

**Savills Asia Pacific Holding Limited**

**(Registered Number: 13200021)**

**Annual Report and Financial Statements**

**For the period 15 February 2021 to 31 December 2021**



# **Savills Asia Pacific Holding Limited**

## **Company Information**

### **Directors**

The Directors of Savills Asia Pacific Holding Limited ("the Company") who were in office during the period and up to the date of signing the financial statements were:

Danny O'Donnell (appointed 15 February 2021)

Simon Shaw (appointed 15 February 2021)

Christopher Lee (appointed 15 February 2021)

John Ridley (appointed 6 May 2021)

Timothy Robinson (appointed 6 May 2021)

### **Registered Office**

33 Margaret Street, London, W1G 0JD

### **Independent Auditors**

Ernst & Young LLP, Chartered Accountants and Statutory Auditors, 1 More London Place, London SE1 2AF

### **Solicitors**

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

### **Principal Bankers**

Standard Chartered Bank, 1 Basinghall Avenue, London, EC2V 5DD

# Savills Asia Pacific Holding Limited

## Strategic Report

The Directors present their Strategic Report on the Company for the period 15 February 2021 to 31 December 2021.

### Principal activities

The principal activity of the Company is to act as an investment holding entity for the Savills plc Group (the 'Group') which is a global group providing real estate services. The Company is a wholly owned private company, limited by shares and incorporated and domiciled in the United Kingdom (England & Wales) with its registered office at 33 Margaret Street, London, W1G 0JD.

### Results

The profit for the financial period was £9,504k. The net assets of the Company as at 31 December 2021 were £9,504k.

### Principal developments

The Company was incorporated on 15 February 2021. Savills Asia Pacific Limited transferred the entire issued share capital of Savills (Aust) Holdings Pty Ltd, Savills (Singapore) Pte Ltd and Savills (SEA) Pte Ltd to the Company in October 2021. Savills India Holding Limited transferred 136,430 Class A Equity shares of Savills Property Services (India) Private Limited to the Company on 14<sup>th</sup> May 2021. The Company acquired 60% of Merx Holdings (SG) Pte. Ltd on 20<sup>th</sup> December 2021.

### Principal risks and uncertainties

As a holding entity, the Company is subject to those same risks and uncertainties affecting the Group, which are disclosed in the 2021 Group Annual Report and Accounts on pages 34-38.

The principle risks below could impact the value of the Company's investments or cashflows from investments.

Risk	Description
Business conditions, general economy and geopolitical issues	<p>Global market conditions remain volatile, with political and economic uncertainty in many sectors and markets.</p> <p>The time that it will take several major economies within which we operate to recover from the economic recessions caused by the COVID-19 pandemic remains unknown, particularly while the risk of new and serious variants is ongoing. Continuing restrictions on international travel may also cause some disruption to more transactional business. Further, the rapidly evolving Russia/ Ukraine conflict brings heightened geo-political uncertainty, in particular as inflationary pressures increase due to higher energy costs and, potentially, interest rates.</p> <p>The overall impact on the real estate sector will take some time to become clear. Group earnings and our financial condition could be adversely affected by these and other macro-economic uncertainties. Savills operates in a number of countries where the transactional business is the largest component and thereby increases the level of economic risk.</p> <p>There is a currency risk from operating in a large number of countries.</p>
Achieving the right market positioning in response to the needs of our clients	<p>The markets in which we operate are highly competitive. Competition could lead to a reduction in market share and/or a decline in revenue. Our focus is on retaining existing clients as well as engaging with new clients. Our service offering continuously evolves and improves to meet the changing needs of our clients and this will continue as any changes to our clients' utilisation of real estate emerge as a result of the COVID-19 pandemic.</p>

