

**Company Registration No. 11882620**

**CBRE UK Finance Limited**

**Report and Financial Statements**

**For the period 14 March 2019 to 31 December 2019**



CBRE UK Finance Limited  
Reports and financial statements 2019

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Officers and professional advisors

**Directors**

E. Foley (Appointed 14 March 2019)  
C. Oster (Appointed 14 March 2019)  
E. Thetford (Appointed 14 March 2019)  
P. Zargarof (Appointed 14 March 2019)

**Registered office**

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

**Registration No.**

11882620

**Banker**

Bank Mendes Gans N.V  
P.O Box 198  
1000 AD Amsterdam  
The Netherlands

**Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London, E14 5GL

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Directors' report

The directors present their annual report and the audited financial statements for the period 14 March 2019 to 31 December 2019.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 399(2A) of the Companies Act 2006.

**Principal activity, business review and future prospects**

The Company is an investment holding company and this is the first period of trading for the company.

**Results and dividends**

The result for the year after taxation was a loss of \$18,249,230. During the period the directors declared dividends of \$nil.

**Donations**

No donations were made to political or charitable organisations in the period.

**Directors**

The directors who held office throughout the period and subsequent to the year-end are shown on page 1.

**COVID-19**

Subsequent to the year end the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various governments and institutions around the world responding in different ways to address the outbreak. This has led to an increased level of uncertainty in the financial markets which has triggered volatility in interest rates, foreign exchange rates and equity prices among others.

Going concern consideration: Management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company to continue as a going concern. This assessment is disclosed in note 1 and focuses on the Company's financial and operational resilience to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company continues to carefully monitor and mitigate the Covid-19 risks on an ongoing basis in order to minimize exposure while maintaining a robust balance sheet and sufficient headroom above regulatory capital requirements.

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

Directors' report (continued)

**Post balance sheet events**

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections now occurring worldwide. Measures taken by various governments to contain the virus have affected economic activity. We have taken several measures to monitor and prevent the effects of the COVID-19 virus.

We will continue to follow the UK Government's policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

The existence of COVID-19 was confirmed in early 2020 and the entity considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fluid and rapidly evolving, it is not practicable to provide a quantitative estimate of the potential impact of this outbreak on the entity.

**Subsequent events**

The existence of Novel Coronavirus (COVID-19) was confirmed in early 2020 and has caused disruptions to businesses and economic activity. The entity considers this outbreak to be a non-adjusting post balance sheet event. As the situation is fluid and rapidly evolving, it is not practicable to provide a quantitative estimate of the potential impact of this outbreak on the entity. Other than those described above there have been no changes to the business activities or risk profile of the company subsequent to the end of the reporting period.

**Auditor**

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

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



Chris Oster  
Director

23 June 2020

## 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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

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Independent auditor's report to the members of CBRE UK Finance Limited

We have audited the financial statements of CBRE UK Finance Limited ("the company") for the period 14 March 2019 to 31 December 2019, which comprise the Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs for the period 14 March 2019 to 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of CBRE UK Finance Limited (continued)

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the directors were entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Richard Kelly (Senior Statutory Auditor)**

**for and on behalf of**

**KPMG LLP**

*Chartered Accountants*

15 Canada Square

Canary Wharf

London, UK

E14 5GL

24 June 2020

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Statement of comprehensive income for the period 14 March 2019 to 31 December 2019

	Notes	14 March 2019 to 31 December 2019 \$
Net finance expense	2	(22,529,914)
<b>Loss on ordinary activities before taxation</b>		<b>(22,529,914)</b>
<b>Tax benefit on loss on ordinary activities</b>	4	<b>4,280,684</b>
<b>Loss for the year</b>		<b><u>(18,249,230)</u></b>
<b>Total comprehensive loss for the year</b>		<b><u>(18,249,230)</u></b>

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Statement of financial position for the period 14 March 2019 to 31 December 2019

	Notes	2019 \$
<b>Fixed assets</b>		
Investments	5	800,000,000
<b>Current assets</b>		
Debtors	6	4,280,784
<b>Total Assets</b>		<u>804,280,784</u>
<b>Creditors: amounts falling due within one year</b>	7	(822,529,914)
<b>Total Liabilities</b>		<u>(822,529,914)</u>
<b>Net liabilities</b>		<u>(18,249,130)</u>
<b>Capital and reserves</b>		
Called up share capital	3	100
Capital contribution reserve		-
Share Premium		-
Profit and loss account		(18,249,230)
<b>Shareholders' (deficit)/funds</b>		<u>(18,249,130)</u>

These financial statements were approved by the Board of Directors on 23 June 2020.

Signed on behalf of the Board of Director



Chris Oster  
Director

Company Registration No. 11882620

The notes from page 10 to page 13 form part of these financial statements.

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Statement of changes in equity for the period 14 March 2019 to 31 December 2019

**Statement of changes in equity for the period 14 March 2019 to 31 December 2019**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Capital contribution reserve</b>	<b>Share premium</b>	<b>Total shareholders' funds</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
As at 14 March 2019	100	-	-	-	100
Total comprehensive loss for the period	-	(18,249,230)	-	-	(18,249,230)
As at 31 December 2019	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,249,130)</u>

The notes from page 10 to page 13 form part of these financial statements.

Notes to the financial statements for the period 14<sup>th</sup> March 2019 to 31 December 2019

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law. The particular accounting policies adopted are described below. These policies have been applied consistently throughout the period.

