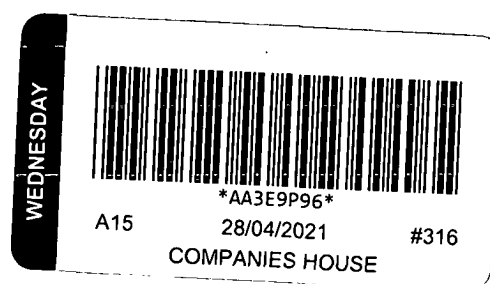


**Savills Capital Advisors Limited**

**(Registered Number: 02828896)**

**Annual Report and Financial Statements**

**For the year ended 31 December 2020**



## **Savills Capital Advisors Limited**

### **Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Simon Hope  
Nicola McGinnis

### **Registered Office**

33 Margaret Street, London W1G 0JD

### **Independent Auditors**

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 1 Embankment Place, London WC2N 6RH

### **Solicitors**

CMS Cameron McKenna LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF

### **Principal Bankers**

Barclays Bank plc, 1 Churchill Place, London E14 5HP

# **Savills Capital Advisors Limited**

## **Strategic Report**

### **Principal activities**

The principal activity of the Company is corporate financial advisory work and it is regulated by the Financial Conduct Authority (FCA). The Company is a private limited company, limited by shares, incorporated and domiciled in the United Kingdom with its registered office at 33 Margaret Street, London W1G 0JD.

### **Principal risks & uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Savills plc Group ("the Group") and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 30 to 38 of the Group's Annual Report and Financial Statements, which does not form part of this report.

### **Key Performance Indicators (KPIs)**

The Directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, are discussed on pages 16 to 17 of the Group's Annual Report and Financial Statements, which does not form part of this report.

### **Financial performance**

Turnover was £10,055,000 in 2020, which was up on 2019 (2019: £5,374,000), reflecting the continued increase in regulated work generated from the housing sector and the completion of several significant transactions.

The Company made a profit, and its pre-tax margin increased to 41% (2019: 34%).

### **Financial position**

The net assets of the Company as at 31 December 2020 were £4,060,000 which was down on 2019 (2019: £5,050,000). This was due to the Company generating profits but paying a dividend during the year.

### **Future developments**

The Directors expect the Company to continue performing as it did in 2020 and therefore continue to be profitable.

The current global coronavirus pandemic is likely to reduce transaction volumes within the Company, however it is difficult to predict this impact accurately in a dynamic environment. The revenue it has in train, low fixed costs and high cash reserves should keep the Company in profit and insulated from any impact in the short term.

### **Capital Requirements Directive Disclosures under Pillar 3**

#### **Background**

The 2006 EEA Capital Requirements Directive ('the Directive') based on the provisions of the Basel 2 Accord created a revised regulatory capital framework across Europe agreed by the G-10.

## **Savills Capital Advisors Limited**

### **Strategic Report (continued)**

This was implemented in the United Kingdom by the Financial Conduct Authority ('FCA') and specifically through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The new framework consists of three 'pillars':

- Pillar 1 sets out the minimum capital requirements that Savills Capital Advisors Limited is required to meet for credit, market and operational risk;
- Pillar 2 requires Savills Capital Advisors Limited to take a view on whether additional capital should be held against capital risks not covered by Pillar 1; and
- Pillar 3 requires us to publish certain details of our risks, capital and risk management process.

The FCA rules under BIPRU require that a firm subject to the provisions of the Directive must disclose, as appropriate, the relevant information required under Pillar 3. This must be done in accordance with a formal disclosure policy which sets out our policies for assessing the appropriateness of our disclosures, including their verification and frequency.

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criteria that the omission or misstatement of material information would be likely to change or influence the assessment or decision of a user relying on that information for the purposes of making economic decisions. Where we have considered a disclosure to be immaterial, we have stated this in the relevant section.

We are also permitted to omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. Proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reasons for this. Where appropriate, we have published more general information on the subject matter of the required disclosure.

Savills Capital Advisors Limited, registered in England, Number 02828896, is authorised and regulated by the Financial Conduct Authority and is a subsidiary of Savills (UK) Limited registered in England, Number 02605138. The registered office of both entities is at 33 Margaret Street, London W1G 0JD.

