

**Grosvenor International Fund Management Limited**

**Company Registration Number 04821118**

**Annual Report and Financial Statements**

**Year Ended 31 December 2012**

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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 2012

#### **Principal Activities and Business Review**

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

As at 31 December 2012, the company had net current liabilities of £13,420,886 Grosvenor Fund Management Limited has confirmed that it intends to continue to support the company's obligations

The company's financial position is set out on the balance sheet, which shows that the company has substantial positive net assets Therefore, after making enquiries, the directors have a 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

The directors have taken advantage of the special provisions available to small companies provided by s 415A of the Companies Act 2006

The Registered Office of Grosvenor International Fund Management Limited is 70 Grosvenor Street, London, W1K 3JP

#### **Results and Dividends**

The results of the company for the year are shown in the Profit and Loss Account Loss on ordinary activities before taxation was £10,642,765 (2011 - Loss of £2,243)

The balance sheet shows that the company's net assets decreased from £9,141,794 to a net liability of £1,500,971 during the year

#### **Directors of the Company**

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

R B Mallett

R R Davis

M R Preston

N R Scarles

S D Hyst

J G Raynor

Resigned on 11th December 2012

Resigned on 11th December 2012

Appointed on 11th December 2012

Appointed on 11th December 2012

**Grosvenor International Fund Management Limited**

**Directors' Report**

**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). Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all reasonable steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This information is given in accordance with s 418 of the Companies Act 2006.

**Auditor**

Deloitte LLP has indicated its willingness to be reappointed for another term and is deemed to be reappointed accordingly.

Signed by order of the Board



R R Davis  
Director

20 June 2013

**Independent Auditor's Report to the Members of**  
**Grosvenor International Fund Management Limited**  
**For the Year Ended 31 December 2012**

We have audited the financial statements of Grosvenor International Fund Management Limited for the year ended 31 December 2012 which comprise the profit and loss account, balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice's Boards Ethical Standards for Auditors.

**Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on Financial Statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on Other Matters Prescribed by the Companies Act 2006**

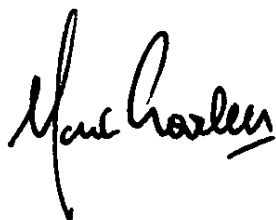
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of**  
**Grosvenor International Fund Management Limited**  
**For the Year Ended 31 December 2012**

**Matters on Which we are Required to Report by Exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Mark Goodey (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

20 June 2013

**Grosvenor International Fund Management Limited**

**Profit and Loss Account for the Year Ended 31 December 2012**

	Note	2012 £	2011 £
Turnover		-	-
Gross profit		-	-
Administrative expenses		(6,202)	(5,320)
Operating loss	2	(6,202)	(5,320)
Impairment of investments		(10,751,155)	-
Interest receivable and similar income		114,592	3,077
Loss on ordinary activities before taxation		(10,642,765)	(2,243)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		(10,642,765)	(2,243)

All results are derived from continuing operations

The company has no recognised gains or losses in the current or preceding year other than the results as set out above therefore no statement of total recognised gains or losses is presented

**Grosvenor International Fund Management Limited**

**Balance Sheet as at 31 December 2012**

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Investments	5	<u>11,919,915</u>	<u>12,347,562</u>
		<u>11,919,915</u>	<u>12,347,562</u>
<b>Current assets</b>			
Debtors	6	<u>6,969,776</u>	<u>200,138</u>
		<u>6,969,776</u>	<u>200,138</u>
Creditors: amounts falling due within one year	7	<u>(20,390,662)</u>	<u>(3,405,906)</u>
<b>Net current liabilities</b>		<u>(13,420,886)</u>	<u>(3,205,768)</u>
<b>Total assets less current liabilities</b>		<u>(1,500,971)</u>	<u>9,141,794</u>
<b>Net (liabilities)/assets</b>		<u>(1,500,971)</u>	<u>9,141,794</u>
<b>Capital and reserves</b>			
Called up share capital	9	<u>9,900,002</u>	<u>9,900,002</u>
Profit and loss account	10	<u>(11,400,973)</u>	<u>(758,208)</u>
<b>Shareholders' (deficit)/funds</b>	10	<u>(1,500,971)</u>	<u>9,141,794</u>

These financial statements were approved by the Board and authorised for issue on 20 June 2013 and are signed on its behalf by



R B Mallett



R R Davis

Company registration number 04821118

# **Grosvenor International Fund Management Limited**

## **Notes to the Financial Statements**

### **1. Accounting Policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the current and preceding year.

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.

#### **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 is a member of a group that publishes a consolidated cash flow statement.

#### **Foreign currencies**

Monetary 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.

#### **Investments**

Investments held as fixed assets, including subsidiaries are stated at cost less provision for impairment. Unrealised gains and losses are dealt with in the revaluation reserve, except that if a permanent impairment below original cost arises it is taken to the profit and loss account.

#### **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.

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.

The company's taxation obligations are settled on its behalf by the intermediate holding company Grosvenor Fund Management Limited. The benefit of this arrangement is recognised as a capital contribution from Grosvenor Fund Management Limited to the company (or, to the extent that there are distributable reserves available, distribution from the company to Grosvenor Fund Management Limited where a tax credit arises) with all current and deferred tax assets and liabilities recorded in the balance sheet of Grosvenor Fund Management Limited.

