

TALBOT GENERAL PARTNER LIMITED

COMPANY REGISTRATION NUMBER 4377960

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2006

TUESDAY



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12/06/2007
COMPANIES HOUSE

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 2006

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

The directors have taken advantage of the special provisions available to small companies per S 246 subsection 4(a) of the Companies Act 1985 to not 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 £8,870 (2005 - £3,612)

The following dividends have been paid

	2006	2005
	£	£
Dividends paid on ordinary shares	<u>3,612</u>	<u>—</u>

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 Beevor	
M Howard	
R B Mallett	
R R Davis	(Appointed 24 July 2006)
N R Scarles	(Resigned 24 July 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

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

TALBOT GENERAL PARTNER LIMITED

DIRECTORS' REPORT *(continued)*

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, 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

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



C M Tolhurst
Company Secretary

16 May 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TALBOT GENERAL PARTNER LIMITED
YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of Talbot General Partner Limited for the year ended 31 December 2006 which comprise the profit and loss account, balance sheet and the related notes 1 to 13. 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
TALBOT GENERAL PARTNER LIMITED
YEAR ENDED 31 DECEMBER 2006 *(continued)*

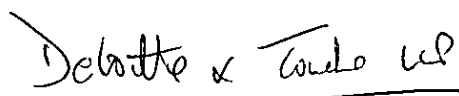
OPINION

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



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

17 May 2007

TALBOT GENERAL PARTNER LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
Turnover		—	—
Administrative expenses		<u>(1,130)</u>	<u>(1,100)</u>
Operating loss	2	<u>(1,130)</u>	<u>(1,100)</u>
Income from shares in group undertakings	4	10,000	4,712
Profit on ordinary activities before taxation		<u>8,870</u>	<u>3,612</u>
Tax on profit on ordinary activities	5	—	—
Profit for the financial year		<u>8,870</u>	<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 2006

	Note	2006 £	2005 £
Tangible fixed assets			
Investments	6	<u>1,600</u>	<u>1,600</u>
Current assets			
Debtors	7	11,200	4,812
Creditors: amounts falling due within one year	8	<u>(3,830)</u>	<u>(2,700)</u>
Net current assets		<u>7,370</u>	<u>2,112</u>
Total assets less current liabilities		<u>8,970</u>	<u>3,712</u>
Capital and reserves			
Called up equity share capital	10	100	100
Profit and loss account	11	<u>8,870</u>	<u>3,612</u>
Equity shareholders' funds	12	<u>8,970</u>	<u>3,712</u>

16 MAY 2007

These financial statements were approved by the Board on the
signed on its behalf by

and are


Director


Director

TALBOT GENERAL PARTNER 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) 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

	2006 £	2005 £
Auditors' remuneration - as auditor	<u>1,130</u>	<u>1,100</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 GROUP UNDERTAKINGS

	2006 £	2005 £
Income from shares in group undertakings	<u>10,000</u>	<u>4,712</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 ACCOUNTS****6. INVESTMENTS**

	£
Cost:	
At 1 January 2006 and 31 December 2006	<u>1,600</u>
Net book value:	
At 31 December 2006	<u>1,600</u>
At 31 December 2005	<u>1,600</u>

The above represents an investment in Talbot Residential Investment Fund, a UK limited partnership, set up to invest in residential properties, of which the company is a general partner. The valuation has been calculated by the directors based on the company's share of the net asset value of the fund. The historic cost of the investment is £1,600.

7. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	8,700	100
Prepayments and accrued income	<u>2,500</u>	<u>4,712</u>
	<u>11,200</u>	<u>4,812</u>

8. CREDITORS: amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	1,600	1,600
Accruals and deferred income	<u>2,230</u>	<u>1,100</u>
	<u>3,830</u>	<u>2,700</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.

TALBOT GENERAL PARTNER LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****10. 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>

11. PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
At 1 January	3,612	—
Profit for the financial year	8,870	3,612
Equity dividends paid	(3,612)	—
At 31 December	<u>8,870</u>	<u>3,612</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	8,870	3,612
Equity dividends paid	(3,612)	—
Net addition to shareholders' funds	<u>5,258</u>	3,612
Opening shareholders' funds	<u>3,712</u>	100
Closing shareholders' funds	<u>8,970</u>	<u>3,712</u>

13. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking and controlling party 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