

**CAMBRIDGE RETAIL INVESTMENT LIMITED**

COMPANY REGISTRATION NUMBER 4377935

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

TUESDAY



\*L5ZZ4QCU\*

LD5

12/06/2007

300

COMPANIES HOUSE

## **CAMBRIDGE RETAIL 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 2006

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was property investment through its investment in the Grand Arcade Partnership

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(a) of the Companies Act 1985 not to present a business review in accordance with S 234ZZB 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 £11,952 (2005 - £11,626)

The directors have not recommended payment of a dividend (2005 - £nil)

#### **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

W J A Bullough	
R S Handley	
P S Vernon	
S J Curtis	(Appointed 30 June 2006)
M R Preston	(Appointed 30 June 2006)
D J P Rawcliffe	(Appointed 1 February 2006)
J Greenwood	(Resigned 30 June 2006)
S H R Musgrave	(Resigned 30 June 2006)
R C Williams	(Resigned 1 February 2006)

None of the directors in office at 31 December 2006 had any interests in the securities of the company, Grosvenor Group Limited, its ultimate parent undertaking, or any of its fellow subsidiary undertakings which are required to be disclosed under the Companies Act 1985

W J A Bullough resigned as a director on 9 February 2007

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual report and the financial statement 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 statement 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 at the end of the financial year and of the profit or loss of the company for the year then ended

In preparing those financial statements, the directors are required to

select suitable accounting policies and then apply them consistently,

**CAMBRIDGE RETAIL INVESTMENT LIMITED**

**DIRECTORS' REPORT** *(continued)*

make judgements and estimates that are reasonable and prudent,

state whether applicable United Kingdom 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 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, for the system of internal control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In 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**

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



C M Tolhurst  
Company Secretary

27 APR 2007

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**CAMBRIDGE RETAIL INVESTMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2006**

We have audited the financial statements of Cambridge Retail Investment Limited for the year ended 31 December 2006 which comprise the profit and loss account, balance sheet and the related notes 1 to 14. 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 Annual Report and 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### **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**  
**CAMBRIDGE RETAIL INVESTMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2006** *(continued)*

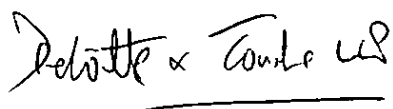
**OPINION**

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 2006 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

A handwritten signature in dark ink, appearing to read 'Deloitte & Touche LLP', with a horizontal line underneath.

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

30 Apr 2007

**CAMBRIDGE RETAIL INVESTMENT LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
<b>Turnover</b>	2	<b>10,655</b>	10,525
Cost of sales		<u>(2,679)</u>	<u>(14,604)</u>
<b>Gross profit/(loss)</b>		<b>7,976</b>	<b>(4,079)</b>
Administrative expenses		<u>(7,464)</u>	<u>(9,297)</u>
<b>Operating profit/(loss)</b>	3	<b>512</b>	<b>(13,376)</b>
Interest receivable and similar income		<b>11,440</b>	25,002
<b>Profit on ordinary activities before taxation</b>		<b>11,952</b>	11,626
Tax on profit on ordinary activities	5	—	—
<b>Profit for the financial year</b>		<b><u>11,952</u></b>	<b><u>11,626</u></b>

All results are derived from continuing operations

The company has no recognised gains or losses in the current or preceding year other than the results as set out above

**CAMBRIDGE RETAIL INVESTMENT LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2006**

	Note	2006 £	2005 £
<b>Tangible fixed assets</b>			
Investment properties	6	<u>26,739,228</u>	<u>16,512,155</u>
<b>Current assets</b>			
Debtors	8	<u>758,484</u>	<u>145,323</u>
Cash at bank and in hand		<u>205,550</u>	<u>494,351</u>
		<u>964,034</u>	<u>639,674</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(27,647,103)</u>	<u>(17,107,622)</u>
<b>Net current liabilities</b>		<u>(26,683,069)</u>	<u>(16,467,948)</u>
<b>Total assets less current liabilities</b>		<u><u>56,159</u></u>	<u><u>44,207</u></u>
<b>Capital and reserves</b>			
Called up equity share capital	11	<u>100</u>	<u>100</u>
Profit and loss account	12	<u>56,059</u>	<u>44,107</u>
<b>Equity shareholders' funds</b>	13	<u><u>56,159</u></u>	<u><u>44,207</u></u>

These financial statements were approved by the Board on the **27 APR 2007** and are signed on its behalf by

  
 Director

  
 Director

## **CAMBRIDGE RETAIL 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 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) 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 SSAP19 (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.

