Registered number: 04406788

CBRE Corporate Outsourcing Limited

Annual report and financial statements

For the year ended 31 December 2020

CBRE Corporate Outsourcing Limited

Contents

CBRE Corporate Outsourcing Limited

Company information

Directors	G Holden E Gifon
Company secretary	A Naftis
Registered number	04406788
Registered office	Henrietta House Henrietta Place London England W1G 0NB
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

CBRE Corporate Outsourcing Limited

Strategic report
For the year ended 31 December 2020

The directors present their Strategic report on CBRE Corporate Outsourcing Limited (the "Company") for the year ended 31 December 2020.

Business review and development of the business

The principal activity of the Company is to provide Commercial Property Services to clients in the UK and managing contracts across the EMEA region. Previously, the Company also provided Facilities Management Services to clients in the UK prior to the sale of the Facilities Management and Project Management business.

The audited financial statements for the year ended 31 December 2020 are set out on pages 17 to 37. The profit for the year after taxation from continuing activities was £1,705,000 (2019: £1,820,000 as restated).

The directors do not recommend the payment of a dividend (2019: £Nil).

The Company is part of the CBRE Group, Inc. group of companies. CBRE Group, Inc. is a fortune 500 company whose shares are listed on the New York Stock Exchange.

On 1 January 2020, fellow CBRE Group, Inc. subsidiaries CBRE Managed Services Limited and CBRE GWS Limited purchased the Facilities Management and Project Management trade and the net associated assets from the Company. The activity of the Company in 2020 was, as a result, significantly reduced in comparison to 2019. Further details are provided in note 20 of these financial statements.

Key performance indicators

The key performance indicators presented below reflect the way the performance of the Company has been measured in 2020 and 2019.

	Continuing 2020 £'000	Restated Continuing 2019 £'000	Movement %	**Discontinued 2020 £'000**	Restated Discontinued 2019 £'000	Movement %
Turnover	**20,142**	25,722	(21.7)	-	122,212	(100.0)
Profit/(loss) before tax	**1,982**	939	111.1	-	(594)	(100.0)

Turnover - the reduction of total turnover by 86.4% to £20,142,000 gross (2019: £147,934,000 gross restated) reflects the intercompany sale of the Facilities Management and Project Management trade and net associated assets on 1 January 2020.

Turnover from continuing operations has decreased by 21.7% which reflects the integration of certain of the Company's principal activities into CBRE affiliates as set out in the CBRE Group, Inc, long term strategy.

Profit before tax - the profit before tax for the year from continuing activities has increased by 111.1% and reflects the combination of an increase in share of profits from the joint venture investment from £263,000 to £370,000 and a reduction in administrative costs due to the group's Covid-19 measures and continuous operational improvements.

Future developments

In accordance with the CBRE Group, Inc. long term strategy, the directors anticipate that the activities of the Company will continue to be integrated into other fellow group companies. As a result, the directors expect that the level of operations within the Company will continue to reduce.

Principal risks and uncertainties

The Company is a member of the CBRE Group, Inc. (the "group") in the UK and benefits from activities that the group undertakes.

At the end of 2020, Brexit and Covid-19 were considered as risks, however as at the date of signing, these risks have been alleviated and have not had any material impact on the Company or its results.

As a result of the Russian invasion of Ukraine, impacts on the regional and global economy are still uncertain and difficult to assess in terms of duration and severity. The potential impact is not expected to have an adverse impact on the Company. The Company will continue to monitor market conditions as information becomes available and to evaluate the potential impact, if any, on its operations going forward.

Financial risk management

The group has adopted risk management policies that seek to mitigate the financial risks as follows:

Credit risk

Financial assets and liabilities that expose the Company to financial risk consist principally of cash, trade debtors, amounts owed by group undertakings and trade creditors.

The credit risk associated with trade debtors is managed by monitoring the credit worthiness of clients. Trade debtors are distributed in such a manner that the concentration of credit risk is not considered extraordinary. The group performs ongoing credit evaluation of its customers' financial condition.

The credit risk associated with amounts owed by group undertakings is primarily attributable to normal intercompany receivables and having regard to the counterparties involved the credit risk is not believed to be significant.

The financial risk associated with cash and trade creditors is considered minimal as the group places its cash in creditworthy institutions.

Interest and inflation risk

Having limited borrowing exposure, the directors are of the view that the group and Company are not exposed to significant interest or inflation rate risk.

Exchange rate risk

The group and Company do not have considerable levels of foreign currency transactions and as such foreign exchange risk is considered to be limited.

The Company holds no foreign currency or interest rate derivatives.

The carrying amounts of cash and bank balances, trade debtors and payables approximate their respective fair values due to the relatively short-term maturing of these financial instruments.

Our commitment to Section 172

Our stakeholders

Successful delivery of the Company's strategy depends on effective engagement with stakeholders. The directors have a duty, under Section 172(1) of the Companies Act 2006, to act in the way most likely to promote the success of the Company for the benefit of its shareholders. In doing so, directors must pay regard to key stakeholders and to the reputation of CBRE for high standards of business conduct.

Directors consider stakeholder factors when making decisions as a global board, when setting strategy, developing policies, fostering the corporate culture and guiding and delegating decisions to management and employees. Engagement with stakeholders also involves judgement and actions by managers and employees with whom stakeholders interact directly.

As a member of the group, the Company directly benefits from initiatives taken across the CBRE UK portfolio of companies and the below details these group wide adopted strategies.

CBRE's RISE values (Respect, Integrity, Service, and Excellence) reflect the group's consideration of the wide community of stakeholders and the focus on creating outcomes that benefit all of them.

