

**GROSVENOR MANAGEMENT LIMITED**

**COMPANY REGISTRATION NUMBER 3406618**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2009**

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**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 2009

**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

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 £16,820 (2008 - £20,060)

The directors have not recommended payment of a dividend (2008 - £20,015)

**THE DIRECTORS OF THE COMPANY**

The directors who served the company throughout the year 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

**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.

**GROSVENOR MANAGEMENT LIMITED**

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

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

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 E Robinson  
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**GROSVENOR MANAGEMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2009**

We have audited the financial statements of Grosvenor Management Limited for the year ended 31 December 2009 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 15. 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 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 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**

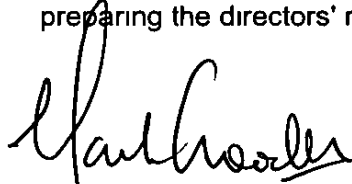
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**GROSVENOR MANAGEMENT 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



Mark Goodey (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

7/7/10

**GROSVENOR MANAGEMENT LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
Turnover		—	—
Administrative expenses		—	(210)
<b>Operating loss</b>	2	—	(210)
Income from participating interests	4	<b>16,820</b>	20,270
<b>Profit on ordinary activities before taxation</b>		<b>16,820</b>	20,060
Tax on profit on ordinary activities	5	<b>(915)</b>	(1,400)
<b>Profit for the financial year</b>		<b>15,905</b>	18,660

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

**GROSVENOR MANAGEMENT LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 £	2008 £
Profit for the financial year attributable to the shareholders	<b>15,905</b>	18,660
Unrealised loss on revaluation of Investments	<b>(23,292)</b>	(173,678)
Total recognised gains and losses relating to the year	<b><u>(7,387)</u></b>	<b><u>(155,018)</u></b>

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

**GROSVENOR MANAGEMENT LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2009**

	Note	2009 £	2008 £
<b>Tangible fixed assets</b>			
Investments	6	<u>423,168</u>	<u>446,460</u>
<b>Current assets</b>			
Debtors	7	—	100
Cash at bank and in hand		<u>10,798</u>	—
		<u>10,798</u>	100
<b>Creditors: amounts falling due within one year</b>	8	<u>(1)</u>	<u>(429,941)</u>
<b>Net current assets/(liabilities)</b>		<u>10,797</u>	<u>(429,841)</u>
<b>Total assets less current liabilities</b>		<u>433,965</u>	<u>16,619</u>
<b>Capital and reserves</b>			
Called up share capital	10	<u>423,918</u>	100
Revaluation reserve	11	<u>(26,833)</u>	<u>(3,541)</u>
Profit and loss account	12	<u>36,880</u>	<u>20,060</u>
<b>Shareholders' funds</b>	13	<u>433,965</u>	<u>16,619</u>

These financial statements were approved by the Board on the  
signed on its behalf by

- 5 JUL 2010 and are

*R. Davis*

Director

R DAVIS

*M. Howard*

Director

M HOWARD

COMPANY REGISTRATION NUMBER 3406618

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



**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.

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 FRS 1 '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.

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 Fund Management Limited. The benefit of 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 recorded in the balance sheet of Grosvenor Fund Management 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 Fund Management Limited. Deferred tax assets and liabilities are not discounted.

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

Operating loss is stated after charging

	2009 £	2008 £
Auditors' remuneration		
- for the audit of the annual accounts	—	210
£1,260 of auditors' remuneration for Grosvenor Management Limited is being borne by Grosvenor Fund Management UK Limited (2008 £1,260)		

**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**

	2009 £	2008 £
Income from participating interests	<u>16,820</u>	<u>20,270</u>

**5. TAXATION ON ORDINARY ACTIVITIES**

	2009 £	2008 £
Current tax		
Corporation tax	—	—
Deferred tax	915	1,400
Total current tax	<u>915</u>	<u>1,400</u>

**Tax reconciliation:**

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>16,820</u>	<u>20,060</u>
Profit on ordinary activities multiplied by rate of tax 28% (2008 - 28.50%)	4,710	5,717
Group relief	(4,710)	3,378
Transfer pricing adjustment	—	(7,670)
Capital allowances in excess of depreciation	—	(1,425)
Total current tax	<u>—</u>	<u>—</u>

**GROSVENOR MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL ACCOUNTS**

**6. INVESTMENTS**

	£
<b>Cost or valuation:</b>	
At 1 January	446,460
Revaluations	<u>(23,292)</u>
At 31 December	<u>423,168</u>
 <b>Net book value:</b>	
<b>At 31 December 2009</b>	<u><b>423,168</b></u>
At 31 December 2008	<u>446,460</u>

The above represents an investment in the Grosvenor London Office Fund, a UK limited partnership, 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.

**7. DEBTORS**

	2009 £	2008 £
Amounts owed by group undertakings	<u>—</u>	<u>100</u>

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

	2009 £	2008 £
Amounts owed to group undertakings	<u>1</u>	<u>429,941</u>
	<u>1</u>	<u>429,941</u>

**9. RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by FRS 8 '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.

**GROSVENOR MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL ACCOUNTS**

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

	2009 £	2008 £
423,918 Ordinary shares of £1 00 each	<u>423,918</u>	<u>100</u>

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

	2009 £	2008 £
423,918 Ordinary shares of £1 00 each	<u>423,918</u>	<u>100</u>

During the year, the company issued 423,818 new shares to the parent company. The £423,818 consideration received was used to settle the intercompany loan with the parent company.

**11. REVALUATION RESERVE**

	2009 £	2008 £
At 1 January	(3,541)	170,137
Revaluation of fixed assets	<u>(23,292)</u>	<u>(173,678)</u>
At 31 December	<u>(26,833)</u>	<u>(3,541)</u>

**12. PROFIT AND LOSS ACCOUNT**

	2009 £	2008 £
At 1 January	20,060	20,015
Profit for the financial year	15,905	18,660
Dividends paid	–	(20,015)
Capital contributions received from holding company	<u>915</u>	<u>1,400</u>
At 31 December	<u>36,880</u>	<u>20,060</u>

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

	2009 £	2008 £
Profit for the financial year	15,905	18,660
Other net recognised gains and losses	(23,292)	(173,678)
New ordinary share capital subscribed	423,818	–
Dividends paid	–	(20,015)
Capital contributions received from holding company	<u>915</u>	<u>1,400</u>
Net addition/(reduction) to shareholders' funds	<u>417,346</u>	<u>(173,633)</u>
Opening shareholders' funds	16,619	190,252
Closing shareholders' funds	<u>433,965</u>	<u>16,619</u>

**GROSVENOR MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL ACCOUNTS**

**14. 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

**15. 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