

POUNDSBRIDGE (MOORGATE) LIMITED

COMPANY REGISTRATION NUMBER 3470600

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2005



POUNDSBRIDGE (MOORGATE) LIMITED**DIRECTORS' REPORT**

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year, the company disposed of its investment in the Moorgate Investment Partnership and is now effectively dormant.

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 6. Profit on ordinary activities before taxation was £348,938 (2004 - £nil).

The directors have recommended the following dividends:

	2005 £	2004 £
Dividends paid on ordinary shares	<u>220,804</u>	<u>—</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

S R H Beevor	(Appointed 12 May 2005)
M Howard	(Appointed 12 May 2005)
R B Mallett	(Appointed 12 May 2005)
N R Scarles	(Appointed 12 May 2005)
R S Handley	(Resigned 12 May 2005)
S H R Musgrave	(Resigned 12 May 2005)
J D T Titchen	(Resigned 12 May 2005)
R C Williams	(Resigned 12 May 2005)

None of the directors in office at 31 December 2005 had any interests in the securities of the company, its controlling entity, Grosvenor London Office Fund, a UK limited partnership, or any other entities within the Grosvenor London Office Fund limited partnership group, which are required to be disclosed under the Companies Act 1985.

R R Davis was appointed as a director on 24 July 2006.

N R Scarles resigned as a director on 24 July 2006

POUNDSBRIDGE (MOORGATE) LIMITED**DIRECTORS' REPORT** *(continued)***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 financial year and of the profit or loss for the year then ended.

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 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, for the system of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

Signed by order of the Board

**30 OCT 2006**

C M Tolhurst
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
POUNDSBRIDGE (MOORGATE) LIMITED
YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements of Poundsbridge (Moorgate) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the historical cost convention and 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 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, 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 or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK & 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
POUNDSBRIDGE (MOORGATE) LIMITED
YEAR ENDED 31 DECEMBER 2005 *(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 2005 and of its profit for the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

31 October 2006

POUNDSBRIDGE (MOORGATE) LIMITED**PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 DECEMBER 2005**

	Note	2005 £	2004 £ Restated
Turnover	3	—	—
Administrative expenses		—	—
Operating profit		—	—
Profit on disposal of investments	6	348,938	—
Profit on ordinary activities before taxation		348,938	—
Tax on profit on ordinary activities	7	—	—
Profit on ordinary activities after taxation		348,938	—
Equity dividends	8	(220,804)	—
Retained profit for the financial year		128,134	—

All results are derived from discontinued operations.

POUNDSBRIDGE (MOORGATE) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £ Restated
Profit for the financial year attributable to the shareholders		348,938	-
Total recognised gains and losses relating to the year		348,938	-
Prior year adjustment (see note 2)		133,616	
Total recognised gains and losses since last annual report		482,554	

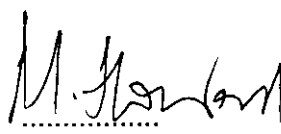
POUNDSBRIDGE (MOORGATE) LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005 £	2004 £ Restated
Tangible fixed assets			
Investments	9	—	8,110,772
Current assets			
Debtors	10	127,048	1
Creditors: amounts falling due within one year	11	—	(8,111,859)
Net current assets/(liabilities)		<u>127,048</u>	<u>(8,111,858)</u>
Total assets less current liabilities		<u>127,048</u>	<u>(1,086)</u>
Capital and reserves			
Called up equity share capital	13	1	1
Profit and loss account	14	127,047	(1,087)
Equity shareholders' funds/(deficit)	15	<u>127,048</u>	<u>(1,086)</u>

These financial statements were approved by the Board on the **30 OCT 2006** and are signed on its behalf by:



 Director



 Director

POUNDSBRIDGE (MOORGATE) 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 United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the current and preceding year.

(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) Deferred taxation

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 assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(d) Taxation

Current UK corporation tax is provided 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.

