

GROSVENOR TECHNOPOLE INVESTMENT LIMITED

COMPANY REGISTRATION NUMBER 4056276

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2008

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GROSVENOR TECHNOPOLE INVESTMENT 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 property investment.

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.

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 Limited.

As at 31 December 2008, the company had net liabilities of £9,055,693. Grosvenor Limited has confirmed 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.

RESULTS AND DIVIDENDS

The results of the company for the year are shown on page 6. Loss on ordinary activities before taxation was £2,891,056 (2007 - £5,701 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:

J E Irvine	
R C Williams	
R F C Blundell	(Appointed 3 April 2008)
P S Vernon	(Appointed 1 July 2008)
R S Handley	(Resigned 3 April 2008)
M R Preston	(Resigned 30 June 2008)

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 TECHNOPOLE INVESTMENT 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

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 Robinson
Company Secretary

- 6 MAR 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GROSVENOR TECHNOPOLE INVESTMENT LIMITED
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Grosvenor Technopole Investment Limited for the year ended 31 December 2008 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet 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 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 TECHNOPOLE INVESTMENT 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

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-6 MAR 2009

GROSVENOR TECHNOPOLE INVESTMENT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 (restated) £
Turnover	2	1,260,434	1,062,228
Cost of sales		(1,158,474)	(1,054,336)
Gross profit		101,960	7,892
Administrative expenses		(581)	(13,593)
Operating profit/(loss)	3	101,379	(5,701)
Writedown of investment property under development	7	(2,992,435)	—
		(2,891,056)	(5,701)
Loss on ordinary activities before taxation		(2,891,056)	(5,701)
Tax on loss on ordinary activities	5	(72,920)	(115,483)
Loss for the financial year		(2,963,976)	(121,184)

All results are derived from continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

GROSVENOR TECHNOPOLE INVESTMENT LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2008

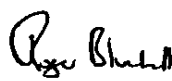
	2008 £	2007 (restated) £
Loss for the financial year attributable to the shareholders	(2,963,976)	(121,184)
UITF 28 adjustment to property valuation	73,952	(64,123)
Unrealised loss on revaluation of investment properties	(5,730,268)	(478,664)
Total recognised gains and losses relating to the year	<u>(8,620,292)</u>	<u>(663,971)</u>

The notes on pages 8 to 13 form part of these financial statements.

GROSVENOR TECHNOPOLE INVESTMENT LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2008**

	Note	2008 £	2007 (restated) £
Fixed assets			
Investment properties	7	<u>9,342,014</u>	<u>17,827,226</u>
Current assets			
Debtors	8	<u>470,080</u>	<u>376,993</u>
Creditors: amounts falling due within one year	9	<u>(18,867,787)</u>	<u>(18,712,540)</u>
Net current liabilities		<u>(18,397,707)</u>	<u>(18,335,546)</u>
Total assets less current liabilities		<u>(9,055,693)</u>	<u>(508,321)</u>
Capital and reserves			
Called up share capital	11	<u>100</u>	<u>100</u>
Revaluation reserve	12	<u>(4,270,788)</u>	<u>1,385,528</u>
Profit and loss account	13	<u>(4,785,005)</u>	<u>(1,893,949)</u>
Shareholders' deficit	14	<u>(9,055,693)</u>	<u>(508,321)</u>

These financial statements were approved by the Board on the - 6 MAR 2009 and are signed on its behalf by:



Director



Director

GROSVENOR TECHNOPOLE INVESTMENT 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 with the exception of the policy for taxation which is described further in Note 6.

The company is a wholly owned subsidiary of Grosvenor Group Limited, its ultimate parent undertaking, which is incorporated in Great Britain and registered in England and Wales and prepares consolidated financial statements. Consequently the company is not required to prepare consolidated financial statements.

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 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) Turnover

The turnover shown in the profit and loss account represents rents and service charges receivable in the year, excluding VAT.

