

**GROSVENOR RETAIL HOLDINGS LIMITED**

COMPANY REGISTRATION NUMBER 3244187

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2001**



**GROSVENOR RETAIL HOLDINGS LIMITED****DIRECTORS' REPORT**

The directors submit their annual report together with the audited financial statements of the company for the year ended 31 December 2001.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was to act as holding company for a number of subsidiaries involved in property investment in the UK.

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

**RESULTS AND DIVIDENDS**

The results of the company for the year are shown on page 4. Profit on ordinary activities before taxation was £7,037,581 (2000 - £63,766,883).

The directors have recommended the following dividends:

	2001 £	2000 £
Proposed dividends on ordinary shares	6,961,023	63,766,883
Dividends paid on ordinary shares	76,558	-
	<u>7,037,581</u>	<u>63,766,883</u>

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

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

W J A Bullough  
S-J Curtis  
R S Handley  
S H R Musgrave  
R C Williams

None of the directors in office at 31 December 2001 had any interests in the securities of the company, Grosvenor Group Holdings Limited, its ultimate parent undertaking, or any of its fellow subsidiary undertakings which are required to be disclosed under the Companies Act 1985.

**DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 at the end of the year and of the profit or loss for the year then ended.

**GROSVENOR RETAIL HOLDINGS LIMITED**

**DIRECTORS' REPORT** *(continued)*

**DIRECTORS' RESPONSIBILITIES** *(continued)*

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 6, 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company, the system of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

Pursuant to S386 of the Companies Act 1985 an elective resolution has been passed to dispense with the requirement to reappoint auditors annually.

Signed by order of the Board

  
C M Tolhurst  
Company Secretary

**07 MAR 2002**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**GROSVENOR RETAIL HOLDINGS LIMITED**  
**YEAR ENDED 31 DECEMBER 2001**

We have audited the financial statements of Grosvenor Retail Holdings Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, and the related notes on pages 6 to 8. These financial statements have been prepared under the accounting policies set out therein.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom 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 31 December 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants & Registered Auditors  
Hill House, 1 Little New Street  
London, EC4A 3TR

**07 MAR 2002**

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**GROSVENOR RETAIL HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £	2000 £
Income from shares in group undertakings	4	7,076,558	68,030,000
Amounts written off investments		(38,977)	(4,263,117)
<b>Profit on ordinary activities before taxation</b>		<b>7,037,581</b>	<b>63,766,883</b>
Tax on profit on ordinary activities		-	-
<b>Profit on ordinary activities after taxation</b>		<b>7,037,581</b>	<b>63,766,883</b>
Dividends	5	(7,037,581)	(63,766,883)
<b>Result for the financial year</b>		<b>-</b>	<b>-</b>

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


All of the activities of the company are classed as continuing.

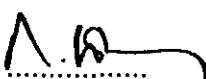
**GROSVENOR RETAIL HOLDINGS LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2001**

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Investments	6	<u>32,000,204</u>	<u>32,039,181</u>
<b>Current assets</b>			
Debtors	7	11,263,117	68,030,000
<b>Creditors: amounts falling due within one year</b>	8	<u>(6,961,023)</u>	<u>(63,766,883)</u>
<b>Net current assets</b>		<u>4,302,094</u>	<u>4,263,117</u>
<b>Total assets less current liabilities</b>		<u>36,302,298</u>	<u>36,302,298</u>
<b>Capital and reserves</b>			
Called-up equity share capital	10	32,000,204	32,000,204
Share premium account		<u>4,302,094</u>	<u>4,302,094</u>
<b>Equity shareholders' funds</b>	12	<u>36,302,298</u>	<u>36,302,298</u>

**07 MAR 2002**

These financial statements were approved by the Board on the ..... and are signed on its behalf by:

  
 .....  
 Director

  
 .....  
 Director

**GROSVENOR RETAIL HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****1. ACCOUNTING POLICIES****(a) Basis of accounting**

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

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

**(b) Cash flow statement**

The directors have taken advantage of the exemption in FRS1 (revised) '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) Fixed asset investments**

Investments held as fixed assets are stated at cost less provision for impairment.

**2. AUDITORS' REMUNERATION**

Auditors' remuneration for Grosvenor Retail Holdings Limited has been borne by a fellow subsidiary undertaking both in the current and prior year.

**3. PARTICULARS OF EMPLOYEES**

No salaries or wages have been paid to employees, including the directors, during both the current or prior year.

**4. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2001 £	2000 £
Income from shares in group undertakings	7,076,558	68,030,000

**5. DIVIDENDS**

	2001 £	2000 £
Proposed dividend on ordinary shares	6,961,023	63,766,883
Equity dividends payable	76,558	-
	7,037,581	63,766,883

**GROSVENOR RETAIL HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****6. INVESTMENTS**

Unlisted shares at cost less amounts written off:

	£
<b>Cost</b>	
At 1 January 2001 and 31 December 2001	36,302,298
<b>Provisions</b>	
At 1 January 2001	4,263,117
Provided in year	38,977
At 31 December 2001	4,302,094
<b>Net book value</b>	
At 31 December 2001	32,000,204
At 31 December 2000	32,039,181

The company owns 100% of the issued share capital of the companies listed below, all of which are incorporated in Great Britain:

Market Place Bolton Limited  
 Grosvenor (Perth) Limited  
 Grosvenor Precinct (Chester) Limited  
 Grosvenor (Basingstoke) Limited

Grosvenor (Basingstoke) Limited's principal activity is investment in real estate property in the UK. The other subsidiaries named above no longer trade and their activities are classed as discontinued.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

**7. DEBTORS**

	2001 £	2000 £
Amounts owed by group undertakings	4,263,117	-
Other debtors	7,000,000	68,030,000
	<u>11,263,117</u>	<u>68,030,000</u>

**8. CREDITORS: Amounts falling due within one year**

	2001 £	2000 £
Dividends payable	<u>6,961,023</u>	<u>63,766,883</u>



**GROSVENOR RETAIL HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****9. RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by FRS8 'Related party disclosures' not to disclose transactions with Grosvenor Group Holdings Limited, fellow subsidiaries of Grosvenor Group Holdings Limited or any undertaking in which any member of the group holds an investment 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.

**10. SHARE CAPITAL****Authorised share capital:**

	2001 £	2000 £
50,000,000 Ordinary shares of £1.00 each	50,000,000	50,000,000

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

	2001 £	2000 £
Ordinary share capital	32,000,204	32,000,204

**11. SHARE PREMIUM ACCOUNT**

There was no change to the balance per the Share Premium account as at 31 December 2001.

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

	2001 £	2000 £
Profit for the financial year	7,037,581	63,766,883
Dividends	(7,037,581)	(63,766,883)
	-	-
Opening equity shareholders' funds	36,302,298	36,302,298
Closing equity shareholders' funds	36,302,298	36,302,298

**13. ULTIMATE PARENT COMPANY**

The company's ultimate parent undertaking is Grosvenor Group Holdings Limited, a company 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, an intermediate holding company, heads the smallest group of undertakings of which the company is a member and for which group accounts are prepared.

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