

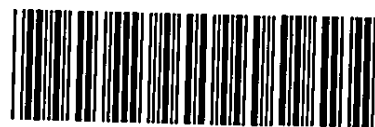
Company Registration Number 05949354

CCH ADVISERS LIMITED

Report and Financial Statements

Year ended 31 December 2011

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CCH Advisers Limited

Report and Financial Statements

Year ended 31 December 2011

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CCH Advisers Limited

Officers and Professional Advisers

The Board of Directors

P Cooper
J D Hambro (resigned 26 October 2011)
C Mills (appointed 26 October 2011)
N J L Parsons
A Payne

Company Secretary

J O Hambro Capital Management Limited

Registered Office

14 Ryder Court
Ryder Street
London
SW1Y 6QB

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

CCH Advisers Limited

The Directors' Report

Year ended 31 December 2011

The Directors have pleasure in presenting their report and the Financial Statements of the Company for the period ended 31 December 2011

Principal activity and business review

The principal activity of the Company during the year continued to be that of providing property advice and management services pursuant to an agreement with Merchant Properties LP and Merchant Properties Two LP ("the Partnership"), whose business is the holding, management and disposal of properties

Results and Dividends

The profit for the period amounted to £94,067 (2010 £80,375) Dividends of £150,000 were paid during the year ended 31 December 2011 to JO Hambro Capital Management Group Ltd (2010 £77,000)

The Directors have recommended that a dividend of £29,000 be paid to Harwood Holdco Ltd for the year ended 31 December 2011

Principal Risks and Uncertainties

The Company's turnover represents management fees receivable from the Partnership, which the Directors consider to be the key performance indicator

For the year ended 31 December 2011 turnover was £327,022 (2010 £292,107) which represents an increase of 12.0%

Directors

The Directors who served the Company during the year were as follows

P Cooper
J D Hambro (resigned 26 October 2011)
C Mills (appointed 26 October 2011)
N J L Parsons
A Payne

CCH Advisers Limited

The Directors' Report

Year ended 31 December 2011

Directors' Responsibilities

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 the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve 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 those Financial Statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

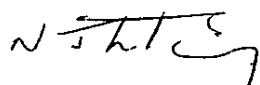
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They 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.

The directors confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware,
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information, and
- The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditor

The Auditor, Grant Thornton UK LLP, will be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of this report and the Financial Statements are sent to the member unless a resolution is passed to the effect that their reappointment is brought to an end.



Nicholas Parsons
Director

Signed by order of the Board on 02 07 2012

CCH Advisers Limited

Independent Auditor's Report to the Shareholders of CCH Advisers Limited

Year ended 31 December 2011

We have audited the financial statements of CCH Advisers Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing 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 website at 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 United Kingdom 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.

CCH Advisers Limited

Independent Auditor's Report to the Shareholders of CCH Advisers Limited

Year ended 31 December 2011

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



Marcus Swales
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London 2.7.12

CCH Advisers Limited

Profit and Loss Account

Year ended 31 December 2011

| | Note | 2011 £ | 2010 £ |
|---|------|-----------|-----------|
| Turnover | 3 | 327,022 | 292,107 |
| Management fee payable | | (204,389) | (196,101) |
| Administrative expenses | | (5,176) | (145) |
| Non-recurring expenditure | 4 | — | (13,372) |
| Operating profit | 5 | 117,457 | 82,489 |
| Interest receivable | | 127 | 91 |
| Profit on ordinary activities before taxation | | 117,584 | 82,580 |
| Tax on profit on ordinary activities | 8 | (23,517) | (2,205) |
| Profit for the financial year | | 94,067 | 80,375 |

All amounts relate to continuing activities. There are no other recognised gains or losses in the period other than profit.

The notes on pages 8 to 12 form part of these Financial Statements

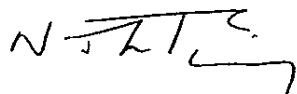
CCH Advisers Limited

Balance Sheet

At 31 December 2011

| | Note | 2011 £ | 2010 £ |
|---|------|----------------|----------------|
| Current Assets | | | |
| Debtors | 9 | 47,999 | 90,264 |
| Cash at bank | | 84,408 | 106,999 |
| | | <u>132,407</u> | <u>197,263</u> |
| Creditors Amounts falling due within one year | 10 | (102,547) | (111,470) |
| Net current assets | | <u>29,860</u> | <u>85,793</u> |
| Net assets | | <u>29,860</u> | <u>85,793</u> |
| Capital and reserves | | | |
| Called-up equity share capital | 11 | 2 | 2 |
| Profit and loss account | 12 | 29,858 | 85,791 |
| Shareholders' Funds | 13 | <u>29,860</u> | <u>85,793</u> |

These Financial Statements were approved by the Directors and authorised for issue on 02 07 12 and are signed on their behalf by



Nicholas Parsons
Director

The notes on pages 8 to 12 form part of these Financial Statements

CCH Advisers Limited

Notes to the Financial Statements

Year ended 31 December 2011

1 Organisation

The Company was incorporated on 28 September 2006 and commenced trading with effect from 30 November 2006. The company's principal activity is to provide property advice and management services pursuant to an agreement with Merchant Properties LP and Merchant Properties Two LP ("the Partnership"), whose business is the holding, management and disposal of properties. The company derives its income from management fees which are calculated as a percentage of the portfolio valuation of the Partnership. The business is therefore subject to the risks associated with the property business within which the company operates.

2 Accounting Policies

The following accounting policies have been applied consistently with items which are considered material in relation to the Company's Financial Statements.

2.1 Basis of accounting

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and in accordance with applicable accounting standards.

2.2 Cash flow statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the Financial Statements on the grounds that the Company is small.