The board's terms of reference and director appointment documentation also directly reference directors' legal obligation to consider stakeholder factors.

The following statement identifies the key stakeholder groups and outlines methods that directors used to engage with them, understand the issues to which they should have regard, and gather feedback.

Employees

CBRE's success depends on its ability to attract and retain qualified and experienced employees.

The Company participates in the global CBRE 'Your Voice' employee engagement survey. The aim of the survey is to understand how engaged its employees are and what elements of their work experience at CBRE influence their engagement; whilst also accessing what the Company can do better to improve the engagement and wellbeing of its employees, so they are able to perform at their best.

The directors carefully analysed the results of the survey and have created focused action plans in four key areas: collaboration, platforms and systems, work well, and senior leadership. The group's business leaders implement tailored action plans in these areas and the progress made against actions are tracked regularly.

The directors understand the need to ensure that the Company's culture is inclusive of our diversity.

Covering the nine characteristics of the Equality Act 2010, the group's Diversity & Inclusion strategy aims to create an inclusive environment with equal opportunities no matter what race, religion, gender and gender identity, sexual orientation, marital status, and ability.

The group does not tolerate any form of discrimination. It believes that diversity of thought brings innovation and the different perspectives this brings, allows the group to provide truly creative solutions for its clients.

Our commitment to Section 172 (continued)

Employees (continued)

Other initiatives to meet the Equality Act and inclusive culture requirements include:

- the adoption of a Diversity and Inclusion Policy, Discrimination, Harassment and Victimisation Policy, Grievance Policy;
- an inclusive leadership programme to build the skills of employees to lead teams inclusively;
- reporting on the Gender Pay gaps annually;
- visible targets have been set regarding gender and BAME representation at senior levels;
- being signatories of Business in the Community's 'Race at Work' Charter, the Social Mobility Pledge, Time to Change pledge and the UK Government's Disability Confident scheme;
- the adoption of the six employee business resource groups that cover all of the protected characteristics; and
- having a gender identity, expression and transition toolkit.

All of the group's executive directors are required to attend Inclusive Leadership Workshops, that includes them making a personal pledge to progress the group's Diversity & Inclusion (D&I) strategy.

The group runs a series of awareness-raising events, including a 'Diversity Week' showcasing the principles of inclusion, leadership commitment and role model stories.

The group is the first to be accredited by the National Equality Standard in the property sector, a benchmark that sets clear equality, diversity and inclusion (EDI) criteria against which companies are independently assessed.

The group's returners programme, 'Back to You', is open to everyone, regardless of gender, age or reason for a career break. The programme offers on-the-job work experience, coupled with skills workshops that are designed to brush up existing skills and develop new ones.

The group supports its employees through an array of Employee Resource Groups and Affinity Networks, which are as follows: Ability Network (supporting people with disabilities and long-term conditions), Faith Network, Family Network, REACH Network (CBRE's Race, Ethnicity and Cultural Heritage Network), Proud Network (supporting LGBTQ+ people and Allies), Women's Network, Armed Forces Network and Junior Board.

The group offers all employees the opportunity to learn and develop throughout every stage of their career. A formal performance development programme is in place, designed to enable employees to set performance goal and identify development needs with their line manager. Formal instructional learning is offered through the central Advantage Academy, focusing on behavioural business skills as well as technical skills. The Advantage Academy is a combination of instructor-led learning and digital self-directed learning.

In addition, the group offers:

- coaching and mentoring programmes to allow others to learn from other experts internally and externally;
- an internal mobility swap and share scheme to enable employees to learn about different aspects and roles within the wider business; and
- a focused development programme for high performers and for strategic focus areas, such as management and leadership development.

The group has a central budget for employees to request sponsorship to enrol on any relevant professional qualifications.

Employees are regularly kept apprised of business matters via an annual Business Update, the weekly 'The Week @ CBRE UK' and other internal communications.

Our commitment to Section 172 (continued)

Suppliers

The group carefully manages its policies on purchased services. The supply chain is regarded as fundamentally important to CBRE's own business as a provider of real estate advisory services.

The group also expects that all contracted suppliers comply with CBRE's Supplier Code of Conduct as well as all applicable laws and legislation. The Supplier Code of Conduct sets out CBRE's fundamental ethical and business conduct requirements for its suppliers, incorporating anti-bribery / corruption, unfair business practices, information security and records maintenance, data privacy, conflicts of interest, labour, health and safety, environment and sustainability, and gifts and gratuities.

Suppliers are requested to contact their CBRE representative to raise any questions or concerns about the Supplier Code of Conduct, including its application to specific circumstances in connection with their performance of work for CBRE, or to report any suspected violations of the Code.

Clients

CBRE is relentlessly focused on client outcomes and satisfaction and has one of the highest client retention rates in the industry.

- CBRE uses a structured approach and framework to deliver tangible innovation and value-add to client relationships, focused on Technology, People, Energy, Environment, Communication and Asset Management.
- Keeping close to clients has been at the forefront throughout the year. Customer meetings have switched to Zoom in order to facilitate all working from home. During this time client sites have been made Covid-19 compliant and many contracts renegotiated as client strategic positions have moved to saving money as their businesses have been affected.
- CBRE were finalists in the category of Wellbeing, in the Institute of Workplace and FM Awards.
- Logistics customers continue to see high levels of activity, an example being support for Amazon to open their seasonal Pop-up sites and construction of their internal Covid testing centre. Our Utilities and Infrastructure customers continue to focus on essential works in critical environments only.
- CBRE has been working closely with its customers to mitigate impact on critical spares and project materials at risk of being affected by border delays relating to Brexit.
- CBRE's Customer Innovation and Improvement Charter deepens client relationships by aligning innovative ideas to client sites. It is embedded within the regular client review process. An Innovation Champion Network ensures best practice is disseminated internally.

