

**BELGRAVIA ESTATE SERVICES LIMITED**

COMPANY REGISTRATION NUMBER 479149

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

THURSDAY



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**BELGRAVIA ESTATE SERVICES LIMITED****DIRECTORS' REPORT**

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2009

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company is a wholly owned subsidiary of Grosvenor Group Limited, its ultimate parent company. Grosvenor Limited is the intermediate holding company and is responsible for the operations of the Grosvenor Group in the United Kingdom and Ireland.

The principal activity of the company during the year was provision of tenant services.

The directors do not anticipate any significant change in the activity of the company or its profitability.

Grosvenor manages its cashflows, liquidity position and borrowing facilities on a group basis and further disclosures relating to these matters, are included in the annual report of Grosvenor Limited.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

The directors have taken advantage of the special provisions available to small companies per S 415A of the Companies Act 2006.

**RESULTS AND DIVIDENDS**

The results of the company for the year are shown on page 5. Profit on ordinary activities before taxation was £90,706 (2008 - £9,994).

The directors have not recommended payment of a dividend (2008 - £nil).

**THE DIRECTORS OF THE COMPANY**

The directors who served the company throughout the year, except as noted, were as follows:

R F C Blundell

L R Buck

J E T Clark

S J Curtis

G A Clarke

P S Vernon

S R Elmer

G J Powell

(Appointed 10 July 2009)

(Appointed 2 March 2009)

**BELGRAVIA ESTATE SERVICES LIMITED****DIRECTORS' REPORT****DIRECTORS' RESPONSIBILITIES**

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

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and 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 United Kingdom 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

Each of the persons who is a director at the date of approval of this report confirms that

so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

the directors have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This information is given in accordance with S 418 of the Companies Act 2006.

**AUDITORS**

Deloitte LLP has indicated its willingness to be reappointed for another term and is deemed to be reappointed accordingly.

Signed by order of the Board



K Robinson  
Company Secretary

- 5 MAR 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**BELGRAVIA ESTATE SERVICES LIMITED**  
**YEAR ENDED 31 DECEMBER 2009**

We have audited the financial statements of Belgravia Estate Services Limited for the year ended 31 December 2009 which comprise the profit and loss account, balance sheet and the related notes 1 to 13. 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, 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 Practice's Board's (APB'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 31 December 2009 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 MATTERS 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**  
**BELGRAVIA ESTATE SERVICES LIMITED**  
**YEAR ENDED 31 DECEMBER 2009** *(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, or

the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Emma Cox (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Registered Auditors  
London, United Kingdom

- 5 MAR 2010

**BELGRAVIA ESTATE SERVICES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
<b>Turnover</b>	2	<b>6,036,603</b>	3,820,194
Cost of sales		(5,945,897)	(3,810,200)
<b>Gross profit</b>		<b>90,706</b>	9,994
Administrative expenses	3	—	—
<b>Profit on ordinary activities before taxation</b>		<b>90,706</b>	9,994
Tax on profit on ordinary activities	5	—	—
<b>Profit for the financial year</b>		<b>90,706</b>	<b>9,994</b>

The company has no recognised gains or losses in the current or preceding year other than the results as set out above

All results are derived from continuing operations

**BELGRAVIA ESTATE SERVICES LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2009**

	Note	2009 £	2008 £
<b>Current assets</b>			
Restricted cash		3,870,292	2,637,769
Debtors	6	2,130,997	2,806,900
<b>Creditors: amounts falling due within one year</b>	7	(4,263,377)	(3,797,463)
<b>Net current assets</b>		<u>1,737,912</u>	<u>1,647,206</u>
<b>Total assets less current liabilities</b>		<u>1,737,912</u>	<u>1,647,206</u>
<b>Capital and reserves</b>			
Called up share capital	10	4,101,000	4,101,000
Profit and loss account	11	(2,363,088)	(2,453,794)
<b>Shareholders' funds</b>	12	<u>1,737,912</u>	<u>1,647,206</u>

These financial statements were approved by the Board on the 5 MAR 2010 and are signed on its behalf by



Director



Director

Company registration number 479149

**BELGRAVIA ESTATE SERVICES LIMITED**

**NOTES TO THE FINANCIAL ACCOUNTS**

**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the current and preceding year.

The company is a wholly owned subsidiary of Grosvenor Group Limited, its ultimate parent undertaking, which is incorporated in Great Britain and registered in England and Wales and prepares consolidated financial statements. Consequently the company is not required to prepare consolidated financial statements.

The directors' report describes the going concern basis of preparation of the financial statements.

**(b) Cash flow statement**

The directors have taken advantage of the exemption in FRS1 'Cash flow statements' from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

**(c) Turnover**

The turnover shown in the profit and loss account represents amounts billable to tenants during the year, excluding VAT.

**(d) Pension costs**

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

The Company's contributions to multi-employer defined benefit pension plans, when the company's share of the underlying assets and liabilities cannot be identified, are recognised as an expense in the income statement as incurred.