(e) Fixed asset investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

2. CHANGE OF ACCOUNTING POLICY

The company has changed its accounting policy from accounting for its share of the individual items of income, expenditure, assets, liabilities and cash flows of joint arrangements in accordance with FRS 9 'Associates and Joint Ventures', to accounting for its incorporated joint arrangements as trade investments, in accordance with the Companies Act 1985. This change in accounting policy has been made in order that the accounting policies of the company are consistent with other companies held within the group of companies headed up by Grosvenor London Office Fund. The balance sheet and profit and loss account at 31 December 2004 have been restated to reflect this change in accounting policy. The impact is to increase net assets by £428,165, and reduce retained loss for the year by £133,616.

3. TURNOVER

All turnover derives from the company's principal activities and arises entirely in the United Kingdom.

4. AUDITORS' REMUNERATION

Auditors' remuneration for Poundsbridge (Moorgate) Limited has been borne by its controlling entity Grosvenor London Office Fund, a UK limited partnership, in the current year and was borne by a fellow subsidiary undertaking in the prior year

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5. PARTICULARS OF EMPLOYEES**

No fees or other emoluments were paid to the directors of the company during either the current or the prior 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 prior year.

6. PROFIT ON DISPOSAL OF INVESTMENTS

	2005 £	2004 £
Proceeds on disposal of investment	8,459,710	—
Value of investment at 1 January	(8,110,772)	—
Profit on disposal of investments	<u>348,938</u>	<u>—</u>

7. TAXATION**(a) Current taxation**

	2005 £	2004 £
In respect of the current period:		
Current taxation charge for the period	<u>—</u>	<u>—</u>

(b) Taxation reconciliation

The standard rate of taxation for the period, based on the UK standard rate of corporation tax is 30%. The difference between the standard rate of taxation and the effective rate arises from the items set out below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>348,938</u>	<u>—</u>
Factors affecting charge for the period:		
Tax on profit on ordinary activities at standard rate	104,681	—
Non taxable gain	<u>(104,681)</u>	<u>—</u>
Current taxation charge for the period	<u>—</u>	<u>—</u>

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****8. DIVIDENDS**

	2005 £	2004 £
Dividend paid on ordinary shares (£222,084 per share (2004: £nil per share))	<u>220,804</u>	<u>—</u>

9. INVESTMENTS**Unlisted shares**

	£
Cost:	
At 1 January 2005 (Restated)	8,110,772
Disposal	<u>(8,110,772)</u>
At 31 December 2005	<u>—</u>
Net book value:	
At 31 December 2005	<u>—</u>
At 31 December 2004	<u>8,110,772</u>

The company disposed of the following investments in the year:

	Nature of business
Moorgate GP Limited	General Partner
Moorgate Investment Partnership	Property Investment

10. DEBTORS

	2005 £	2004 £
		Restated
Amounts owed by immediate parent company	<u>127,048</u>	<u>1</u>

11. CREDITORS: amounts falling due within one year

	2005 £	2004 £
		Restated
Amounts owed to group undertakings	—	7,774,549
Other creditors	—	<u>337,310</u>
	<u>—</u>	<u>8,111,859</u>

POUNDSBRIDGE (MOORGATE) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****12. RELATED PARTY TRANSACTIONS**

The company has applied the exemption granted by FRS8 'Related party disclosures' not to disclose transactions with Grosvenor London Office Fund, a UK limited partnership, or any undertaking within the Grosvenor London Office Fund limited partnership group 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.

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

	2005	2004
	£	£
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005	2004
	£	£
1 ordinary share of £1.00 each	<u>1</u>	<u>1</u>

14. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
At 1 January	(1,087)	Restated (1,087)
Retained profit for the financial year	<u>128,134</u>	<u>—</u>
At 31 December	<u>127,047</u>	<u>(1,087)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2005	2004
	£	£
Profit for the financial year	348,938	Restated —
Dividends	<u>(220,804)</u>	<u>—</u>
	128,134	—
Opening equity shareholders' deficit	<u>(1,086)</u>	<u>(1,086)</u>
Closing equity shareholders' funds/(deficit)	<u>127,048</u>	<u>(1,086)</u>

POUNDSBRIDGE (MOORGATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking and controlling entity is Grosvenor London Office Fund, a UK limited partnership. Grosvenor Strategic Developments Limited, a company incorporated in the United Kingdom, is the immediate holding company. Copies of the financial statements of Grosvenor Strategic Developments Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate parent undertaking heads the largest and smallest group of undertakings of which the company is a member and for which consolidated accounts are prepared.