(d) Depreciation

In accordance with SSAP 19 (Revised) 'Accounting for Investment Properties' no depreciation is provided on freehold or on leasehold properties with an unexpired term exceeding twenty years. The directors consider that this departure from the requirement of the Companies Act 1985 for all properties to be depreciated is necessary for the financial statements to show a true and fair view, since depreciation is reflected in the open market valuation and cannot be quantified separately.

Depreciation is provided on short leasehold properties with twenty years or less unexpired over the period of the lease.

Other fixed assets are depreciated on a straight line basis over eight years.

(e) Investment properties

Investment properties are valued annually at open market value by independent valuers. Any surplus or deficit on revaluation is transferred to the revaluation reserve, except that if a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged or credited to the profit and loss account.

Investment properties under development are stated at cost, except where the directors consider that the value has fallen below cost, when they are revalued to the lower amount.

GROSVENOR TECHNOPOLE INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS**

Profits and losses on the disposal of investment properties are recognised on unconditional exchange of contracts and are calculated by reference to book value and are included in the profit and loss account. On the disposal or recognition of a provision for impairment of a revalued asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

(f) 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.

However, the company's taxation obligations are settled on its behalf by the intermediate holding company Grosvenor Limited. This arrangement is recognised as a capital contribution from Grosvenor Limited to the company (or distribution from the company to Grosvenor Limited where a tax credit arises) with all current and deferred tax assets and liabilities (after the application of group relief, to the extent relevant) recorded in the balance sheet of Grosvenor Limited.

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.

A deferred tax charge or credit is recognised in the profit and loss account of the company in respect of timing differences between the recognition of income and expenditure for accounting and taxation purposes. Deferred taxation is not recognised in the profit and loss account 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 Limited. Deferred tax assets and liabilities are not discounted.

(g) Leases

Rental income from operating leases is recognised on a straight line basis over the lease term, even if the payments are not received on such a basis. Benefits provided as an incentive to sign an operating lease are similarly spread, in accordance with UITF 28, on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

(h) Government grants

An unconditional government grant is recognised in the profit and loss account as turnover when the grant becomes receivable. Any other government grant is recognised in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions attaching to it. Grants that compensate the Company for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company for the cost of an asset are deducted from the carrying amount of the asset.

GROSVENOR TECHNOPOLE INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****2. TURNOVER**

The turnover and loss before tax are attributable to property investment and arise within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2008 £	2007 £
Depreciation	6,899	6,899
Auditors' remuneration		
- for the audit of the annual accounts	—	2,100

Auditors' remuneration in 2008 of £2,200 was borne by Grosvenor Estate Management Limited, a fellow subsidiary undertaking.

4. 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.

5. TAXATION ON ORDINARY ACTIVITIES

	2008 £	2007 (restated) £
Deferred tax:		
Original and reversal of timing differences	(72,920)	(115,483)
Deferred tax	(72,920)	(115,483)
Total tax on profit on ordinary activities	(72,920)	(115,483)
Tax reconciliation:		
Loss on ordinary activities before taxation	(2,891,056)	(5,701)
Tax on ordinary activities at the standard UK corporation tax rate of 28.5% (2007 – 30%)	(823,951)	(1,710)
Effect of:		
Capital allowances in excess of depreciation	(74,222)	(123,732)
Expenses not deductible for tax	-	1,146
Impairment of investment property	852,844	-
Group relief received/ (surrendered) free of charge	314,811	425,159
Transfer pricing adjustment	(269,482)	(300,863)
Total Current tax	-	-

GROSVENOR TECHNOPOLE INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****6. PRIOR YEAR ADJUSTMENT**

Comparative figures in the primary financial statements and notes have been restated to reflect the change in the accounting policy for taxation. The taxation obligations of the company are settled by the intermediate holding company, Grosvenor Limited, and previously, no tax expense was recognised by the company. The taxation expense of the company is now recognised in the profit and loss account for the year and the economic benefit provided by Grosvenor Limited is reported as a contribution to the profit and loss reserves of the company.