#### **Risk management objectives and policies**

Savills Capital Advisors Limited risk management policy reflects the FCA requirement that we must manage a number of different categories of risk. These include for Savills Capital Advisors Limited: credit, market, business and operational.

- **Market Risk**  
Under Pillar 1, our market risk is limited to our exposure to foreign exchange fluctuations, due to some assets and liabilities being denominated in currencies other than sterling.
- **Business Risk**  
Our Pillar 2 business risk assessment principally considers our exposure to one form of asset class i.e. property. To mitigate our business risk, the Savills Capital Advisors Limited Investment and Risk committee regularly analyses various different economic scenarios to model the impact of economic downturns on our financial position.

# **Savills Capital Advisors Limited**

## **Strategic Report (continued)**

### **Risk management objectives and policies (continued)**

- **Operational Risk**

Most of our risk management efforts are focused on operational risk. This includes everything, from risk to our business strategy to adverse reputational risk. Our policy is to operate a robust and effective risk management process, embedded within the governance and management structures of our business. The concept of reducing risk to acceptable levels implies some articulation of risk appetite.

Our risk management framework defines what operational risk means to us and this is approved by our Board.

All business areas are subject to at least an annual risk review conducted by our senior management and our Investment and Risk Committee and by the group internal audit review. During these reviews, potential and actual operational risks are identified and controls put in place to mitigate them. We actively monitor risks that remain out with our tolerance levels after mitigating controls have been put in place.

These risk registers are reviewed regularly as part of our management control framework. The risk management process consists of a cycle of risk identification and assessment, control evaluation and action planning, action completion, measurement and reporting, monitoring and assurance and board level review.

### **Capital resources**

Capital resources are divided into categories, or tiers, reflecting differences in the extent to which the capital instruments concerned meet the purpose and conform to the characteristics of capital. Tier 1 capital is able to absorb losses, is permanent or (in the case of a BIPRU firm) available when required, ranks for repayment upon winding up, administration or similar procedure after all other debts and liabilities and has no fixed costs, that is, there is no inescapable obligation to pay dividends or interest. Tier two capital includes forms of capital that do not meet the requirements for permanency and absence of fixed servicing costs that apply to tier one capital.

Our capital resources comprise of core Tier 1, there are no other items or deductions. In accordance with GENPRU 2.1.45R (calculation of variable capital requirement for a limited licence BIPRU firm), our capital requirement has been determined as being our fixed overhead requirement and the sum of our credit risk capital requirement and our market risk capital requirement.

### **Compliance with rules in BIPRU and Pillar 2 rule requirements**

Our overall approach to assessing the adequacy of our internal capital is set out in our Internal Capital Adequacy Assessment Process (ICAAP).

The ICAAP process involves separate consideration of risks to our capital combined with stress testing using scenario analysis. The level of capital required to cover risks is a function of impact and probability. We assess impact by modelling the changes in our income and expenses caused by various potential risks over a 2-year time horizon. Probability is assessed subjectively.

Our Pillar 2 capital requirement, which is our own assessment of the minimum amount of capital that we believe is adequate against the risks identified, has been assessed as being more than our Pillar 1 capital requirement. Therefore, our Pillar 1 plus Pillar 2 requirement is the minimum regulatory capital requirement that we will hold.

### **Basis and Frequency of Disclosures**

This disclosure document has been prepared by Savills Capital Advisors Limited in accordance with the requirements of Pillar 3. Unless otherwise stated, all calculations will be based on figures as at 31 December, our financial year-end. Future disclosures will be issued on an annual basis and published as soon as practicable after the publication of the Directors' Report and Financial Statements.

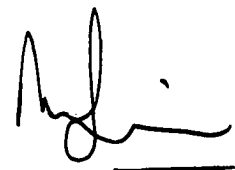
## **Savills Capital Advisors Limited**

### **Strategic Report (continued)**

The independent auditors, PricewaterhouseCoopers LLP, were appointed in 2019 and are the auditors for the financial year ending 31 December 2020. Ernst & Young LLP is proposed to be appointed as the new auditors of the LLP for the financial year ending 31 December 2021 at the AGM in line with the Savills Group.

