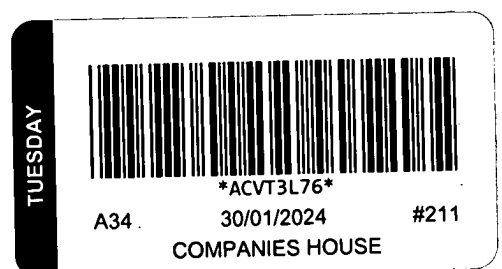


Cushman & Wakefield Debenham Tie Leung Limited

**Annual report and financial statements for the year ended
31 December 2022**



Cushman & Wakefield Debenham Tie Leung Limited

Company information

Directors	G W Roberts C J T Wilson
Registered number	02757768
Registered office	125 Old Broad Street London England EC2N 1AR
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL

Cushman & Wakefield Debenham Tie Leung Limited

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Cushman & Wakefield Debenham Tie Leung Limited

Strategic report for the year ended 31 December 2022

The directors present their strategic report of Cushman & Wakefield Debenham Tie Leung Limited ("the Company") for the year ended 31 December 2022.

Business review, principal activities and future developments

The Company acts as national and international property advisers in the United Kingdom and Ireland, offering comprehensive and integrated property advice to clients. There have been no significant changes in the Company's principal activities in the period under review. There are six principal activities: Investment & Asset Management, Investment Agency, Occupational & Development Markets, Professional Services, Valuations and Consulting & Research. In addition, the Company provides group infrastructure services to other group companies.

The company's turnover for the year was £159,562,000 (2021: £153,846,000), demonstrating a marginal increase against the prior year after experiencing recoveries in the marketplace. Gross profit levels during the year declined as a result of group restructuring plans with increased staffing costs that led to a lower level of operating profit of £3,738,000 (2021: £18,276,000). The net loss for the year after non-operating costs and taxation was £33,573,000 (2021: profit of 24,735,000).

The financial position of the Company as at 31 December 2022 was net current assets of £14,607,000 (2021: assets of £41,200,000) and net assets of £113,811,000 (2021: assets of £158,044,000).

The directors are not aware, at the date of signing this report, of any likely major changes in the Company's activities in the foreseeable future.

Future developments

Principal risks for the Company are primarily related to the volatility of the UK economy and the increases in macroeconomic uncertainties.

The Directors continue to mitigate these risks, responding to our clients changing business demands.

Demand for our services is largely dependent on the relative strength of the global and regional commercial real estate markets, which are highly sensitive to general macroeconomic conditions and the ability of market participants to access liquidity in the capital and credit markets. Current macroeconomic challenges continue to present themselves for the company that include issues such as higher inflation across UK and Europe and higher interest rates. The degree to which the Company will be affected largely depends on the nature and duration of these uncertainties and reactions to ongoing developments by global capital markets.

These inflationary and macroeconomic risk factors continue to be monitored within the business, which are proactively managed through internal governance and business risk forums. Given these key risks, the Directors remain confident that the Company has sufficient liquidity to satisfy its working capital and other funding requirements with internally generated cash flows and, as necessary, cash on hand and borrowings under its revolving credit facility within the Cushman and Wakefield group.

Cushman & Wakefield Debenham Tie Leung Limited

Strategic report for the year ended 31 December 2022

The directors have identified a number of key quantitative elements that underpin the Company strategy. The board monitors the progress of the Company by reference to the following KPIs:

Key performance indicators ('KPIs')

	2022 £000	2021 £000
Turnover	159,562	153,846
Staff costs	(84,567)	(68,973)
Gross profit	74,995	84,873
Gross profit margin	47%	55%
Operating profit	3,738	18,276
EBITDA*	17,087	31,187
EBITDA* margin	11%	20%

*EBITDA = operating profit before depreciation and other amount written off tangible and intangible fixed assets

Section 172 statement

Our board receives periodic refreshers on the legal duties of UK directors, including its duties under Section 172 to promote the success of the Company. In advance of decision making, directors receive informational materials on the matters requiring approval. Such materials typically describe the proposed action and the reasons for such proposed action (and any alternative action as applicable). Board members are also able to ask questions of management on any matters presented. Once the matter is presented and the Board has the relevant information, the Board acts on such matters. Our Board also engages with key stakeholders of the Company, including clients, suppliers, employees and affiliates of the Company.

The Company has applied corporate governance practices through the adoption of:

- The articles of association of the Company; and
- The Global Code of Business Conduct of Cushman & Wakefield plc and its global subsidiaries.

Additional detailed information is shown on pages 7-8 in the Director's report.

This report was approved by the board and signed on its behalf by:



G Roberts
Director

Date: 30 January 2024

Cushman & Wakefield Debenham Tie Leung Limited

Directors' report for the year ended 31 December 2022

The directors present their annual report and the audited financial statements of Cushman & Wakefield Debenham Tie Leung Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The Company acts as national and international property advisers in the United Kingdom and Ireland, offering comprehensive and integrated property advice to clients. There have been no significant changes in the Company's principal activities in the period under review. There are six principal activities: Investment & Asset Management, Investment Agency, Occupational & Development Markets, Professional Services, Valuations and Consulting & Research. In addition, the Company provides group infrastructure services to other group companies.

Results

Cushman & Wakefield Debenham Tie Leung Limited's turnover for the year was £159,562,000 (2021: £153,846,000). The turnover of the Company in 2022 increased marginally from the prior financial period, reflecting a recovery in the marketplace for the company's core activities in line with its strategic plan. The company continued to execute on selected investments in strategic growth areas to improve its long-term competitive positioning, acquiring a key consultancy business during the year in support of its growth for retail, logistics and industrial businesses to complement on existing strengths for its clients.

