

**GROSVENOR MANAGEMENT LIMITED**

COMPANY REGISTRATION NUMBER 3406618

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2008**

WEDNESDAY



\*L78NG98K\*

LD2

22/04/2009

102

COMPANIES HOUSE

**GROSVENOR MANAGEMENT LIMITED****DIRECTORS' REPORT**

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2008.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was to act as general partner to Grosvenor London Office Fund, a UK limited partnership.

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

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

As at 31 December 2008, the company had net current liabilities of £429,841. Grosvenor Fund Management UK Limited has confirmed it will continue to support the company's obligations and as a result, 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.246 subsection 4 of the Companies Act 1985.

**RESULTS AND DIVIDENDS**

The results of the company for the year are shown on page 6. Profit on ordinary activities before taxation was £20,060 (2007 - £20,015).

The following dividends have been paid:

	2008 £	2007 £
Dividends paid on ordinary shares	<u>20,015</u>	<u>23,050</u>

**THE DIRECTORS OF THE COMPANY**

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

S R H Beevor  
R R Davis  
M H Howard

Tony Christie served as alternate director to Mervyn Howard, Stuart Beevor and Robert Davis.

**GROSVENOR MANAGEMENT LIMITED**

**DIRECTORS' REPORT (continued)**

**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). The financial statements are required by law to give a true and fair view of the state of affairs 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 resume 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 1985. 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.234ZA of the Companies Act 1985.

**AUDITORS**

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

Signed by order of the Board



C Hinchliffe  
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**GROSVENOR MANAGEMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2008**

We have audited the financial statements of Grosvenor Management Limited for the year ended 31 December 2008 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**GROSVENOR MANAGEMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2008** *(continued)*

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
London, United Kingdom

3/4/9

.....

**GROSVENOR MANAGEMENT LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 (restated) £
<b>Turnover</b>		—	—
Administrative expenses		(210)	(1,590)
<b>Operating loss</b>	2	(210)	(1,590)
Income from participating interests	4	20,270	21,605
<b>Profit on ordinary activities before taxation</b>		20,060	20,015
Tax on profit on ordinary activities	5	(1,400)	(1,588)
<b>Profit for the financial year</b>	13	18,660	18,427

All results are derived from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.



**GROSVENOR MANAGEMENT LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 £	2007 (restated) £
Profit for the financial year attributable to the shareholders	<b>18,660</b>	18,427
Unrealised loss on revaluation of:		
Investments	<b>(173,678)</b>	(32,085)
Total recognised gains and losses relating to the year	<b>(155,018)</b>	(13,658)
Cumulative effect of prior year adjustments (note 6)	<b>(1,588)</b>	
Total gains and losses recognised since last annual report and financial statements	<b>(156,606)</b>	

The notes on pages 8 to 12 form part of these financial statements.

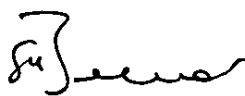





**GROSVENOR MANAGEMENT LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2008**

	Note	2008 £	2007 £
<b>Tangible fixed assets</b>			
Investments	7	<u>446,460</u>	<u>620,138</u>
<b>Current assets</b>			
Debtors	8	<u>100</u>	<u>100</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(429,941)</u>	<u>(429,986)</u>
<b>Net current liabilities</b>		<u>(429,841)</u>	<u>(429,886)</u>
<b>Total assets less current liabilities</b>		<u>16,619</u>	<u>190,252</u>
<b>Capital and reserves</b>			
Called up share capital	11	<u>100</u>	<u>100</u>
Revaluation reserve	12	<u>(3,541)</u>	<u>170,137</u>
Profit and loss account	13	<u>20,060</u>	<u>20,015</u>
<b>Shareholders' funds</b>	14	<u>16,619</u>	<u>190,252</u>

These financial statements were approved by the Board on the - 2 APR 2009 and are signed on its behalf by:

  
 Director

  
 Director

**GROSVENOR MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****1. ACCOUNTING POLICIES****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the current and preceding year with the exception of the policy for taxation which is described further in Note 6. 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) Investments**

Investments held as fixed assets are included in the balance sheet at net asset value and unrealised gains and losses are dealt with in the revaluation reserve, except that if a permanent impairment in value below original cost arises it is taken to the profit and loss account.

**(d) 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.

However, the company's taxation obligations are settled on its behalf by the intermediate holding company Grosvenor Fund Management Limited. This arrangement is recognised as a capital contribution from Grosvenor Fund Management Limited to the company (or distribution from the company to Grosvenor Fund Management Limited where a tax credit arises) with all current and deferred tax assets and liabilities (after the application of group relief, to the extent relevant) recorded in the balance sheet of Grosvenor Fund Management Limited.

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.

A deferred tax charge or credit is recognised in the profit and loss account of the company in respect of timing differences between the recognition of income and expenditure for accounting and taxation purposes. Deferred taxation is not recognised in the profit and loss account 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 Fund Management Limited. Deferred tax assets and liabilities are not discounted. Current UK corporation tax is provided at a group level 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.

**GROSVENOR MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****2. OPERATING LOSS**

Operating loss is stated after charging:

	2008 £	2007 £
Auditors' remuneration		
- for the audit of the annual accounts	<u>210</u>	<u>1,590</u>

£1,260 of auditors' remuneration for Grosvenor Management Limited is being borne by Grosvenor Fund Management UK Limited (2007: £nil).