The financial statements on pages 12 to 21 were approved by the Board of on 27 April 2021 and signed on its behalf by Nicola McGinnis.

Registered Office:  
33 Margaret Street  
London W1G 0JD

A handwritten signature in black ink, appearing to read 'Nicola McGinnis', with a horizontal line underneath.

Nicola McGinnis  
27 April 2021

## **Savills Capital Advisors Limited**

### **Directors' Report**

The Directors present their Report and the audited financial statements of Savills Capital Advisors Limited ("the Company") for the year ended 31 December 2020.

#### **Results and dividends**

The profit for the financial year is £3,350,000 (2019 - £1,486,000). A final dividend for 2020 of £4,340,000 was paid (2019 - nil). Dividend paid in 2020 equates to £1.93 per share.

#### **Principal developments**

There have been no significant developments for Savills Capital Advisors Limited during the year.

#### **Financial Risk**

A review of the financial risks can be found in note 2 within these financial statements.

#### **Key Performance Indicators**

Key Performance Indicators are discussed in the Strategic Report on page 2.

#### **Future Developments**

Future developments are discussed in the Strategic Report on page 2.

#### **Directors**

The current Directors of the Company are shown on page 1.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining if necessary.

#### **Statement of Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

## **Savills Capital Advisors Limited**

### **Directors' Report (continued)**

#### **Statement of Directors' responsibilities (continued)**

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors 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.

Registered Office:  
33 Margaret Street  
London W1G 0JD

On behalf of the Board



Nicola McGinnis  
27 April 2021



## **Savills Capital Advisors Limited**

### **Independent auditors' report to the members of Savills Capital Advisors Limited**

#### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Savills Capital Advisors Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Income statement and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements

## **Savills Capital Advisors Limited**

### **Independent auditors' report to the members of Savills Capital Advisors Limited (continued)**

#### **Reporting on other information (continued)**

does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will

## **Savills Capital Advisors Limited**

### **Independent auditors' report to the members of Savills Capital Advisors Limited (continued)**

#### **Auditors' responsibilities for the audit of the financial statements (continued)**

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, UK employment legislation and UK financial services regulations and equivalent local laws and regulations applicable to the Company, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates and judgements. Audit procedures performed included:

- Gaining an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We held discussions with management, internal audit and the legal team and external legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and the results of whistleblowing procedures and related investigations, that could give rise to a material misstatement in the Company financial statements.
- Challenging assumptions and judgments made by management in its significant accounting estimates, in particular in relation to litigation provisions and recoverability of trade receivables.
- We also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Savills Capital Advisors Limited**

### **Independent auditors' report to the members of Savills Capital Advisors Limited (continued)**

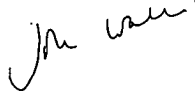
#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



John Waters (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 April 2021

## Savills Capital Advisors Limited

### Income Statement for the year ended 31 December 2020

		Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
	Note		
Turnover		10,055	5,374
Less:			
Other operating expenses		(5,939)	(3,570)
<b>Operating profit</b>	4	<b>4,116</b>	<b>1,804</b>
Interest receivable and similar income	5	20	31
<b>Profit before taxation</b>		<b>4,136</b>	<b>1,835</b>
Tax on profit	6	(786)	(349)
<b>Profit for the financial year</b>		<b>3,350</b>	<b>1,486</b>

### Statement of Comprehensive Income for the year ended 31 December 2020

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Profit for the financial year	3,350	1,486
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>3,350</b>	<b>1,486</b>

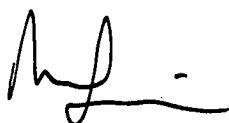
The Notes on pages 15 to 21 form part of the financial statements.

