

Company Registration No. 2005753

**CB Richard Ellis Financial Services
Limited**

Report and Financial Statements

31 December 2008

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CB Richard Ellis Financial Services Limited

Report and financial statements 2008

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CB Richard Ellis Financial Services Limited

Report and financial statements 2008

Officers and professional advisers

Directors

D C Martin
P R Robinson
M M Wilson (resigned 31 December 2008)
P J Cropper
E T D Luker (resigned 31 December 2008)
J A Smith

Secretary

A Naftis

Registered office

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

Bankers

HSBC Plc
City of London Corporate Office
8 Canada Square
London
E14 5XL

Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

CB Richard Ellis Financial Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity

The principal activity of the Company is the provision of financial services relating to property. The Company is regulated by the Financial Services Authority.

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 financial instruments associated with these financial instruments are considered minimal.
- The Company places its cash in creditworthy institutions. The company performs ongoing credit evaluation of its customers' financial condition.

The company is dependent on its UK 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 audited financial statements for the year ended 31 December 2008 are set out on pages 7 to 12. The profit for the year after taxation was £127,376 (2007 – profit of £499,510).

During the year, the directors paid a dividend of £nil (2007 – £nil).

Directors

The directors who served throughout the year and subsequently were as follows:

D C Martin
P R Robinson
M M Wilson (resigned 31 December 2008)
P J Cropper
E T D Luker (resigned 31 December 2008)
J A Smith

Regulatory disclosure

Pillar 3 disclosures are in compliance with the Financial Services Authority disclosure requirements and will be available from the Compliance Officer by contacting the main switchboard telephone number.

CB Richard Ellis Financial Services Limited

Directors' report (continued)

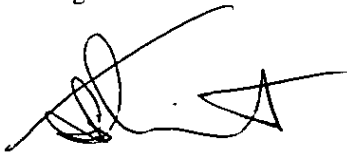
Auditors

Each of the directors at the date 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 that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the 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.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Director

27 March 2009

CB Richard Ellis Financial Services Limited

Statement of 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of CB Richard Ellis Financial Services Limited

We have audited the financial statements of CB Richard Ellis Financial Services Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of CB Richard Ellis Financial Services Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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.

KPMG LLP

KPMG LLP
Chartered Accountants
8 Salisbury Square
London
Registered Auditor

27 March 2009

CB Richard Ellis Financial Services Limited

Profit and loss account For the year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	1	367,538	2,007,910
Administrative expenses		(270,824)	(1,303,671)
Operating profit	2	96,714	704,239
Interest receivable and similar income	4	33,814	1,608
Profit on ordinary activities before taxation		130,528	705,847
Tax on profit on ordinary activities	5	(3,152)	(206,337)
Profit on ordinary activities after taxation		127,376	499,510

All recognised gains and losses in the current and preceding years are reflected in the profit and loss account. Accordingly, no statement of total recognised gains and losses is presented.

All amounts are derived from continuing activities.

The notes on pages 9 to 12 form part of these accounts.

CB Richard Ellis Financial Services Limited

Balance Sheet As at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Investments	7	34	-
		<u>34</u>	<u>-</u>
Current assets			
Debtors	8	331,813	3,762,804
Cash at bank and in hand		1,329,507	92,605
		<u>1,661,320</u>	<u>3,855,409</u>
Creditors: amounts falling due within one year	9	(35,614)	(2,357,045)
Net current assets and net assets		<u>1,625,740</u>	<u>1,498,364</u>
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	11	1,615,740	1,488,364
Total shareholders' funds	12	<u>1,625,740</u>	<u>1,498,364</u>

The notes on pages 9 to 12 form part of these accounts.

These financial statements were approved by the Board of Directors on 27 March 2009.

Signed on behalf of the Board of Directors

Director



CB Richard Ellis Financial Services Limited

Notes to the accounts

Year ended 31 December 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted in the current and preceding year are described below and have been applied consistently throughout both years.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for services in the normal course of business, net of value added tax and other sales related taxes. Turnover relates to the company's principal activity and arises wholly in the UK.