Community

At CBRE acting responsibly and being successful commercially go hand-in-hand. A key element of this is creating new opportunities for our local communities.

- The Company contributes to a CBRE Group-wide charitable giving programme which donated both volunteering time and funding to various charities within the UK and further afield.
- The group carried out a range of local charitable activity through various partnerships, including with Action for Children who awarded CBRE the 'Outstanding Corporate Partner Award' for 2020.
- The group encourages the creation of networks to foster specific interests, including the Women's Network, Proud network and Multicultural Network.

Our commitment to Section 172 (continued)

Environment

CBRE takes a holistic approach to business sustainability, and the group develops strategies to significantly reduce carbon footprints and create long-term benefits and value for itself and its clients.

- The group reduced Scope 2 greenhouse gas emissions by 28% between 2015 and 2018 and a further reduction of 30% by 2025 is planned.
- The group has an embedded ESG strategy consisting of three pillars: Environment, Community and Culture, which is supported by a robust governance structure and employee engagement programme. Within the Environment pillar, the group has an ambition to be net zero carbon across its business and operations by 2030 and has a robust set of KPIs to help achieve this.
- The group has maintained the ISO14001 certification across all subscribed locations.
- Asset IQ, a CBRE IoT product, is installed within the group's main London offices to allow the group to retrieve, display and analyse performance in real-time and enhance operational and energy efficiency.
- The group's multi-disciplinary Environmental Consultancy team engages with clients across the property and investment life-cycle to help them manage their environmental impacts. The group is currently delivering environmental, social and governance strategies for over £12 billion of assets under management and have Asset IQ installed, and are providing energy consultancy advice, for circa 5 million sq ft.

Please also refer to the Streamline Energy Carbon Reporting section included in this report on page 8.

Standards of business conduct

Across its global operations, the CBRE Group is firmly committed to conducting business with the highest integrity and in compliance with the law. Standards of Business Conduct (SOBC) have been in place since 2004 and were thoroughly updated in 2011, 2019 and 2021, and must be read and adhered to by everyone who represents CBRE.

The SOBC embodies the fundamental principles that govern CBRE's ethical and legal obligations and are at the centrepiece of a global Ethics & Compliance Programme adopted by the CBRE Group in 2004. They are designed to reinforce CBRE's RISE values and ensure compliance with the group's policies, and laws and regulations applicable globally.

Several areas of ethics and compliance training are provided to all employees annually, including (without limitation) SOBC, Harassment Prevention, People and Culture Behaviour, and Anti-Corruption Training.

Acting fairly between members

Section 172 of the Companies Act 2006 requires the Company to act fairly between members. The Company is 100% owned by another entity within the CBRE Group, Inc. group.

Streamline Energy and Carbon Reporting

Emissions and Energy Use

The Company is committed to ensuring environmental compliance to relevant legislation to support in improved transparency across global emissions reporting. As such, in line with UK Streamlined Energy and Carbon Reporting (SECR) regulation, we are reporting on all relevant emissions sources as required under The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Greenhouse gas (GHG) emissions*
tonnes CO_2e

		Year ended 31 December 2020
Scope 1 - emissions from owned and leased vehicle fleet		365
Scope 2 - emissions from purchased electricity, heat and steam	Location based	204
	Market based	124
Scope 3 - employee business travel		582
Carbon intensity (per employee)	Location based	4.66
	Market based	4.34

*the Company is part of CBRE Group's UK Advisory group and shares facilities with other members of that group. The data for all required emissions sources is monitored at the UK Advisory group level and is disclosed by each entity based on headcount. The UK Advisory Group's GHG data is quantified and reported in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition) and has been externally verified by Apex Companies LLC.

Energy Usage

The Company's total energy use for 2020 was 2,585,000 kWh.

Energy Efficiency Measures

CBRE UK Advisory group are committed to identifying and implementing energy efficiency measures across both our building and accountable transport portfolios. Under compliance to the UK Energy Saving Opportunities Scheme (ESOS) a number of opportunities for energy efficient action were identified, including:

1. Installation of optimisation devices on 5x gas boilers in our principal place of business - London Marylebone - which result in energy use reductions of 181,127 kWh p.a.
2. A complete review of our existing company car fleet to identify areas of improvement, focusing on business need, age of fleet and any potential upgrades. This has been recognised as an energy saving measure which can yield a total saving of over 1GWh across a 2-year payback period.
3. Consideration of hire car/ pool cars or car clubs for longer journeys to reduce unnecessary personal car use with the estimated savings of ~250,000 kWh p.a.

The impact of the Covid-19 pandemic severely impacted the ability for the Company to act upon such opportunities in FY20 and up to the date of issuing these financial statements, but it intends to review again once travel and office occupancy resumes.

CBRE Corporate Outsourcing Limited

Strategic report (continued)
For the year ended 31 December 2020

This report was approved by the board on Juni 10, 2022 2022 and signed on its behalf by:

DocuSigned by:
Elena Gifon
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E Gifon
Director

Directors' report
For the year ended 31 December 2020

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2020.

A description of the company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report.

Results and dividends

The Company's results for the financial year are set out in the profit and loss account on page 17.

The profit from continuing operations for the financial year amounted to £1,705,000 (2019: £1,820,000 as restated).

The directors do not recommend the payment of a dividend (2019: £Nil).

