

**CAMBRIDGE RETAIL INVESTMENT LIMITED**

COMPANY REGISTRATION NUMBER 4377935

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2007**



**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 2007

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

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 Loss on ordinary activities before taxation was £8,075 (2006 - £6,287)

The directors have not recommended payment of a dividend (2006 - £nil)

**THE DIRECTORS OF THE COMPANY**

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

S J Curtis

M R Preston

D J P Rawcliffe

P S Vernon

W J A Bullough

(Resigned 9 February 2007)

R S Handley

(Resigned 3 April 2008)

R F Blundell

(Appointed 3 April 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

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

**CAMBRIDGE RETAIL INVESTMENT 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**

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

20 MAY 2008

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**CAMBRIDGE RETAIL INVESTMENT LIMITED**  
**YEAR ENDED 31 DECEMBER 2007**

We have audited the financial statements of Cambridge Retail Investment 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 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 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**  
**CAMBRIDGE RETAIL INVESTMENT 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 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 & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

*21 May 2008*

**CAMBRIDGE RETAIL INVESTMENT LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

|  | Note | 2007<br>£             | 2006<br>(restated)<br>£ |
|--|------|-----------------------|-------------------------|
| <b>Turnover</b>                                    |      | —                     | —                       |
| Cost of sales                                      |      | —                     | —                       |
| <b>Gross profit</b>                                |      | —                     | —                       |
| Administrative expenses                            |      | <b>(8,075)</b>        | (6,287)                 |
| <b>Operating (loss)</b>                            | 3    | <b>(8,075)</b>        | (6,287)                 |
| <b>Loss on ordinary activities before taxation</b> |      | <b>(8,075)</b>        | (6,287)                 |
| Tax on (loss) on ordinary activities               | 5    | —                     | —                       |
| <b>(Loss) for the financial year</b>               |      | <b><u>(8,075)</u></b> | <b><u>(6,287)</u></b>   |

All results are derived from continuing operations

**CAMBRIDGE RETAIL INVESTMENT LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR**  
**THE YEAR ENDED 31 DECEMBER 2007**

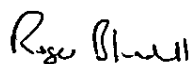
|   | 2007<br>£              | 2006<br>(restated)<br>£ |
|---|------------------------|-------------------------|
| Loss for the financial year attributable to the shareholders              | <b>(8,075)</b>         | <b>(6,287)</b>          |
| Total recognised losses relating to the year                              | <u><b>(8,075)</b></u>  | <u><b>(6,287)</b></u>   |
| Cumulative effect of prior year adjustments (note 8)                      | <u><b>(69,472)</b></u> |                         |
| Total losses recognised since last annual report and financial statements | <u><b>(77,547)</b></u> |                         |

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

**CAMBRIDGE RETAIL INVESTMENT LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2007**

|   | Note | 2007<br>£           | 2006<br>(restated)<br>£ |
|---|------|---------------------|-------------------------|
| <b>Fixed assets</b>                                   |      |                     |                         |
| Investments   | 6    | 34,407,817          | 26,805,816              |
|   |      | <u>34,407,817</u>   | <u>26,805,816</u>       |
| <b>Current Assets</b>                                 |      |                     |                         |
| Debtors   | 7    | 1,390               | -                       |
|   |      | <u>1,390</u>        | <u>-</u>                |
| <b>Creditors: amounts falling due within one year</b> | 9    | (34,430,595)        | (26,819,129)            |
| <b>Net current liabilities</b>                        |      | <u>(34,429,205)</u> | <u>(26,819,129)</u>     |
| <b>Total assets less current liabilities</b>          |      | <u>(21,388)</u>     | <u>(13,313)</u>         |
| <b>Capital and reserves</b>                           |      |                     |                         |
| Called up share capital                               | 11   | 100                 | 100                     |
| Profit and loss account                               | 12   | (21,488)            | (13,413)                |
| <b>Shareholders' deficit</b>                          | 13   | <u>(21,388)</u>     | <u>(13,313)</u>         |

These financial statements were approved by the Board on the **20 MAY 2008** 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. Certain comparative figures in the primary financial statements and notes have been restated, as described further in Note 8.