## Savills Asia Pacific Holding Limited

Recruitment and retention of high-calibre staff	We recognise that the future success of our business is dependent on attracting, developing, motivating and retaining people of the highest quality. Further, the motivation of our people and retaining our collaborative culture is essential to the delivery of our strategic objectives. These needs are emphasised by the current extremely active recruitment markets which have increased the pressure to attract and retain the best people.
Reputational and brand risk	Savills' is a strong, well-recognised and valued brand with an excellent reputation in the markets in which we operate. The Group's reputation could be damaged due to an action or event that results in negative media / social media coverage. We recognise the need to maintain this reputation by ensuring the quality of the service we provide and as described below, requiring our people to operate to the highest ethical standards.
Legal risk	<p>Failure to fulfil our legal or contractual obligations to clients could subject the Group to action and/or claims from clients. The adverse outcome of such actions/claims could negatively impact our reputation, financial condition and/or the results of our businesses. For example:</p> <ul style="list-style-type: none"> <li>• In accepting client engagements, Group companies may be subject to duty of care obligations. Failure to satisfy these obligations could result in claims being made against the relevant operating Company.</li> <li>• In our Property and Project Management businesses, we may be responsible for appointing or overseeing third party contractors that provide construction and engineering services. Failure to discharge these responsibilities in accordance with our obligations could result in claims being made against the operating companies.</li> <li>• In our valuation consultancy businesses, we can be subject to claims alleging the over-valuation of properties</li> </ul>
Failure or significant interruption to our IT systems causing disruption to client service	Major failures in our IT systems may result in client service being interrupted or data being lost/ corrupted causing damage to our reputation and consequential client and/or revenue loss. There is a risk that an attack on our infrastructure by a malicious individual or group could be successful and impact the availability of critical systems.
Operational resilience/ Business Continuity (including pandemics)	Significant non-IT events may affect continuity of service to clients, consequential revenue loss and reputational damage. COVID-19 variants may continue to have an impact on transactional activity globally in 2022, but it is difficult to predict this impact accurately in a dynamic environment.
Business conduct	We operate in international markets that may present business conduct related risks involving, for example, fraud, bribery or corruption. Failure by the Group and its employees to observe the highest standards of integrity and conduct in dealing with clients, suppliers and other stakeholders could result in civil and/or criminal penalties, regulatory sanction, debarring and/or reputational damage.
Changes in the regulatory environment/regulatory breaches	<p>We are required to meet a broad range of regulatory compliance requirements in each of the markets in which we operate.</p> <p>Failure to satisfy regulatory compliance requirements may result in fines being imposed, adverse publicity, brand/reputation damage and ultimately the withdrawal of regulatory approvals. We also have a number of key statutory obligations including the protection of the health, safety and welfare of our staff and others affected by our activities.</p>
Acquisition/integration risk	The structuring and integration of acquisitions is critical to realising the benefits sought. People, systems and processes are key components
Environment and sustainability	Savills offers its clients expert advice on a growing range of environmental and sustainability matters, particularly in key markets such as the UK, Australia and some European markets. Looking forward more widely, it seeks to expand and develop these services. In doing so the Group

## Savills Asia Pacific Holding Limited

	considers that it must uphold similar standards in support of its credentials in this area. Environment and sustainability matters are a significant consideration for investors and employees. Savills, like all listed companies, has commitments and targets to meet in accordance with the legislation of the relevant jurisdictions.
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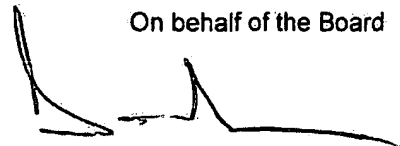
### Key performance indicators (KPIs)

As a holding company, the Company's performance is managed as part of the wider Savills Plc group. At the entity level, Directors monitor the profit after tax and net assets of the entity which are disclosed above.

### Future developments

The Directors expect the Company to continue to act as an investment holding entity.

On behalf of the Board



**Danny O'Donnell**  
Director  
22 June 2022

# **Savills Asia Pacific Holding Limited**

## **Directors' Report**

The Directors present their Report and the audited financial statements the Company for the period 15 February 2021 to 31 December 2021.

