

Spareco 5 Limited

Directors' report and financial statements

30 November 2005

Registered number 04191016



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Spareco 5 Limited

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Spareco 5 Limited

Directors' report

The directors present their report and the financial statements for the year ended 30 November 2005.

Principal activity

The company's principal activity is property investment.

Results and dividends

The company did not trade during the current year or the preceding year and therefore no profit and loss account has been prepared in either year.

Directors and directors' interests

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

J Gleek	
RJ Anderson	
B Porter	Appointed 31 July 2006

None of the directors had any interest in the share capital of the company.

The directors' interests in the shares of an intermediate holding company, Thayer Properties Limited, are disclosed in the financial statements of that company.

By Order of the Board



PAM Nicholson
Secretary

20 Thayer Street
London
W1U 2DD

19 December 2006

Spareco 5 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 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.

Spareco 5 Limited

Balance sheet

as at 30 November 2005

	Note	30 Nov 2005	30 Nov 2004
		£	£
Debtors: amounts falling due after more than one year	3	<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	4	<u>1</u>	<u>1</u>
Equity shareholders' funds	5	<u>1</u>	<u>1</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 financial statements for the financial year ended 30 November 2005 audited;
- b. confirm that members have not required the company to obtain an audit of its financial statements 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 financial statements 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 financial statements, so far as 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 year or the preceding year.

The notes on pages 5 to 6 form part of these financial statements.

These financial statements were approved by the board of directors on 19 December 2006 and were signed on its behalf by:


J Gleek
Director

Spareco 5 Limited

Profit and loss account

for the year ended 30 November 2005

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

The notes on pages 5 to 6 form part of these financial statements.

Spareco 5 Limited

Notes to the Financial Statements

(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.

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. Staff numbers and costs

Other than the directors, the company employed no staff during the current year or the preceding year. None of the directors received any remuneration during the current year or the preceding year.

3. Debtors: amounts falling due after more than one year

	30 Nov 2005 £	30 Nov 2004 £
Amount due from group undertakings	1	1

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Notes continued

4. Called up share capital

	30 Nov 2005 £	30 Nov 2004 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

5. Reconciliation of movements in shareholders' funds

	30 Nov 2005 £	30 Nov 2004 £
Opening shareholders' funds	1	1
Closing shareholders' funds	1	1

6. 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 financial statements of these companies are available to the public from 745, Seventh Avenue, New York, USA and from 25 Bank Street, London respectively.