

TALBOT GENERAL PARTNER LIMITED
(FORMERLY GROSVENOR FESTIVAL PLACE LIMITED)

COMPANY REGISTRATION NUMBER 4377960

ANNUAL REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

TALBOT GENERAL PARTNER LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was to jointly act as general partner to The Talbot Residential Investment Fund.

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. Profit on ordinary activities before taxation was £3,612 (2004 - £nil).

The directors have not recommended payment of a dividend (2004 - £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:

S R H Beavor	(Appointed 2 June 2005)
M Howard	(Appointed 2 June 2005)
R B Mallett	(Appointed 2 June 2005)
N R Scarles	(Appointed 2 June 2005)
R S Handley	(Resigned 2 June 2005)
S H R Musgrave	(Resigned 2 June 2005)
R C Williams	(Resigned 2 June 2005)

None of the directors in office at 31 December 2005 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.

DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 for the year then ended.

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 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.

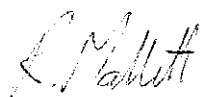
TALBOT GENERAL PARTNER LIMITED**DIRECTORS' REPORT** *(continued)***DIRECTORS' RESPONSIBILITIES (continued)**

The directors are responsible for keeping proper accounting records which 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.

AUDITORS

Deloitte & Touche LLP were appointed as auditors during the year. Pursuant to S386 of the Companies Act 1985, an elective resolution has been passed to dispense with the requirement to appoint auditors annually.

Signed by order of the Board



R B Mallett
Director

07 APR 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TALBOT GENERAL PARTNER LIMITED
YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements of Talbot General Partner Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the historical cost convention and 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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
TALBOT GENERAL PARTNER LIMITED
YEAR ENDED 31 DECEMBER 2005 *(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 2005 and of its profit for the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

7 April 2006

TALBOT GENERAL PARTNER LIMITED**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 2005**

	Note	2005 £	2004 £
Turnover		—	—
Administrative expenses		(1,100)	—
Operating (loss)/result	2	(1,100)	—
Income from shares in group undertakings	4	4,712	—
Profit/result on ordinary activities before taxation		<u>3,612</u>	—
Tax on profit/result on ordinary activities		—	—
Retained profit/result for the financial year		<u>3,612</u>	—

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.

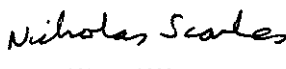
TALBOT GENERAL PARTNER LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005 £	2004 £
Tangible fixed assets			
Investments	6	<u>1,600</u>	<u>—</u>
Current assets			
Debtors	7	4,812	100
Creditors: amounts falling due within one year	8	<u>(2,700)</u>	<u>—</u>
Net current assets		<u>2,112</u>	<u>100</u>
Total assets less current liabilities		<u>3,712</u>	<u>100</u>
Capital and reserves			
Called up equity share capital	10	100	100
Profit and loss account	11	<u>3,612</u>	<u>—</u>
Equity shareholders' funds	12	<u>3,712</u>	<u>100</u>

These financial statements were approved by the Board on the 7 April 2006 and are signed on its behalf by:



 Director



 Director

TALBOT GENERAL PARTNER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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) Investments

Fixed asset investments are shown 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. OPERATING LOSS

Operating loss is stated after charging:

	2005 £	2004 £
Auditors' remuneration		
- as auditors	<u>1,100</u>	<u>—</u>

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. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2005 £	Restated 2004 £
Income from group undertakings	<u>4,712</u>	<u>—</u>

5. TAXATION

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

TALBOT GENERAL PARTNER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS

	£
Cost:	
At 1 January	—
Additions	<u>1,600</u>
At 31 December	<u>1,600</u>
Net book value:	
At 31 December 2005	<u>1,600</u>

7. DEBTORS

	2005	2004
	£	£
Amounts owed by group undertakings	100	100
Prepayments and accrued income	<u>4,712</u>	—
	<u>4,812</u>	<u>100</u>

8. CREDITORS: amounts falling due within one year

	2005	2004
	£	£
Amounts owed to group undertakings	1,600	—
Accruals and deferred income	<u>1,100</u>	—
	<u>2,700</u>	<u>—</u>

9. 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.

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

	2005	2004
	£	£
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005	2004
	£	£
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

TALBOT GENERAL PARTNER LIMITED
NOTES TO THE FINANCIAL STATEMENTS

11. PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
At 1 January	—	—
Retained profit/result for the financial year	<u>3,612</u>	—
At 31 December	<u>3,612</u>	—

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit/result for the financial year	<u>3,612</u>	—
Opening equity shareholders' funds	<u>100</u>	100
Closing equity shareholders' funds	<u>3,712</u>	<u>100</u>

13. ULTIMATE PARENT COMPANY

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 immediate parent undertaking is Grosvenor Fund Management UK Limited.

The 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.

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