# Savills Capital Advisors Limited

## Statement of Financial Position as at 31 December 2020

		31 December 2020 £'000	31 December 2019 £'000
	Note		
<b>Current assets</b>			
Debtors	7	232	2,933
Cash at bank and in hand		9,316	7,270
<b>Total current assets</b>		<b>9,548</b>	<b>10,203</b>
Trade and other payables	8	(4,702)	(4,804)
Current tax liability		(786)	(349)
<b>Total current liabilities</b>		<b>(5,488)</b>	<b>(5,153)</b>
<b>Net current assets</b>		<b>4,060</b>	<b>5,050</b>
<b>Total assets less current liabilities</b>		<b>4,060</b>	<b>5,050</b>
<b>Net Assets</b>		<b>4,060</b>	<b>5,050</b>
<b>Capital and reserves</b>			
Called up share capital	9	2,250	2,250
Profit and loss account		1,810	2,800
<b>Total shareholders' funds</b>		<b>4,060</b>	<b>5,050</b>

The financial statements on pages 12 to 21 were approved by the Board of Directors on 27 April 2021 and signed on its behalf by Nicola McGinnis.



**Nicola McGinnis**

Date: 27 April 2021

Registered Number: 02828896

The Notes on pages 15 to 21 form part of the financial statements.

## Savills Capital Advisors Limited

### Statement of Changes in Equity for the year ended 31 December 2020

	Note	Called up share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 January 2020		2,250	2,800	5,050
Profit for the financial year		-	3,350	3,350
Dividends paid	10	-	(4,340)	(4,340)
<b>Total comprehensive expense for the year</b>		-	(990)	(990)
<b>Balance at 31 December 2020</b>		<b>2,250</b>	<b>1,810</b>	<b>4,060</b>
Balance at 1 January 2019		2,250	1,314	3,564
Profit for the financial year		-	1,486	1,486
<b>Total comprehensive income for the year</b>		-	1,486	1,486
<b>Balance at 31 December 2019</b>		<b>2,250</b>	<b>2,800</b>	<b>5,050</b>

The Notes on pages 15 to 21 form part of the financial statements.

# **Savills Capital Advisors Limited**

## **Notes to the financial statements**

### **1 Accounting policies**

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

#### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable using the Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework. FRS 101 is effective for periods beginning on or after 1 January 2018. As a result, the following exemptions have been taken:

- Cash flow statement
- Related party disclosure

#### **Trade receivables**

Trade receivables are recognised initially at their transaction price and subsequently measured at amortised cost less provision for impairment. Receivables are discounted where the time value of money is material.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

#### **Cash at bank and in hand**

Cash at bank and in hand includes cash in hand and deposits held on call with banks, together with other short-term highly liquid investments with original maturities of three months or less and working capital overdrafts, which are subject to an insignificant risk of changes in value.

#### **Trade creditors**

Trade creditors are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

#### **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.



## **Savills Capital Advisors Limited**

### **Notes to the financial statements (continued)**

#### **1 Accounting policies (continued)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### **Provisions for liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

##### **Turnover**

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of value-added tax and the amounts due to third parties.

Turnover is recognised as specified in the individual fee agreements and comprises monthly fixed retainer fees as well as additional success fees on closure.

## **Savills Capital Advisors Limited**

### **Notes to the financial statements (continued)**

#### **1 Accounting policies (continued)**

##### **Adoption of standards, amendments and interpretations to standards**

Standards, amendments and interpretations endorsed by the EU and mandatorily effective for the first time for the financial year beginning 1 January 2020 that are not relevant or considered to have a significant impact on the Company and its financial statements include the following:

Amendments to IFRS 3 Definition of a business in business combinations  
Amendments to IAS 1 and IAS 8 Definition of material  
Amendments to IFRS 7, IFRS 9 and IAS 39 Interest rate benchmark reform impact  
Amendments to IFRS 16 COVID-19 related rent concessions

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

##### **Critical accounting estimates and management judgements**

Estimates and judgements are continually evaluated and are based on historical experience, current market conditions and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Changes in accounting estimates may be necessary if there are changes in circumstances on which the estimate was based, or as a result of new information or more experience. There are no estimates or assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

#### **2 Financial Risk Management**

##### **Foreign Exchange Risk**

The Company operates internationally and is exposed to foreign exchange risks primarily with respect to the euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company does not actively seek to hedge risks arising from foreign currency transactions due to the high costs associated with such hedging; however when there is a material committed foreign currency exposure the foreign exchange risk will be hedged.

