

# **Burford Euro Limited**

## **Directors' report and financial statements**

**30 November 2005**

Registered number 4208961



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COMPANIES HOUSE 28/09/2006

# Burford Euro Limited

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# Burford Euro Limited

## Directors' report

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

### Principal activity and business review

The company's principal activity is property investment.

### Results and dividends

The profit for the year amounted to £2,403,000 (year ended Nov 2004: £91,000 loss). The directors paid a dividend of £690,000 for the year (year ended Nov 2004: £nil).

### Directors and directors' interest

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

22 September 2006

# Burford Euro Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 year.

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; 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.

KPMG

KPMG Audit Plc  
PO Box 695  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

## **Independent auditors' report to the members of Burford Euro Limited**

We have audited the financial statements on pages 4 to 11.

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 auditor's 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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

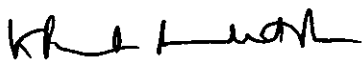
### *Basis of audit opinion*

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

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2005, and of its profit for the year then ended and they have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

27 September 2006

# Burford Euro Limited

## Profit and loss account

for the year ended 30 November 2005

	Note	Year ended 30 Nov 2005 £000	Year ended 30 Nov 2004 £000
Turnover	1	-	97
Cost of sales		-	-
<b>Gross profit</b>		<b>-</b>	<b>97</b>
Dividend received		2,400	-
Profit / (loss) on disposal of fixed assets	4	3	(197)
Interest payable and similar charges	5	-	9
Profit / (loss) on ordinary activities before taxation	2	2,403	(91)
Taxation	6	-	-
<b>Profit / (loss) on ordinary activities after taxation</b>		<b>2,403</b>	<b>(91)</b>
Dividend paid	12		
<b>Equity shareholders</b>		<b>(690)</b>	<b>-</b>
<b>Transfer (from) / to reserves</b>	13	<b>(1,713)</b>	<b>91</b>

The notes on pages 6 to 11 form part of these financial statements.

All activities derive from continuing operations.

There is no material difference between the results disclosed in the profit and loss account and the results on a historical cost basis.

There are no recognised gains or losses other than those reported above.

# Burford Euro Limited

## Balance sheet

at 30 November 2005

	Note	30 Nov 2005 £000	30 Nov 2004 £000
<b>Fixed assets</b>			
Investments	7	-	-
		-	-
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due in more than one year	8	48	-
<b>Creditors:</b> amounts falling due within one year	9	(28)	(103)
<b>Net current assets / (liabilities)</b>		20	(103)
<b>Total assets less current liabilities</b>		20	(103)
<b>Creditors:</b> amounts falling due after more than one year	10	-	(1,590)
<b>Net assets / ( liabilities)</b>		20	(1,693)
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	13	20	(1,693)
<b>Equity shareholders' funds / (deficit)</b>	14	20	(1,693)

The notes on pages 6 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 22 September 2006 and were signed on its behalf by:

  
J Gleek  
Director

# Burford Euro 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.

#### ***Consolidation exemption***

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group financial statements. 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 in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of investment property.

#### ***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).

#### ***Turnover***

Turnover represents rents receivable during the year (excluding value added tax).

#### ***Going concern***

An intermediate holding company, Burford Holdings Limited, has provided an undertaking that it will provide such financial or other assistance as the company may require, to meet its financial obligations as they fall due for payment. This undertaking is to remain in force, for a period of at least 12 months, from the date of signature of these financial statements.

### 2. Profit on ordinary activities before taxation

The auditors' remuneration was borne by a fellow subsidiary, Burford Group Limited.



# Burford Euro Limited

## Notes continued

### 3. Staff numbers and costs

Other than the directors, the company employed no staff during the current year or the preceding year. No director received any remuneration for their services as directors of the company during the current year or the preceding year.

### 4. Profit / (loss) on disposal of fixed assets

	Year ended 30 Nov 2005 £000	Year ended 30 Nov 2004 £000
Loss on sale of investment property in current year	(18)	-
Profit / (loss) on sale of investment property in prior years	21	(197)
	<u>3</u>	<u>(197)</u>

Losses on the sale of investment properties result from additional sale costs with respect to the properties. Profits arise from the writing back of excess provisions for sale costs.

### 5. Interest payable and similar charges

	Year ended 30 Nov 2005 £000	Year ended 30 Nov 2004 £000
Other interest	<u>-</u>	<u>9</u>

### 6. Taxation

	Year ended 30 Nov 2005 £000	Year ended 30 Nov 2004 £000
UK corporation tax at 30%	<u>-</u>	<u>-</u>

# Burford Euro Limited

## Notes continued

### 6. Taxation continued

Factors affecting tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	30 Nov 2005 £000	30 Nov 2004 £000
Profit / (loss) on ordinary activities before tax	2,403	(91)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	(721)	27
<i>Effects of:</i>		
Dividends from other UK companies are not taxable	720	-
Utilisation of capital losses	1	-
Tax relief on loss not provided	-	(27)
	-	-

### 7. Investments

	Investment in subsidiaries £
<b>Cost:</b>	
At 1 December 2004	2,574,230
Additions	-
Disposals	-
<b>At 30 November 2005</b>	<b>2,574,230</b>
<b>Impairment:</b>	
At 1 December 2004	(2,574,130)
Charged during the year	-
<b>At 30 November 2005</b>	<b>(2,574,130)</b>
<b>Net book values:</b>	
<b>At 30 November 2005</b>	<b>100</b>
At 30 November 2004	100

The company owns the entire issued share capital of Burford Euro Shares Limited. At the year end the value of the investment is the nominal value of the issued share capital.

# Burford Euro Limited

## Notes continued

### 8. Debtors: amounts falling due after more than one year

	30 Nov 2005 £000	30 Nov 2004 £000
Amounts due from group undertakings	48	-
	<u>48</u>	<u>-</u>

### 9. Creditors: amounts falling due within one year

	30 Nov 2005 £000	30 Nov 2004 £000
Trade creditors	28	25
Corporation tax	-	78
	<u>28</u>	<u>103</u>

### 10. Creditors: amounts falling due after more than one year

	30 Nov 2005 £000	30 Nov 2004 £000
Amounts due to group undertakings	-	1,590

### 11. Called up share capital

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

# Burford Euro Limited

## Notes continued

### 12. Dividend paid

	Year ended 30 Nov 2005 £000	Year ended 30 Nov 2004 £000
Dividend of £689,635 paid per ordinary £1 share	690	-

### 13. Reserves

	Profit and loss account £000
At 1 December 2004	(1,693)
Retained profit for the financial year	1,713
At 30 November 2005	20

### 14. Reconciliation of movements in shareholders' funds / (deficit)

	30 Nov 2005 £000	30 Nov 2004 £000
Profit / (loss) for the year	2,403	(91)
Dividend paid	(690)	-
Net increase / (decrease) in shareholders' funds	1,713	(91)
Opening shareholders' deficit	(1,693)	(1,602)
Closing shareholders' funds / (deficit)	20	(1,693)

# Burford Euro Limited

## **Notes** continued

### **14. 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.