##### **(e) Investment properties**

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. The revaluation deficit is transferred to the revaluation reserve unless it is considered permanent, in which case it is charged to the profit and loss account.

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.

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) Deferred taxation**

Deferred taxation is provided at a group level 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.



**CAMBRIDGE RETAIL INVESTMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****1. ACCOUNTING POLICIES** *(continued)***(g) Joint arrangements**

An undertaking is regarded as a joint arrangement if the company has a participating interest and joint control over operating and financial policies, but the undertaking is not an entity distinguishable from the business of its investors

In accordance with FRS 9, 'Associates and Joint Ventures', the company accounts for its share of the individual items of income, expenditure, assets, liabilities and cash flows of joint arrangements. The directors consider that this departure from the requirement of the Companies Act 1985 to account for participating interests in joint arrangements as associates is necessary for the financial statements to show a true and fair view because joint arrangements are in substance an extension of the company's own business

**(h) 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. TURNOVER**

Turnover and profit before tax are attributable to the one principal activity of the company in the United Kingdom

**3. OPERATING PROFIT/(LOSS)**

Operating profit/(loss) is stated after charging

	2006 £	2005 £
Auditors' remuneration		
- as auditor	<u>1,160</u>	<u>1,160</u>

Auditors' remuneration for Cambridge Retail Investment Limited has been borne by a fellow subsidiary undertaking both in the current and preceding year. The above fees relate to Cambridge Retail Investment Limited's share of audit fees of the Grand Arcade Partnership

**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**

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

**CAMBRIDGE RETAIL INVESTMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****6. INVESTMENT PROPERTIES**

	Leasehold Property £
<b>Cost</b>	
At 1 January 2006	16,512,155
Additions	10,227,073
<b>At 31 December 2006</b>	<u>26,739,228</u>
<b>Net book value</b>	
<b>At 31 December 2006</b>	<u>26,739,228</u>
At 31 December 2005	<u>16,512,155</u>

The company's only investment property is currently under development and therefore is stated at cost. The directors are satisfied that the costs incurred to date are less than the net realisable value.

**7. INTERESTS IN JOINT ARRANGEMENTS**

At 31 December 2006, the company had the following interest in a joint arrangement which is accounted for on the basis explained in the accounting policies, but which is classified as an investment under the Companies Act 1985

	Nature of Business	Effective interest
Grand Arcade Partnership	Property investment	20%

The limited partnership is governed by English law and its principal office is located at 70 Grosvenor Street, London, W1K 3JP

**8. DEBTORS**

	2006 £	2005 £
Trade debtors	35,584	32,732
Other debtors	722,900	112,591
	<u>758,484</u>	<u>145,323</u>

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

	2006 £	2005 £
Trade creditors	289,608	4,054
Amounts owed to group undertakings	26,805,716	16,538,716
Other creditors	23,041	—
Shareholder loans	—	24,260
Accruals and deferred income	528,738	540,592
	<u>27,647,103</u>	<u>17,107,622</u>

**CAMBRIDGE RETAIL INVESTMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****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:**

	2006 £	2005 £
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>

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

	2006 £	2005 £
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>

**12. PROFIT AND LOSS ACCOUNT**

	2006 £	2005 £
At 1 January	<b>44,107</b>	32,481
Profit for the financial year	<b>11,952</b>	<u>11,626</u>
At 31 December	<b><u>56,059</u></b>	<b><u>44,107</u></b>

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

	2006 £	2005 £
Profit for the financial year	<b>11,952</b>	11,626
Opening shareholders' funds	<b>44,207</b>	<u>32,581</u>
Closing shareholders' funds	<b><u>56,159</u></b>	<b><u>44,207</u></b>

**CAMBRIDGE RETAIL INVESTMENT LIMITED**

**NOTES TO THE FINANCIAL ACCOUNTS**

**14. 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