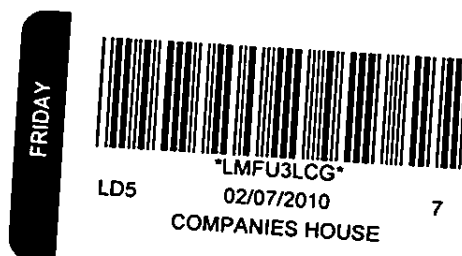


COMPANY REGISTRATION NUMBER 3232512

**GROSVENOR LAND HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 2009**



# **GROSVENOR LAND HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

M Kelly  
T G Walsh

**Company secretary**

Terrace Hill (Secretaries) Limited

**Registered office**

1 Portland Place  
London  
W1B 1PN

**Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **GROSVENOR LAND HOLDINGS LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 OCTOBER 2009**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2009

#### **PRINCIPAL ACTIVITIES**

The company acts principally as an investment holding company and is responsible for co-ordinating the activities of its subsidiaries and also owns an investment property. There have been no changes in the company's activities in the year under review.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

R E Lane  
M Kelly  
T G Walsh

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

M Kelly was appointed as a director on 12 October 2009.

R E Lane resigned as a director on 12 October 2009.

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 the 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 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

# GROSVENOR LAND HOLDINGS LIMITED

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 OCTOBER 2009

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

#### AUDITOR

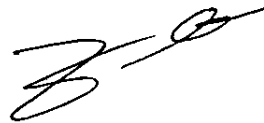
BDO LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

#### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office  
1 Portland Place  
London  
W1B 1PN

Signed by order of the directors



TERRACE HILL (SECRETARIES)  
LIMITED  
Company Secretary

Approved by the directors on 24 June 2010

# **GROSVENOR LAND HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR LAND HOLDINGS LIMITED**

**YEAR ENDED 31 OCTOBER 2009**

We have audited the financial statements of Grosvenor Land Holdings Limited for the year ended 31 October 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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 Practices 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 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 October 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.

# GROSVENOR LAND HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GROSVENOR LAND HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 OCTOBER 2009

### 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

 BDO LLP

GERAINT JONES (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street  
London  
W1U 7EU

24 June 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# GROSVENOR LAND HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2009

	Note	2009 £	2008 £
<b>TURNOVER</b>	<b>2</b>	<b>100,817</b>	<b>121,375</b>
Administrative expenses		<u>(78,610)</u>	<u>64,101</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>22,207</b>	<b>185,476</b>
Income from shares in group undertakings	<b>5</b>	<b>948,398</b>	<b>467,833</b>
Interest receivable		<b>189</b>	<b>3,149</b>
Amounts written off investments	<b>6</b>	<b>–</b>	<b>(196,419)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>970,794</b></u>	<u><b>460,039</b></u>
Tax on profit on ordinary activities	<b>7</b>	<b>–</b>	<b>–</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>970,794</b></u>	<u><b>460,039</b></u>

All of the activities of the company are classed as continuing

The notes on pages 9 to 15 form part of these financial statements.

**GROSVENOR LAND HOLDINGS LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 OCTOBER 2009**

	2009 £	2008 £
Profit for the financial year attributable to the shareholders	970,794	460,039
Unrealised profit/(loss) on revaluation of investment property	283,036	(224,286)
Unrealised loss on revaluation of shares in group companies	–	(242,992)
Unrealised loss on revaluation of investment in associates	(945,944)	–
Unrealised loss on revaluation of investments	23,846	–
Total gains and losses recognised since the last annual report	<u>331,732</u>	<u>(7,239)</u>

The notes on pages 9 to 15 form part of these financial statements.



# GROSVENOR LAND HOLDINGS LIMITED

## BALANCE SHEET

31 OCTOBER 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	9	450,000	216,810
Investments	10	44,336	966,434
		<u>494,336</u>	<u>1,183,244</u>
<b>CURRENT ASSETS</b>			
Debtors	11	316,247	5,931,998
Cash at bank		5,303	58,418
		<u>321,550</u>	<u>5,990,416</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>70,835</u>	<u>1,898,664</u>
<b>NET CURRENT ASSETS</b>		<u>250,715</u>	<u>4,091,752</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>745,051</u>	<u>5,274,996</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	345,600	345,600
Share premium account	15	—	4,211,678
Revaluation reserve	16	367,627	1,006,689
Profit and loss account	17	31,824	(288,971)
<b>SHAREHOLDERS' FUNDS</b>	18	<u>745,051</u>	<u>5,274,996</u>

These financial statements were approved by the directors and authorised for issue on 24 June 2010, and are signed on their behalf by



T G WALSH

Company Registration Number 3232512

The notes on pages 9 to 15 form part of these financial statements.