The company however endured a decline in its gross profit levels during the year as a result of group restructuring plans with increased staffing costs that led to a lower level of operating profit of £3,738,000 (2021: £18,276,000). The net loss for the year after non-operating costs and taxation was £33,573,000 (2021: profit of £24,735,000).

The directors are not aware, at the date of signing this report, of any likely major changes in the Company's activities in the next year.

Future developments and key risks

Principal risks for the Company primarily to the volatility of the UK economy and the increases in macroeconomic uncertainties.

The Directors continue to mitigate these risks, responding to our clients changing business demands.

Demand for our services is largely dependent on the relative strength of the global and regional commercial real estate markets, which are highly sensitive to general macroeconomic conditions and the ability of market participants to access liquidity in the capital and credit markets. Current macroeconomic challenges continue to present include issues such as higher inflation across UK and Europe and higher interest rates. The degree to which the Company will be affected largely depends on the nature and duration of these uncertainties and reactions to ongoing developments by global capital markets.

These inflationary and macroeconomic risk factors continue to be monitored within the business, which are proactively managed through internal governance and business risk forums. Given these key risks, the Members remain confident that the Company has sufficient liquidity to satisfy its working capital and other funding requirements with internally generated cash flows and, as necessary, cash on hand and borrowings under its revolving credit facility within the Cushman and Wakefield group.

Going concern

The Company made a loss for the current financial year of £33,573,000 (2021: profit £24,735,000) has net assets of £113,811,000 (2021: assets £158,044,000) and has net current assets of £14,607,000 as at 31 December 2022 (2021: assets of £41,200,000). The financial statements have been prepared on a going concern basis, with further detail disclosed in note 2.2 of these statements.

Cushman & Wakefield Debenham Tie Leung Limited

Directors' report for the year ended 31 December 2022

Proposed dividend

The directors do not recommend the payment of a dividend (2021: nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

S Savi (appointed on 11 May 2022, resigned on 31 December 2023)

M Uria Fernandez (resigned on 2 May 2023)

G Roberts

A Thompson (resigned on 30 April 2022)

J Forrester (resigned on 28 November 2023)

C J Wilson

Financial instruments

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with sales via credit and manages this through credit control procedures.

Employees

Details of the number of employees and related costs can be found in note 5 to the financial statements.

The directors recognise that the key to delivering consistent high-quality client service lies in the skill, loyalty and motivation of all its employees. It is the policy of the Company that all employees are provided with support, advice, training and development opportunities to allow them to achieve their own potential within the framework of the business.

The Company has made and continues to make substantial investment in IT network technology. All staff are included on the network, which as well as helping deliver improved services to clients, has already proved a great success for facilitating internal communications on important business developments within the Company.

The Company recognises that the maintenance of high standards of health & safety management is imperative to ensure the welfare of its employees.

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons taking into account their particular aptitudes and abilities and the nature of the work involved. Appropriate training is available for disabled employees, including retraining for alternative work if necessary for those employees who become disabled, to promote their career development within the group.

Environment

The Company regards the promotion of an environmental strategy an important element in operating a successful business not only to minimise its impact on global resources but also to maintain good investor and client relations. The Company operates in accordance with group policies, which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include the introduction of improved waste streaming and recycling, energy-efficiency measures and the development of advice and support services to our clients.

Cushman & Wakefield Debenham Tie Leung Limited

Directors' report for the year ended 31 December 2022

Relationships with suppliers and customers

The Company regards the development and maintenance of relationships with customers and suppliers as a vital element in operating a successful business. The Company operates under a Global Code of Business Conduct, which outlines guidance in relation to working with suppliers and customers in an ethical manner. Training is provided to all staff in regard to this matter. Further, we comply with our statutory reporting duty to publish reports on our payment practices on an annual basis.

Stakeholder engagement statement

We know that the success of our business depends on the quality of the relationships we forge inside and outside of our organization. The stakeholders of the Company include our shareholders, clients, employees, suppliers, industry associations, competitors, communities, government organizations, media and others. We interact with our key stakeholder groups throughout the year in a number of ways, including client and employee satisfactions surveys, employee intranet and industry events.

Political and charitable contributions

The Company made no political or charitable donations or incurred any political or charitable expenditure during the current or previous financial year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent 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.

This report was approved by the board and signed on its behalf by:



G Roberts
Director

Date: 30 January 2024

Registered office:
125 Old Broad Street
London
England
EC2N 1AR

Cushman & Wakefield Debenham Tie Leung Limited

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual 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), including FRS 101 Reduced Disclosure Framework.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Independent auditor's report to the members of Cushman & Wakefield Debenham Tie Leung Limited

Opinion

We have audited the financial statements of Cushman & Wakefield Debenham Tie Leung Limited ("the Company") for the year ended 31 December 2022 which comprise the profit and loss account, statement of other comprehensive income, balance sheet, statement of changes to equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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. 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent auditor's report to the members of Cushman & Wakefield Debenham Tie Leung Limited

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because the accounting for the majority of the company's revenue is non-complex, and subject to limited levels of judgment with limited opportunities for manual intervention in the sales process to fraudulently manipulate revenue. We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employee health and safety and employment laws, environmental law, other taxation legislation, legislations and licenses relating to the real estate industry and certain aspects of Company legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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:

Independent auditor's report to the members of Cushman & Wakefield Debenham Tie Leung Limited

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

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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, 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.

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.