2.3 Going Concern

These Financial Statements have been prepared on a going concern basis as the company has an agreement with Merchant Properties LP and Merchant Properties Two LP to provide advisory services for the foreseeable future, to enable it to meet its liabilities as and when they fall due. The directors have no reason to believe that the financial support will not continue in the future and consider it appropriate to adopt the going concern basis.

2.4 Taxation

Taxation on the profit or loss for the year, not exempt under UK-REIT regulations, comprises current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

CCH Advisers Limited

Notes to the Financial Statements

Year ended 31 December 2011

2 Accounting Policies

2.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities from all timing difference between the recognition of gains and losses in the Financial Statements and recognition in the tax computation

A net deferred tax asset is only recognised if 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

Deferred tax assets and liabilities are calculated at tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

3. Turnover

The income and pre-tax results all of which arose in the United Kingdom were attributable to property management fees. The basis of the fees is set out below

- The Company is entitled to receive a quarterly management fee, payable in arrears in respect of its services undertaken. The fee is calculated at a rate of 0.8% on whichever is the greater of the aggregate portfolio cost and the gross asset value of the Partnership
- The Company is also entitled to receive a performance fee which is payable on the earlier of the date on which the Partnership dissolves and the date on which the agreement is terminated. The fee equates to 20% of the excess above which the hurdle amount achieved on the performance calculation date exceeds an IRR of 11.3%

4. Non-recurring expenditure

| | 2011 £ | 2010 £ |
|------------------|-----------|-----------|
| Bad debt expense | – | 13,372 |

Following a review of expense accruals and debtors during the previous year an amount of £13,372 was identified as incorrectly held as a debtor balance in the Financial Statements. The Directors do not believe this amount will be recovered and have therefore released the balance as a bad debt expense into the profit and loss account

CCH Advisers Limited

Notes to the Financial Statements

Year ended 31 December 2011

5 Operating profit

Operating profit is stated after charging

| | 2011 £ | 2010 £ |
|--------------------------------|--------------|--------------|
| Auditors' remuneration - audit | 5,000 | 5,000 |
| - taxation | - | - |
| | <u>5,000</u> | <u>5,000</u> |

6. Particulars of employees

The Company had no employees during the year (2010 – nil)

7 Directors' emoluments

None of the Directors' received any emoluments in respect of their services to the Company

8 Taxation on ordinary activities

Factors affecting the tax credit for the year

| | 2011 £ | 2010 £ |
|---|----------------|---------------|
| Profit on ordinary activities before taxation | <u>117,584</u> | <u>82,580</u> |

Current tax

| | 2011 £ | 2010 £ |
|--|---------------|---------------|
| Reversal of over accrual for 2009 corporation tax | - | (15,137) |
| UK Corporation tax based on the results for the year at 21% (2010 21%) | <u>23,517</u> | <u>17,342</u> |
| | <u>23,517</u> | <u>2,205</u> |

9. Debtors

| | 2011 £ | 2010 £ |
|----------------------------|---------------|---------------|
| Management fees receivable | <u>47,999</u> | <u>90,264</u> |

CCH Advisers Limited

Notes to the Financial Statements

Year ended 31 December 2011

10 Creditors Amounts falling due within one year

| | 2011 £ | 2010 £ |
|-----------------------------|----------------|----------------|
| Management fees payable | 62,497 | 58,936 |
| Accruals and other payables | 40,050 | 52,534 |
| | <u>102,547</u> | <u>111,470</u> |

11. Share capital

Allotted, called up and fully paid

| | 2011 No | £ | 2010 No | £ |
|----------------------------|------------|----------|------------|----------|
| Ordinary shares of £1 each | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

12 Profit and loss account

| | 2011 £ | 2010 £ |
|--|---------------|---------------|
| Balance brought forward | 85,791 | 82,416 |
| Profit for the financial year | 94,067 | 80,375 |
| Distribution to JO Hambro Capital Management Ltd | (150,000) | (77,000) |
| Balance carried forward | <u>29,858</u> | <u>85,791</u> |

13 Reconciliation of shareholders' funds

| | 2011 £ | 2010 £ |
|--|---------------|---------------|
| Opening shareholders' funds | 85,793 | 82,418 |
| Profit for the financial year | 94,067 | 80,375 |
| Distribution to JO Hambro Capital Management Ltd | (150,000) | (77,000) |
| Closing shareholders' funds | <u>29,860</u> | <u>85,793</u> |

CCH Advisers Limited

Notes to the Financial Statements

Year ended 31 December 2011

14. Related party transactions

CCH Advisers Limited was a joint venture between J O Hambro Capital Management Limited ('JOHCM') and Colliers International UK plc ('Colliers') until 26th September 2011. From 27th September 2011 onwards, after a transfer of the entire JOHCM shareholding to J O Hambro Capital Management Group Limited (JOHCMG), CCH Advisers Limited became a joint venture between JOHCMG and Colliers. JOHCMG changed its name to Harwood Holdco Ltd on 24th October 2011. Mr J D Hambro is a director of JOHCM and Mr N J L Parsons is an employee of Colliers. Colliers is the majority owner of Colliers Capital (UK) Ltd, which acts as property manager to the Company. JOHCM and Colliers Capital (UK) Limited are the sub operator and operator respectively of Merchant Properties LP and Merchant Properties Two LP, to which the Company provides property advisory services.

Details of transactions with related parties are outlined below

| Company | Transaction | Annual Expense | | Debtor Outstanding | |
|----------|----------------------------|----------------|---------|--------------------|--------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | £ | £ | £ | £ |
| Colliers | Management fees receivable | 204,389 | 196,101 | 47,999 | 90,264 |

15. Ultimate parent undertaking and controlling party

In the opinion of the Directors there is no single controlling party