 30 November 2011 relates to the current asset investments of Eldon Street (Birchin) Limited in Melville Crescent Ventures Limited, which is registered in England and Wales

<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>
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

The following information is taken from the consolidated accounts of Melville Crescent Ventures Limited for the year ended 31 December 2010

	<i>Year ended 31 December 2010 Melville Crescent Ventures Limited £</i>
Capital and reserves	(1,159,196)
Loss for the year	(1,582,919)

8. DEBTORS

	<i>2011 £</i>	<i>2010 £</i>
Amounts due from immediate parent undertaking	922,036	916,585
Provision against amounts due from immediate parent undertaking	(922,036)	(916,585)
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)
	-	-

All amounts due are considered to be repayable within one year

The subordinated loan due from MCV Port Talbot 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 £5,451. 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.

NOTES TO THE ACCOUNTS  
at 30 November 2011

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Accruals and deferred income	3,000	3,000
Amounts due to group undertakings	7,778	-
Corporation Tax	46,421	60,843
	<u>57,199</u>	<u>63,843</u>

During the year, the Company took advantage of group losses available from Eldon Street Holdings Limited at a cost of £6,709 and Thayer Properties Limited at a cost of £1,069. The amounts due to Eldon Street Holdings Limited and Thayer Properties Limited are repayable on demand have been included in amounts due to group undertakings. No interest is charged on these balances and they have been repaid in 2012.

10. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

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

	Share capital £	Profit and loss account £	Total shareholder's funds £
At 30 November 2009	1	(174,533)	(174,532)
Profit for the financial year	-	111,376	111,376
At 30 November 2010	<u>1</u>	<u>(63,157)</u>	<u>(63,156)</u>
Profit for the financial year	-	13,949	13,949
At 30 November 2011	<u>1</u>	<u>(49,208)</u>	<u>(49,207)</u>

**NOTES TO THE ACCOUNTS**  
at 30 November 2011

**12. CASH FLOW FROM OPERATING ACTIVITIES**

Reconciliation of operating loss to net cash inflow from operating activities

	<i>2011</i> £	<i>2010</i> £
Operating profit/(loss)	(5,451)	150,715
(Decrease)/Increase in creditors	(6,644)	(110,689)
Non cash movements	12,095	(40,026)
Total net cash inflow from operating activities	<u>-</u>	<u>-</u>

**13. ANALYSIS OF NET FUNDS**

	<i>At 1 December 2010 £</i>	<i>Cash flows £</i>	<i>At 30 November 2011 £</i>
Cash at bank and in hand	<u>687</u>	<u>7,305</u>	<u>7,992</u>
Net funds	<u>687</u>	<u>7,305</u>	<u>7,992</u>

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

	<i>2011 £</i>	<i>2010 £</i>
Increase in cash in the year	7,305	687
Movement in net funds in the year	<u>7,305</u>	<u>687</u>
Opening net funds	687	-
Closing net funds	<u>7,992</u>	<u>687</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. RELATED PARTY TRANSACTIONS**

Related party transactions are disclosed in note 8 and 9

**17. PARENT UNDERTAKING**

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