

Company No: 4438904

**COLLIERS CAPITAL UK LIMITED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**COLLIERS CAPITAL UK LIMITED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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# **COLLIERS CAPITAL UK LIMITED**

## **DIRECTORS' REPORT**

The Directors submit their Report and the Accounts for the year ended 31 December 2008.

### **Statement of directors' responsibilities**

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare accounts each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts 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 those accounts, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- d. prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the requirements of 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.

### **Principal activity and business review**

The Company, which is FSA authorised and regulated, provides bespoke property investment advice and corporate advisory services within the property sector to a wide range of clients, including pension funds, specialist funds, family trusts, high net worth individuals, overseas investors, private banks and professional intermediaries.

2008 proved a testing year for both funds generally and for fund managers, and Colliers Capital was not immune to events. The direct assets held by the segregated accounts performed well relative to the market but performance was affected by the geared indirect exposure on the portfolios. The Wessex Fund was refinanced during the year securing a new four year debt facility. The refinance resulted in the loss of management fees for the foreseeable future. This coupled with the limited growth potential for the vehicle in the immediate term, resulted in a decision to transfer the management contract for this particular fund to the major investor in the vehicle. This took place in the early part of 2009.

Whilst no new vehicles were launched in 2008, the groundwork has been put in place for new fund launches proposed for 2009. The first is an innovative structure allowing institutions to access exposure to the caravan park sector alongside experienced caravan park operating managers. Colliers Capital will act as fund managers. The Holiday Park LP is due to launch in the first half of 2009 with the support from a major cornerstone investor. The fund will have a ten year life and will be open for further investment for two years following launch.

The Company's total assets under management were approximately £470m at the end of December 2008 (2007: £670m).

### **Business risks**

The management of the business is subject to a number of risks. The principal risks and uncertainties facing the Company are reviewed on a regular basis by the Board and actions put in place to mitigate identified risks. The Company has exposure to the following key business risks:

- Dependence on key personnel
- Competition
- Loss of key clients
- Investor demand for specialist property funds

## COLLIERS CAPITAL UK LIMITED

The Board has implemented appropriate internal processes in order to mitigate these key business risks.

### Dividends

Since the Company does not have any distributable reserves, the Directors are unable to recommend the payment of a dividend.

### Directors

The Directors who served during the year were as follows:

David Izett  
Andrew Graham  
Elliot Caldwell  
David Doyle (resigned 31 July 2008)  
Mark Sample (appointed 31 July 2008)

None of the Directors had any interest as defined by the Companies Act, in the shares of the Company at 1 January 2008 or 31 December 2008. However under contractual arrangements with Elliot Caldwell, the Company or an immediate new holding company thereof, is committed to adopt an employee share scheme, under which Elliot Caldwell will acquire a special class of shares entitling the holder to 20% of the Company's increase in value over and above its value at 1 July 2007.

David Izett, Andrew Graham and Mark Sample are directors of the ultimate parent company, Colliers CRE plc and their emoluments and interests in the share capital of the parent company are disclosed in the accounts of that company. Elliot Caldwell is an employee of Colliers CRE plc and, to the extent that he also provides services to the Company, then the cost of those services is included within the general management charge.

### Directors and officers liability insurance

The Group maintained throughout the year, and continues to maintain, qualifying third party indemnity insurance covering the Directors and officers of the Company.

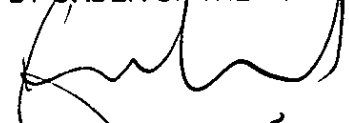
### Statement as to disclosure of information to auditors

The Directors who were in office on the date of approval of these accounts have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Baker Tilly UK Audit LLP, as auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Howard Goldsobel

Secretary

29 April 2009

Registered Office: 9 Marylebone Lane, London W1U 1HL.

# **COLLIERS CAPITAL UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLIERS CAPITAL UK LIMITED**

We have audited the financial statements on pages 4 to 9.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the 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.

### **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 at 31 December 2008 and of its loss for the year then ended and 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.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

29 April 2009

**COLLIERS CAPITAL UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
<b>Turnover</b>	2	1,514,361	1,808,402
Operating expenses	3	<u>(1,485,695)</u>	<u>(2,125,904)</u>
<b>Operating profit/(loss)</b>		28,666	(317,502)
Exceptional reorganisation costs		<u>(54,430)</u>	<u>-</u>
<b>Loss on ordinary activities before interest and tax</b>		(25,764)	(317,502)
Interest receivable and similar income	4	<u>24,713</u>	<u>44,887</u>
<b>Loss on ordinary activities before taxation</b>		(1,051)	(272,615)
Tax credit on loss from ordinary activities	5	626	81,091
<b>Loss attributable to shareholders</b>	11	<u><u>(425)</u></u>	<u><u>(191,524)</u></u>

There are no recognised gains or losses other than the profit for the financial year.

Turnover and operating profit all derived from continuing operations.

# COLLIERS CAPITAL UK LIMITED

## BALANCE SHEET

AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	6	1	1
<b>Current assets</b>			
Debtors	7	938,579	503,542
Cash at bank and in hand		<u>222,370</u>	<u>721,914</u>
		<b>1,160,949</b>	<b>1,225,456</b>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(333,913)</u>	<u>(397,995)</u>
<b>Net current assets</b>		<u>827,036</u>	<u>827,461</u>
<b>Net assets</b>		<u>827,037</u>	<u>827,462</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Share premium	11	1,249,998	1,249,998
Profit and loss account	11	(422,963)	(422,538)
<b>Equity shareholders' funds</b>	11	<u>827,037</u>	<u>827,462</u>

The accounts on pages 4 to 9 were approved by the Board and authorised for issue on 29 April 2009 and signed on its behalf by:



Mark Sample – Director

# COLLIERS CAPITAL UK LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2008

#### 1. Accounting policies

##### Basis of accounting

The accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

##### Turnover

Turnover, which excludes Value Added Tax, represents the value of services rendered. Commission on clients' property transactions is generally recognised as earned on completion of the transaction. Fees for professional services are recognised when they are earned.

