

**Company Registration No. 3536032**

**CBRE Limited (formerly CB Richard  
Ellis Limited)**

**Report and Financial Statements for the year  
ended 31 December 2011**

THURSDAY



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COMPANIES HOUSE

# **CBRE Limited (formerly CB Richard Ellis Limited)**

## **Report and financial statements 2011**

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# **CBRE Limited (formerly CB Richard Ellis Limited)**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

M F Creamer  
M J Strong  
M Samworth  
L H Midler  
P Emburey  
M Lewis  
G Borok

#### **Secretary**

A Naftus

#### **Registered Office**

St Martin's Court  
10 Paternoster Row  
London EC4M 7HP

#### **Bankers**

HSBC Plc  
27-32 Poultry  
London EC2P 2BX

#### **Principal legal advisors**

Wragge and Co LLP  
55 Colmore Row  
Birmingham B3 2AS

#### **Auditor**

KPMG LLP  
15 Canada Square  
London E14 5GL

# **CBRE Limited (formerly CB Richard Ellis Limited)**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

### **Change of name**

The company changed its name from CB Richard Ellis Limited to CBRE Limited on 30 November 2011

### **Principal activities and future developments**

The principal activity of the company continues to be the provision of property consultancy services

Management believe revenue, profit after tax and net assets to be the key performance indicators for 2011

As shown in the company's profit and loss account on page 7, the company's revenue has increased by 2% in comparison to the prior year (2010 increase by 17%) Profit after tax has increased by 282% in comparison to the prior year (2010 increase by 157%)

The balance sheet on page 8 of the financial statements shows that the company's net assets have increased by 20% over the prior year (2010 37%)

### **Financial risk management**

The company has adopted risk management policies that seek to mitigate the financial risks as follows

Financial assets and liabilities that expose the company to financial risk consist principally of cash, trade debtors and trade creditors The credit risk associated with trade debtors is managed by monitoring credit worthiness of our clients The financial instruments associated with cash and trade creditors are considered minimal

The company places its cash in creditworthy institutions The company performs ongoing credit evaluation of its customers' financial condition The trade debtors are distributed in such a manner that the concentration of credit risk is not considered extraordinary

The company is dependent on its parent company for continued financial support and the directors are satisfied that the financial support will be available when required

The carrying amounts of cash and bank balances, trade debtors and payables approximate their respective fair values due to the relatively short-term maturing of these financial instruments

The directors are of the view that the company is not exposed to any significant interest rate, or inflation rate risks

### **Results and dividends**

The retained profit for the company after taxation for the year ended 31 December 2011 amounted to £46,371,000 (2010 £12,149,000)

A dividend of £13,799,000 was declared and paid during 2011 (2010 £nil)

### **Political and charitable donations**

The Company made no political or charitable donations or incurred any political expenditure during the year and the prior year

# **CBRE Limited (formerly CB Richard Ellis Limited)**

## **Directors' report (continued)**

### **Disabled employees**

It is the group's policy to give full and fair consideration to the employment, training, career development and promotion of disabled persons, and wherever possible, to provide continued employment and training to persons who become disabled while employed by the group

### **Employee involvement**

The directors recognise that the quality, commitment and motivation of its staff is crucial to the success of the group. Employees are able to share in this success through a bonus scheme

Employees are kept informed on matters affecting them and made aware of the general economic factors influencing the group. In addition staff social groups, catering for a wide range of leisure interests, are actively supported by the group

### **Directors**

The directors are shown on page 1

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office

By order of the board

M Lewis  
Director  
11 September 2012



## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of CBRE Limited (formerly CB Richard Ellis Limited)**

We have audited the financial statements of CBRE Limited (formerly CB Richard Ellis Limited) for the year ended 31 December 2011 set out on pages 7 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, 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 to express our 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 Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter 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  
CBRE Limited (formerly CB Richard Ellis Limited)**  
*(continued)*

**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



**Shaun Kirby (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
Canary Wharf  
London E14 5GL  
11 September 2012



## CBRE Limited (formerly CB Richard Ellis Limited)

### Profit and loss account Year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Turnover	1	207,157	202,428
Operating expenses		(195,494)	(186,558)
<b>Operating profit</b>	2	<b>11,664</b>	<b>15,870</b>
Income from subsidiary undertakings		42,150	2,000
Interest receivable and similar income	5	4,230	2,347
Interest payable and similar charges	6	(6,062)	(5,796)
<b>Profit on ordinary activities before taxation</b>		<b>51,982</b>	<b>14,421</b>
Tax charge on profit on ordinary activities	7	(5,611)	(2,272)
<b>Retained profit for the year</b>	17	<b>46,371</b>	<b>12,149</b>

### Statement of total recognised gains and losses

	Note	2011 £'000	2010 £'000
Profit for the financial year		46,371	12,149
Actuarial (loss)/gain on defined benefit pension schemes	19	(17,218)	12,998
Deferred tax associated with defined benefit pension schemes		2,856	(295)
<b>Total recognised gains and losses</b>		<b>32,009</b>	<b>24,852</b>