The effects of the restatement are summarised below:

	2007 £
Profit and loss account	
Increase in tax on profit on ordinary activities	(115,483)
Decrease in profit for the financial year	<u>(115,483)</u>
Balance Sheet	
Decrease in profit for the financial year	(115,483)
Capital contributions received from holding company	<u>115,483</u>
Net movement in net assets	<u>—</u>

7. INVESTMENT PROPERTIES AND FIXTURES AND FITTINGS

	Long Leasehold £	Fixtures & Equipment £	Total £
Cost or valuation			
At 1 January 2008	17,783,194	55,189	17,838,383
Additions	170,438	—	170,438
Revaluation	(5,730,268)	—	(5,730,268)
UITF 28 adjustment to property valuation	73,952	—	73,952
Writedown of investment property under development	(2,992,435)	—	(2,992,435)
At 31 December 2008	<u>9,304,881</u>	<u>55,189</u>	<u>9,360,070</u>
Depreciation			
At 1 January 2008	—	11,157	11,157
Charge for the year	—	6,899	6,899
At 31 December 2008	<u>—</u>	<u>18,056</u>	<u>18,056</u>
Net book value			
At 31 December 2008	<u>9,304,881</u>	<u>37,133</u>	<u>9,342,014</u>
At 31 December 2007	<u>17,783,194</u>	<u>44,032</u>	<u>17,827,226</u>

GROSVENOR TECHNOPOLE INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS**

Long leasehold investment properties were valued at 31 December 2008 by DTZ Debenham Tie Leung on the basis of open market value as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

In their valuation report, the valuers have noted that as a result of the abnormal market conditions currently prevailing, there is a greater than usual degree of uncertainty in respect of valuations of investment properties.

The historical cost of properties was £13,575,670 (2007 - £16,397,667).

The taxation on capital gains which would be payable on the revaluation of fixed assets, in the event of their sale at valuation, is estimated to be approximately £nil (2007 - £nil).

8. DEBTORS: amounts falling due within one year

	2008	2007
	£	£
Trade debtors	173,658	64,796
Other debtors	146,303	88,127
Prepayments and accrued income	150,119	224,070
	<u>470,080</u>	<u>376,993</u>

9. CREDITORS: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	38,893	32,964
Amounts owed to group undertakings	15,271,211	14,899,209
Other creditors	241,307	490,572
Accruals and deferred income	3,316,376	3,289,795
	<u>18,867,787</u>	<u>18,712,540</u>

10. 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.

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

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

Allotted, called up and fully paid:

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

GROSVENOR TECHNOPOLE INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****12. REVALUATION RESERVE**

	2008 £	2007 £
At 1 January	1,385,528	1,928,315
Revaluation of fixed assets	(5,730,268)	(478,664)
UITF 28 adjustment to property valuation	73,952	(64,123)
At 31 December	<u>(4,270,788)</u>	<u>1,385,528</u>

13. PROFIT AND LOSS ACCOUNT

	2008 £	2007 (restated) £
At 1 January	(1,893,949)	(1,888,248)
Loss for the financial year	(2,963,976)	(121,184)
Capital contributions received from holding company	72,920	115,483
At 31 December	<u>(4,785,005)</u>	<u>(1,893,949)</u>

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

	2008 £	2007 (restated) £
Loss for the financial year	(2,963,976)	(121,184)
Other net recognised gains and losses	(5,730,268)	(478,664)
Capital contributions received from holding company	72,920	115,483
UITF 28 adjustment to property valuation	73,952	(64,123)
Net reduction in shareholders' deficit	(8,547,372)	(548,488)
Opening shareholders' (deficit)/funds	(508,321)	40,167
Closing shareholders' deficit	<u>(9,055,693)</u>	<u>(508,321)</u>

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's ultimate parent undertaking 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 ultimate parent undertaking heads the largest group of undertakings of which the company is a member and for which group accounts are prepared. Grosvenor Limited, an intermediate holding company, heads the smallest group of undertakings of which the company is a member and for which group accounts are prepared. Grosvenor Limited is the immediate holding company.

Copies of the consolidated financial statements of Grosvenor Group Limited and Grosvenor Limited can be obtained from Companies House, 3 Crown Way, Maindy, Cardiff, CF14 3UZ.