

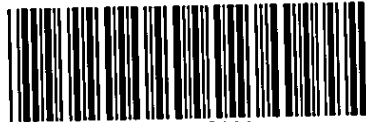
40 GROSVENOR PLACE LIMITED

COMPANY REGISTRATION NUMBER 4053613

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2008

THURSDAY



AIE5HC6A

A16

06/08/2009

385

COMPANIES HOUSE

40 GROSVENOR PLACE 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 holding company for a subsidiary involved in property investment in the UK.

As at 31 December 2008, the company had net liabilities of £12,359,716. Grosvenor London Office Fund has confirmed in writing that 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 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 5. Loss on ordinary activities before taxation was £4,716,722 (2007 - £5,096,675 loss).

The directors have not recommended payment of a dividend (2007 - £nil).

THE DIRECTORS OF THE COMPANY

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

M Howard
S R H Beevor
R R Davis
R B Mallett

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 presume that the company will continue in business.

40 GROSVENOR PLACE LIMITED

DIRECTORS' REPORT *(continued)*

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 is deemed to be reappointed accordingly

Signed on behalf of the directors

 23 July 2009

R B Mallett
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
40 GROSVENOR PLACE LIMITED
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of 40 Grosvenor Place Limited for the year ended 31 December 2008 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes 1 to 15. 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 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

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
40 GROSVENOR PLACE 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 loss 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

24/7/9
.....

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

	Note	2008 £	2007 £
Administrative expenses		(52)	(52)
Operating loss		(52)	(52)
Interest receivable and similar income		34	144
Interest payable and similar charges	4	(4,716,704)	(5,096,767)
Loss on ordinary activities before taxation		(4,716,722)	(5,096,675)
Tax on loss on ordinary activities	5	827,394	1,217,238
Loss for the financial year	11	(3,889,328)	(3,879,437)

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.

40 GROSVENOR PLACE LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2008**

	Note	2008 £	2007 £
Tangible fixed assets			
Investments	6	<u>42,275,937</u>	<u>42,275,937</u>
Current assets			
Debtors	7	10,412,234	14,149,639
Cash at bank and in hand		<u>913</u>	<u>931</u>
		10,413,147	14,150,570
Creditors: amounts falling due within one year	8	<u>(65,562,669)</u>	<u>(65,413,767)</u>
Net current liabilities		<u>(55,149,522)</u>	<u>(51,263,197)</u>
Total assets less current liabilities		<u>(12,873,585)</u>	<u>(8,987,260)</u>
Provisions for liabilities			
Deferred taxation	9	<u>(3,003)</u>	<u>—</u>
Net liabilities		<u>(12,876,588)</u>	<u>(8,987,260)</u>
Capital and reserves			
Called up share capital	11	6,520,100	6,520,100
Profit and loss account	12	<u>(19,396,688)</u>	<u>(15,507,360)</u>
Shareholders' deficit	13	<u>(12,876,588)</u>	<u>(8,987,260)</u>

These financial statements were approved by the Board on the 23 July 2009 and are signed on its behalf by:


Director


Director

40 GROSVENOR PLACE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	13	3,886,255	3,875,578
Returns on investments and servicing of finance			
Interest received		34	144
Interest paid		(4,716,704)	(5,096,767)
Net cash outflow from returns on investments and servicing of finance		(4,716,670)	(5,096,623)
Taxation		830,397	1,217,238
ACQUISITIONS AND DISPOSALS			
Acquisition of shares in group undertakings		—	(100)
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		—	(100)
Decrease in cash	13	(18)	(3,907)

The notes on page 7 form part of these financial statements.

40 GROSVENOR PLACE LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****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 with the exception of the policy for taxation.

The directors' report describes the going concern basis of preparation of the financial statements.

(b) 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.

(c) Consolidation

The company has taken advantage of the exemption granted under s248 Companies Act 1985 not to prepare group accounts, as the group qualifies as a medium group.

(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) Investments

Investments held as fixed assets are stated at costs less provision for impairment.

2. AUDITORS' REMUNERATION

Auditors remuneration for 40 Grosvenor Place Limited is £1,080 (2007 - £1,050) and has been borne by Grosvenor London Office Fund, a UK limited partnership, in both years.