All results are from continuing operations

The notes on pages 9 to 34 form part of these financial statements

# CBRE Limited (formerly CB Richard Ellis Limited)

## Balance Sheet as at 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Goodwill	8	82,804	88,506
Tangible assets	9	16,721	9,249
Investments	10	20,215	19,471
		<u>119,740</u>	<u>117,226</u>
<b>Current assets</b>			
Debtors amounts falling due within one year	11	381,219	175,760
Cash at bank and in hand		13,029	10,778
		<u>394,248</u>	<u>186,538</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(157,603)</u>	<u>(147,021)</u>
<b>Net current assets</b>		<u>236,645</u>	<u>39,517</u>
<b>Total assets less current liabilities</b>		<u>356,385</u>	<u>156,743</u>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(202,808)</u>	<u>(33,508)</u>
<b>Provisions for liabilities</b>	14	<u>(7,578)</u>	<u>(8,294)</u>
<b>Net assets excluding net pension liabilities</b>		<u>145,999</u>	<u>114,941</u>
<b>Net pension liabilities</b>	19	<u>(25,054)</u>	<u>(14,430)</u>
<b>Net assets including net pension liabilities</b>		<u>120,945</u>	<u>100,511</u>
<b>Capital and reserves</b>			
Called up equity share capital	15	6,000	6,000
Capital contribution	18	35,189	32,965
Share premium	16	33,954	33,954
Profit and loss account excluding pension reserve	17	113,472	80,900
Pension reserve	19	(67,670)	(53,308)
<b>Shareholders' funds</b>	18	<u>120,945</u>	<u>100,511</u>

These financial statements were approved by the Board of Directors on 11 September 2012

Signed on behalf of the Board of Directors

Company Registration Number 3536032

M Lewis

Director



The notes from pages 9 to 34 form part of the financial statements

# **CBRE Limited (formerly CB Richard Ellis Limited)**

## **Notes to the accounts for the year ending 31 December 2011**

### **1. Principal accounting policies**

The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and applicable United Kingdom law and accounting standards. The principal accounting policies adopted within that convention are set out below. The accounting policies have been applied consistently in the current and previous year. The financial statements have been prepared on a going concern basis.

#### **Share-based payments**

The company has applied the requirements of FRS 20 Share-based Payment. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

The company's US parent, CBRE Group Inc (formerly CB Richard Ellis Group Inc), issued equity-settled share-based payments (share options and restricted stock) to certain employees under its 2001 and 2004 Stock Incentive Plan. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

#### **Goodwill**

Goodwill is the excess between the amount paid on the acquisition of the business and the fair value of the separable net assets acquired. Goodwill has been capitalised and is written off on a straight line basis over a life of 20 years, being the directors' best estimate of its useful economic life. Provision is made for any impairment.

#### **Turnover**

Turnover comprises commissions and fees receivable in respect of services performed exclusive of Value Added Tax. Fee income is recognised when the service is delivered.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided so as to write off the cost of tangible fixed assets less their residual value over their estimated useful lives, using the following rates:

Leasehold improvements	length of lease
Furniture and equipment - Fixtures & fittings	10% per annum on a straight-line basis
- Computer equipment	33% per annum on a straight-line basis

#### **Fixed asset investments**

Fixed asset investments are shown at cost less provision for impairment.

## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Notes to the accounts for the year ending 31 December 2011**

#### **1. Principal accounting policies (continued)**

##### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

##### **Taxation**

Current tax including UK corporation tax and foreign tax is provided 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### **Cash flow statement**

No cash flow statement has been prepared, under the provision of FRS1 "Cash flow statements", on the basis that the company is a wholly owned subsidiary of CBRE Group Inc, whose consolidated financial statements are publicly available and include a consolidated cash flow statement.

##### **Group accounts**

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts. This exemption is available because the results of CBRE Limited (formerly CB Richard Ellis Limited) and all of its subsidiaries are included in the group accounts of CBRE Group Inc, (formerly CB Richard Ellis Group Inc), a company incorporated in the United States.

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 1. Principal accounting policies (continued)

#### Pensions

The Company operates three defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The Company operates two pension schemes providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

### 2. Operating profit

	2011 £'000	2010 £'000
Company operating profit on ordinary activities is stated after charging		
Share based payments	2,224	2,086
Depreciation: Owned assets	2,378	2,314
Movement in provisions	977	2,286
Amortisation of goodwill	6,952	6,931
Fees payable to the company's auditor's for the audit of the company's annual accounts	142	137
Operating leases		
Plant and machinery	1,091	733
Land and Buildings	6,467	6,461
Other	341	367

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 3. Directors' remuneration

	2011 £'000	2010 £'000
<b>Remuneration</b>		
Emoluments	3,238	4,089
Contributions to defined benefit and defined contribution pension schemes	91	82
	<u>3,329</u>	<u>4,171</u>

### Pensions

The number of directors who were members of pension schemes was as follows

	No.	No.
Money purchase schemes	3	4
Final salary schemes	1	1
	<u>4</u>	<u>5</u>

	£'000	£'000
<b>Highest paid director</b>		
Emoluments	1,230	1,674
Company contributions to defined benefit pension schemes	35	35
	<u>1,265</u>	<u>1,709</u>