The functional currency of CBRE UK Finance Limited is USD because it is the currency of the primary economic environment in which the Company operates.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice) applicable to Smaller Entities and the Companies Act 2006. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 419(2) of the Companies Act, 2006, because it is a small sized group.

#### **Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

#### **Going concern**

The Company's 2019 business activities and outlook, together with the principal business risks and uncertainties that are likely to affect its future development, performance and position and the directors' strategy and processes for managing these risks, including developing and implementing operational and financial resilience, are set out in the Directors Report on pages 2 to 3.

The directors perform an annual going concern review that considers the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. Due to the impact of COVID-19, the directors have performed an in-depth assessment of the business that could cast significant doubt on the ability of the Company to continue as a going concern

Based on the above, the directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

#### **Cash flow statement**

The Company's ultimate parent company is CBRE Group, Inc., and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently, the company is exempt under the terms of Section 7 of FRS 102 from publishing a cash flow statement.

#### **Investments**

Investments in subsidiaries are held at cost less provision for impairment.

Notes to the financial statements for the period 14<sup>th</sup> March 2019 to 31 December 2019 (continued)

**Basic financial instruments**

**Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other debtors.

**Foreign currency**

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Any exchange differences arising are dealt with in the statement of comprehensive income.

**Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

**2. Net finance expense**

	2019 \$
Interest payable- other group undertakings	(22,506,000)
Bank interest	(23,914)
	<u>(22,529,914)</u>

**3. Called up share capital**

	2019 \$
<b>Called up share capital:</b>	
Share capital consists of 100 shares with nominal value of \$1 total \$100	<u>100</u>

**4. Tax on loss on ordinary activities**

	2019 \$
<b>Current tax</b>	
United Kingdom Corporation tax at 19%	-
Group relief surrendered/(claimed)	(4,280,684)
	<u>(4,280,684)</u>
Total current tax	<u>(4,280,684)</u>
(Loss) before tax	(22,529,914)
(Loss) multiplied by tax rate in UK of 19%	(4,280,684)
Tax effects of:	
Group relief surrendered/(claimed)	4,280,684
Payment/(receipt) for group relief	(4,280,684)
	<u>(4,280,684)</u>
Tax on loss on ordinary activities	<u>(4,280,684)</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020 and the corporation tax charge has been calculated based upon this rate.

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Notes to the financial statements for the period 14<sup>th</sup> March 2019 to 31 December 2019 (continued)

**5. Investments**

	<b>Investments</b>
	<b>\$</b>
As at 14 March 2019	-
Acquisitions during the period	800,000,000
Impairment loss during the period	-
As at 31 December 2019	<u>800,000,000</u>

Investments are assessed at each reporting date to determine whether there is objective evidence that it is impaired. An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

On the 28 March 2019 CBRE UK Finance Limited acquired the entire share capital of CBRE US Jersey for a total consideration of \$800,000,000 from CBRE EMEA Finance Limited (a company registered in Cyprus). This was financed entirely through an issue of a loan note from CBRE EMEA Finance Limited.

The company has investments in the following undertakings:

Name	Country of incorporation	Description of shares held	Proportion of share capital held and voting rights	Principal activity
CBRE US Jersey Limited	Jersey	Ordinary Shares	100%	Investment Holding Company

**6. Debtors**

	<b>2019</b>
	<b>\$</b>
Amounts due from other group undertakings	4,280,784
	<u>4,280,784</u>

**7. Creditors: amounts falling due within one year**

	<b>2019</b>
	<b>\$</b>
Loan note to other group undertakings	(800,000,000)
Interest payable on loan note to other group undertakings	(4,920,667)
Bank overdraft	(17,609,247)
	<u>(822,529,914)</u>

The loan note consists of an \$800,000,000 principle owed to CBRE EMEA Limited (a company incorporated in Cyprus) set to mature on 10 October 2065. Interest is accrued on this loan at a rate of 3.6% per annum. Total interest accrued in the year \$22,506,000. During the year \$17,585,333 of interest was settled using an overdraft facility.

**8. Information regarding directors and employees**

The company had no employees other than its directors during the period. The directors did not receive any remuneration in respect of services to the company during the period.

**9. Audit fees**

Audit fees of £4,520 have been borne by a group company.

Notes to the financial statements for the period 14<sup>th</sup> March 2019 to 31 December 2019 (continued)

**10. Ultimate parent company**

CBRE Holdings LLC, a company incorporated in the United States, is 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 smallest and largest group of which the company is a member, and for which consolidated financial statements are drawn up. No other consolidated 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.

**11. Related party disclosures**

The company has taken advantage of the exemption contained in section 33 of FRS 102 not to disclose transactions with other members of Group. Balances due to or from the parent company and fellow subsidiary companies are disclosed. There were no other related party transactions requiring disclosure.

**12. Subsequent events**

The Company performed an evaluation of subsequent events through 23 June 2020 which is the date the financial statements were made available to be issued. The Company determined that based on its evaluation there were no items that would affect the reported amounts in the financial statements as of 31 December 2019.

The Coronavirus pandemic is classified as a non-adjusting post-balance sheet event for the 2019 financial statements. The overall impact of the Coronavirus pandemic, including the associated global economic crisis on the Company's financial performance and position cannot be reliably measured at this time although a significant reduction in the revenue and profitability of the company over the next 12-18 months is within the realistic range of possible future scenarios.

On 26 March 2020 CBRE UK Finance took ownership of CBRE Evergreen Acquisition Company 1 Limited from CBRE Group Inc.