# **GROSVENOR LAND HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 OCTOBER 2009**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from the obligations to prepare group financial statements as it is itself a subsidiary undertaking and its ultimate parent undertaking is established under the law of a member state of the European Union and prepares consolidated financial statements

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

#### **Turnover**

Turnover represents rental income and service charges receivable, excluding Value Added Tax and arises solely within the United Kingdom

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	- Over length of lease
Plant & Machinery	- 10% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

#### **Investment properties**

Investment properties are revalued annually to reflect current market value for existing use. Changes in the value of investment properties are disclosed as movements on revaluation reserve, except for permanent diminutions which are charged to the profit and loss account

No depreciation or amortisation is provided in respect of freehold investment property in accordance with Statement of Standard Accounting Practice 19. The Directors consider that this policy results in the financial statements giving a true and fair view

Investment property sales are reflected in the accounts if an unconditional contract is exchanged by the balance sheet date and the sale has been completed before the date of approval of the accounts

Profits and losses are based on the difference between proceeds and net carrying amount, whether at valuation or at historic cost

# GROSVENOR LAND HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2009

### 1. ACCOUNTING POLICIES *(continued)*

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

#### Investments in subsidiary undertakings

Investments in subsidiary and associated undertakings are accounted using the alternative accounting rules whereby the original cost of the investment is adjusted for changes in the value of the underlying net assets. Changes in the net asset value of subsidiaries allocated to a revaluation reserve except permanent diminution in value which are charged to the profit and loss account

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

	2009	2008
	£	£
United Kingdom	<u>100,817</u>	<u>121,375</u>

# GROSVENOR LAND HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2009

### 3 OPERATING PROFIT

Operating profit is stated after charging

	2009 £	2008 £
Directors' remuneration	—	—
Amortisation	33,036	49,483
Depreciation of owned fixed assets	16,810	3,625
Operating lease costs		
- Other	663	1,322

Auditor's remuneration is paid by the parent company

### 4. PARTICULARS OF EMPLOYEES

There were no employees other than the directors, during the year

### 5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2009 £	2008 £
Income from group undertakings	948,398	467,833

### 6. AMOUNTS WRITTEN OFF INVESTMENTS

	2009 £	2008 £
Amount written off investments	—	196,419

### 7. TAXATION ON ORDINARY ACTIVITIES

#### Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28.83%)

	2009 £	2008 £
Profit on ordinary activities before taxation	970,794	460,039
Profit on ordinary activities by rate of tax	271,822	132,629
Capital Allowances in excess of depreciation	556	378
Group relief surrendered	(16,076)	(81,208)
Expenses not deductible for tax purposes & non-taxable income	(256,302)	(51,799)
Total current tax	—	—

# GROSVENOR LAND HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2009

### 8 DIVIDENDS

#### Equity dividends

	2009 £	2008 £
Paid during the year		
Dividends on equity shares	<u>4,861,677</u>	<u>—</u>

### 9 TANGIBLE FIXED ASSETS

	Freehold Investment Property £	Leasehold Property £	Plant & Machinery £	Total £
<b>COST OR VALUATION</b>				
At 1 November 2008	166,964	358,750	36,255	561,969
Revaluation	<u>283,036</u>	<u>—</u>	<u>—</u>	<u>283,036</u>
At 31 October 2009	<u>450,000</u>	<u>358,750</u>	<u>36,255</u>	<u>845,005</u>
<b>DEPRECIATION</b>				
At 1 November 2008	—	325,714	19,445	345,159
Charge for the year	<u>—</u>	<u>33,036</u>	<u>16,810</u>	<u>49,846</u>
At 31 October 2009	<u>—</u>	<u>358,750</u>	<u>36,255</u>	<u>395,005</u>
<b>NET BOOK VALUE</b>				
At 31 October 2009	<u>450,000</u>	<u>—</u>	<u>—</u>	<u>450,000</u>
At 31 October 2008	<u>166,964</u>	<u>33,036</u>	<u>16,810</u>	<u>216,810</u>