### 4. Employment costs (including directors)

	2011 £'000	2010 £'000
Wages and salaries	128,979	122,153
Social security costs	13,559	13,492
Pension costs (see note 19)	4,999	3,451
	<u>147,537</u>	<u>139,096</u>

The average monthly number of employees (including directors) was

	Average 2011 No.	Average 2010 No.
Professional staff	1,070	998
Administrative staff	393	367
	<u>1,463</u>	<u>1,365</u>

## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Notes to the accounts for the year ending 31 December 2011**

#### **5. Interest receivable and similar income**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest receivable	1,092	1,558
Intercompany interest receivable	2,653	789
Net credit re financing of retirement benefits	485	-
	<u>4,230</u>	<u>2,347</u>

#### **6. Interest payable and similar charges**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	506	589
Intercompany interest payable	5,381	4,132
Net charge re financing of retirement benefits	-	703
Other interest expense	175	372
	<u>6,062</u>	<u>5,796</u>

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 7. Tax charge on profit on ordinary activities

	2011 £'000	2010 £'000
<b>Current tax</b>		
UK corporation tax based on profit for the year	2,443	2,730
Payments for group relief	137	418
Adjustments in respect of prior periods	3,018	(1,296)
Foreign taxation	181	-
<b>Total current tax</b>	<b>5,779</b>	<b>1,852</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(893)	149
Adjustments in respect of prior periods	813	271
Effect of tax rate change on opening balance	(88)	-
<b>Total deferred tax</b>	<b>(168)</b>	<b>420</b>
<b>Tax charge on profit on ordinary activities</b>	<b>5,611</b>	<b>2,272</b>
<b>Deferred tax reconciliation</b>		
Opening deferred tax (creditor)/asset (see note 13)	(369)	51
Charge to the profit and loss account	168	(420)
<b>Closing deferred tax creditor (see note 13)</b>	<b>(201)</b>	<b>(369)</b>

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2011 £'000	2010 £'000
Profit on ordinary activities before tax and after dividend received	51,982	14,421
Taxation on profit on ordinary activities at standard rate of 26.5% (2010: 28%)	13,771	4,037
Effects of		
(Net income)/expenses not deductible for tax purposes	(8,570)	1,926
Capital allowances in excess of depreciation	(294)	119
Other fixed asset timing differences	1	(2)
Tax adjustments and other timing differences	(1,330)	(1,302)
Adjustments to tax charge in respect of prior periods	3,018	(1,296)
Other deductions for tax purposes	(48)	-
Higher rate of tax on overseas earnings	181	-
Group relief claimed for nil consideration	(950)	(1,630)
<b>Current tax charge for the year</b>	<b>5,779</b>	<b>1,852</b>



# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 7. Tax charge on profit on ordinary activities (continued)

Finance (no 2) Act 2010 enacted the reduction in corporation tax rate from 28% to 27% with effect from April 2011. In addition, the UK Government announced three further annual 1% cuts to reduce the rate to 24% from April 2014. On 23 March 2011, a resolution passed by Parliament further reduced the main rate of corporation tax to 26% with effect from 1 April 2011.

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. A further reduction to 23% (with effect from 1 April 2013) was substantively enacted on 3 July 2012.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £8,060.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

### 8. Goodwill

	£'000
<b>Cost</b>	
At 1 January 2011	138,628
Additions	1,250
At 31 December 2011	139,878
<b>Amortisation</b>	
At 1 January 2011	50,122
Charge for the year	6,952
At 31 December 2011	57,074
<b>Net book value</b>	
At 31 December 2011	82,804
At 31 December 2010	88,506

On 8 September 2011 the company acquired 100% of the issued share capital in Eastman Peddar Limited for a cash consideration of £1,992,344. On the 19 September 2011, the trade, assets and liabilities were transferred to CB Richard Ellis Limited giving rise to goodwill in the company of £1,250,000 as explained in note 10.

# **CBRE Limited (formerly CB Richard Ellis Limited)**

## **Notes to the accounts for the year ending 31 December 2011**

### **9. Tangible fixed assets**

	<b>Leasehold improvements £'000</b>	<b>Furniture and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2011	8,155	17,585	25,740
Additions	6,664	3,186	9,850
	<hr/>	<hr/>	<hr/>
At 31 December 2011	14,819	20,771	35,590
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At 1 January 2011	3,172	13,319	16,491
Charge for the year	746	1,632	2,378
	<hr/>	<hr/>	<hr/>
At 31 December 2011	3,918	14,951	18,869
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2011	10,901	5,820	16,721
	<hr/>	<hr/>	<hr/>
At 31 December 2010	4,983	4,266	9,249
	<hr/>	<hr/>	<hr/>

## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Notes to the accounts for the year ending 31 December 2011**

#### **10. Fixed asset investments**

##### *Subsidiary undertakings*

	<b>£'000</b>
<b>Cost and net book value:</b>	
At 1 January 2011	19,471
Net additions	744
	<hr/>
At 31 December 2011	20,215
	<hr/> <hr/>

##### **Group reorganisation and transfer of subsidiary undertakings**

On 8 September 2011 all of the issued share capital of Eastman Peddar Limited was acquired for the sum of £1 992,344. On 19 September 2011 following the acquisition of Eastman Peddar Limited the trade, assets and liabilities were transferred into CBRE Limited. The transfer of business necessitated a £1,250,000 increase to the goodwill balance held by CBRE Limited at 31 December 2011.

