

GROSVENOR INTERNATIONAL FUND MANAGEMENT
LIMITED

COMPANY REGISTRATION NUMBER 4821118

ANNUAL REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

WEDNESDAY



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GROSVENOR INTERNATIONAL FUND MANAGEMENT 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

The directors' report has been prepared in accordance with the special provisions relating to small companies under S246(4)(a) of the Companies Act 1985

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company for investments

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 £76,176 (2005 - £7,970 Loss)

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

S R H Beevor

J H M Newsum

N R Scarles

R R Davis

(Appointed 20 June 2006)

J O Hagger

(Resigned 31 May 2006)

Except as disclosed in the financial statements of the ultimate parent company, 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

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 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;

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

GROSVENOR INTERNATIONAL FUND MANAGEMENT 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, 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

he/she has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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 on 23 March 2007



J P Ball
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of Grosvenor International Fund Management Limited for the year ended 31 December 2006 which comprise the profit and loss account, 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 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
GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED
YEAR ENDED 31 DECEMBER 2006 *(continued)*

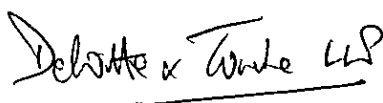
OPINION

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

28 March 2007

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
Turnover		—	—
Administrative expenses		<u>619</u>	<u>(11,005)</u>
Operating profit/(loss)	2	619	(11,005)
Interest receivable and similar income	5	84,612	3,035
Interest payable and similar charges	6	<u>(9,055)</u>	—
Profit/(loss) on ordinary activities before taxation		76,176	(7,970)
Tax on profit/(loss) on ordinary activities	7	—	—
Retained profit/(loss) for the financial year	12	<u>76,176</u>	<u>(7,970)</u>


The company has no recognised gains or losses in the current year or preceding period other than the results as set out above. Accordingly, no statement of total recognised gains and losses has been presented.

All results are derived from continuing operations.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2006**

	Note	2006 £	2005 £
Tangible fixed assets			
Investments	8	<u>7,282,762</u>	<u>3,006,950</u>
Current assets			
Debtors	9	<u>2,696,417</u>	<u>169,252</u>
Creditors: amounts falling due within one year	10	<u>–</u>	<u>(2,673,199)</u>
Net current assets/(liabilities)		<u>2,696,417</u>	<u>(2,503,947)</u>
Total assets less current liabilities		<u>9,979,179</u>	<u>503,003</u>
Capital and reserves			
Called up equity share capital	11	<u>9,900,002</u>	<u>500,002</u>
Profit and loss account	12	<u>79,177</u>	<u>3,001</u>
Equity shareholders' funds	13	<u>9,979,179</u>	<u>503,003</u>

These financial statements were approved by the Board on the 23.3.07 and are signed on its behalf by



Director



Director

GROSVENOR INTERNATIONAL FUND MANAGEMENT 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 FRS 1 '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) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(d) Investments

Investments held as fixed assets are stated at cost less provision for impairment.

(e) 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 PROFIT/(LOSS)

Operating profit/(loss) is stated after crediting

	2006 £	2005 £
Net profit on foreign currency translation	(619)	—

3. AUDITORS' REMUNERATION

Auditors' remuneration for Grosvenor International Fund Management Limited is £2,000 (2005 - £2,000) and has been borne by Grosvenor Fund Management Limited, a fellow subsidiary undertaking, for the current year and preceding period.

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. There were no employees of the company for the current year or preceding period.

GROSVENOR INTERNATIONAL FUND MANAGEMENT LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2006 £	2005 £
Interest from group undertakings	<u>84,612</u>	<u>3,035</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Other interest payable	<u>9,055</u>	<u>—</u>

7. TAXATION ON PROFIT AND LOSS ON ORDINARY ACTIVITIES

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

8. INVESTMENTS

	£
Cost:	
At 1 January 2006	3,164,797
Additions	<u>4,275,812</u>
At 31 December 2006	<u>7,440,609</u>
Provisions:	
At 1 January 2006 and 31 December 2006	<u>157,847</u>
Net book value:	
At 31 December 2006	<u>7,282,762</u>
At 31 December 2005	<u>3,006,950</u>

The principal subsidiary undertakings as at 31 December 2006 are

Fund Management:	Country of incorporation
Grosvenor Fund Management Continental Europe SA	Luxembourg
Grosvenor Fund Management (USA) Inc	USA
Grosvenor Land Asset Management Limited	Hong Kong
Grosvenor Fund Management Japan	Bermuda
Grosvenor Fund Management Australia Pty Limited	Australia
Grosvenor Fund Management Hong Kong Limited	Hong Kong

The above companies are wholly owned subsidiaries of Grosvenor International Fund Management Limited, apart from Grosvenor Land Asset Management Limited, which is jointly controlled with HongKong Land

9. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	<u>2,696,417</u>	<u>169,252</u>