##### Deferred taxation

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 Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different to those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

Deferred tax is measured at the average rates that are expected to apply in the periods in which timing differences are expected to reverse, based on rates that have been enacted or substantially enacted by the balance sheet date.

##### Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

##### Group accounts

The accounts present information about the company as an individual undertaking and not about its group as the Company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

#### 2. Turnover and loss on ordinary activities before taxation

The turnover of the Company and the loss on ordinary activities before taxation during the year arose entirely in the United Kingdom and derived from the same class of business as noted in the Directors' Report.

The audit fee for the Company in the current and prior years was borne by the parent company, Colliers CRE plc. No director's remuneration was paid during the year (2007: £nil).

#### 3. Staff costs

	2008 £000	2007 £000
Staff costs charged to operating expenses:		
Wages and salaries	1,157,381	799,514
Social security costs	116,592	99,043
	<u>1,273,973</u>	<u>898,557</u>

The average number of employees during the year was 11 (2007: 10).

# COLLIERS CAPITAL UK LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2008

#### 4. Interest receivable and similar income

	2008 £	2007 £
Bank interest	<u>24,713</u>	<u>44,887</u>

#### 5. Taxation

	2008 £	2007 £
<b>Current tax:</b>		
UK corporation tax on loss for the year	(626)	(87,091)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	5,600
Impact of rate change on opening position	-	400
	<u>-</u>	<u>6,000</u>
<b>Corporation tax on loss for the year</b>	<u>(626)</u>	<u>(81,091)</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28%.

	2008 £	2007 £
<b>Factors affecting the tax credit for the year:</b>		
Loss on ordinary activities before tax	<u>(1,051)</u>	<u>(272,615)</u>
Loss on ordinary activities before tax multiplied by standard rate of UK corporation tax of 28% (2007: 30%)	(294)	(81,785)
Effects of:		
Expenses not deductible for tax purposes	3,939	(5,293)
Group relief not paid for	(3,637)	-
Capital allowances in excess of depreciation	(8)	(13)
Adjustment in respect of previous years	(626)	-
<b>Current tax credit for the year</b>	<u>(626)</u>	<u>(87,091)</u>

#### 6. Investments

##### Cost and net book value

At 1 January 2008 and at 31 December 2008

**Subsidiary  
Company  
£**

1

The Company has the following subsidiary undertaking which is registered in England and Wales:-

Name of company	Holding	Proportion held	Nature of business
Globestar Limited	One Ordinary share of £1	100%	Property Investment

# COLLIERS CAPITAL UK LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

### 7. Debtors

	2008 £	2007 £
Trade debtors	416,590	350,651
Amounts owed by Group undertakings	486,107	117,391
Other debtors	35,882	35,500
	<u>938,579</u>	<u>503,542</u>

### 8. Deferred tax

	2008 £	2007 £
<b>Deferred tax comprises:</b>		
Other timing differences	-	6,000
	<u>-</u>	<u>6,000</u>
Deferred tax at 1 January	-	6,000
Deferred tax (debit)/credit in profit and loss account	-	(6,000)
	<u>-</u>	<u>-</u>
<b>Deferred tax asset at 31 December</b>	<u>-</u>	<u>-</u>

### 9. Creditors: Amounts falling due within one year

	2008 £	2007 £
Amounts owed to Group undertakings	-	-
Other taxation and social security costs	56,130	36,408
Corporation tax	27,783	28,409
Other creditors	-	83,178
Subordinated Loan	250,000	250,000
	<u>333,913</u>	<u>397,995</u>

The subordinated loan is repayable to Colliers CRE plc upon expiry of three months written notice. The loan is interest free.

### 10. Share capital

	2008 £	2007 £
<b>Authorised</b>		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, issued and fully paid</b>		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

# COLLIERS CAPITAL UK LIMITED

## NOTES FORMING PART OF THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2008

#### 11. Reserves and reconciliation of movement in Shareholders' funds

	Share premium	Profit and loss account
	£	£
At 1 January 2008	1,249,998	(422,538)
Loss for the year	-	(425)
<b>At 31 December 2008</b>	<b>1,249,998</b>	<b>(422,963)</b>

#### Reconciliation of movement in Shareholders' funds

	2008	2007
	£	£
Loss attributable to shareholders	(425)	(191,524)
Opening Equity Shareholders' funds	827,462	1,018,986
<b>Closing Equity Shareholders' funds</b>	<b>827,037</b>	<b>827,462</b>

#### 12. Contingent liabilities

The Company is party to a group VAT registration and so is jointly and severally liable for all other Group companies' unpaid debts in this connection, which at 31 December 2008 totalled £2,392,000 (2007: £2,852,000).

#### 13. Related party transactions

The Company has taken advantage of the FRS 8 exemption that transactions with Group companies 90% or more of whose voting rights are controlled within the Group do not need to be disclosed.

#### 14. Ultimate parent company

The Company's immediate and ultimate parent company is Colliers CRE plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the parent company's accounts can be obtained from Companies House, Crown Way, Cardiff CF4 3UZ.