

CAMBRIDGE RETAIL INVESTMENT LIMITED

COMPANY REGISTRATION NUMBER 4377935

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2008



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 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, is included in the annual report of Grosvenor Limited.

As at 31 December 2008, the company had net current liabilities of £36,586,515. Grosvenor Limited has confirmed it will continue to support the company's obligations and as a result, after making enquiries, the directors have 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 5. Profit on ordinary activities before taxation was £301,176 (2007 - £8,075 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:

S J Curtis	
P S Vernon	
R S Handley	(Resigned 3 April 2008)
R F C Blundell	(Appointed 3 April 2008)
G A Clarke	(Appointed 1 July 2008)
M R Preston	(Resigned 30 June 2008)
D J P Rawcliffe	(Resigned 31 December 2008)

G J Powell was appointed as a director on 2 March 2009.

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.

CAMBRIDGE RETAIL 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 re-appointed accordingly.

Signed by order of the Board



K Robinson
Company Secretary

21 MAY 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CAMBRIDGE RETAIL INVESTMENT LIMITED
YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Cambridge Retail Investment Limited for the year ended 31 December 2008 which comprise the profit and loss account, statement of 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
CAMBRIDGE RETAIL 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 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London

26 May 2009

CAMBRIDGE RETAIL INVESTMENT LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 (restated) £
Turnover	2	—	—
Administrative expenses		<u>(18,824)</u>	<u>(8,075)</u>
Operating loss	3	<u>(18,824)</u>	<u>(8,075)</u>
Income from shares in investment	5	320,000	—
Profit/(loss) on ordinary activities before taxation		<u>301,176</u>	<u>(8,075)</u>
Tax on profit/(loss) on ordinary activities	6	3,392	(128,317)
Profit/(loss) for the financial year		<u>304,568</u>	<u>(136,392)</u>

All results are derived from continuing operations.

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

	2008 £	2007 (restated) £
	£	£
Profit/(loss) for the financial year attributable to the shareholders	304,568	(136,392)
Total recognised gains and losses relating to the year	<u>304,568</u>	<u>(136,392)</u>

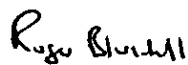
The notes on pages 8 to 12 form part of these financial statements.

CAMBRIDGE RETAIL INVESTMENT LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £	2007 (restated) £
Fixed assets			
Investments	8	<u>36,866,303</u>	<u>34,407,817</u>
Current assets			
Debtors	9	5,618	1,390
Creditors: amounts falling due within one year	10	<u>(36,592,133)</u>	<u>(34,430,595)</u>
Net current liabilities		<u>(36,586,515)</u>	<u>(34,429,205)</u>
Total assets less current liabilities		<u>279,788</u>	<u>(21,388)</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	<u>279,688</u>	<u>(21,488)</u>
Shareholders' funds/(deficit)	14	<u>279,788</u>	<u>(21,388)</u>

21 MAY 2009

These financial statements were approved by the Board on the 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 with the exception of the policy for taxation which is described further in Note 7.

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) Fixed asset investments

Fixed asset investments, are stated at cost less provision for impairment.

(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.

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.

CAMBRIDGE RETAIL INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****2. TURNOVER**

Turnover and profit/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:

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

Auditors' remuneration of £2,200 was borne by Grosvenor Estate Management Ltd, 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. INCOME FROM INVESTMENTS

	2008 £	2007 £
Income from shares in investments	<u>320,000</u>	—

6. TAXATION ON ORDINARY ACTIVITIES

	2008 £	2007 (restated) £
Current tax:		
Corporation tax	—	—
Deferred tax:		
Origination and reversal of timing differences	<u>(3,392)</u>	128,317
Deferred tax (credit)/charge	<u>(3,392)</u>	128,317
Total current tax	<u>(3,392)</u>	<u>128,317</u>

CAMBRIDGE RETAIL INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****6. TAXATION ON ORDINARY ACTIVITIES (*continued*)****Tax reconciliation:**

	2008	2007 (restated)
	£	£
Profit/(loss) on ordinary activities before taxation	<u>301,176</u>	<u>(8,075)</u>
Tax on ordinary activities at the standard UK corporation rate of 28.5% (2007 – 30%)	85,835	(2,423)
Effects of:		
Group relief surrendered free of charge	544,911	760,270
Transfer pricing adjustment	(634,198)	(620,364)
Taxable income not in accounts	<u>3,452</u>	<u>(137,483)</u>
Total current tax	<u>-</u>	<u>-</u>

7. 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/credit was recognised by the company. The taxation expense/credit of the company is now recognised in the profit and loss account for the year and the economic benefit provided by/to Grosvenor Limited as a result of the settlement agreement is reported as a contribution/distribution 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	(128,317)
Decrease in profit for the financial year	<u>(128,317)</u>
Balance Sheet	
Decrease in profit for the financial year	(128,317)
Capital contributions received from holding company	<u>128,317</u>
Net movement in net assets	<u>-</u>

CAMBRIDGE RETAIL INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****8. INVESTMENTS**

	£
Cost:	
At 1 January	34,407,817
Additions	2,458,486
At 31 December	<u>36,866,303</u>
Net book value:	
At 31 December 2008	<u>36,866,303</u>
At 31 December 2007	<u>34,407,817</u>

The company has a 20% investment in Grand Arcade Partnership, a limited partnership whose principal activity is property development.

9. DEBTORS

	2008 £	2007 £
Other debtors	<u>5,618</u>	<u>1,390</u>

10. CREDITORS: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	36,586,022	34,417,051
Accruals and deferred income	<u>6,111</u>	<u>13,544</u>
	<u>36,592,133</u>	<u>34,430,595</u>

11. 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.

12. 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>

CAMBRIDGE RETAIL INVESTMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****13. PROFIT AND LOSS ACCOUNT**

	2008	2007 (restated)
	£	£
At 1 January	(21,488)	(13,413)
Profit/(loss) for the financial year	304,568	(136,392)
Capital contributions received from holding company	-	128,317
Capital distributions paid to holding company	(3,392)	-
At 31 December	<u>279,688</u>	<u>(21,488)</u>

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

	2008	2007 (restated)
	£	£
Profit/(loss) for the financial year	304,568	(136,392)
Capital contributions received from holding company	-	128,317
Capital distributions paid to holding company	(3,392)	-
Net addition/(reduction) to shareholders' deficit	<u>301,176</u>	<u>(8,075)</u>
Opening shareholders' deficit	(21,388)	(13,313)
Closing shareholders' funds/(deficit)	<u>279,788</u>	<u>(21,388)</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.