

COMPANY REGISTRATION NUMBER 04068410

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2007

FRIDAY



LFYJS4FS

LD5

31/10/2008

42

COMPANIES HOUSE

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2007

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	2
Independent auditors' report	4
Profit and loss account	6
Balance Sheet	7
Notes to the financial statements	8

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr W Benjamin

Mr S Koenig

Mr M Pashley

Mr J Robertson

Mr J Hopkins

Company Secretary

Mr M Pashley

Registered Office

Apollo Real Estate Advisors (UK) Ltd

1 Knightsbridge

3rd Floor

London

SW1X 7LX

Auditors

Deloitte & Touche LLP

Chartered Accountants

Bankers

Barclays Bank Plc

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2007

The directors have the pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2007

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (Effective January 2007)

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to provide advice and information on real estate investments, principally to Apollo Real Estate Advisors and affiliated US based real estate fund managers

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the share of the company were as follows

Ordinary Shares of £1 each

	At 31 December 2007	At 1 January 2007
Mr W Benjamin	-	-
Mr S Koenig	-	-
Mr M Pashley	-	-
Mr J Robertson	-	-
Mr J Hopkins	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and 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 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 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 judgements and estimates that are reasonable and prudent, 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 enable them to ensure that the financial statements comply with the Companies Act of 1985. They 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.

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

THE DIRECTORS' REPORT **YEAR ENDED 31 DECEMBER 2007 (continued)**

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are unaware, and
- the director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

AUDITORS

Following a meeting of the Board of Directors on 12 June 2007 to discuss a change in auditors, Shipleys LLP have resigned as auditors of the Company. Deloitte & Touche LLP has been appointed as auditors for the current financial year.

Deloitte & Touche LLP has indicated its willingness to remain in office and a resolution to appoint Deloitte & Touche LLP as auditors will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

CHARITABLE DONATIONS

The Company made charitable donations to charities and good causes of £4,500 (2006 £11,119) in the period. Individual donations in excess of £200 were as follows: Crisis at Christmas £3,200.

Registered Office

Apollo Real Estate Advisors (UK) Ltd
1 Knightsbridge
3rd Floor
London
SW1X 7LX

Signed on behalf of the directors



Mr M Pashley
Director

Approved by the directors on 30 October 2008

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO REAL ESTATE ADVISORS (UK) LIMITED

We have audited the financial statements Apollo Real Estate Advisors (UK) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2007).

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 auditors' 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.

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APOLLO REAL ESTATE ADVISORS (UK) LIMITED (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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, United Kingdom

31 October 2008

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

PROFIT AND LOSS ACCOUNT **YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
TURNOVER		5,271,172	3,515,254
Other Operating Income		38,674	-
Administrative Expenses		(4,976,792)	(3,387,709)
OPERATING PROFIT		333,054	127,545
Loss on disposal of fixed assets		(7,017)	-
Interest receivable		54,962	78,381
Interest payable and similar charges		(25,860)	(4,167)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	355,139	201,759
Tax on profit on ordinary activities	3	(146,974)	(79,339)
PROFIT FOR THE FINANCIAL YEAR	12	208,165	122,420

The Company had no recognised gains or losses during the year or preceding year other than those reflected in the profit and loss account. Accordingly no separate statement of total recognised gains and losses is presented.

The above results relate to the continuing operations of the Company.


APOLLO REAL ESTATE ADVISORS (UK) LIMITED

BALANCE SHEET 31 DECEMBER 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible fixed assets	4	2,193,233	128,204
Investments	5	-	1,350
		<u>2,193,233</u>	<u>129,554</u>
CURRENT ASSETS			
Debtors	6	1,304,340	1,572,898
Cash at bank and in hand		735,661	6,354,771
		<u>2,040,001</u>	<u>7,927,669</u>
CREDITORS: Amounts falling due within one year	7	<u>(3,216,132)</u>	<u>(7,248,286)</u>
NET CURRENT (LIABILITIES)/ ASSETS		<u>(1,176,131)</u>	<u>679,383</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,017,102</u>	<u>808,937</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	1	1
Profit and loss account	12	1,017,101	808,936
SHAREHOLDER'S FUNDS		<u>1,017,102</u>	<u>808,937</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the directors on 30 October 2008 and are signed on their behalf by


 Mr M Pashley
 Director

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Turnover

The turnover shown in the profit and loss account represents management fees invoiced during the period, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced All turnover is generated in the US

Tangible fixed assets

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

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

Leasehold Improvements	-	10% straight-line basis
Computer Equipment	-	25% straight-line basis
Fixtures & Fittings	-	25% straight-line basis
Office Equipment	-	25% straight-line basis

Investments

Fixed asset investments are held at cost less provision for impairment

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

Foreign currencies

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

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007 (continued)

1. ACCOUNTING POLICES (continued)

Taxation

Current 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 an 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 profits and its results as 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

Cash flow statement

The Company has taken the exemption for smaller entities in FRS 1 and has not prepared a cash flow statement

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2007	2006
	£	£
Directors' emoluments	576,500	623,000
Staff and Directors' pension contributions	63,825	60,883
Other staff costs	2,059,288	1,241,216
Depreciation of owned fixed assets	86,207	117,705
Operating lease rentals - land and buildings	551,635	158,200
Auditors' remuneration - fees for the audit of the Company's annual accounts	27,500	16,830
Net loss on foreign currency translation	20,985	121,155