## CBRE Limited (formerly CB Richard Ellis Limited)

### Notes to the accounts for the year ending 31 December 2011

#### 10. Fixed asset investments (continued)

The company has investments in the following subsidiary undertakings and other investments. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Principal subsidiaries	Principal activity	Holding No. of shares	Proportion of ordinary share capital %
CB Richard Ellis Limited	Property services	8,769,749	100
CBRE Real Estate Finance Limited	Financial services	133,000	100
CBRE Jersey Limited	Property services	9	100
CBRE Loan Servicing Limited	Property services	1	100
CBRE Indirect Investment Services Limited	Financial services	50,000	100
CBRE Management Services Limited	Management services	2	100
CB Richard Ellis Financial Services Limited	Financial services	10,000	100
CBRE European Treasury Limited	Treasury management services	2	100
CBRE Investors UK Holdings Limited	Investment holding	50	100
Fintan Limited	Investment holding	10	100
Mareagle	Investment holding	132,000	100
CBRE Services (Jersey) Limited	Estate agent and property management Services	2	100
Eastman Peddar Limited	Property Services	10	100
Reech CBRE Alternative Real Estate LLP*	Fund Management	-	59

\* This company is held indirectly via subsidiary undertakings of CBRE Limited

All of the principal subsidiary undertakings and joint venture undertakings are incorporated in Great Britain except for Mareagle which is incorporated in Ireland and CBRE Services (Jersey) and CBRE Jersey Limited are both incorporated in Jersey.

## CBRE Limited (formerly CB Richard Ellis Limited)

### Notes to the accounts for the year ending 31 December 2011

#### 11. Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade debtors	64,117	60,181
Amounts owed by subsidiary undertakings	284,840	3,141
Amounts owed by fellow group undertakings	16,740	97,940
Other debtors	5,175	3,278
Prepayments	8,867	6,925
Corporation tax	1,480	4,295
	<u>381,219</u>	<u>175,760</u>

On 31 October 2011 ING Real Estate Investment Management Group (UK) Limited was acquired by CBRE Global Investors Europe Holdings Limited (formerly CB Richard Ellis Investors UK Holdings Limited). A loan of £300,921,692, repayable on demand was made to CBRE Global Investors Europe Holdings Limited during the year to fund the acquisition of ING Real Estate Investment Management Group (UK) Limited of which £22,530,213 was paid during the year. Interest on the loan is receivable at a rate of LIBOR plus 2.5%.

#### 12. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	1,829	4,208
Amounts owed to ultimate parent undertaking	318	533
Amounts owed to subsidiary undertakings	13,449	33,668
Amounts owed to fellow group undertakings	38,853	38,460
Other taxation and social security		
Social security	3,950	3,147
Other taxes	6,273	4,514
Other creditors	34,883	9,486
Accruals and deferred income	58,048	53,005
	<u>157,603</u>	<u>147,021</u>

#### 13. Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000
Amounts owed to fellow group undertakings	202,607	33,139
Deferred tax	201	369
	<u>202,808</u>	<u>33,508</u>

A loan for £33,138,812 owed to CBRE Luxembourg Finance SARL is repayable on 19 December 2013 at an annual rate equal to LIBOR plus 5.079% and a loan for £169,468,750 owed to various lenders is repayable on 10 May 2016 at an annual rate equal to LIBOR plus 2.25%.

## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Notes to the accounts for the year ending 31 December 2011**

#### **13. Creditors: amounts falling due after more than one year (continued)**

Deferred taxation provided in the financial statements is as follows

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Capital allowances in excess of depreciation	631	425
Other short term timing differences	(430)	(56)
	<hr/>	<hr/>
Deferred tax liability	<b>201</b>	<b>369</b>
	<hr/>	<hr/>

Finance (no 2) Act 2010 enacted the reduction in corporation tax rate from 28% to 27% with effect from April 2011. In addition, the UK Government announced three further annual 1% cuts to reduce the rate to 24% from April 2014. On 23 March 2011, a resolution passed by Parliament further reduced the main rate of corporation tax to 26% with effect from 1 April 2011.