Going concern

The directors have considered the application of the going concern basis of accounting and believe that, for the foreseeable future, the Company will have adequate resources to meet its liabilities as they fall due. In making this assessment the directors have considered the cash generation arising from future revenue against the costs and liabilities which fall due within one year and believe that the Company has adequate funds and liquidity to satisfy its working capital requirements as the Company is expected to continue to generate positive cash flows for the foreseeable future. The Company participates in CBRE group treasury arrangements and so shares banking arrangements with its ultimate parent company CBRE Group, Inc.

Further, the Company's ultimate parent company CBRE Group, Inc. has agreed to provide the necessary financial support to enable the Company to meet its commitments as they fall due and to enable the Company to continue as going concern for 12 months from the date of approval of the financial statements.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

G Holden	(appointed 15 April 2021)
E Gifon	(appointed 28 January 2022)
A Paduch	(appointed 15 April 2021, resigned 28 January 2022)
P Saville-King	(resigned 15 April 2021)
I Entwisle	(resigned 15 April 2021)
C Lloyd	(resigned 31 March 2020)

Directors' and officers' liability

As permitted by the Articles of Association, the directors have benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The qualifying third party indemnity provision was in place during the financial year and as at the date of the approval of the annual report. The CBRE Group maintained throughout the financial year directors' and officers' liability insurance.

Employees

The Company values the individual contribution of all employees and prospective employees from all sectors of the community at large. The Company recognises its social, moral and statutory duty to employ people with disabilities and will do all that is practicable to meet this responsibility. The Company operates a Code of Good Practice on Disability.

Employees (continued)

Applications for employment by disabled persons are always fully considered, bearing in mind their respective aptitudes and abilities. In the event of a member of staff becoming disabled, every effort is made to ensure that employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

The directors give the highest priority to ensuring that employees of the group are regularly informed of, and involved in, all matters connected with the day to day conduct of the business and its future development. Employees' opinions are sought on all aspects of improvement, change, progress and development. In common with many other companies, these communications are largely oral and are promoted by the constant involvement of all employees, in working together to achieve the widely understood and accepted aims of the group.

Stakeholder engagement statement

The CBRE group strives to maintain this standing and know that the success of the business depends on the quality of the relationships it forges inside and outside of the organisation. The stakeholders of the Company include the employees, suppliers, clients, communities and other. As set out in the Standards of Business Conduct and Ethics, the Company will complete and transact with its clients and vendors fairly. No one representing the Company will take unfair advantage of anyone. For details of how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, please refer to the Section 172 statement within the Strategic report, on pages 4 to 7.

Future developments

An indication of the likely future development in the business and details of significant events which have occurred since the end of the financial year have been included in the Strategic report on page 2.

Financial risk management

The financial risks of the Company which are detailed in the Strategic report are included in this report by cross reference on page 3.

Streamlined Energy and Carbon Reporting

An indication of the streamlined energy and carbon reporting in the business and details have been included in the Strategic report on page 8.

Disclosure of information to the auditor

Each director in office at the date that the Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

BDO LLP were appointed as auditor following the issuance of the Company's 2019 financial statements and have expressed their willingness to continue in office.

This report was approved by the board on Juni 10, 2022 2022 and signed on its behalf by:

DocuSigned by:
Elena Gifon
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E Gifon
Director

Directors' responsibilities statement
For the year ended 31 December 2020

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping 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 auditors' report to the members of CBRE Corporate Outsourcing Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of CBRE Corporate Outsourcing Limited ("the Company") for the year ended 31 December 2020 which comprise the Profit and Loss account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Independent auditors' report to the members of CBRE Corporate Outsourcing Limited (continued)

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's responsibilities for the audit of 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 Auditor's 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the entity and determined that the most significant which are directly relevant to the specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006);

Independent auditors' report to the members of CBRE Corporate Outsourcing Limited (continued)

Auditor's responsibilities for the audit of financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- We determined how the entity is complying with those legal and regulatory frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance procedures, corroborating our enquiries through our review of board minutes;
- We used an engagement team with appropriate competence and capabilities to identify non-compliance with laws and regulations, with all engagement team members remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it is considered there was a susceptibility to fraud. We also considered the processes and controls that the entity has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those process controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing journal entries meeting certain risk based criteria and considering whether material accounting estimates are free from bias.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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.

DocuSigned by:
Joseph Aswani
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Joseph Aswani *(Senior Statutory Auditor)*
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 10 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CBRE Corporate Outsourcing Limited

Profit and loss account
For the year ended 31 December 2020

	Note	**Continuing operations 2020 £000**	**Discontinued operations 2020 £000**	**Total 2020 £000**	Restated Continuing operations 2019 £000	Restated Discontinued operations 2019 £000	Restated Total 2019 £000
Turnover	5	**20,142**	**-**	**20,142**	25,722	122,212	147,934
Cost of sales		**(14,681)**	**-**	**(14,681)**	(19,456)	(106,863)	(126,319)
Gross profit		**5,461**	**-**	**5,461**	6,266	15,349	21,615
Administrative expenses		**(3,763)**	**-**	**(3,763)**	(5,495)	(15,865)	(21,360)
Other operating income	6	**32**	**-**	**32**	-	-	-
Operating profit/(loss)	7	**1,730**	**-**	**1,730**	771	(516)	255
Income from joint venture		**370**	**-**	**370**	263	-	263
Interest receivable and similar income		**-**	**-**	**-**	-	1	1
Interest payable and similar expenses	9	**(118)**	**-**	**(118)**	(95)	(79)	(174)
Profit/(loss) before tax		**1,982**	**-**	**1,982**	939	(594)	345
Tax on profit/(loss)	10	**(277)**	**-**	**(277)**	881	188	1,069
Profit/(loss) for the financial year		**1,705**	**-**	**1,705**	1,820	(406)	1,414

There was no other comprehensive income or loss during the year ended 31 December 2020, or the year ended 31 December 2019.