The investment property is valued by CB Richard Ellis, the historic cost is £119,785 (2008 £119,785)

# GROSVENOR LAND HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2009

### 10. INVESTMENTS

	Investments in Associate	Listed Others	Total
	£	£	£
<b>COST OR VALUATION</b>			
At 1 November 2008	959,511	216,523	1,176,034
Revaluations	(945,944)	23,846	(922,098)
At 31 October 2009	<u>13,567</u>	<u>240,369</u>	<u>253,936</u>
<b>AMOUNTS WRITTEN OFF</b>			
At 1 November 2008 and 31 October 2009	<u>-</u>	<u>209,600</u>	<u>209,600</u>
<b>NET BOOK VALUE</b>			
At 31 October 2009	<u>13,567</u>	<u>30,769</u>	<u>44,336</u>
At 31 October 2008	<u>959,511</u>	<u>6,923</u>	<u>966,434</u>

### 11. DEBTORS

	2009 £	2008 £
Trade debtors	2,702	-
Amounts owed by group undertakings	313,545	5,877,111
Other debtors	-	3,942
Prepayments and accrued income	-	50,945
	<u>316,247</u>	<u>5,931,998</u>

### 12. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	-	79,351
Amounts owed to group undertakings	70,835	1,776,734
Accruals and deferred income	-	42,579
	<u>70,835</u>	<u>1,898,664</u>

### 13. RELATED PARTY TRANSACTIONS

The controlling party of the company was Saffery Champness Trust Corporation, trustees of a life interest trust in which R F M Adair is a beneficiary R F M Adair is a director of the ultimate parent company, Terrace Hill Group Plc

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Terrace Hill Group Plc and are 100% owned

# GROSVENOR LAND HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2009

### 14. SHARE CAPITAL

#### Authorised share capital:

	2009 £	2008 £
100,000,000 Ordinary shares of £0.01 each	<u>1,000,000.00</u>	<u>1,000,000.00</u>

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

	2009		2008	
	No	£	No	£
34,559,974 Ordinary shares of £0.01 each	<u>34,559,974</u>	<u>345,599.74</u>	<u>34,559,974</u>	<u>345,599.74</u>

### 15. SHARE PREMIUM ACCOUNT

	2009 £	2008 £
Balance brought forward	<u>4,211,678</u>	4,211,678
Transfer share premium to profit and loss	<u>(4,211,678)</u>	<u>—</u>
Balance carried forward	<u>—</u>	<u>4,211,678</u>

On 22 October 2009, a special resolution was passed to cancel the share premium account of £4,211,678

### 16. REVALUATION RESERVE

	2009 £	2008 £
Balance brought forward	<u>1,006,689</u>	699,292
Revaluation of fixed assets	<u>(639,062)</u>	<u>(467,278)</u>
Transfer from the Profit and Loss Account on realisation	<u>—</u>	<u>774,675</u>
Balance carried forward	<u>367,627</u>	<u>1,006,689</u>

### 17. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	<u>(288,971)</u>	25,665
Profit for the financial year	<u>970,794</u>	460,039
Equity dividends	<u>(4,861,677)</u>	<u>—</u>
Transfer to revaluation reserve	<u>—</u>	<u>(774,675)</u>
Transfer from share premium	<u>4,211,678</u>	<u>—</u>
Balance carried forward	<u>31,824</u>	<u>(288,971)</u>

# GROSVENOR LAND HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2009

### 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit for the financial year	970,794	460,039
Other net recognised gains and losses	(639,062)	(467,278)
Equity dividends	(4,861,677)	–
Transfer from revaluation reserve	–	(774,675)
Transfer to profit and loss account	–	774,675
Net reduction to shareholders' funds	(4,529,945)	(7,239)
Opening shareholders' funds	5,274,996	5,282,235
Closing shareholders' funds	<u>745,051</u>	<u>5,274,996</u>

### 19. ULTIMATE PARENT COMPANY

The parent company is Terrace Hill Limited a company registered in England and Wales. The ultimate parent company is Terrace Hill Group Plc which is registered in Scotland.

Copies of the consolidated financial statements of Terrace Hill Group Plc are available from the company's registered office.