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. A further reduction to 23% (with effect from 1 April 2013) was substantively enacted on 3 July 2012.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date) by £8,060.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 14. Provisions for liabilities

	At 1 January 2011 £'000	Additions/ deletions £'000	Utilised £'000	Imputed interest £'000	At 31 December 2011 £'000
Provision for annuities	1,858	-	(252)	174	1,780
Provisions for onerous leases	4,785	119	(990)	-	3,914
Other provisions	1,651	858	(625)	-	1,884
	<u>8,294</u>	<u>977</u>	<u>(1,867)</u>	<u>174</u>	<u>7,578</u>

Annuities are amounts payable to certain former equity partners of Richard Ellis and St Quintin

Provisions for annuities become payable between 1 and 10 years Provisions for onerous leases become payable between 1 and 13 years

Other provisions include a provision for potential claims that arise in the ordinary course of business

### 15. Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid:</b>		
6,000,104 ordinary shares of £1 each	<u>6,000,104</u>	<u>6,000,104</u>

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 16. Share premium

	£'000
At 1 January 2011 and 31 December 2011	33,954

### 17. Profit and loss account

	£'000
At 1 January 2011	80,900
Retained profit for the year	46,371
Dividend paid	(13,799)
At 31 December 2011	113,472

### 18. Reconciliation of movements in shareholders' funds

	Share capital £'000	Capital contribution £'000	Share premium £'000	Profit and loss account £'000	Pension Reserve £'000	Total shareholders' funds £'000
At 31 December 2010	6,000	32,965	33,954	80,900	(53,308)	100,511
Profit for the year	-	-	-	46,371	-	46,371
Dividend paid	-	-	-	(13,799)	-	(13,799)
Increase in pension reserve	-	-	-	-	(14,362)	(14,362)
Increase in capital contribution	-	2,224	-	-	-	2,224
At 31 December 2011	6,000	35,189	33,954	113,472	(67,670)	120,945



# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 19. Pensions

#### Defined benefit schemes

The Company operates two defined benefit pension schemes, the CB Hillier Parker Pension Scheme and the Richard Ellis St Quintin Retirement Fund. Both pension schemes are closed to new members and with effect from 30 June 2007 the CB Hillier Parker Pension Scheme and the Richard Ellis St Quintin Retirement Fund transferred all active members to deferred and ceased accrual for future benefits.

The assets of each Scheme are held in trustee administered funds, separated from the group's own resources. Contributions to the schemes are determined by independent qualified actuaries on the basis of periodic valuations using the projected unit method.

A summary of the actuarial gain, pension liability and pension reserve for both schemes can be found below.

	Actuarial (loss)/gain		Pension liability		Pension reserve	
	2011	2010	2011	2010	2011	2010
	£'000	£'000	£'000	£'000	£'000	£'000
CB Hillier Parker Pension Scheme	(13,388)	11,041	26,748	16,242	(54,908)	(41,520)
Richard Ellis St Quintin Retirement Fund	(3,830)	1,957	12,427	9,453	(19,236)	(15,406)
Less deferred tax	-	-	(14,121)	(11,265)	6,474	3,618
	<u>(17,218)</u>	<u>12,998</u>	<u>25,054</u>	<u>14,430</u>	<u>(67,670)</u>	<u>(53,308)</u>

#### CB Hillier Parker Pension Scheme

The scheme was closed to new entrants in April 2002. Existing active members continued to accrue future service benefits under the rules of the scheme until 30 June 2007 when the actives were transferred to deferred and the scheme ceased to accrue for future benefits.

The employer contribution for the year was £2,353,000 (2010: £1,701,000).

The pension credit to the Company for the year from the Scheme was £529,000 (2010: charge £384,000).

The formal actuarial valuation as at 31 December 2009 has been updated to the accounting date by an independent qualified actuary. As required by FRS 17, the value of the defined benefit liabilities has been measured using the projected unit method. Assets have been valued at market value. The valuation shows that the market value of the Scheme's assets was £113.835m and represented 81% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The following tables set out the key FRS 17 assumptions used for the Scheme. The tables also set out as at 31 December 2011 the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRS 17 liabilities and the deficit of assets below the FRS 17 liabilities.

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 19. Pensions (continued)

#### Assumptions

	2011 % pa	2010 % pa	2009 % pa
Rate of inflation	3.2	3.5	3.6
Rate of increase in salaries	N/A	N/A	N/A
Rate of increase to pensions in payment	3.2	3.5	3.6
Discount rate	4.9	5.5	5.6

Post mortality assumptions in 2011 are using SINA\_L tables (2010 are 90% of PA2000), medium cohort year of birth with a minimum improvement rate of 1.0%/0.75% pa for males/females (2010 - 1.5%/1.0% pa for males/females)

#### Scheme assets

The fair value of assets in the scheme, the present value of the liabilities in the scheme, and the expected rate of return at the balance sheet date were

	2011		2010		2009	
	Proportion of assets %	Long-term rate of return expected % pa	Proportion of assets %	Long-term rate of return expected % pa	Proportion of assets %	Long-term rate of return expected % pa
Equities	76.00	6.90	77.00	7.50	78.00	8.00
Gilts	10.00	2.90	9.00	4.00	11.00	4.30
Property	5.00	4.90	5.00	6.00	5.00	6.20
Cash	0.00	3.00	1.00	4.20	1.00	4.40
Bonds	9.00	4.60	8.00	5.20	5.00	5.30
Total	100.00	6.30	100.00	7.00	100.00	7.30

	2011 £'000	2010 £'000	2009 £'000
Total fair value of assets	113,835	115,027	101,714
Present value of scheme liabilities	(140,583)	(131,269)	(130,314)
Deficit in the scheme	(26,748)	(16,242)	(28,600)
Deferred tax asset	9,691	7,389	8,286
Net pension liability	(17,057)	(8,853)	(20,314)