Polina Nikolaev (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London
E14 5GL
Date: 30 January 2024

Cushman & Wakefield Debenham Tie Leung Limited

Profit and loss account for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	4	159,562	153,846
Staff Costs	5	(84,567)	(68,973)
Gross Profit		74,995	84,873
Other operating costs		(57,908)	(53,686)
Depreciation and other amounts written off tangible and intangible fixed assets		(13,349)	(12,911)
Operating profit	7	3,738	18,276
Investment impairment		(29,445)	(507)
Income from investments		-	10,000
Interest receivable and similar income	9	2,767	1,078
Interest payable and similar charges	10	(7,446)	(5,059)
(Loss) / Profit before tax		(30,386)	23,788
Tax (expense)/ credit on profit/ loss	11	(3,187)	947
(Loss) / Profit for the financial year		(33,573)	24,735

The notes on pages 17 to 47 form part of these financial statements.
All of the above results arise from continuing activities.

Cushman & Wakefield Debenham Tie Leung Limited

Statement of other comprehensive income for the year ended 31 December 2022

	Note	2022 £000	2021 £000
(Loss) / Profit for the financial year		(33,573)	24,735
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit asset/liability		(13,893)	4,788
Deferred tax credit		3,244	-
Foreign exchange movements		(11)	(34)
Other comprehensive (expense) / income for the year		(10,660)	4,754
Total comprehensive (expense) / income for the year		(44,233)	29,489

The notes on pages 17 to 47 form part of these financial statements.

Cushman & Wakefield Debenham Tie Leung Limited

Balance sheet as at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	12	22,793	6,256
Tangible assets	13	30,343	29,279
Investments	14	<u>84,601</u>	<u>114,046</u>
		137,737	149,581
Current assets			
Debtors (including £7,156k (2021: £22,531k) due after one year)	15,22	207,217	192,671
Cash at bank and in hand		<u>987</u>	<u>543</u>
		208,204	193,214
Creditors: amounts falling due within one year	16	<u>(193,597)</u>	<u>(152,014)</u>
Net current asset		14,607	41,200
Total assets less current liabilities		152,344	190,781
Creditors: amounts falling due after more than one year	17	(31,286)	(23,945)
Provisions for liabilities	20	<u>(7,247)</u>	<u>(8,792)</u>
Net asset		113,811	158,044
Capital and reserves			
Called up share capital	21	102	102
Capital contribution		58,174	58,174
Share premium account		225,130	225,130
Profit and loss account		<u>(169,595)</u>	<u>(125,362)</u>
Shareholder's surplus		113,811	158,044

The financial statements on pages 13 to 47 were approved and authorised for issue by the board and were signed on its behalf on 30 January 2024 by:



G Roberts

Director

The notes on pages 17 to 47 form part of these financial statements.

Cushman & Wakefield Debenham Tie Leung Limited

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital	Capital contribution	Share Premium	Profit and loss account	Total deficit
	£000	£000	£000	£000	£000
At 1 January 2022	102	58,174	225,130	(125,362)	158,044
Total comprehensive income for the period:					
Loss for the financial year	-	-	-	(33,573)	(33,573)
Remeasurement of defined benefit asset	-	-	-	(13,893)	(13,893)
Deferred tax credit	-	-	-	3,244	3,244
Foreign exchange movements	-	-	-	(11)	(11)
At 31 December 2022	102	58,174	225,130	(169,595)	113,811

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Capital contribution	Share Premium	Profit and loss account	Total deficit
	£000	£000	£000	£000	£000
At 1 January 2021	102	58,174	75,808	(154,851)	(20,767)
Total comprehensive income for the period:					
Profit for the financial year	-	-	-	24,735	24,735
Issues of shares	-	-	149,322	-	149,322
Remeasurement of defined benefit asset	-	-	-	4,788	4,788
Foreign exchange movements	-	-	-	(34)	(34)
At 31 December 2021	102	58,174	225,130	(125,362)	158,044

The notes on pages 17 to 47 form part of these financial statements.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

1. General information

Cushman & Wakefield Debenham Tie Leung Limited acts as national and international property advisor in the United Kingdom and Ireland, offering comprehensive and integrated property advice to clients.

The Company is a private company limited by shares and incorporated and domiciled in England in the UK. The address of its registered office is 125 Old Broad Street, London, England, EC2N 1AR.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B to D (additional comparative information);
 - 111 (cash flow information);
 - 134 to 136 (capital management disclosures);
- IAS 7 'Statement of cash flows';
- Paragraph 17 and 18A of IAS 24 'Related party disclosures' (key management compensation);
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- IFRS 7, 'Financial Instruments; Disclosures'; and
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

For the purposes of FRS 101 reduced disclosure exemptions, where equivalent disclosures are required these are included in the publicly available consolidated financial statements of Cushman & Wakefield plc. See note 25 for details.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.2 Going concern

The Company made a loss for the current financial year of £33,573,000 (2021: profit £24,735,000) and had net assets of £113,811,000 (2021: assets £158,044,000) and net current assets of £14,607,000 as at 31 December 2022 (2021: assets of £41,200,000) the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared group cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its intermediate parent, DTZ Worldwide Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on DTZ Worldwide Limited not seeking repayment of the amounts currently due to the group, which at balance sheet date amounted to £35,879,000, and providing additional financial support during that period.

DTZ Worldwide Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period of at least 12 months from date of approval of these financial statements. As with any entity placing reliance on other group entities for financial support, the members acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

DTZ Worldwide Limited is an investment holding and financing entity of Cushman & Wakefield plc Group ("the Group"). As DTZ Worldwide Limited is an intra group holding and financing entity, it has ready access to cash from all its investments globally and can access this cash as and when required to meet obligations as they fall due. Its financial position is therefore linked directly to the financial health and position of the Group.

DTZ Worldwide Limited has cash and cash equivalents as of 31 December 2022 of \$81.4m (2021: \$67.4m) and net assets of \$1.7 billion (2021: \$1.3 billion). The Group had \$1.7 billion of liquidity as of 30 September 2023 (\$1.8 Billion 31 December 2022), consisting of cash and cash equivalents of \$0.6 billion and undrawn revolving credit facility of \$1.1 billion (2021: \$1.0 billion).