Sales of goods are recognised when goods are delivered and title has passed.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in full 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 statement 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 FRS 1 (Revised) "Cash flow statements", on the basis that the Company is a wholly owned subsidiary of CB Richard Ellis Group Inc., whose consolidated financial statements are publicly available and include a consolidated cash flow statement.

2. Operating profit

	2008 £	2007 £
Fees payable to the company's auditors for the audit of the company's annual accounts	7,660	10,300
Total audit fees	7,660	10,300

In practice the audit fees incurred on behalf of the Company in the current and preceding year have been borne by the UK parent company, CB Richard Ellis Limited.

3. Staff costs and directors' remuneration

The Company employs no staff (2007 – none) and no directors received remuneration for services to the Company (2007 – £nil).

CB Richard Ellis Financial Services Limited

Notes to the accounts Year ended 31 December 2008

4. Interest receivable and similar income

	2008 £	2007 £
Bank interest receivable	12,745	1,608
Other interest	21,069	-
	<u>33,814</u>	<u>1,608</u>

5. Tax on profit on ordinary activities

The tax charge is based on profit for the year and comprises:

	2008 £	2007 £
UK corporation tax at average rate of 28.5% (2007 – 30%)	37,160	211,754
Adjustments in respect of prior periods	(34,008)	(5,417)
Total current tax	<u>3,152</u>	<u>206,337</u>

There are no provided or unprovided deferred tax assets and liabilities as at 31 December 2008 (2007 - £nil). 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:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>130,528</u>	<u>705,847</u>
Tax at average rate of 28.5% (2007 – 30%)	(37,197)	(211,754)
Effects of:		
Effects not deductible	37	-
Adjustment in respect of prior periods	<u>34,008</u>	<u>5,417</u>
	<u>(3,152)</u>	<u>(206,337)</u>

6. Dividends

	2008 £	2007 £
Final dividend for the year £nil (2007 £nil per share)	<u>-</u>	<u>-</u>

CB Richard Ellis Financial Services Limited

Notes to the accounts Year ended 31 December 2008

7. Investments

	2008 £	2007 £
Big Box GP Limited	34	-

The investment represents an interest in the equity share capital of aBig Box GP Limited.

8. Debtors

	2008 £	2007 £
Trade debtors	32,580	70,460
Amounts due from group undertakings	283,603	3,582,156
UK Corporation tax	9,611	110,188
Prepayments	6,019	-
	<u>331,813</u>	<u>3,762,804</u>

9. Creditors: amounts falling due within one year

	2008 £	2007 £
VAT payable	5,072	8,566
Amounts due to group undertakings	30,542	2,348,479
	<u>35,614</u>	<u>2,357,045</u>

10. Called up share capital

	2008 £	2007 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

11. Profit and loss account

	£
At 1 January 2008	1,488,364
Retained profit for the year	<u>127,376</u>
At 31 December 2008	<u>1,615,740</u>

CB Richard Ellis Financial Services Limited

Notes to the accounts

Year ended 31 December 2008

12. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Retained profit for the financial year	127,376	499,510
Net addition to shareholders' funds	127,376	499,510
Opening shareholders' funds	1,498,364	998,854
Closing shareholders' funds	1,615,740	1,498,364

13. Related party transactions

The Company is exempt from having to disclose transactions with other members of the group, under the provision of FRS 8 "Related party disclosures", on the basis that the Company is a wholly owned subsidiary of CB Richard Ellis Group Inc., whose consolidated financial statements are publicly available.

The Company has entered into no other related party transactions in either the current or preceding years.

14. Ultimate controlling party

CB Richard Ellis Limited is the immediate parent and parent company of the smallest group of which the company is a member and for which consolidated financial statements are drawn up.

The directors regard CB Richard Ellis Group Inc., a company incorporated in the United States, as the ultimate parent company and ultimate controlling party. CB Richard Ellis 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 both CB Richard Ellis Group, Inc., and CB Richard Ellis Limited are available from CB Richard Ellis Limited, St Martin's Court, 10 Paternoster Row, London EC4M 7HP.