Details of restatements are provided in note 3.20.

The notes on pages 20 to 37 form part of these financial statements.

CBRE Corporate Outsourcing Limited
Registered number: 04406788

Balance sheet
As at 31 December 2020

	Note	2020 £000	2020 £000	Restated 2019 £000	Restated 2019 £000
Fixed assets					
Intangible assets	11		**6**		920
Investments	12		**860**		490
			866		1,410
Current assets					
Debtors	13	**9,293**		47,288	
Cash at bank and in hand		**7,051**		13,346	
		16,344		60,634	
Creditors: amounts falling due within one year	14	**(8,104)**		(54,643)	
Net current assets			**8,240**		5,991
Net assets			**9,106**		7,401
Capital and reserves					
Called up share capital	16		**1**		1
Share premium account	17		**30,000**		30,000
Profit and loss account	17		**(20,895)**		(22,600)
Total shareholder's funds			**9,106**		7,401

The financial statements on pages 17 to 37 were approved and authorised for issue by the board on Juni 10, 2022 2022 and were signed on its behalf by:

DocuSigned by:
Elena Gifon
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E Gifon
Director

Details of restatements are provided in note 3.20.

The notes on pages 20 to 37 form part of these financial statements.

CBRE Corporate Outsourcing Limited

Statement of changes in equity
For the year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total shareholder's funds
	£000	£000	£000	£000
At 1 January 2020 (as previously stated)	1	30,000	(22,860)	7,141
Prior year adjustment	-	-	260	260
At 1 January 2020 (restated)	1	30,000	(22,600)	7,401
Comprehensive income for the year				
Profit for the financial year	-	-	1,705	1,705
Total comprehensive income for the year	-	-	1,705	1,705
At 31 December 2020	1	30,000	(20,895)	9,106

Statement of changes in equity
For the year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Total shareholder's funds
	£000	£000	£000	£000
At 1 January 2019	1	-	(24,014)	(24,013)
Comprehensive income for the year				
Profit for the financial year (restated)	-	-	1,414	1,414
Total comprehensive income for the year	-	-	1,414	1,414
Transactions with owners recorded directly in equity				
Proceeds from issue of shares	-	30,000	-	30,000
Total transactions with owners recorded directly in equity	-	30,000	-	30,000
At 31 December 2019	1	30,000	(22,600)	7,401

During the year ended 31 December 2019, the Company issued 1 ordinary share of £1 at a premium, in return for cash of £30,000,000.

Details of restatements are provided in note 3.20.

The notes on pages 20 to 37 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2020

1. General information

The principal activity of CBRE Corporate Outsourcing Limited (the "Company") is to provide Commercial Property Services to clients in the UK and managing contracts across the EMEA region. Previously, the Company provided Facilities Management Services to clients in the UK prior to the sale of the Facilities Management and Project Management business.

The Company is limited by shares and incorporated, registered and domiciled in England and Wales. The registered number is 04406788 and the registered office address is Henrietta House, Henrietta Place, London, W1G 0NB.

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The financial statements are presented in pounds sterling, which is the Company's functional currency, rounded to the nearest £1,000.

The following principal accounting policies have been applied consistently for all years presented, unless otherwise stated.

3.2 Going concern

The directors have considered the application of the going concern basis of accounting and believe that, for the foreseeable future, the Company will have adequate resources to meet its liabilities as they fall due. In making this assessment the directors have considered the cash generation arising from future revenue against the costs and liabilities which fall due within one year and believe that the Company has adequate funds and liquidity to satisfy its working capital requirements as the Company is expected to continue to generate positive cash flows for the foreseeable future. The Company participates in CBRE group treasury arrangements and so shares banking arrangements with its ultimate parent company CBRE Group, Inc.

Further, the Company's ultimate parent company CBRE Group, Inc. has agreed to provide the necessary financial support to enable the Company to meet its commitments as they fall due and to enable the Company to continue as going concern for 12 months from the date of approval of the financial statements.

3. Accounting policies (continued)

3.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions.

The Company has taken advantage of the following exemptions:

- under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii),11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- from disclosing the Company's key management personnel compensation as required by FRS 102 paragraph 33.7; and
- from disclosing related party transactions, under FRS 102 paragraph 33.1A.

The Company has taken advantage of these exemptions on the basis that it meets the definition of a qualifying entity and its ultimate parent company, CBRE Group, Inc., includes the related disclosures in its own consolidated financial statements. Details of where those financial statements may be obtained can be found in note 21.

Other than the exemptions taken above, the Company has applied the recognition, measurement and disclosure requirements of FRS 102.

3.4 Consolidation

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The Company is a wholly owned subsidiary of its ultimate parent company CBRE Group, Inc., and is included in their consolidated financial statements which are publicly available and can be obtained from the address set out in note 21.

These financial statements present information about the Company as an individual undertaking and not about its group.

3.5 Discontinued operations

Discontinued operations are components of the Company that have been disposed of at the reporting date and previously represented a separate major line of business or geographical area of operation.

Discontinued operations are included in the profit and loss account in a separate column for the current and comparative periods, including the gain or loss on sale or impairment loss on abandonment.

3. Accounting policies (continued)

3.6 Turnover

Turnover, which is net of Value Added Tax and discounts, represents the invoiced value of goods and services supplied and have been derived entirely in the United Kingdom.

Turnover is attributable to one activity being integrated commercial property services and is recognised as follows:

Transaction management

For transaction based services such as facilitating entry into new leases, turnover is recognised on completion of the transaction, based on contracts.

