

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**

COMPANY REGISTRATION NUMBER 3580616

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**

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**GROSVENOR BASINGSTOKE 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 2007

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is to act as general partner to Grosvenor Festival Place Fund. The company jointly holds the legal interest as nominee on behalf of the Grosvenor Festival Place Fund, a UK limited partnership, in the Festival Place Shopping Centre, Basingstoke

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

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 5. Profit on ordinary activities before taxation was £6,758 (2006 - £8,242)

The following dividends have been paid

	2007 £	2006 £
Dividends paid on ordinary shares	<u>8,242</u>	<u>11,484</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  
M Howard  
R B Mallett  
R R 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). 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.

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**

**DIRECTORS' REPORT** *(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 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**

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

  
21 APR 2008  
C M Tolhurst  
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2007**

We have audited the financial statements of Grosvenor Basingstoke Management Limited for the year ended 31 December 2007 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 13. 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 BASINGSTOKE MANAGEMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2007** *(continued)*

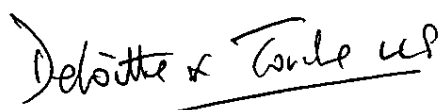
**OPINION**

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 2007 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 & Touche LLP  
Chartered Accountants and Registered Auditors  
London, United Kingdom

22 April 2008

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>Turnover</b>		—	—
Administrative expenses		(1,677)	(1,182)
<b>Operating loss</b>	2	(1,677)	(1,182)
Income from participating interests	4	8,435	9,424
<b>Profit on ordinary activities before taxation</b>		6,758	8,242
Tax on profit on ordinary activities	5	—	—
<b>Profit for the financial year</b>	11	6,758	8,242

All results are derived from continuing operations

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 £	2006 £
Profit for the financial year attributable to the shareholders	<b>6,758</b>	8,242
Unrealised (loss)/profit on revaluation of Investments	<b>(9,242)</b>	50,488
Total recognised (losses)/gains relating to the year	<b><u>(2,484)</u></b>	<u>58,730</u>

The notes on pages 8 to 11 form part of these financial statements

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>Tangible fixed assets</b>			
Investments	6	<u>331,366</u>	<u>340,608</u>
<b>Current assets</b>			
Cash at bank and in hand		7,945	10,459
<b>Creditors: amounts falling due within one year</b>	7	<u>(225,606)</u>	<u>(226,636)</u>
<b>Net current liabilities</b>		<u>(217,661)</u>	<u>(216,177)</u>
<b>Total assets less current liabilities</b>		<u>113,705</u>	<u>124,431</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Revaluation reserve	10	106,847	116,089
Profit and loss account	11	<u>6,758</u>	<u>8,242</u>
<b>Shareholders' funds</b>	12	<u>113,705</u>	<u>124,431</u>

These financial statements were approved by the Board on the 21 APR 2008 and are signed on its behalf by



Director



Director



**GROSVENOR BASINGSTOKE 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.

**(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) 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.

**(e) Taxation**

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.

**2. OPERATING LOSS**

Operating loss is stated after charging

	2007 £	2006 £
Auditors' remuneration		
- for the audit of the annual accounts	<u>1,590</u>	<u>1,130</u>

**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**

	2007 £	2006 £
Income from participating interests	<u>8,435</u>	<u>9,424</u>

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****5. TAXATION**

The taxation charge will be borne by the intermediate holding company Grosvenor Fund Management Limited both in the current and preceding year

**6. INVESTMENTS**

	Participating interests £
<b>Cost or valuation:</b>	
At 1 January 2007	340,608
Revaluations	(9,242)
At 31 December 2007	<u>331,366</u>
<b>Net book value:</b>	
At 31 December 2007	<u>331,366</u>
At 31 December 2006	<u>340,608</u>

The above represents an investment in Grosvenor Festival Place Fund, a United Kingdom limited partnership set up to invest in Festival Place shopping centre, 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 £224,518

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

	2007 £	2006 £
Amounts owed to group undertakings	224,396	224,396
Other creditors	10	10
Accruals and deferred income	1,200	2,230
	<u>225,606</u>	<u>226,636</u>

**8. 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 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

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****9. CALLED UP SHARE CAPITAL****Authorised share capital:**

	2007 £	2006 £
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>

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

	2007 £	2006 £
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>

**10. REVALUATION RESERVE**

	2007 £	2006 £
At 1 January	116,089	65,602
Revaluation of fixed assets	<u>(9,242)</u>	<u>50,487</u>
At 31 December	<u>106,847</u>	<u>116,089</u>

**11. PROFIT AND LOSS ACCOUNT**

	2007 £	2006 £
At 1 January	8,242	11,484
Profit for the financial year	6,758	8,242
Dividends paid	<u>(8,242)</u>	<u>(11,484)</u>
At 31 December	<u>6,758</u>	<u>8,242</u>

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

	2007 £	2006 £
Profit for the financial year	6,758	8,242
Other net recognised gains and losses	<u>(9,242)</u>	<u>50,487</u>
Dividends paid	<u>(8,242)</u>	<u>(11,484)</u>
Net (reduction)/addition to shareholders' funds	<u>(10,726)</u>	<u>47,245</u>
Opening shareholders' funds	<u>124,431</u>	<u>77,186</u>
Closing shareholders' funds	<u>113,705</u>	<u>124,431</u>

**GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL ACCOUNTS**

**13. 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 the largest and 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, Crown Way, Maindy, Cardiff, CF14 3UZ