## Savills Capital Advisors Limited

### Notes to the financial statements (continued)

## 2 Financial Risk Management (continued)

### Interest rate risk

The Company has interest-bearing liabilities. The Company finances its operations through its retained profits and borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

If the average interest rate for the year had changed with all other variables held constant, the Company post tax profit for the year would have increased or decreased as shown below:

#### Movement of interest rates

£'000's	+/-0.50%	+/-1.00%	+/-1.50%	+/-2.00%
For the year ended 31 December 2020	42	83	125	167
Estimated impact on post tax profit				
For the year ended 31 December 2019	18	36	54	72
Estimated impact on post tax profit				

### Credit risk

The Company has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to clients, including outstanding debtors and committed transactions. The Company has policies that require appropriate credit checks on potential customers before engaging with them. A risk control framework is used to assess the credit quality of clients, taking into account financial position, past experience and other factors. The Directors are confident that the credit risk for the outstanding debtors is low. Primarily all cash is held with Barclays Bank plc which is an A rated bank.

### Liquidity risk

Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. These expected cash flows are consolidated by the Group, which is responsible for securing finance.

### Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to provide returns for shareholders and benefits for other stakeholders
- to maintain an optimal capital structure to reduce the cost of capital
- to ensure capital requirements set by the FCA are complied with (the Company was compliant with all requirements during the year ended 31 December 2020 and 31 December 2019).

## 3 Staff numbers

The Company had no employees in the current or prior year.

## 4 Operating profit

Operating profit includes CASS audit fees of £3,000 (2019 - £3,000) and financial statement audit fees of £2,600 (2019 - £2,600).

## Savills Capital Advisors Limited

### Notes to the financial statements (continued)

#### 5 Interest receivable and similar income

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Bank interest receivable	20	31
	<b>20</b>	<b>31</b>

#### 6 Tax on profit

Analysis of tax charge for the year	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
<b>Current tax</b>		
United Kingdom Corporation tax at 19% (2019 – 19%)	786	349
<b>Total current tax</b>	<b>786</b>	<b>349</b>
<b>Income tax expense</b>	<b>786</b>	<b>349</b>

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Profit before taxation	4,136	1,835
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	786	349
<b>Total tax charge</b>	<b>786</b>	<b>349</b>

In Summer Budget 2016, the government announced legislation setting the Corporation Tax rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2017, the government announced a further reduction to the Corporation Tax rate for the year starting 1 April 2020, setting the rate at 17%.

## Savills Capital Advisors Limited

### Notes to the financial statements (continued)

#### 7 Debtors

	31 December 2020 £'000	31 December 2019 £'000
Trade debtors	232	2,933
Less: provision for impairment of debtors	-	-
Net Trade debtors	232	2,933
Other debtors	-	-
	<b>232</b>	<b>2,933</b>

The carrying value of trade and other debtors approximates to fair value.

As at 31 December 2020, no trade debtors were impaired (2019 – nil) and so none provided for.

As at 31 December 2020, trade debtors of nil (2019 – £128,750) were past due but not impaired.  
The provision for impairment of trade debtors is nil at 31 December 2020 (2019 – nil).

#### 8 Trade and other payables

	Note	31 December 2020 £'000	31 December 2019 £'000
Amounts owed to parent and fellow subsidiary undertakings	11	4,653	793
Creditors		-	1,333
Accruals and deferred income		49	2,678
Other taxation and social security		-	-
		<b>4,702</b>	<b>4,804</b>

#### 9 Called up share capital

	31 December 2020 No. shares	31 December 2019 No. shares
Ordinary shares of £1 each:		
Authorised, allotted, called up & fully paid	2,250,000	2,250,000

#### 10 Dividends

	2020 £'000	2019 £'000
Dividends paid	4,340	-
	<b>4,430</b>	<b>-</b>

A final dividend for 2020 of £4,340,000 was paid (2019 - nil). Dividend paid in 2020 equates to £1.93 per share.

## **Savills Capital Advisors Limited**

### **Notes to the financial statements (continued)**

#### **11 Parent undertaking**

The immediate parent undertaking of Savills Capital Advisors Limited is Savills (UK) Limited.

The ultimate parent undertaking and controlling party is Savills plc.

Savills plc is the parent undertaking of the largest group of undertakings to consolidate these financial statements to 31 December 2020. Copies of the 2020 Savills plc Group financial statements are available from its registered office at 33 Margaret Street, London W1G 0JD.