

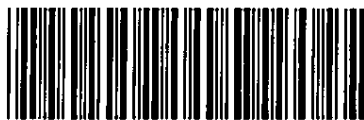
DUNRAVEN RENTALS LIMITED

COMPANY REGISTRATION NUMBER 5306585

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2007

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DUNRAVEN RENTALS LIMITED**DIRECTORS' REPORT**

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was investment in leasehold property in the United Kingdom

The directors do not anticipate any significant change in the activity of the company or 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

RESULTS AND DIVIDENDS

The results of the company for the year are shown on page 5 Profit on ordinary activities before taxation was £394,098 (2006 - £334,565)

The following dividends have been paid

	2007 £	2006 £
Dividends paid on ordinary shares	<u>334,565</u>	<u>—</u>

THE DIRECTORS OF THE COMPANY

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

L Buck
S J Curtis
R S Handley
M R Preston
D J P Rawcliffe
P S Vernon
G A Clarke

(Appointed 1 October 2007)

R S Handley resigned as a director on 3 April 2008
R F Blundell was appointed as a director on 3 April 2008

DUNRAVEN RENTALS LIMITED

DIRECTORS' REPORT *(continued)*

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.

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

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



C M Tolhurst
Company Secretary

30 APR 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DUNRAVEN RENTALS LIMITED
YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of Dunraven Rentals Limited for the year ended 31 December 2007 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 14. 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
DUNRAVEN RENTALS LIMITED
YEAR ENDED 31 DECEMBER 2007 *(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 2007 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

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

30 April 08

DUNRAVEN RENTALS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
Turnover	2	554,958	480,231
Cost of sales		(126,946)	(113,392)
Gross profit		428,012	366,839
Administrative expenses		(33,914)	(32,274)
Profit on ordinary activities before taxation	3	394,098	334,565
Tax on profit on ordinary activities	5	—	—
Profit for the financial year		394,098	334,565

All results are derived from continuing operations

DUNRAVEN RENTALS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
FOR THE YEAR ENDED 31 DECEMBER 2007

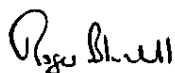
	2007 £	2006 £
Profit for the financial year attributable to the shareholders	394,098	334,565
Unrealised gain on revaluation of investment properties	1,900,000	1,370,000
Total recognised gains and losses relating to the year	<u>2,294,098</u>	<u>1,704,565</u>

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

DUNRAVEN RENTALS LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2007**

	Note	2007 £	2006 £
Tangible fixed assets			
Investment properties	6	14,480,000	12,580,000
Fixtures and fittings	6	27,890	57,387
		<u>14,507,890</u>	<u>12,637,387</u>
Current assets			
Debtors	7	503,183	421,216
Creditors: amounts falling due within one year	8	(8,516,575)	(8,523,638)
Net current liabilities		<u>(8,013,392)</u>	<u>(8,102,422)</u>
Total assets less current liabilities		<u>6,494,498</u>	<u>4,534,965</u>
Capital and reserves			
Called up share capital	10	100	100
Revaluation reserve	11	6,096,410	4,196,410
Profit and loss account	12	397,988	338,455
Shareholders' funds	13	<u>6,494,498</u>	<u>4,534,965</u>

These financial statements were approved by the Board on the **30 APR 2008** and are signed on its behalf by



Director



Director

DUNRAVEN RENTALS LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****1. ACCOUNTING POLICIES****(a) 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.

(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) Turnover

The turnover shown in the profit and loss account represents gross income including rents receivable in the period.

(d) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 12.5% - 33.33% per annum

In accordance with SSAP19 (Revised) 'Accounting for Investment Properties' no depreciation is provided on freehold or on leasehold properties with an unexpired term exceeding twenty years. The directors consider that this departure from the requirement of the Companies Act 1985 for all properties to be depreciated is necessary for the financial statements to show a true and fair view, since depreciation is reflected in the open market valuation and cannot be quantified separately.