The directors believe the Group will continue to have sufficient liquidity, including access to existing facilities to support its ongoing operations and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing of these annual accounts and financial statements. Thus, the Group, and hence the Company, continues to adopt the going concern basis of accounting in preparing the Company's financial statements.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.3 Consolidation

The financial statements contain information about Cushman & Wakefield Debenham Tie Leung Limited as an individual company, inclusive of their South African and Hungary branches and do not contain consolidated information as the parent of a group, as the Company has taken advantage of the exemption available under section 400 of the Companies Act 2006.

2.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover comprises commissions and fees receivable from agency and professional activities, exclusive of sales-related taxes.

A performance obligation is a promise in a contract to transfer a distinct service or a series of distinct services to the client and is the unit of account. A contract's transaction price is allocated to each performance obligation and recognized as turnover when, or as, the performance obligation is satisfied. The Company allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct service in the contract.

Out-of-pocket costs such as travel are also recognised at the gross amount billed with a corresponding amount recorded as an expense.

2.5 Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is pound sterling and rounded to thousands.

(ii) Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign exchange differences arising on translation are recognised in the profit and loss account. The balance sheet of the company's branches for South Africa and Hungary are converted at the year end rate with the difference recorded in other comprehensive income.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.6 Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and leases recognised in the profit and loss account using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see note 2.5).

Interest income and interest payable is recognised in the profit and loss account as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.7 Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.8 Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'tangible fixed assets' and lease liabilities in 'creditors' in the balance sheet.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.8 Leases (continued)

As a lessee (continued)

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract applying IFRS 15. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other operating costs.

2.9 Other intangible assets

Goodwill

Goodwill arising on business combinations is allocated to cash generating units according to business segment and is reviewed annually for impairment.

Goodwill arising on acquisition prior the date of transition to FRS 101 (1 January 2015) is stated at cost less any accumulated impairment losses with Goodwill amortised over 20 years.

Customer relationships

Customer relationships are intangible assets with definite lives are carried at the acquired fair value less any accumulated impairment and are amortized over the estimated useful life of 5 years. The company evaluates the reasonableness of the useful lives of these intangibles at least annually or more frequently if there are indicators of impairment or whenever business or economic circumstances may change.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.9 Other intangible assets (continued)

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation of software is charged to the profit and loss account on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives are as follows:

IT Software Bundle	1 - 4 years
IT Software (off-the-shelf)	1 - 5 years
IT Software (highly customised)	5 - 10 years
IT Software Licenses	1 - 3 years (over the license period)

2.10 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets. Leased assets acquired by way of finance and operating lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Leasehold assets / Right of use assets	- over term of lease
Fixtures and equipment	- 3 to 20 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.11 Derivative financial instruments

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

2.12 Non-derivative financial instruments

Non-derivative financial instruments comprise of investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and other borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors: amounts falling due within one year

Trade and other creditors: amounts falling due within one year are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in debt and equity securities

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.13 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Loss allowances for trade receivables and contract assets that do not contain a significant financing component are always measured at an amount equal to lifetime expected credit losses.

An impairment loss in respect of a financial asset measured at amortised cost 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. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit and loss account.

2.14 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit and loss account. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.15 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2.16 Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. The cost of an acquisition is measured as the fair value of the separable net assets acquired.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

Goodwill arising through a business combination is recognised as an intangible asset and is allocated to cash-generating units. It is not amortized but is tested annually for impairment. On acquisition, the assets and liabilities of an acquired entity are measured at their fair value with any impairment in carrying value being charged to the profit or loss.

Goodwill arising on acquisition of a subsidiary prior to the implementation of FRS 101 is capitalized as an intangible asset and amortized. It is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.17 Employee benefits

Pension benefits to employees are provided by three schemes which are funded by contributions from the Company and employees.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurement's arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the profit and loss account.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

2.18 Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

2.19 Called up share capital

Ordinary shares are classified as equity.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

2. Significant accounting policies (continued)

2.20 Reserves

Share premium is defined as the excess above the nominal value of the Company's shares of the total price a Company received for its issued shares.

The capital contribution arose in 2015 on the waiver of intercompany loans, which was carried out as part of group wide re-organisation.

3 Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. In the current year there are no critical accounting estimates or judgements that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Asset services	10,044	9,375
Occupier services	29,170	36,266
Agency services	65,442	47,410
Professional services	54,906	60,795
	159,562	153,846

Analysis of turnover by geographical market:

	2022 £000	2021 £000
United Kingdom and Ireland	156,274	151,031
United States of America	3,288	2,815
	159,562	153,846

As at 31 December 2022, Cushman & Wakefield Debenham Tie Leung Limited recognised a contract liability of £1,813,121 (2021: £474,283).

All turnover is derived from contracts with customers. The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers:

	2022 £000	2021 £000
Receivables	40,229	36,203
Contract assets	357	925
Contract liabilities	1,813	474
Accrued income	12,166	11,946

The contract liabilities primarily relate to the commissions payable on contracts and deferred income.

The accrued income relates to revenue which the Company is entitled to bill, but no invoice has been created as at 31 December 2022. Contract assets include amounts related to the contractual right to consideration for completed performance obligations not yet invoiced or able to be invoiced.

The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £nil.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

5 Staff numbers and costs

Staff costs during the year were as follows:

	2022	2021
	£000	£000
Wages and salaries	74,173	60,323
Social security	6,713	5,526
Pension costs	3,681	3,124
	84,567	68,973

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Professional	1,118	973
Administration	237	215
	1,355	1,188

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

6 Directors' remuneration

In the current and previous year, the directors were not paid directly by Cushman & Wakefield Debenham Tie Leung Limited. Given the wider responsibilities held by the directors within the group we do not consider it practical to apportion costs to Cushman & Wakefield Debenham Tie Leung Limited on an arbitrary basis which would not be appropriate or reflective of the circumstances under which the business operates or is managed. Remuneration for directors of the group are disclosed in the financial statements of Cushman & Wakefield plc.

7. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Depreciation on tangible assets (note 13)	8,307	5,564
Amortisation of intangible assets (note 12)	5,042	6,287
Impairment of tangible assets (note 13)	-	1,060
Impairment of investments (note 14)	29,445	507
Foreign exchange losses / (gains)	(13)	963

8. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

	2022 £000	2021 £000
Audit of these financial statements	293	252

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

9. Interest receivable and similar income

	2022 £000	2021 £000
Intercompany interest receivable	2,767	1,078
	<u>2,767</u>	<u>1,078</u>

10. Interest payable and similar charges

	2022 £000	2021 £000
Intercompany interest payable	6,087	3,473
Other interest payable	1,359	1,586
	<u>7,446</u>	<u>5,059</u>

11. Taxation

	2022 £000	2021 £000
Current tax		
Current tax on overseas profit for the year	454	231
Adjustment in respect of previous periods	11	-
Foreign tax suffered	5	-
Total current tax	<u>470</u>	<u>231</u>
Deferred tax		
Current year	1,136	(1,178)
Effect of changes in tax rates	403	-
Adjustments to tax charge in respect of prior periods	1,178	-
Total deferred tax	<u>2,717</u>	<u>(1,178)</u>
Taxation expense /(credit) on profit	3,187	(947)

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
(Loss) / Profit on ordinary activities before taxation	(30,386)	23,788
(Loss) / Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(5,773)	4,520
Effects of:		
Adjustments in respect of prior periods	1,189	-
Expenses not deductible	5,942	12
Transfer pricing adjustment	430	-
Tax rate changes	369	(66)
Overseas taxes	5	-
Partnership allocation	(7)	2,665
Amounts not recognised	1,032	-
Impairment	-	96
Group relief received for nil consideration	-	(5,096)
Corporate distribution not taxable	-	(1,900)
Recognition of deferred tax asset previously not recognised	-	(1,178)
Total tax charge / (credit) for the year	3,187	(947)

Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2021: 19%).

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

12. Intangible assets

	Software	Goodwill	Customer relationships	Total
	£000	£000	£000	£000
Cost				
At 1 January 2022	13,803	48,747	-	62,550
Additions	-	14,760	6,819	21,579
At 31 December 2022	13,803	63,507	6,819	84,129
Amortisation and impairment				
At 1 January 2022	11,036	45,258	-	56,294
Charge for the year	2,036	2,437	569	5,042
At 31 December 2022	13,072	47,695	569	61,336
Net book value				
At 31 December 2022	731	15,812	6,250	22,793
At 31 December 2021	2,767	3,489	-	6,256

Goodwill

Additional purchased goodwill of £14,760,000 is recognised in the year, following the business acquisition of Burbage Realty Partners Limited as detailed below.

Acquisitions in the current period

On 31 Jul 2022 (the 'Acquisition date'), the company acquired 100% of the share capital of Burbage Realty Partners Limited ('BRPL') for the sum of £27,012,000 and shortly after, acquired the assets and liabilities constituting a business under IFRS 3. BRPL is a company specializing in Commercial Real Estate providing specialist brokerage services operating in the UK including land, development funding, investment, lease advisory and occupation agency specifically across the UK Midlands which is seen as a key geographical region for the logistic sector providing strategic and core growth benefits to the company.

The acquisition had the following effect on the Company's assets and liabilities, the amounts recognised in respect of the identifiable assets acquired and liabilities assumed are at fair value (FV) at the acquisition date.

These are as set out in the table below.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

12. Intangible assets (continued)

	<u>£'000</u>
Cash and cash equivalents	4,514
Trade Receivables	3,139
Other Receivables	1,297
Prepaid Expenses	102
Current Liabilities including tax payables	(1,914)
Customer relationships, net of tax at FV *	5,114
Net assets acquired	<u>12,252</u>
Goodwill on acquisition (i)	<u>14,760</u>
Total Consideration at FV	<u><u>27,012</u></u>
Satisfied by:-	
Cash paid at Closing	15,601
Working Capital adjustments	1,392
Deferred consideration at PV (ii)	2,873
Contingent consideration at PV (iii)	7,146
	<u><u>27,012</u></u>

* Customer relationships gross value is £6,819K, less an allowance for a deferred tax credit at 25% of £1,705K.

- i) Total Goodwill of £14,760K arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of both companies together. None of the goodwill recognised is expected to be deductible for income tax purposes.
- ii) Deferred consideration is guaranteed regardless of business performance with an undiscounted value of £3,025K, being £2,500K payable immediately to BRPL's sellers on the 2nd anniversary of the Acquisition date, less a deferred bonus of £75K payable at the same date, plus £600K payable on the 6th anniversary of the Acquisition date after deduction of Professional Insurance premiums paid by the company on behalf of BRPL. This consideration is in accordance with an executed Sale and Purchase Agreement ('SPA') also dated 31 July 2022. The PV ('Present value') allows for a discount of £152K in support of the £2,873K liability above.
- iii) The company has agreed to pay additional consideration to BRPL's sellers that is contingent dependent BRPL's business forward-looking EBITDA performance in accordance with the SPA. The potential undiscounted amount of all future payments that the Company could be required to make under the contingent consideration arrangement is a maximum of £7,500K. The fair value of the contingent consideration arrangement of £7,146K was estimated by applying income and EDITBA forecasts throughout the measurement earnout period. Key assumptions include a discount rate range of 4.6 to 5.2 per cent, adjusted EBITDA with a minimum of £3,400K and a maximum of £12,000K throughout the earnout period through to the end of 2024.