**BELGRAVIA ESTATE SERVICES LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****1. ACCOUNTING POLICIES** *(continued)***(e) Taxation**

All current and deferred tax charges or credits (after the application of group relief, to the extent relevant) are recognised in the company's profit and loss account

Current UK corporation tax is recognised at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

The company's taxation obligations are settled on its behalf by the intermediate holding company Grosvenor Limited. The benefit of this arrangement is recognised as a capital contribution from Grosvenor Limited to the company (or distribution from the company to Grosvenor Limited where a tax credit arises) with all current and deferred tax assets and liabilities recorded in the balance sheet of Grosvenor Limited

Deferred taxation is provided in full in respect of timing differences between the recognition of income and expenditure for accounting and taxation purposes. Deferred taxation is not provided in respect of unrealised revaluation surpluses where there is no commitment to sell the asset. Deferred tax credits are recognised to the extent that it is regarded as more likely than not that the related assets will be recovered. As described above, whilst the deferred tax charge or credit is recognised in the profit and loss account of the company, the related deferred tax assets and liabilities are recorded in the balance sheet of Grosvenor Limited. Deferred tax assets and liabilities are not discounted

**2. TURNOVER**

Turnover and profit before tax are attributable to the one principal activity of the company in the United Kingdom

**3. AUDITORS' REMUNERATION**

Auditors' remuneration 2009 of £5,550 (2008 - £5,400) has been borne by Grosvenor Estate Management Limited, a fellow subsidiary undertaking

**BELGRAVIA ESTATE SERVICES LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****4. PARTICULARS OF EMPLOYEES**

The average number of employees by business was as follows

	2009 No	2008 No
Property management	<u>27</u>	<u>19</u>

All employees are based in the United Kingdom

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	444,069	403,738
Social security costs	40,382	37,419
Other pension costs	40,721	34,223
	<u>525,172</u>	<u>475,380</u>

No remuneration was paid to the directors for their services as directors of the Company in the current or preceding year

**5. TAXATION ON ORDINARY ACTIVITIES**

**Tax reconciliation:**

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>90,706</u>	<u>9,994</u>
Tax on ordinary activities at the standard UK corporation rate of 28% (2008 - 28.5%)	25,398	2,848
Effects of		
Group relief received free of charge	(20,444)	(60,218)
Other tax adjustments	<u>(4,954)</u>	<u>57,370</u>
Total current tax	<u>-</u>	<u>-</u>

**6. DEBTORS: amounts falling due within one year**

	2009 £	2008 £
Amounts owed by group undertakings	2,075,365	2,786,387
Other debtors	19,218	13,708
Prepayments and accrued income	36,414	6,805
	<u>2,130,997</u>	<u>2,806,900</u>

**BELGRAVIA ESTATE SERVICES LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****7. CREDITORS: amounts falling due within one year**

	2009 £	2008 £
Amounts owed to group undertakings	–	1,119,781
Other creditors	221,603	32,644
Accruals and deferred income	4,041,774	2,645,038
	<u>4,263,377</u>	<u>3,797,463</u>

**8. PENSIONS**

The company principally participates in the Grosvenor Pension Plan (the 'Plan', formerly the Grosvenor Estates Pension Scheme), a defined benefit pension scheme, and a separate stakeholder defined contribution scheme. Both schemes are administered by independent trustees. The plan is open to all staff and provides a defined benefit pension up to an upper earnings limit. Above this limit the Group contributes between 25% and 30% of that tranche of salary into the defined contribution scheme. Some members of the Plan accrue benefits on historical scales which pension full salary (subject to the earnings cap).

Independent qualified actuaries complete valuations of the Plan at least every three years and contributions are paid to the Plan in line with a Schedule of Contributions agreed between the trustees of the Plan and the Group.

Although the Plan is a defined scheme, it is a multi-employer scheme and the company's share of the underlying assets and liabilities cannot be identified. As a result, FRS 17 requires that the Plan is accounted for as if it were a defined contribution scheme. Further details of the Plan are shown in the financial statements of Grosvenor Estate Management Limited.

Actuarial valuations for the Plan as a whole, including the element that relates to non company employees, have been updated to 31 December 2009 by an independent qualified actuary, in accordance with FRS 17, and included below is the surplus/(deficit) indicated by that valuation.

	2009 £m	2008 £m	2007 £m
Pension scheme (deficit) / surplus before tax	(28.8)	(12.4)	6.8

Defined benefit pension costs charged to the profit and loss account were £35,617 (2008 - £34,223).

The company's contributions to defined contribution schemes were £5,104 (2008 - £5,291).

**9. RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by FRS8 'Related party disclosures' not to disclose transactions with Grosvenor Group Limited or wholly owned fellow subsidiaries of Grosvenor Group Limited, which would otherwise qualify as related parties.

Accordingly, during the period under review there were no transactions or balances with related parties which require disclosure in these financial statements.

**BELGRAVIA ESTATE SERVICES LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****10. CALLED UP SHARE CAPITAL****Authorised share capital:**

	2009 £	2008 £
5,000,000 Ordinary shares of £1 00 each	<u>5,000,000</u>	<u>5,000,000</u>

**Allotted, called up and fully paid:**

	2009 £	2008 £
4,101,000 Ordinary shares of £1 00 each	<u>4,101,000</u>	<u>4,101,000</u>

**11. PROFIT AND LOSS ACCOUNT**

	2009 £	2008 £
At 1 January	(2,453,794)	(2,463,788)
Profit for the financial year	<u>90,706</u>	<u>9,994</u>
At 31 December	<u>(2,363,088)</u>	<u>(2,453,794)</u>

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Profit for the financial year	90,706	9,994
Opening shareholders' funds	<u>1,647,206</u>	<u>1,637,212</u>
Closing shareholders' funds	<u>1,737,912</u>	<u>1,647,206</u>

**13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The company's ultimate parent undertaking is Grosvenor Group Limited, a company incorporated in Great Britain and registered in England and Wales which is wholly owned by trusts and members of the Grosvenor family, headed by the Duke of Westminster

The ultimate parent undertaking heads the largest group of undertakings of which the company is a member and for which group accounts are prepared Grosvenor Limited, the intermediate holding company, heads the smallest group of undertakings of which the company is a member and for which group accounts are prepared Grosvenor Limited is the immediate holding company

Copies of the consolidated financial statements of Grosvenor Group Limited and Grosvenor Limited can be obtained from Companies House, 3 Crown Way, Mandy, Cardiff, CF14 3UZ