Following the sale of the Facilities Management and Project Management trade, the following types of turnover relate only to discontinued activities and are presented in the comparative amounts.

Facilities management

Agency contracts with pass through costs

Management fees are billed in accordance with individual contracts and recognised over a 12 month period. Turnover relating to third party costs incurred on behalf of clients is accounted for on a gross basis with no margin recognised in the profit and loss account.

Guaranteed Maximum Price (GMP) contracts

Turnover relating to GMP contracts is recognised based on an estimate of the expected performance on the contract for the year based on management's best estimate based on historical trading patterns.

Project management / portfolio services

Turnover relating to project management or portfolio services, such as lease administration, is recognised as and when services are provided to the client.

3.7 Pensions

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.

3.8 Foreign currency

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 date the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account included in 'Interest payable and similar expenses'.

3. Accounting policies (continued)

3.9 Government grants

Government grants are accounted under the accruals model as permitted by FRS 102.

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching it to them and the grant will be received. Government grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

3.10 Interest receivable and similar income

Interest receivable and similar income is recognised in the profit and loss account as it accrues, using the effective interest rate method.

3.11 Interest payable and similar expenses

Interest payable and similar expenses are recognised in the profit and loss account over the term of the debt using the effective interest rate method.

3.12 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity, is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

3.13 Intangible assets

Deferred contract costs include costs incurred leading up to getting a new contract and incremental costs of obtaining a contract, being those costs that the Company incurs as a result of successfully obtaining a contract with a customer. These costs would not have been incurred if the contract had not been obtained. These costs are recognised as contract acquisition costs if recoverable. Qualifying costs are capitalised and then amortised on a straight line basis to the profit and loss account over the contract / renewal term as appropriate. The assets are reviewed for impairment on an annual basis.

Any costs that would be incurred regardless of whether the contract was obtained are expensed when incurred.

3. Accounting policies (continued)

3.14 Impairment of non-financial assets

Non-financial assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU')) to which the asset has been allocated is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

3.15 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in joint ventures are accounted for using the equity method of accounting. Investments in joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the joint venture less any impairment in value. The Company's share of the joint ventures profit or loss for the year is reflected within the profit and loss account.

3.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.17 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, amounts recoverable on contract and amounts owed by group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account, where it was originally recorded.

3. Accounting policies (continued)

3.17 Financial instruments (continued)

i. Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade creditors, payments received on account and amounts owed to group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Basic debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

3.19 Distribution to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

3. Accounting policies (continued)

3.20 Prior year restatements

i) Presentation of discontinued operations

Effective 1 January 2020, the Company sold its Facilities Management and Project Management business (see note 20). As a result, the profit and loss account for the year ended 31 December 2019 has been presented separately as continuing and discontinued operations.

The effect of the reclassification is as follows:

- there was no impact on the Company's total profit or loss for the year ended 31 December 2019; and
- there was no impact on net assets at 31 December 2019.

ii) Presentation of cost of sales and administrative expenses

The directors have identified that certain cost of sales were presented as part of administrative expenses in the previous year. These cost of sales are now reclassified and are presented appropriately in the profit and loss account, which has therefore impacted gross profit. Cost of sales represent direct costs incurred in relation to generating revenue, including direct salaries and wages, travel and other direct expenses.

The effect of the reclassification is as follows:

- there was no impact on the Company's profit or loss for the year ended 31 December 2019; and
- for the year ended 31 December 2019, total cost of sales has increased by £35,645,000 and total administrative expenses have reduced by £35,645,000.

iii) Overstated liabilities

The directors have identified for the year ended 31 December 2019 that accruals were overstated by £155,000, due to the recording of duplicate accruals and intercompany creditors relating to tax were overstated by £135,000, due to the settlement in previous years.

The 2019 comparatives have therefore been restated accordingly and the effect on the profit and loss account for the year ended 31 December 2019 was to increase the profit for the financial year by £260,000 as follows:

- reduce discontinued cost of sales by £155,000; and
- decrease the tax charge by £105,000, made up of the £135,000 reversal of the intercompany creditor and an additional tax charge of £30,000 due to the reduction in cost of sales, both of which are reflected in discontinued operations.

The following balance sheet line items at 31 December 2019 have also been restated:

- opening reserves at 1 January 2020 have increased by £260,000 and are restated to £7,401,000;
- within debtors, corporation tax recoverable has been overstated by £30,000;
- within creditors, amounts falling due within one year, amounts owed to group undertakings had been overstated by £135,000; and
- within creditors, amounts falling due within one year, accruals had been overstated by £155,000.

3. Accounting policies (continued)

3.20 Prior year restatements (continued)

iv) Presentation of investments in joint ventures

The directors have identified that the cost of investments and share of post acquisition profits of the Company's joint venture investment in CBRE Advisory Services LLC were presented within investment in subsidiary undertakings and other debtors in the previous year. The Company's cost of investment and share of post acquisition profits from this joint venture as at 31 December 2019 have now been reclassified and are presented within investments in joint ventures.

The effect of the reclassification is as follows:

- there was no impact on the Company's profit or loss for the year ended 31 December 2019;
- for the year 31 December 2019, turnover has been reduced by £263,000 and restated to £147,934,000 and income from joint venture has been restated to £263,000; and
- for the year ended 31 December 2019, the investment in joint ventures has been restated to £490,000, the investment in subsidiary undertakings was reduced by £101,000 and restated to £85,000, and other debtors have reduced by £389,000.

v) Presentation of investments in subsidiary undertakings

The directors have identified that the Company's subsidiary undertaking, CBRE Saudi Arabia LLC began liquidation procedures on 29 November 2017. As a result, the restated carrying value of the investment amounting to £85,000, which is fully recoverable, has been reclassed to other debtors, and the carrying value of the investment in the subsidiary has been restated to £Nil.