(e) Investment properties

Investment properties are valued annually at open market value by independent valuers. Any surplus or deficit on revaluation is transferred to the revaluation reserve, except that if a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged or credited to the profit and loss account.

Investment properties under development are stated at cost, except where the directors consider that the value has fallen below cost, when they are revalued to the lower amount.

Profits and losses on the disposal of investment properties are recognised on unconditional exchange of contracts and are calculated by reference to book value and are included in the profit and loss account. On the disposal or recognition of a provision for impairment of a revalued asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

DUNRAVEN RENTALS LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****1. ACCOUNTING POLICIES** *(continued)***(f) Post retirement benefits**

The company has agreed to provide certain additional post-retirement benefits to selected senior employees. The estimated cost of providing such benefits is charged against profits on a systematic basis over the employees' working lives within the company.

(g) 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. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

3. OPERATING PROFIT

Operating profit is stated after charging

	2007 £	2006 £
Depreciation	29,497	29,497
Auditors' remuneration - for the audit of the annual accounts	<u>2,100</u>	<u>-</u>

Auditors' remuneration for 2006 of £2,000 was borne by Grosvenor Estate Management Limited a fellow subsidiary undertaking.

4. PARTICULARS OF EMPLOYEES

No fees or other emoluments were paid to the directors of the company during the current period 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 period.

5. TAXATION

The taxation charge is borne by the intermediate holding company, Grosvenor Limited, in the current period.

DUNRAVEN RENTALS LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****6. INVESTMENT PROPERTIES AND FIXTURES AND FITTINGS**

	Leasehold property £	Fixtures and Fittings £	Total £
Cost or valuation			
At 1 January 2007	12,580,000	97,545	12,677,545
Revaluation	1,900,000	—	1,900,000
At 31 December 2007	14,480,000	97,545	14,577,545
Depreciation			
At 1 January 2007	—	40,158	40,158
Charge for the year	—	29,497	29,497
At 31 December 2007	—	69,655	69,655
Net book value			
At 31 December 2007	14,480,000	27,890	14,507,890
At 31 December 2006	12,580,000	57,387	12,637,387

Long leasehold investment properties were valued at 31 December 2007 by CB Richard Ellis on the basis of open market value as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual

The historical cost of properties was £8,383,590 (2006 - £8,383,590)

The taxation on capital gains which would be payable on the surplus arising on the revaluation of fixed assets, in the event of their sale at valuation, is estimated to be approximately £2,234,000 (2006 - £1,899,000)

7. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	503,183	362,395
Other debtors	—	48,416
Prepayments and accrued income	—	10,405
	503,183	421,216

8. CREDITORS: amounts falling due within one year

	2007 £	2006 £
Trade creditors	21,779	16,048
Amounts owed to group undertakings	8,383,590	8,383,590
Other creditors	—	45,720
Accruals and deferred income	111,206	78,280
	8,516,575	8,523,638

DUNRAVEN RENTALS LIMITED**NOTES TO THE FINANCIAL ACCOUNTS****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:**

	2007 £	2006 £
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007 £	2006 £
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>

11. REVALUATION RESERVE

	2007 £	2006 £
At 1 January	4,196,410	2,826,410
Revaluation of fixed assets	1,900,000	1,370,000
At 31 December	<u>6,096,410</u>	<u>4,196,410</u>

12. PROFIT AND LOSS ACCOUNT

	2007 £	2006 £
At 1 January	338,455	3,890
Profit for the financial year	394,098	334,565
Dividends paid	(334,565)	—
At 31 December	<u>397,988</u>	<u>338,455</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	394,098	334,565
Other net recognised gains and losses	1,900,000	1,370,000
Dividends paid	(334,565)	—
Net addition to shareholders' funds	1,959,533	1,704,565
Opening shareholders' funds	4,534,965	2,830,400
Closing shareholders' funds	<u>6,494,498</u>	<u>4,534,965</u>

DUNRAVEN RENTALS LIMITED

NOTES TO THE FINANCIAL ACCOUNTS

14. 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