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 19. Pensions (continued)

The movement in scheme liabilities and assets is as follows

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Pension scheme liability at 1 January	(131,269)	(130,314)
Benefits paid	2,459	2,532
Other net finance income	(7,153)	(7,228)
Actuarial (loss)/gain	(4,620)	3,741
Pension scheme liability 31 December	<u>(140,583)</u>	<u>(131,269)</u>

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Pension scheme asset at 1 January	115,027	101,714
Expected return on plan assets	7,682	6,844
Contributions (employee and employer)	2,353	1,701
Benefits paid	(2,459)	(2,532)
Actuarial (loss)/gain	(8,768)	7,300
Pension scheme asset 31 December	<u>113,835</u>	<u>115,027</u>

Analysis of amounts included in other finance costs

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on pension scheme assets	(7,682)	(6,844)
Interest on post-retirement liabilities	7,153	7,228
Net charge to finance income	<u>(529)</u>	<u>384</u>

The amount recognised outside the profit and loss account in the statement of total recognised gains and losses (STRGL) for 2011 is a loss of £13 388m (2010 gain of £11 041m) The cumulative amount to be recognised outside the profit and loss account as at 31 December 2011 is a loss of £59 476m

## CBRE Limited (formerly CB Richard Ellis Limited)

### Notes to the accounts for the year ending 31 December 2011

#### 19. Pensions (continued)

Analysis of asset and scheme liabilities and deficits are as follows

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Present value of defined obligation	(140,583)	(131,269)	(130,314)	(94,081)	(117,057)
Fair value of plan assets	113,835	115,027	101,714	85,683	107,931
Deficit	<u>(26,748)</u>	<u>(16,242)</u>	<u>(28,600)</u>	<u>(8,398)</u>	<u>(9,126)</u>
Experience adjustments arising on scheme assets	8,768	(7,300)	(11,355)	28,603	2,028
Experience item as a percentage of scheme assets	8 0%	(6 0%)	(11 0%)	33 0%	2 0%
Experience adjustments arising on scheme liabilities	4,620	(3,741)	-	-	674
Experience item as a percentage of scheme liabilities	3 0%	(3 0%)	-	-	1 0%

The expected employer contributions for calendar year 2012 are £2,511,000

#### *Richard Ellis St Quintin Retirement Fund*

The scheme was closed to new entrants in April 1997 for the Richard Ellis scheme and March 1998 for the St Quintin scheme. Existing active members continued to accrue future service benefits under the rules of the scheme until 30 June 2007 when the actives were transferred to defer and the scheme ceased accrual for future benefits. In addition a small number of former Richard Ellis directors who are currently in service were granted salary linkage on their accrued deferred pensions up to the 30 June 2007.

The total company contributions to the scheme amounted to £964,000 paid in the year (2010 £593,000 paid in the year).

The pension charge for the year was £105,000 (2010 £361,000). The valuation shows that the market value of the schemes assets was £50,505,000 and represented 81% of the benefits that had accrued to members.

The last funding valuation was at 30 June 2007 and this has been updated to 31 June 2009 by an independent qualified actuary. As required by FRS 17, the value of the defined benefit liabilities has been measured using the projected unit method.

The following tables set out the key FRS 17 assumptions used for the Scheme. The tables also set out as at 31 December 2011 the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRS 17 liabilities and the deficit of assets below the FRS 17 liabilities.

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 19. Pensions (continued)

The major assumptions used in this valuation were

	2011 % pa	2010 % pa	2009 % pa
Rate of inflation	3.2	3.5	3.6
Rate of general increase in salaries	N/A	N/A	N/A
Rate of increase to pensions in line with increase in Retail Price Index capped at 5% pa (LPI)	3.1	3.4	3.5
Discount rate for scheme liabilities	4.8	5.4	5.6

The post retirement mortality tables in 2011 are using S1NA\_L tables, medium cohort year of birth with a minimum improvement rate of 1.0%/0.75% pa for males/females (2010 '00 Series' tables using a 'Year of Birth' projection, with a minus one-year age rating adjustment to the base tables)

#### Scheme assets

The following table shows the proportion that the assets are held by class of assets with the expected rate of return for that class of asset. The proportions are calculated by reference to the fair value of the assets.

	2011 Proportion of assets %	2011 Long-term rate of return expected % pa	2010 Proportion of assets %	2010 Long-term rate of return expected % pa	2009 Proportion of assets %	2009 Long-term rate of return expected % pa
Equities	6.60	6.90	30.00	7.50	22.00	8.00
Government Bonds	-	-	-	-	9.00	4.40
Corporate Bonds	-	-	-	-	28.00	5.30
Broad Bonds fund	21.90	4.90	22.00	5.50	21.00	5.60
Dynamic Asset Allocation Fund	49.10	6.00	26.00	7.20	19.00	7.40
Cash	22.40	3.00	22.00	4.20	1.00	4.40
	-	-	-	-	-	-
<b>Total</b>	<b>100.00</b>	<b>5.10</b>	<b>100.00</b>	<b>6.30</b>	<b>100.00</b>	<b>6.30</b>

