

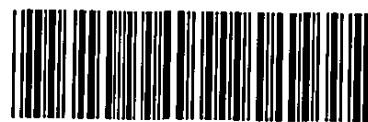
GROSVENOR BASINGSTOKE MANAGEMENT LIMITED

COMPANY REGISTRATION NUMBER 3580616

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2009

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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 2009

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.

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 £83 (2008 - £6,153).

The directors have not recommended payment of a dividend (2008 - £6,758).

THE DIRECTORS OF THE COMPANY

The directors who served the company throughout the year 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). 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 BASINGSTOKE 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

A handwritten signature in black ink, appearing to read 'K E Robinson', written in a cursive style.

K E Robinson
Company Secretary

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

We have audited the financial statements of Grosvenor Basingstoke 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 13. 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 loss 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

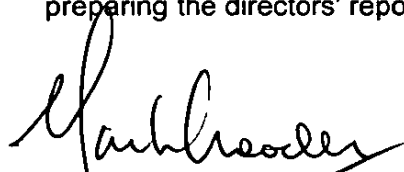
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GROSVENOR BASINGSTOKE 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

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

	Note	2009 £	2008 £
Turnover		—	—
Administrative expenses		(52)	(261)
Operating loss	2	(52)	(261)
Income from participating interests	4	135	6,414
Profit on ordinary activities before taxation		83	6,153
Tax on profit on ordinary activities	5	(509)	(700)
(Loss)/Profit for the financial year		(426)	5,453

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

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

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

	Note	2009 £	2008 £
(Loss)/profit for the financial year attributable to the shareholders		(426)	5,453
Unrealised loss on revaluation of Investments	6	(86,468)	(90,658)
Total recognised gains and losses relating to the year		<u>(86,894)</u>	<u>(85,205)</u>

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

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

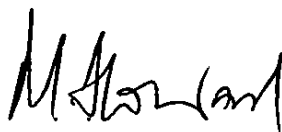
	Note	2009 £	2008 £
Tangible fixed assets			
Investments	6	<u>154,240</u>	<u>240,708</u>
Current assets			
Cash at bank and in hand		6,223	6,140
Creditors: amounts falling due within one year	7	<u>(10)</u>	<u>(224,406)</u>
Net current assets/(liabilities)		<u>6,213</u>	<u>(218,266)</u>
Total assets less current liabilities		<u>160,453</u>	<u>22,442</u>
Capital and reserves			
Called up share capital	9	224,496	100
Revaluation reserve	10	(70,279)	16,189
Profit and loss account	11	6,236	6,153
Shareholders' funds	12	<u>160,453</u>	<u>22,442</u>

These financial statements were approved by the Board on the - 5 JUL 2010 and are signed on its behalf by



Director

R MALLETT



Director

M HOWARD

COMPANY REGISTRATION NUMBER 3580616

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

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 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 BASINGSTOKE 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	<u>—</u>	<u>210</u>

£1,260 of auditor's remuneration for Grosvenor Basingstoke 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>135</u>	<u>6,414</u>

5. TAXATION ON ORDINARY ACTIVITIES

	2009 £	2008 £
Current tax		
Corporation tax	—	—
Deferred tax	<u>509</u>	<u>700</u>
Total current tax	<u>509</u>	<u>700</u>

Tax reconciliation:

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>83</u>	<u>6,153</u>
Profit on ordinary activities multiplied by rate of tax 28% (2008 - 28.50%)	23	1,754
Group relief	(23)	2,967
Transfer pricing adjustment	—	(4,009)
Capital allowances in excess of depreciation	—	(712)
Total current tax	<u>—</u>	<u>—</u>

GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****6. INVESTMENTS**

	Participating interests £
Cost or valuation:	
At 1 January	240,708
Revaluations	(86,468)
At 31 December	<u>154,240</u>
Net book value:	
At 31 December 2009	<u>154,240</u>
At 31 December 2008	<u>240,708</u>

The above represents an investment in Grosvenor Festival Place Fund, a UK 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

	2009 £	2008 £
Amounts owed to group undertakings	–	224,395
Other creditors	<u>10</u>	<u>11</u>
	<u>10</u>	<u>224,406</u>

8. 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 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.

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

	2009 £	2008 £
224,496 Ordinary shares of £1.00 each	<u>224,496</u>	<u>100</u>

Allotted, called up and fully paid:

	2009 £	2008 £
224,496 Ordinary shares of £1.00 each	<u>224,496</u>	<u>100</u>

During the year, the company issued 224,396 new shares to the parent company. The £224,396 consideration received was used to settle the intercompany loan with the parent company.

GROSVENOR BASINGSTOKE MANAGEMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****10. REVALUATION RESERVE**

	2009 £	2008 £
At 1 January	16,189	106,847
Revaluation of fixed assets	(86,468)	(90,658)
At 31 December	<u>(70,279)</u>	<u>16,189</u>

11. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
At 1 January	6,153	6,758
Profit for the financial year	(426)	5,453
Dividends paid	—	(6,758)
Capital contributions received from holding company	509	700
At 31 December	<u>6,236</u>	<u>6,153</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	(426)	5,453
Other net recognised gains and losses	(86,468)	(90,658)
New ordinary share capital subscribed	224,396	—
Dividends paid	—	(6,758)
Capital contributions received from holding company	509	700
Net addition/(reduction) to shareholders' funds	138,011	(91,263)
Opening shareholders' funds	22,442	113,705
Closing shareholders' funds	<u>160,453</u>	<u>22,442</u>

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, Mandy, Cardiff, CF14 3UZ