**3. PARTICULARS OF EMPLOYEES**

No fees or other emoluments were paid to the directors of the company during either the current or the preceding year in respect of their services to the company. The directors are paid by Grosvenor Estate Management Limited. There were no employees of the company for the current or preceding year.

**4. INCOME FROM PARTICIPATING INTERESTS**

	2008 £	2007 £
Income from participating interests	<u>20,270</u>	<u>21,605</u>

**5. TAXATION ON ORDINARY ACTIVITIES****Taxation**

	2008 £	2007 (restated) £
Current tax:		
Corporation tax	-	-
Deferred tax	<u>1,400</u>	<u>1,588</u>
Total current tax	<u>1,400</u>	<u>1,588</u>

**Tax reconciliation:**

	2008 £	2007 (restated) £
Profit on ordinary activities before taxation	<u>20,060</u>	<u>20,015</u>
Profit on ordinary activities multiplied by rate of tax	5,717	6,005
Taxable income not in accounts	-	(698)
Capital gains adjustment	-	4,124
Benefit of "free" group relief	3,378	228
Transfer pricing adjustment	(7,670)	(8,655)
Capital allowances in excess of depreciation	<u>(1,425)</u>	<u>(1,004)</u>
Total current tax	-	-

**GROSVENOR MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****6. PRIOR YEAR ADJUSTMENT**

Comparative figures in the primary financial statements and notes have been restated to reflect the change in the accounting policy for taxation. The taxation obligations of the company are settled by the intermediate holding company, Grosvenor Fund Management Limited, and previously, no tax expense was recognised by the company. The taxation expense of the company is now recognised in the profit and loss account for the year and the economic benefit provided by Grosvenor Fund Management Limited as a result of the settlement agreement is reported as a contribution to the profit and loss reserves of the company.

The effects of the restatement are summarised below:

	2007 £
<b>Profit and loss account</b>	
Increase in tax on profit on ordinary activities	(1,588)
Decrease in profit for the financial year	<u>(1,588)</u>
<b>Balance Sheet</b>	
Decrease in profit for the financial year	(1,588)
Capital contributions received from holding company	<u>1,588</u>
Net movement in net assets	<u>—</u>

**7. INVESTMENTS**

	£
<b>Cost or valuation:</b>	
At 1 January	620,138
Revaluations	<u>(173,678)</u>
At 31 December	<u>446,460</u>
<b>Net book value:</b>	
At 31 December 2008	<u>446,460</u>
At 31 December 2007	<u>620,138</u>

The above represents an investment in the Grosvenor London Office Fund, a UK limited partnership (0.176% share), set up to invest in central London offices, of which the company is general partner. The valuation has been calculated by the directors based on the company's share of the net asset value of the fund. The historic cost of the investment is £450,001.

**8. DEBTORS**

	2008 £	2007 £
Amounts owed by group undertakings	<u>100</u>	<u>100</u>



**GROSVENOR MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****9. CREDITORS: amounts falling due within one year**

	2008 £	2007 £
Amounts owed to group undertakings	429,941	428,785
Other creditors	—	1
Accruals and deferred income	—	1,200
	<u>429,941</u>	<u>429,986</u>

**10. RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by FRS8 'Related party disclosures' not to disclose transactions with Grosvenor Group Limited, fellow subsidiaries of Grosvenor Group Limited or 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.

**11. CALLED UP SHARE CAPITAL****Authorised share capital:**

	2008 £	2007 £
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

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

	2008 £	2007 £
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

**12. REVALUATION RESERVE**

	2008 £	2007 £
At 1 January	170,137	202,222
Revaluation of fixed assets	(173,678)	(32,085)
At 31 December	<u>(3,541)</u>	<u>170,137</u>

**13. PROFIT AND LOSS ACCOUNT**

	2008 £	2007 (restated) £
At 1 January	20,015	23,050
Profit for the financial year	18,660	18,427
Dividends paid	(20,015)	(23,050)
Capital contributions received from holding company	1,400	1,588
At 31 December	<u>20,060</u>	<u>20,015</u>

**GROSVENOR MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £	2007 (restated) £
Profit for the financial year	<b>18,660</b>	18,427
Other net recognised gains and losses	<b>(173,678)</b>	(32,085)
Dividends paid	<b>(20,015)</b>	(23,050)
Capital contributions received from holding intermediate company	<b>1,400</b>	1,588
Net reduction to shareholders' funds	<b>(173,633)</b>	(35,120)
Opening shareholders' funds	<b>190,252</b>	225,372
Closing shareholders' funds	<b>16,619</b>	190,252

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

The company's ultimate parent undertaking and controlling party 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 immediate parent undertaking is Grosvenor Fund Management UK Limited.

The ultimate parent undertaking heads both the largest and 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 Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.

**16. OTHER INFORMATION**

Except as noted, the company holds as nominee for the Grosvenor London Office Fund, a UK limited partnership, 100%, of the legal interest in the following companies, the beneficial interests of which are retained by the Grosvenor London Office Fund.

Almack House Limited  
 40 Grosvenor Place Limited  
 Moorgate Investments Limited  
 10 Grosvenor Street Limited  
 40 Grosvenor Street (GP) Limited  
 25 Moorgate (GP) Limited  
 125 Wood Street Limited  
 9-13 Grosvenor Street (GP) Limited (50%)  
 Belgrave House Investment Limited