	2011 £'000	2010 £'000	2009 £'000
Fair value of scheme assets	50,505	49,758	46,749
Present value of scheme liabilities	(62,932)	(59,211)	(58,391)
Deficit in the scheme	(12,427)	(9,453)	(11,642)
Deferred tax asset	4,430	3,876	3,274
<b>Net pension liability</b>	<b>(7,997)</b>	<b>(5,577)</b>	<b>(8,368)</b>

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 19. Pensions (continued)

The movement in scheme liabilities and assets is as follows

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Pension scheme liability at 1 January	(59,211)	(58,391)
Current service cost	(61)	(42)
Benefits paid	2,325	2,302
Other net finance income	(3,136)	(3,207)
Actuarial (loss)/gain	(2,849)	127
Pension scheme liability 31 December	<u>(62,932)</u>	<u>(59,211)</u>

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Pension scheme asset at 1 January	49,758	46,749
Expected return on plan assets	3,092	2,888
Contributions by employer	961	593
Benefits paid	(2,325)	(2,302)
Actuarial gain	(981)	1,830
Pension scheme asset 31 December	<u>50,505</u>	<u>49,758</u>

Analysis of other pension costs charged in arriving at operating profit

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	61	42
Total operating charge	<u>61</u>	<u>42</u>

Analysis of amounts included in other finance costs

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on pension scheme assets	(3,092)	(2,888)
Interest on pension scheme liabilities	3,136	3,207
Net cost	<u>44</u>	<u>319</u>

The amount recognised outside the profit and loss account in the statement of total recognised gains and losses (STRGL) for 2011 is a loss of £3 830m (2010 gain of £1 957m) The cumulative amount to be recognised outside the profit and loss account as at 31 December 2011 is a loss of £11 972m

## CBRE Limited (formerly CB Richard Ellis Limited)

### Notes to the accounts for the year ending 31 December 2011

#### 19. Pensions (continued)

Analysis of asset and scheme liabilities and deficits are as follows

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of defined obligation	(62,932)	(59,211)	(58,391)	(46,613)	(54,829)
Fair value of plan assets	50,505	49,758	46,749	41,319	49,969
Deficit	<u>(12,427)</u>	<u>(9,453)</u>	<u>(11,642)</u>	<u>(5,294)</u>	<u>(4,860)</u>
Experience adjustments arising on scheme liabilities	(318)	(164)	(192)	126	(896)
Experience item as a percentage of scheme liabilities	(0.5%)	(0.3%)	(0.3%)	0.3%	(1.6%)
Experience adjustments arising on scheme assets	981	(1,830)	(3,940)	10,394	494
Experience item as a percentage of scheme assets	1.9%	(3.7%)	(8.4%)	25.2%	1.0%

The expected employer contributions for calendar year 2012 are £1.0m

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 19. Pensions (continued)

Both final salary schemes are closed to new entrants and, under the method used to calculate pension costs in accordance with FRS 17, the cost as a percentage of covered pensionable payroll will tend to increase as the average age of the membership increases

#### *Defined Contribution Schemes*

The group operates three defined contribution schemes. It also makes contributions to group personal pension plans and holds an insurance policy to provide death-in-service benefits to pension scheme members. The assets of all schemes are held separately from those of the company and are administered by trustees.

The group operates a defined contribution scheme for employees of CBRE Limited. The scheme was closed in June 2001 and the liability for these members has been substantially extinguished from the scheme by payment of transfer values either to an arrangement of the member's choice or to a Section 32 policy with Friends Provident established by the Trustees.

The group operates two defined contribution schemes for employees of CBRE Management Services Limited (formerly CB Richard Ellis Management Services Limited). The total pension charge for the year was £213,000 (2010 £226,000).

The total pension charge for the year for group personal plans was £4,938,000 (2010 £3,409,000).

### 20. Share-based payments

The costs of issuing the share options and restricted stock are as follows

	Share Options		Restricted Stock	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Fair Value charge	166	166	2,058	1,920

#### **Fair Value**

The fair value of share options and restricted stock is estimated using the Black-Scholes option-pricing model, which takes into account assumptions such as dividend yield, risk-free interest rate, expected stock price volatility and the expected life of the options.

The weighted average fair value of share options granted were \$13.49, \$10.40 and \$6.63 and for the years ended 31 December 2011, 2010 and 2009 respectively. There were share options granted during 2008. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model, utilising the following weighted average assumptions:

	2011	2010	2009
Dividend yield	0%	0%	0%
Expected volatility	61.99%	75.37%	75.18%
Risk-free interest rate	1.65%	2.31%	2.51%
Expected life	5 years	6 years	6 years

The dividend yield assumption is excluded from the calculation, as it is the present intention to retain all earnings. The expected volatility is based on a combination of the historical stock price and implied volatility. The selection of implied volatility data to estimate expected volatility is based upon the availability of actively



## CBRE Limited (formerly CB Richard Ellis Limited)

### Notes to the accounts for the year ending 31 December 2011

#### 20. Share-based payments (continued)

traded options on the stock. The risk-free interest rate is based upon the US Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the options.