There was no impact on the Company's profit or loss for the year ended 31 December 2019.

vi) Presentation of amounts owed by / to group undertakings

In 2019, the Company's balances with group undertakings have been presented on a gross basis. The Company, both as an individual legal entity and, as a wholly owned subsidiary of CBRE Group, Inc., has various intercompany relationships, both payables and receivables, which arise as part of its day to day operations. It is the intention of all parties in the wider CBRE group, both currently and at each reporting date presented in the financial statements (being the year ended 31 December 2019 and year ended 31 December 2020) to settle these balances on a net basis and therefore a restatement is required to present these balances net rather than gross.

Furthermore (i) historic settlements for the Company and wider group show that this intention is enacted upon settlement and (ii) CBRE Group, Inc. has confirmed in writing that each legal entity who is party to intercompany relationships and balances, has the legal right of offset of those balances, unless there is a termed loan agreement which states otherwise.

The effect of the reclassification is as follows:

- there was no impact on the Company's profit or loss for the year ended 31 December 2019;
- there was no impact on net assets at 1 January 2019;
- at 31 December 2019, within debtors, amounts owed by group undertakings was overstated by £105,980,000; and
- at 31 December 2019, within creditors: amounts falling due within one year, amounts owed to group undertakings was overstated by £105,980,000.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Company's accounting policies

Certain critical accounting judgements in applying the Company's accounting policies are described below:

Transfer pricing

The Company enters into a number of transactions with related group companies. The Company considers a number of estimates when entering these transactions to ensure that they are conducted on an arm's length basis. When assessing whether transactions with other group companies have been conducted on an arm's length basis, the directors note that these decisions involve the input of internal and external tax advisers to the Company, including an analysis of comparable companies and groups who operate in similar markets to the worldwide Group.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will be by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Carrying value of trade and other debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including current market and industry conditions and historical experience.

Carrying value of amounts owed by group undertakings

The Company makes an estimate of the recoverable value of amounts owed by group undertakings. When assessing impairment of amounts owed by group undertakings, management considers factors including current market and industry conditions, and historical experience and CBRE Group, Inc., the ultimate parent undertaking, has pledged to correct the financial position of the entities, so that no credit loss is incurred by the Company.

5. Turnover

The turnover, all of which arises in the United Kingdom, is attributable to one activity being integrated commercial property services.

6. Other operating income

	2020 £000	2019 £000
Government grants	32	-

During the year, the Company received government grants of £32,000 (2019: £Nil) in relation to the UK Government's Coronavirus Job Retention Scheme ("furlough").

During the year, 16 (2019: Nil) employees were placed on furlough. These employees were placed on furlough for an average of 3 months during the year.

7. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2020 £000	2019 £000
Amortisation of intangible assets (note 11)	43	3,068
Fees payable to the Company's auditor and their associates for the audit of the Company's annual financial statements	60	55
Bad debts (reversal)/charge	(100)	495

8. Employee and directors information

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	**7,584**	48,423
Social security costs	**749**	2,598
Other pension costs	**364**	819
	8,697	51,840

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

	2020 Number	2019 Number
Office management and administration	**4**	147
Fee earner	**216**	533
Fee earner support	**27**	110
	247	790

Included within the costs above, the Company incurred £1,655,000 of payroll recharges from other group companies in 2020 (2019: £4,882,000).

Key management personnel were responsible for planning, directing and controlling the activities of the Company during the year and in the previous year.

The directors did not provide qualifying services to the Company during the year. Accordingly, the directors did not receive remuneration during the year (2019: £Nil).

Other pension costs for the year ended 31 December 2020 and 31 December 2019 relate entirely to defined contribution pension plans.

9. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest paid	**1**	79
Net foreign exchange loss	**117**	95
	118	174

10. Tax on profit/(loss)

	2020 £000	Restated 2019 £000
Current tax		
UK tax on income for the year	**284**	30
Adjustments in respect of previous periods	**-**	(135)
Total current tax	**284**	(105)
Deferred tax		
Origination and reversal of timing differences	**(40)**	(964)
Effect of changes in tax rates	**(8)**	-
Adjustment in respect of previous periods	**41**	-
Total deferred tax	**(7)**	(964)
Total tax charge/(credit) for the year	**277**	(1,069)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	Restated 2019 £000
Profit before tax	**1,982**	345
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**377**	66
Effects of:		
Expenses not deductible for tax purposes	**-**	27
Utilisation and recognition of brought forward trading losses	**-**	(1,020)
Adjustments in respect of previous periods	**41**	(142)
Deferred tax not provided	**(133)**	-
Group relief claimed	**(284)**	-
Payment for group relief	**284**	-
Effect of changes in tax rates	**(8)**	-
Total tax charge/(credit) for the year	**277**	(1,069)

Details of restatements are provided in note 3.20.

10. Tax on profit/(loss) (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

There are no unutilised trading losses in either the current or prior year.

11. Intangible assets

	Deferred contract costs £000
Cost	
At 1 January 2020	3,988
Additions	5
Intra group transfer (see note 20)	(3,910)
At 31 December 2020	83
Accumulated amortisation	
At 1 January 2020	3,068
Charge for the year	43
Intra group transfer (see note 20)	(3,034)
At 31 December 2020	77
Net book value	
At 31 December 2020	6
At 31 December 2019	920

There was no impairment recognised in the year ended 31 December 2020 (2019: £Nil).

Amortisation of deferred contract costs is presented within administration expenses.