Deferred taxation is provided in full in respect of timing differences between the recognition of income and expenditure for accounting and taxation purposes. Deferred taxation is not provided 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



## **Grosvenor International Fund Management Limited**

### **Notes to the Financial Statements**

#### **1. Accounting Policies**

than not that the related assets will be recovered. Deferred tax assets and liabilities are not discounted. 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 Fund Management Limited.

#### **Financial instruments**

Derivative instruments utilised by the company are forward exchange contracts and currency swaps against known transactions. The Group does not enter into speculative derivative contracts. Any instruments used are for hedging purposes to alter the risk profile of an underlying exposure of the company in line with its risk management policies. The fair value of any instrument used is disclosed in the notes to the accounts within other creditors.

#### **2. Operating loss**

Operating loss is stated after charging	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Foreign exchange on loan activities	<b>(5,385)</b>	(5,320)
Foreign exchange on hedging activities	<b>(817)</b>	-
Net foreign exchange expense	<b><u>(6,202)</u></b>	<b><u>(5,320)</u></b>

Auditors' remuneration for the audit of the annual accounts of the company for 2012 is £2,256 (2011 - £2,195) and has been borne by Grosvenor Estate Management Limited, a fellow subsidiary undertaking.

#### **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.

**Grosvenor International Fund Management Limited**

**Notes to the Financial Statements**

**4. Taxation on Ordinary Activities**

**Taxation**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Current tax		
Total current tax	-	-

**Tax reconciliation:**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Loss on ordinary activities before taxation	<b>(10,642,765)</b>	<b>(2,243)</b>
Tax on ordinary activities at the standard UK corporation rate of 24.5% (2011 - 26.5%)	<b>(2,607,477)</b>	<b>(594)</b>
Expenses not deductible for tax purposes	<b>2,774,033</b>	<b>-</b>
Group relief (received)/surrendered for nil consideration	<b>(166,556)</b>	<b>594</b>
Total current tax	-	-

**5. Investments**

**Subsidiaries**

	<b>£</b>
<b>Cost:</b>	
At 1 January 2012	13,407,449
Additions	10,386,402
Disposals	<b>(62,894)</b>
At 31 December 2012	<b>23,730,957</b>
<b>Provisions:</b>	
At 1 January 2012	1,059,887
Impairment in year	<b>10,751,155</b>
At 31 December 2012	<b>11,811,042</b>
<b>Net book value:</b>	
At 31 December 2012	<b>11,919,915</b>
At 31 December 2011	<b>12,347,562</b>

## **Grosvenor International Fund Management Limited**

### **Notes to the Financial Statements**

The company owns 100% of the issued share capital of the companies listed below

<b>Company</b>	<b>Country of Incorporation</b>	<b>Principal Activity</b>
Grosvenor Fund Management (USA) Inc	United States	Fund Management
GFM (CE)	France	Fund Management
Grosvenor Fund Management Hong Kong Ltd	Hong Kong	Fund Management
Grosvenor Japan Ltd	Bermuda	Fund Management
Grosvenor Fund Management Australia Pty Ltd	Australia	Fund Management

#### **6. Debtors: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b>6,969,684</b>	200,138
Other debtors	<b>92</b>	-
	<b><u>6,969,776</u></b>	<b><u>200,138</u></b>

#### **7. Creditors: amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>20,390,219</b>	3,405,906
Other creditors	<b>443</b>	-
	<b><u>20,390,662</u></b>	<b><u>3,405,906</u></b>

#### **8. Financial Assets and Instruments**

The company has taken out a number of foreign exchange currency swaps to fix exchange rates on loans to and from fellow subsidiaries. The fair value of these swaps as at 31 December 2012 is an asset of £1,550 (2011 - £nil)

The total mark to market in the profit and loss statement is a loss of £795 of which £817 is recognised as foreign exchange losses in operating profit and £22 which is recognised in fair value adjustments

#### **9. Called up Share Capital**

##### **Authorised share capital:**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
10,000,000 ordinary of £1 each	<b><u>10,000,000</u></b>	<b><u>10,000,000</u></b>

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
9,900,002 ordinary of £1 each	<b><u>9,900,002</u></b>	<b><u>9,900,002</u></b>

**Grosvenor International Fund Management Limited**

**Notes to the Financial Statements**

**10. Reconciliation of Movements in Shareholders' Funds**

	Share capital	Profit and loss account	Total
	£	£	£
1 January 2012	9,900,002	(758,208)	<b>9,141,794</b>
Loss for the financial year	-	(10,642,765)	<b>(10,642,765)</b>
31 December 2012	<u>9,900,002</u>	<u>(11,400,973)</u>	<b><u>(1,500,971)</u></b>

**11. Related Party Transactions**

The company has applied the exemption granted by FRS8 'Related party disclosures' not to disclose transactions with Grosvenor Group Limited or wholly owned fellow subsidiaries of Grosvenor Group Limited, 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. 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 and smallest group of undertakings of which the company is a member and for which group accounts are prepared Grosvenor Fund Management Limited is the immediate parent company

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