Transaction costs for the company linked to the acquisition of BRPL were £945,500 and have been included within Administrative expenses in the Profit and loss account for the year, the total of which is not material and less than the threshold to be recognised as an exceptional cost.

The amount of revenue included in the company's profit and loss account for the year since 31 July 2022 contributed by BRPL was £1,707,000, with an operating profit of £803,000 over the same period.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

12. Intangible assets (continued)

There are no fair values determined on a provisional basis for the acquisition of BRPL.

Goodwill Impairment testing in the current period

For the purpose of impairment testing, the company assigns goodwill as a single cash generating unit (CGU). The company performed a review of its CGU to ascertain whether the unit was impaired by comparing its carrying value including goodwill, against with the recoverable amount of the unit. Expected future cashflow were prepared through an iterative process to include inputs for current year forecasts, including macroeconomic conditions, revenue forecasts, knowledge of initiatives, risks and opportunities.

The estimation of value in use was based on a current assessment by the company, using a mix of current experiences in the marketplace with the key assumptions as follows:

- Forecasted revenue – short term revenue growth rates were based on past experience, adjusted for the strategic opportunities for the company. The forecasts typically used average nominal growth rates at approximately 3% for the foreseeable future.
- EBITDA margin is based on profitability measured against service line fee revenue, with margins expected to improve modestly throughout the period as the company expands its market share and improve operating efficiencies through the application of technology, economies of scale and disciplined cost management.
- Long term growth rate – the terminal value growth rate is based on expectations of future macroeconomic outcomes, such as GDP and forecasted inflation, and past experience. Thereafter and through the terminal period, annual revenue growth was assumed to stay constant at approximately 3.0% and expenses were held constant as a percentage of revenue.
- A discount rate of 18% applied to the company's cash flows is calculated to value expected future cashflows to a terminal value using a post-tax rate based on the discount rate which would be anticipated for the UK business.

As at 31 December 2022, the annual impairment assessment of goodwill has been completed resulting in no impairment charges, the estimated fair value of its recoverable amount was significantly in excess of its carrying amount.

Customer relationships

Further to the acquisition of assets and liabilities of Burbage that constituted a business, the company assigned value to its customer relationships which was valued using a multi-period excess earnings valuation model. The model included an assessment of BRPL's business plan cashflows, allowing for cost of capital at 13%, post attrition revenues from existing customers revenue with an average expected annual growth of 2.5% through to 2027 and operating costs growth averaging 2% for the same duration. Allowance for contributory assets (being the assets used in the generation of cash flows associated with the intangible assets valued) and is deducted from the gross valuation, together with allowance for tax and the company's cost of Capital that led to an overall net valuation of £6,819,000.

The company also performed an impairment test during the year, adjusting for various factors in the marketplace since acquisition. This included an updated assessment of forecast revenues, profitability, plus allowance for the company's cost of capital and tax rates as part of post-attrition net revenues from BRPL's customer relationships. The net result indicated the carrying value at 31 December 2022 had no impairment for the year.

A total of £569,000 as a pro-rated annual amortization expense is reflected in the profit and loss account for the period.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

13. Tangible assets

	Land and buildings £000	Fixtures and equipment £000	Leasehold improvements £000	Total £000
Cost				
At 1 January 2022	34,054	19,910	18,878	72,842
Additions	969	8,256	146	9,371
Disposals	-	(7)	-	(7)
At 31 December 2022	<u>35,023</u>	<u>28,159</u>	<u>19,024</u>	<u>82,206</u>
Depreciation				
At 1 January 2022	12,930	15,129	15,504	43,563
Charge for the year	4,581	2,678	1,048	8,307
Disposals	-	(7)	-	(7)
At 31 December 2022	<u>17,511</u>	<u>17,800</u>	<u>16,552</u>	<u>51,863</u>
Net book value				
At 31 December 2022	<u>17,512</u>	<u>10,359</u>	<u>2,472</u>	<u>30,343</u>
At 31 December 2021	<u>21,124</u>	<u>4,781</u>	<u>3,374</u>	<u>29,279</u>

Right-of-use assets (note 18)

	Land and buildings £000	Fixtures and equipment £000	Leasehold improvements £000	Total £000
Right-of-use asset				
At 31 December 2022	17,220	5,510	-	22,730

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

14. Investments

	Investments in subsidiaries	Total
	£000	£000
Cost		
At 1 January 2022	127,602	127,602
Disposals	-	-
At 31 December 2022	<u>127,602</u>	<u>127,602</u>
Provision for impairment		
At 1 January 2022	(13,556)	(13,556)
Impairment	(29,445)	(29,445)
At 31 December 2022	<u>(43,001)</u>	<u>(43,001)</u>
Net book value		
At 31 December 2022	<u>84,601</u>	<u>84,601</u>
At 31 December 2021	<u>114,046</u>	<u>114,046</u>

The carrying value of the investment in subsidiary is reviewed for impairment losses at the end of each period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The investment in subsidiary carrying value relates to the subsidiary holding company Cushman & Wakefield (U.K.) Ltd, which has a controlling interest in C & W (U.K.) LLP. The Directors assessed the carrying value of the investment as at 31 December 2022 with an analysis of the subsidiary's net assets, which resulted in an impairment of £29,445k.