12. Investments

	Investments in subsidiary company £000	Investments in joint ventures £000	Total £000
Cost or valuation			
At 1 January 2020 (as previously stated)	186	-	186
Prior year adjustment	(186)	490	304
At 1 January 2020 (as restated)	-	490	490
Share of profit	-	370	370
At 31 December 2020	-	860	860
Net book value			
At 31 December 2020	-	860	860
At 31 December 2019 (as restated)	-	490	490

Subsidiary undertaking

During the year, the directors have identified that the Company began liquidation procedures on 29 November 2017 in respect of its subsidiary undertaking, CBRE Saudi Arabia LLC. As a result, the restated carrying value of the investment amounting to £85,000, which is fully recoverable, was reclassed to other debtors, and the carrying value of the investment in the subsidiary was restated to £Nil. Details of this subsidiary are shown below.

Name	Country of incorporation	Class of shares	Holding	Principal activity
CBRE Saudi Arabia LLC	Kingdom of Saudi Arabia	Ordinary	95%	Dormant

The registered office address is The Business Gate, Building 14, Airport Road, Qurtubah District, Riyadh, 11474, PO Box 16743, Saudi Arabia.

Joint venture

The following is a joint venture undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
CBRE Advisory Services LLC	Kingdom of Saudi Arabia	Ordinary	50%	Provision of commercial real estate advisory services

The registered office address is City of Riyadh, PO Box 11595, Saudi Arabia, 62982.

Details of restatements are provided in note 3.20.

13. Debtors

	2020 £000	Restated 2019 £000
Amounts falling due within one year		
Trade debtors	**4,416**	32,981
Amounts owed by group undertakings	**2,556**	-
Amounts recoverable on contracts	**968**	10,294
Other debtors	**309**	134
Corporation tax recoverable	**-**	1,121
Prepayments and accrued income	**932**	2,572
Deferred tax asset (note 15)	**112**	186
	9,293	47,288

Trade debtors are stated after a provision for impairment of £184,000 (2019: £796,000).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Details of restatements are provided in note 3.20 and details of balances as at 31 December 2019 transferred effective 1 January 2020 are given in note 20.

14. Creditors: amounts falling due within one year

	2020 £000	Restated 2019 £000
Bank overdrafts	**1,613**	15,924
Payments received on account	**-**	5,076
Trade creditors	**478**	10,230
Amounts owed to group undertakings	**-**	18,879
Corporation tax payable	**314**	-
Other taxation and social security	**746**	2,093
Accruals and deferred income	**4,953**	2,441
	8,104	54,643

At 31 December 2020, the bank overdraft attracted interest at a variable rate of interest which was then 3.75% (2019: 0.937%).

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Details of restatements are provided in note 3.20.

15. Deferred tax

	2020 **£000**	2019 £000
At beginning of year	**186**	(778)
Credited to the profit and loss account	**7**	964
Movement arising from the transfer of trade (note 20)	**(81)**	-
At end of year	**112**	186

The deferred tax asset is made up as follows:

	2020 **£000**	2019 £000
Fixed asset timing differences	**1**	8
Short term timing differences - trading	**111**	165
Losses	**-**	13
	112	186

16. Called up share capital

	2020 **£000**	2019 £000
Called up, allotted and fully paid		
1,001 (2019: 1,001) ordinary shares of £1 each	**1**	1

17. Reserves

Share premium account

This represents the additional amount paid by shareholders for their issued shares over the nominal value of those shares.

Profit and loss account

This includes all current and prior period retained profits and losses.

18. Pension commitments

The Company operates a defined contribution pension scheme for employees who are eligible and wishing to participate. Total pension contributions during the year amounted to £364,000 of which £140,000 were outstanding as at 31 December 2020 (2019: contributions of £819,000 of which £351,000 were outstanding at 31 December 2019).

19. Related party transactions

The Company has taken advantage of the exemption contained in FRS 102, 33.1A not to disclose transactions with other members of the group controlled by CBRE Group, Inc.

20. Transfer of trade and assets

Effective 1 January 2020, the Company enacted and completed a business and asset transfer agreement to sell its Facilities Management and Project Management business to CBRE Managed Services Limited and CBRE GWS Limited, a fellow group company. Under the agreement, CBRE Managed Services Limited and CBRE GWS Limited acquired the trade, assets and liabilities for cash consideration.

The book values of the assets and liabilities sold are set out below:

	CBRE Managed Services Limited £000	CBRE GWS Limited £000	Total £000
Fixed assets			
Intangible assets	378	498	876
	378	498	876
Current assets			
Debtors	129,600	880	130,480
Cash at bank and in hand	13,148	-	13,148
Total assets	143,126	1,378	144,504
Creditors			
Due within one year	(129,681)	(551)	(130,232)
Provisions - deferred tax	(81)	-	(81)
Total identifiable net assets	13,364	827	14,191

Consideration received

	£000
CBRE Managed Services Limited	13,364
CBRE GWS Limited	827
Total consideration received - settled in cash	14,191

21. Immediate parent and ultimate controlling party

The immediate parent company is CBRE Global Acquisition Company Luxembourg, a company incorporated and registered in Luxembourg. The registered address is 12C Impasse Drosbach, L-1882, Luxembourg.

The directors regard CBRE Group, Inc., a company incorporated in the United States of America, as the ultimate parent company and ultimate controlling party.

CBRE Group, Inc. is the parent company of the largest group of which the Company is a member and is the only group the Company is a member of for which consolidated financial statements are drawn up. Copies of the consolidated group financial statements for CBRE Group, Inc. are available from 2100 McKinney Ave Suite 700, Dallas, TX 75201, United States of America.