**(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) Fixed asset investments**

Fixed asset investments, including subsidiaries, joint ventures and associates are stated at cost less provision for impairment.

**(d) 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 loss before tax are attributable to the one principal activity of the company in the United Kingdom.

**3. OPERATING (LOSS)**

Operating (loss) is stated after charging

|  | 2007<br>£    | 2006<br>(restated)<br>£ |
|--|--------------|-------------------------|
| Auditors' remuneration                 |              |                         |
| - for the audit of the annual accounts | <b>2,100</b> | -                       |

Auditors' remuneration for 2006 of £2,000 has been borne by Grosvenor 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**

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. INVESTMENTS**

|                        | £                 |
|------------------------|-------------------|
| <b>Cost:</b>           |                   |
| At 1 January           | 26,805,816        |
| Additions              | 7,602,001         |
| At 31 December         | <u>34,407,817</u> |
| <b>Net book value:</b> |                   |
| At 31 December 2007    | <u>34,407,817</u> |
| At 31 December 2006    | <u>26,805,816</u> |

The company owns 20% of the issued share capital of Grand Arcade Partnership, a property development entity, which is incorporated in Great Britain

**7. DEBTORS**

|               | 2007<br>£    | 2006 (restated)<br>£ |
|---------------|--------------|----------------------|
| Other debtors | 1,390        | -                    |
|               | <u>1,390</u> | <u>-</u>             |

**8. PRIOR YEAR ADJUSTMENTS**

Comparative figures in the primary financial statements and notes have been restated to reflect the change in presentation of the company's interests in Grand Arcade Partnership. This entity had previously been accounted for as a joint arrangement and is now accounted for as a joint venture, within fixed asset investments, as the directors consider this more appropriate given the nature of the entities.

The effects of the restatement are summarised below

|  |                 |
|--|-----------------|
| <b><u>Profit and loss account</u></b>                | 2006<br>£       |
| Decrease in turnover                                 | (10,655)        |
| Decrease in cost of sales                            | 2,679           |
| Decrease in admin expenses                           | 1,177           |
| Decrease in interest receivable and similar income   | (11,440)        |
| Decrease in profit for the financial year            | <u>(18,239)</u> |
| <b><u>Balance sheet</u></b>                          | 2006<br>£       |
| Decrease in opening shareholders' funds at 1 1 2006  | (51,233)        |
| Decrease in profit for the financial year            | (18,239)        |
| Decrease in closing shareholders' funds at 31 1 2006 | <u>(69,472)</u> |
| Decrease in investment properties                    | (26,739,228)    |
| Increase in investments                              | 26,805,816      |
| Decrease in debtors                                  | (758,484)       |
| Decrease in cash                                     | (205,550)       |
| Decrease in creditors                                | 827,974         |
| Decrease in net assets                               | <u>(69,472)</u> |

**CAMBRIDGE RETAIL INVESTMENT LIMITED****NOTES TO THE FINANCIAL ACCOUNTS****9. CREDITORS: amounts falling due within one year**

|                                    | 2007<br>£         | 2006<br>(restated)<br>£ |
|------------------------------------|-------------------|-------------------------|
| Amounts owed to group undertakings | 34,417,051        | 26,805,716              |
| Accruals and deferred income       | 13,544            | 13,413                  |
|                                    | <u>34,430,595</u> | <u>26,819,129</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:**

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

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

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

**12. PROFIT AND LOSS ACCOUNT**

|                               | 2007<br>£       | 2006<br>(restated)<br>£ |
|-------------------------------|-----------------|-------------------------|
| At 1 January                  | (13,413)        | (7,126)                 |
| (Loss) for the financial year | (8,075)         | (6,287)                 |
| At 31 December                | <u>(21,488)</u> | <u>(13,413)</u>         |

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

|                               | 2007<br>£       | 2006<br>(restated)<br>£ |
|-------------------------------|-----------------|-------------------------|
| Loss for the financial year   | (8,075)         | (6,287)                 |
| Opening shareholders' deficit | (13,313)        | (7,026)                 |
| Closing shareholders' deficit | <u>(21,388)</u> | <u>(13,313)</u>         |

**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