Direct and indirect investments

The Company has the following direct and indirect* investments, including subsidiaries and associates, all incorporated in the United Kingdom:

Name	Class of shares	Holding	Registered office
C & W (U.K.) LLP	Capital	50%	125 Old Broad Street, London, EC2N 1AR
C & W (U.K.) LLP*	Capital	50%	125 Old Broad Street, London, EC2N 1AR
C&W Management Services LLP	Capital	50%	125 Old Broad Street, London, EC2N 1AR
Cushman & Wakefield (U.K.) Limited	Ordinary	100%	125 Old Broad Street, London, EC2N 1AR
DTZ (Northern Ireland) Limited	Ordinary	100%	125 Old Broad Street, London, EC2N 1AR
DTZ Management Services Limited	Ordinary	100%	125 Old Broad Street, London, EC2N 1AR
Cushman & Wakefield Pension Trustee Limited	Ordinary	100%	125 Old Broad Street, London, EC2N 1AR
DTZ Bahrain WLL	Ordinary	0.5%	Bahrain Financial Harbour, West Tower, Level 22, Suite 2230, P.O. Box 10676, Manama, Bahrain. Howshan building,

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

15. Debtors

	2022 £000	2021 £000
Due after more than one year		
Pension asset (see Note 22)	2,116	15,774
Amounts owed by group undertakings	5,040	6,757
	7,156	22,531
Due within one year		
Trade debtors	40,229	36,203
Amounts owed by group undertakings	142,346	116,368
Other debtors	1,097	600
Prepayments	3,866	2,920
Accrued income	12,166	11,946
Contract asset	357	925
Deferred tax asset	-	1,178
	200,061	170,140

Amounts owed by group undertakings due within one year are unsecured and repayable on demand. Included within the total balance are trading balances which are non-interest bearing and amounts which bear interest at the 3-month adjusted LIBOR rate plus 1%. Under the terms of the existing agreement, the Company, at its option, elected an interest rate of 3-month Secured Overnight Financing Rate ("SOFR") plus 3.25% effective 1 July 2023. There is no intention by the Company to recall these amounts within the next 12 months. The amounts owed by group undertakings due after more than one year relates to prepaid royalty invoices which will be amortised over the relevant periods covered by the invoices.

16. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	2,615	2,916
Amounts owed to group undertakings	148,949	113,055
Other taxation and social security	9,029	8,455
Other creditors	211	506
Accruals	24,552	21,270
Deferred income	1,813	474
Right of use asset lease liabilities	6,428	5,338
	193,597	152,014

Amounts owed to group undertakings are unsecured and repayable on demand. Included within the total balance are trading balances which are non-interest bearing and amounts which bear interest at rates between 4.25% and 7.00%.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

17. Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Right of use asset lease liabilities	20,798	23,589
Contingent and deferred liabilities	10,132	-
Accruals	356	356
	<u>31,286</u>	<u>23,945</u>

18. (a) Leases as a lessee

Right-of-use assets

	Land and buildings £000	Fixtures and fittings £000	Total £000
Balance at 1 January 2022	20,948	3,258	24,206
Additions to right-of-use assets	694	3,836	4,530
Depreciation charge for the year	(4,422)	(1,584)	(6,006)
Balance at 31 December 2022	<u>17,220</u>	<u>5,510</u>	<u>22,730</u>

Amounts recognised in profit or loss

The following amounts have been recognised in profit and lost for which the Company is a lessee:

	2022 £000	2021 £000
Interest expense on lease liabilities	(1,310)	(1,552)
	<u>(1,310)</u>	<u>(1,552)</u>

18. (b) Leases as a lessor

	£000
2022 – Leases	
Less than one year	377
Between one and two years	94
Between two and three years	111
Between three and four years	111
Between four and five years	111
	<u>471</u>

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

19. Deferred taxation

	2022 £000	2021 £000
At beginning of year	(1,178)	-
Adjustment in respect of prior periods	1,178	-
Charged / (credited) to the profit and loss account	1,539	(1,178)
Credited to other comprehensive income	(3,244)	-
Movement arising from transfer of trade	1,705	-
At end of year	-	(1,178)

The deferred tax (asset) / liability is made up as follows:

	2022 £000	2021 £000
Fixed asset timing differences	(231)	3,234
Employment benefits	-	(3,462)
Tax losses carried forward	-	(950)
Temporary differences defined benefit scheme	231	-
	-	(1,178)

Unrecognised deferred tax:

	2022 £000	2021 £000
Fixed asset	(2,123)	(765)
Losses	(29,512)	(29,212)
	(31,635)	(29,977)

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

20. Provisions

	Claims	Property provision	Subtotal	Defined benefit pension scheme (note 22)	Total
	£000	£000	£000		£000
At 1 January 2022	4,074	2,792	6,866	1,926	8,792
Additions	633	287	920	-	920
Amount utilized	(1,152)	-	(1,152)	(188)	(1,340)
Remeasurement	(165)	-	(165)	(960)	(1,125)
At 31 December 2022	3,390	3,079	6,469	778	7,247

In accordance with the requirements of IAS 37 "Provisions, contingent liabilities and contingent assets" the following provisions have been recognised:

Property

Property provisions represent onerous leases on rental agreements and dilapidation provisions that will be settled or unwound by the end of each lease period, which expire over the next ten years.

Claims

Claims provisions are for known and reported claims and legal costs where litigation has been commenced, or it is probable that litigation will commence and where the directors consider that such claims are not covered by professional indemnity insurance. Provision is also made for the Company's liability for incurred but not reported (IBNR) claims, based on the directors' assessment using the Company's prior claims history and the insurance cover likely to be available in future years.

The movement in the overall claims provision is due to settlement and associated legal costs of the known and reported claims over the course of the year. The Company expects the majority of the claims provision to be used within the next five years.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

21. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
10,242,815 (2021: 10,242,815) Ordinary shares of £0.01 each	<u>102</u>	<u>102</u>

22. Pension commitments

Within the UK the Company provides funded defined benefit plans to certain employees and former employees based on final pensionable salary but has been closed to new members and future accrual since 31 October 2009 (the DTZ 2002 Retirement Plan). The Company also has an obligation to pay unfunded pensions to former employees or their surviving spouses (Bernard Thorpe Annuitants). As the pension obligation is in substance that of a defined benefit scheme, this obligation has been recorded as a retirement benefit liability and is reported together with the funded defined benefit plan. The assets of all pension schemes are held separately from those of the Company.