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. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Other interest payable	<u>4,716,704</u>	<u>5,096,767</u>

40 GROSVENOR PLACE LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****5. TAXATION ON ORDINARY ACTIVITIES**

Taxation	2008 £	2007 £
Current tax:		
UK Corporation tax	<u>(830,397)</u>	<u>(1,217,238)</u>
Total current tax	<u>(830,397)</u>	<u>(1,217,238)</u>
Deferred tax:		
Origination and reversal of timing differences	<u>3,003</u>	<u>-</u>
Tax on loss on ordinary activities	<u>(827,394)</u>	<u>(1,217,238)</u>
Tax reconciliation:		
	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(4,716,722)</u>	<u>(5,096,675)</u>
Factors affecting the charge for the period:		
Loss on ordinary activities multiplied by rate of tax	<u>(1,344,266)</u>	<u>(1,529,003)</u>
Tax on share of income in investment holdings	<u>1,638</u>	<u>2,123</u>
Prior year adjustments	<u>300,783</u>	<u>-</u>
Brought forward losses utilised	<u>(1,740)</u>	<u>-</u>
Transfer pricing adjustment	<u>213,188</u>	<u>-</u>
Group relief	<u>1,131,077</u>	<u>1,217,238</u>
Consideration for loss surrender	<u>(1,131,077)</u>	<u>(1,217,238)</u>
Deferred tax asset not recognised on losses	<u>-</u>	<u>309,642</u>
Total current tax	<u>(830,397)</u>	<u>(1,217,238)</u>

6. INVESTMENTS**SUBSIDIARY UNDERTAKINGS**

	£
Cost:	
At 1 January 2008 and 31 December 2008	<u>42,275,937</u>
Net book value:	
At 31 December 2008	<u>42,275,937</u>
At 31 December 2007	<u>42,275,937</u>

The company owns 100% of the issued share capital of Victoria Investments (London) Limited, a property investment company incorporated in Great Britain, and 91% of the issued units of 40 Grosvenor Place Unit Trust, a property unit trust registered in Jersey.

7. DEBTORS

	2008 £	2007 £
Amounts owed by group undertakings	<u>10,412,234</u>	<u>14,149,639</u>

40 GROSVENOR PLACE LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****8. CREDITORS: amounts falling due within one year**

	2008 £	2007 £
Amounts owed to group undertakings	<u>65,562,669</u>	<u>65,413,767</u>

9. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008 £	2007 £
Profit and loss account movement arising during the year	<u>3,003</u>	-
Provision carried forward	<u>3,003</u>	-

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	6,623	-
Other timing differences	<u>(3,620)</u>	-
	<u>3,003</u>	-

10. RELATED PARTY TRANSACTIONS

During the period under review there were no transactions or balances with related parties which require disclosure.

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

	2008 £	2007 £
6,520,100 Ordinary shares of £1.00 each	<u>6,520,100</u>	<u>6,520,100</u>

Allotted, called up and fully paid:

	2008 £	2007 £
6,520,100 Ordinary shares of £1.00 each	<u>6,520,100</u>	<u>6,520,100</u>

12. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
At 1 January	(15,507,360)	(11,627,923)
Loss for the financial year	<u>(3,889,328)</u>	<u>(3,879,437)</u>
At 31 December	<u>(19,396,688)</u>	<u>(15,507,360)</u>

40 GROSVENOR PLACE LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2008 £	2007 £
Loss for the financial year	(3,889,328)	(3,879,437)
Opening shareholders' deficit	(8,987,260)	(5,107,823)
Closing shareholders' deficit	<u>(12,876,588)</u>	<u>(8,987,260)</u>

14. NOTES TO THE STATEMENT OF CASH FLOWS**RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2008 £	2007 £
Operating loss	(52)	(52)
Decrease in debtors	3,737,405	3,485,997
Increase in creditors	148,902	389,633
Net cash inflow from operating activities	<u>3,886,255</u>	<u>3,875,578</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	2007 £
Decrease in cash in the period	(18)	(3,907)
Movement in net funds in the period	(18)	(3,907)
Net funds at 1 January 2008	931	4,838
Net funds at 31 December 2008	<u>913</u>	<u>931</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	931	(18)	913
Net funds	<u>931</u>	<u>(18)</u>	<u>913</u>

15. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking and controlling entity is Grosvenor London Office Fund, a UK limited partnership.

The immediate and 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.