Share options are valued at fair market value on the date of grant. The share options outstanding during the year were granted as follows:

On 16 September 2003 options in CBRE Group Inc. were granted with an exercisable price of \$5.77. On 1 June 2006, CBRE Group Inc. effected a 3 for 1 stock split which reduced the exercise price to \$1.92 and increased the number of options three-fold. The options become exercisable with respect to 20% of the shares on the first, second, third, fourth and fifth anniversaries of the date of grant. The share options expire five years from the date of grant and are subject to earlier termination under certain conditions.

On 22 September 2004 options in CBRE Group Inc. were granted with an exercisable price of \$22.39. On 1 June 2006, CBRE Group Inc. effected a 3 for 1 stock split which reduced the exercise price to \$7.46 and increased the number of options three-fold. The options become exercisable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant. The share options expire four years from the date of grant and are subject to earlier termination under certain conditions.

On 25 January 2005 options in CBRE Group Inc. were granted with an exercisable price of \$33.45 per share. On 1 June 2006, CBRE Group Inc. effected a 3 for 1 stock split which reduced the exercise price to \$11.15 and increased the number of options three-fold. The options become exercisable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant. The share options expire four years from the date of grant and are subject to earlier termination under certain conditions.

On 21 September 2005 options in CBRE Group Inc. were granted with an exercisable price of \$46.28 per share. On 1 June 2006, CBRE Group Inc. effected a 3 for 1 stock split which reduced the exercise price to \$15.43 and increased the number of options three-fold. The options become exercisable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 2 September 2008 options CBRE Group Inc. were granted with an exercisable price of \$13.29. The options become exercisable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

Details of the share options are summarised below:

	2011		2010	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at 1 January	354,801	\$9.32	404,685	\$8.41
Granted during the year	-	-	-	-
Exercised during the year	(51,926)	\$14.96	(49,884)	\$1.92
Exchanged/lapsed during the year	-	-	-	-
Outstanding at the end of the period	302,875	\$8.36	354,801	\$9.32
Exercisable at the end of the period	257,170	-	263,392	-

## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Notes to the accounts for the year ending 31 December 2011**

#### **20. Share-based payments (continued)**

Restricted stocks outstanding during the year were granted as follows,

On 21 September 2005, restricted shares in CBRE Group Inc were granted at nil cost. On 1 June 2006, CBRE Group Inc effected a 3 for 1 stock split. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 21 February 2006, restricted shares in CBRE Group Inc were granted at nil cost. On 1 June 2006, CBRE Group Inc effected a 3 for 1 stock split. The shares become vestable on 15 March 2016.

On 6 September 2006, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 19 March 2007, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable on 15 March 2016.

On 5 September 2007, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 4 February 2008, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable on the eighth anniversaries of the date of grant.

On 2 September 2008, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 7 July 2009, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 9 September 2009, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 8 September 2010, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

On 10 February 2011, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable on the fifth anniversaries of the date of grant.

On 8 September 2011, restricted shares in CBRE Group Inc were granted at nil cost. The shares become vestable with respect to 25% of the shares on the first, second, third and fourth anniversaries of the date of grant.

# CBRE Limited (formerly CB Richard Ellis Limited)

## Notes to the accounts for the year ending 31 December 2011

### 20. Share-based payments (continued)

Details of the restricted stock are summarised below

	2011		2010	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at 1 January	717,842	-	869,170	-
Granted during the year	229,619	-	82,506	-
Vested during the period	(238,740)	-	(233,834)	-
Outstanding at the end of the period	<u>708,271</u>	-	<u>717,842</u>	-

### 21. Financial commitments

At 31 December the group had annual commitments under non-cancellable operating leases as set out below

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year	176	22	1,178	321
Between two and five years	1,085	257	960	462
After five years	10,728	878	10,158	496
	<u>11,989</u>	<u>1,157</u>	<u>12,296</u>	<u>1,279</u>

### 22. Immediate and ultimate parent company

The directors regard Relam Amsterdam Holdings B V , a company incorporated in The Netherlands, as the immediate parent company

The directors regard CBRE Group Inc , a company incorporated in the United States, as the ultimate parent company and ultimate controlling party

CBRE Group Inc , is the parent company of the largest group of which the company is a member and for which group financial statements are drawn up

Copies of the consolidated group financial statements for CBRE Group Inc are available from CBRE Limited, St Martin's Court, 10 Paternoster Row, London EC4M 7HP

## **CBRE Limited (formerly CB Richard Ellis Limited)**

### **Notes to the accounts for the year ending 31 December 2011**

#### **23. Related parties**

As a subsidiary undertaking of CBRE Group Inc , the company has taken advantage of the exemption in Financial Reporting standard No 8 "Related party disclosures" from disclosing transactions with other members of the group headed by that company

The company undertook transactions during the year of £200,000 (2010 £515,000) for management commission, remuneration (including bonuses) and lifestyle costs with Reech CBRE Alternative Real Estate LLP, a joint venture which it owns a 59% share in The amount due from Reech CBRE Alternative Real Estate at 31 December 2011 is £1,316,000 (2010 £999,000)

There were no other transactions with related parties in the year ended 31 December 2011 or December 2010 that require disclosure