Net pension assets of the Company at 31 December 2022 was £1,338,000 (2021: £13,848,000) comprising the DTZ 2002 Retirement Plan of £2,116,000 (2021: £15,774,000), less the DTL Bernard Thorpe Retirement Plans liability of £778,000 (2021: liability £1,926,000).

The Company also operates a defined contribution scheme for employees. During the year ended 31 December 2022 the Company paid £918,000 (2021: £1,977,000) of pension contributions to the Company's defined contribution scheme. As at 31 December 2022, there were no amounts accrued or prepaid.

DTZ 2002 Retirement Plan

The estimated amount of total employer contributions expected to be paid to the 2002 Retirement Plan during the year ended 31 December 2023 is £nil (2022: £1,543,000).

	2022 £000	2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	72,444	80,277
Interest cost	1,350	939
Actuarial losses	(20,663)	(4,722)
Benefits paid	(2,780)	(4,050)
At the end of the year	<u>50,351</u>	<u>72,444</u>

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

22. Pension commitments (continued)

	2022 £000	2021 £000
Reconciliation of fair value of plan assets		
At the beginning of the year	88,218	89,094
Interest on plan assets	1,662	1,057
Actuarial (losses) / gains	(35,551)	140
Contributions by employer	918	1,977
Benefits paid	(2,780)	(4,050)
At the end of the year	52,467	88,218

The amounts recognised in the balance sheet for DTZ 2002 Retirement Plan are as follows:

	2022 £000	2021 £000
Fair value of plan assets	52,467	88,218
Present value of plan liabilities	(50,351)	(72,444)
Net pension scheme asset	2,116	15,774

The amounts recognised in the profit and loss account are as follows:

	2022 £000	2021 £000
Net interest credit on defined benefit asset/liability	(312)	(118)

The fair value of plan assets were as follows:

	2022 £000	2021 £000
Diversified growth funds	-	14,997
Multi-asset credit funds	-	11,468
Asset-backed securities funds	-	26,466
Government bonds, LDI portfolios and cash	2,623	35,287
Bulk annuity policy with L&G	49,844	-
	52,467	88,218

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

22. Pension commitments (continued)

DTZ Bernard Thorpe Retirement Plan

	2022 £000	2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,926	2,024
Past service costs	-	-
Interest cost	35	23
Actuarial (gains) / losses	(995)	74
Benefits paid	(188)	(195)
At the end of the year	778	1,926
Net pension scheme liability	778	1,926

The amounts recognised in the profit and loss account are as follows:

	2022 £000	2021 £000
Net interest on net defined benefit liability	35	23
Past service costs	-	-
	35	23

The total amounts recognised in the balance sheet for both schemes are as follows:

	2022 £000	2021 £000
Fair value of plan assets	52,467	88,218
Present value of plan liabilities	(51,129)	(74,370)
Net pension scheme asset	1,338	13,848

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

22. Pension commitments (continued)

The following table sets out the key FRS 101 assumptions used:

Assumptions	2022	2021
RPI Price inflation	3.4% pa	3.5% pa
CPI Price inflation	2.6% pa	2.7% pa
Pension increase in payment:		
- 5% or inflation	3.2% pa	3.3% pa
- 2.5% or inflation	2.1% pa	2.2% pa
The mortality assumptions used were as follows:		
Life expectancy of male aged 65 at the accounting date	22.3 years	22.3 years
Life expectancy of male aged 65, 20 years after at the accounting date	23.6 years	23.6 years

23. Contingent liabilities

In the normal course of business, the Company may be subject to threatened or pending legal actions arising from its activities. Such liabilities include the potential costs to carry out further works and/or costs of litigation by or against the Company. The business carries professional indemnity insurance and no separate disclosure is made of the costs of claims covered by insurance as to do so could seriously prejudice the position of the Company.

Where such costs are not covered by professional indemnity insurance, provision is made for legal costs and claims where litigation has been commenced, or it is probable that litigation will commence. Provision is also made for the group's liability for incurred but not reported (IBNR) claims, based on assessment using prior claims history.

24. Related party transactions

At the year end the Company had outstanding receivable balances with C&W Management Services LLP, a fellow group undertaking, of £36,185,000 (2021: receivables £45,760,00). During the year operating costs of £21,649,000 (2021: £19,513,000) were recognised through the profit and loss account relating to services provided by C&W Management Services LLP to the Company and £nil of allocations (2021: £10,000,000) as the Company is a corporate partner of the LLP.

As a wholly owned subsidiary undertaking, the Company has taken advantage of the exemption in Financial Reporting Standard 101.8 (FRS 101) Related Party Disclosures and not disclosed transactions with other entities in the group wholly owned by Cushman & Wakefield plc.

Cushman & Wakefield Debenham Tie Leung Limited

Notes to the financial statements for the year ended 31 December 2022

25. Ultimate controlling party and immediate parent undertaking

The ultimate owner of the Company is Cushman & Wakefield plc, incorporated in the England and Wales. The shares of Cushman & Wakefield plc are publicly listed on the NYSE. Cushman & Wakefield plc is the smallest and largest group to consolidate these financial statements. Consolidated financial statements of Cushman & Wakefield plc are obtainable from the Company Secretary at 125 Old Broad Street, London, EC2N 1AR. The Company's immediate parent undertaking and immediate controlling party is DTZ Europe Limited, companies incorporated in the UK.

26. Subsequent events after balance sheet date

On 19 July 2023, the Company reduced the charges paid to C&W Management Services LLP from 15% of annual revenue to 11% of annual revenue effective as of 1 January 2023.