

Polarland Limited

Directors' report and financial statements

30 November 2003

Registered number 03720649



Polarland Limited

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Balance sheet	3
Profit and loss account	4
Notes to the Accounts	5-7

Polarland Limited

Directors' report

The directors present their report and financial statements for the year ended 30 November 2003.

Principal activity

The company's principal activity is that of an investment holding company.

Result and dividends

During the year and the preceding period, the company made neither a profit nor a loss. No dividends were paid during the year or the preceding period.

Directors and directors' interests

The directors who held office throughout the year and subsequently were as follows:

J Gleek

RJ Anderson Appointed 11 August 2003

The directors had no interest in the share capital of the company.

The directors' interest in the shares of an intermediate holding company, Thayer Properties Limited, are disclosed in the accounts of that company.

By Order of the Board



P. Nicholson
Secretary

20 Thayer Street
London
W1U 2DD

13 August 2004

Polarland Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 financial statements, 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 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of auditors' responsibilities set out in the audit report on page 3.

Polarland Limited

Balance sheet

at 30 November 2003

	Notes	30 Nov 2003 £000	30 Nov 2002 £000
Fixed assets			
Investments	2	<u>468</u>	<u>468</u>
Current assets			
Debtors	3	<u>-</u>	<u>10</u>
Total assets		478	478
Creditors: amounts falling due after more than one year	4	<u>(468)</u>	<u>(478)</u>
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called up share capital	5	<u>-</u>	<u>-</u>
Equity shareholders' funds	6	<u>-</u>	<u>-</u>

The directors:

- a) confirm that the company was entitled to exemption under subsection (1) of section 249AA of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 30 November 2003 audited;
- b) confirm that members have required the company to obtain an audit of its accounts for that financial year in accordance with sub-section (2) of section 249B(2) of that Act;
- c) acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as is applicable to the company.

No profit and loss account has been prepared due to the fact that the company has not traded in the current or preceding year.

These financial statements were approved by the board of directors on 13 August 2004 and were signed on its behalf by:

J Gleek
Director



Polarland Limited

Profit and loss account

for the year ended 30 November 2003

During the financial year and the preceding period, the company did not trade and received no income and incurred no expenditure. Consequently, during the financial year and the preceding period, the company made neither a profit nor a loss.

Polarland Limited

Notes to the Accounts

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Consolidation exemption

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

Cash flow statement

The cash flow statement included in the consolidated financial statements of an intermediate holding company, Burford Holdings Limited, complies with the conditions of Financial Reporting Standard No. 1 (revised 1996) 'Cash flow statements' (FRS1). The company therefore is exempt under FRS1 from the requirement to prepare a separate cash flow statement.

Related party transactions

As more than 90% of the company's voting rights are controlled within the Lehman Brothers Group, it has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances which form part of the group (or investees of the group qualifying as related parties).

2. Investments

Investment
in
subsidiaries
£000

At 1 December 2002 and 30 November 2003

468

The principal trading subsidiary undertakings, all of which are wholly owned by subsidiary undertakings of Polarland Limited and are registered in England and Wales, are as follows:

Principal subsidiary undertakings

Activity

Bur No 2 Limited
Watchbrook Limited

Investment company
Investment company

Polarland Limited

Notes continued

3. Debtors

	30 Nov 2003 £000	30 Nov 2002 £000
VAT recoverable	-	10

4. Creditors: amounts falling due after more than one year

	30 Nov 2003 £000	30 Nov 2002 £000
Amounts owed by group undertakings	468	478

5. Called up share capital

	30 Nov 2003 £	30 Nov 2002 £
Authorised		
100 Redeemable Preference shares of £1 per share	100	100
395,200 Ordinary shares of £1 per share	395,200	395,200
	395,300	395,300
Allotted, called up and fully paid		
26 Redeemable Preference shares of £1 per share	26	26
74 Ordinary shares of £1 per share	74	74
	100	100

The preference shares may be redeemed at par by the Company, following seven days notice.

Polarland Limited

Notes continued

6. Reconciliation of movements in shareholders' funds

	30 Nov 2003 £	30 Nov 2002 £
Opening shareholders' funds	100	100
Closing shareholders' funds	100	100

7. Ultimate holding company

The company's ultimate holding company is Lehman Brothers Holdings Inc., a company incorporated in the state of Delaware in the USA.

The largest group in which the results of the company are consolidated is that headed by Lehman Brothers Holdings Inc. The smallest group in which they are consolidated is that headed by Burford Holdings Limited, a company registered in England and Wales.

The consolidated accounts of these companies are available to the public from 745, Seventh Avenue, New York, USA and from 25 Bank Street, London respectively.