3. TAXATION ON ORDINARY ACTIVITIES

	2007	2006
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30%	2,161	92,028
Under/ (over) provision in prior year	1,710	(1,407)
Total current tax	3,871	90,621
Deferred tax:		
Origination and reversal of timing differences	143,103	(11,282)
Tax on profit of ordinary activities	146,974	79,339

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007 (continued)

3. TAXATION ON ORDINARY ACTIVITIES (continued)

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	355,139	201,759
UK corporation tax charge at standard rate of 30%	106,542	60,528
Explained by		
Accelerated capital allowances	(156,416)	16,265
Non-deductible expenditure	53,156	26,400
Corporation tax marginal relief	(1,121)	(11,165)
Tax under/(over) provided in prior years	1,710	(1,407)
Current tax	3,871	90,621

The company is in correspondence with Her Majesty's Revenue and Customs regarding the taxation treatment of certain payments made in prior years. No formal assessments have been received to date. Having taken Counsel's advice in relation to these payments the directors have accrued for the amount they consider likely to be payable.

4. TANGIBLE FIXED ASSETS

	Leasehold Improve- ments £	Computer Equipment £	Fixtures & Fittings £	Office Equipment £	Total £
COST					
At 1 January 2007	-	237,444	50,010	429,548	717,002
Additions	1,705,090	15,827	258,785	178,551	2,158,253
Disposals	-	-	(47,384)	-	(47,384)
At 31 December 2007	1,705,090	253,271	261,411	608,099	2,827,871
DEPRECIATION					
At 1 January 2007	-	149,018	36,646	403,134	588,798
Charge of the year	14,209	44,390	10,859	16,749	86,207
Disposals	-	-	(40,367)	-	(40,367)
At 31 December 2007	14,209	193,408	7,138	419,883	634,638
NET BOOK VALUE					
At 31 December 2007	1,690,881	59,863	254,273	188,216	2,193,233
At 31 December 2006	-	88,426	13,364	26,414	128,204

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 DECEMBER 2007 (continued)**

5 INVESTMENTS

COST	£
At 31 December 2006	<u>1,350</u>
At 31 December 2007	-
 NET BOOK VALUE	
At 31 December 2007	-

The Investment as at 31 December 2006 was in shares of Tuesday Investments, an unlimited company whose activity was the award of shares to employees and directors of Apollo Real Estate Advisors (UK) Limited. This company was liquidated during 2007.

6. DEBTORS

	2007	2006
	£	£
VAT recoverable	407,723	41,657
Other debtors	545,132	540,924
Deferred tax asset (see note 8)	-	11,282
Prepayments and accrued income	<u>351,485</u>	<u>979,035</u>
	<u>1,304,340</u>	<u>1,572,898</u>

7. CREDITORS. Amount falling due within one year

	2007	2006
	£	£
Corporation tax	3,871	150,104
PAYE and social security	151,624	106,336
Other creditors	2,497,008	6,859,933
Deferred Tax Liability (See Note 8)	131,821	-
Accruals and deferred income	<u>431,808</u>	<u>131,913</u>
	<u>3,216,132</u>	<u>7,248,286</u>

8. DEFERRED TAX LIABILITY/(ASSET)

	2007	2006
	£	£
At 1 January	(11,282)	-
Credited for the year	<u>143,103</u>	<u>(11,282)</u>
At 31 December	<u>131,821</u>	<u>(11,282)</u>

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 DECEMBER 2007 (continued)**

9. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007	2006
	£	£
Operating leases which expire within 1 year	<u>1,089,274</u>	<u>158,200</u>

The operating lease is in respect of a rental agreement for the Company's premises

10. RELATED PARTY TRANSACTIONS

During the period ended 31 December 2007, the directors of the company incurred expenses in the course of business that were reimbursed. The totals reimbursed were £56,707 to Mr M Pashley, £117,059 to Mr J Robertson, £13,294 to Mr J Hopkins and £190 to Mr W Benjamin. Amounts owing by the Company at the year end were as follows: £752 to Mr M Pashley, £3,337 to Mr J Robertson and £703 to Mr J Hopkins.

The company also incurred expenses on behalf of Monmouth Properties LLC, its ultimate holding company for which it was reimbursed. The total amount of expenses reimbursed during the period was £449,255 (2006: £175,833).

11. SHARE CAPITAL

Authorised share capital

	2007	2006
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
At 1 January	808,936	686,516
Profit for the year	<u>208,165</u>	<u>122,420</u>
At 31 December	<u>1,017,101</u>	<u>808,936</u>

APOLLO REAL ESTATE ADVISORS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007 (continued)

13. BANK ACCOUNTS HELD AS NOMINEE

During the period ended 31 December 2007, monies belonging to a related party were held in bank accounts under the Company's name. The total amount of such balances held at the year end was £796,189 (31 December 2006 £34,098)

14. ULTIMATE HOLDING COMPANY

The ultimate holding company is Monmouth Properties LLC, a company registered in Delaware, United States of America. There are not any group financial statements drawn up of which the company is a member.