The Company was incorporated on 15 February 2021.

### **Directors**

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

### **Dividends**

No interim dividend was paid and no final dividend is proposed.

### **Financial risk**

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme, integrated with the Group, that seeks to limit the adverse effects of these risks on the financial performance of the Company. A review of the financial risks can be found in Note 2 within these financial statements.

### **Going Concern**

The Company is in a net current liabilities position as at the year ended 31 December 2021. The Directors of the Company have received confirmation from the Directors of the ultimate parent company that if needs be the ultimate parent company would financially support the Company to enable it to meet its liabilities as they fall due and carry on its business without curtailment of its operations for a period of 12 months from the date of these financial statements. A letter of support has been obtained from the Group company.

### **Future developments**

A review of the future developments of the business can be found in the Strategic Report on page 4.

### **Statement of Directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, 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.

## **Savills Asia Pacific Holding Limited**

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 company financial statements comply with the Companies Act 2006. They 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

### **Disclosure of information to independent auditors**

In accordance with Section 418, each person who is a director at the date of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

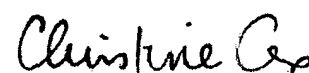
### **Appointment of Independent Auditors**

Ernst & Young LLP were appointed auditors of the company for the financial period ending 31 December 2021.

### **Indemnification of Directors**

In accordance with the Company's Articles of Association, and to the extent permitted by law, the Directors and the Group Legal Director and Company Secretary are granted a qualifying third party indemnity, in respect of any liabilities incurred as a result of their holding office. Such indemnities were in force during the financial period to 31 December 2021 and up to the date of this Report. The Company also maintains appropriate insurance cover in respect of legal action against its Directors and Officers.

By order of the Board



**Christine Cox**  
Company Secretary  
22 June 2022

# **Savills Asia Pacific Holding Limited**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAVILLS ASIA PACIFIC HOLDING LIMITED**

### **Opinion**

We have audited the financial statements of Savills Asia Pacific Holding Limited for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the period 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.

### **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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.



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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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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 directors' report have been prepared in accordance with applicable legal requirements.

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

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 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 directors' responsibilities statement set out on pages 5-6, 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 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 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.

## Savills Asia Pacific Holding Limited

### ***Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the UK Companies Act 2006 and UK tax legislation. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements such as data protection requirements applicable to the Company.
- We understood how the company is complying with those frameworks through enquiry with management, internal audit, those responsible for legal and compliance procedures and the Group's company secretary. We corroborated our enquiries through our review of board minutes, and internal audit reports.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was a susceptibility to fraud. We also considered performance targets impacting bonus arrangements, and the risk of management override of controls. We considered the programmes and controls that the Company has established to prevent, deter and detect fraud, and how senior management monitors those programmes and controls. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud and error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Enquiry with management and internal audit, those charged with governance and legal counsel regarding their knowledge and any non-compliance or potential non-compliance with laws and regulations of fraud that could affect the financial statements;
  - Reading minutes of meetings of those charged with governance;
  - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions close to year-end based on our understanding of the business.

A further description of our responsibilities for the audit of the financial statements is located 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.



Sarah Kokot (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London, United Kingdom  
22 June 2022

## Savills Asia Pacific Holding Limited

### Income Statement

For the period 15 February 2021 to 31 December 2021

	Note	2021 £'000
Other operating income	4	92
Other operating expenses	4	(132)
Fair value gains on financial assets		1,727
Income from shares in Group Undertakings		8,031
<b>Operating profit</b>	<b>4</b>	<b>9,718</b>
Other interest receivable and similar income	6	132
<b>Profit or loss before taxation</b>		<b>9,850</b>
Tax on profit or loss	7	(346)
<b>Profit for the financial period</b>		<b>9,504</b>

All amounts relate to continuing operations.

### Statement of Comprehensive Income

For the period 15 February 2021 to 31 December 2021

	2021 £'000
Profit for the financial period	9,504
Other comprehensive income	-
<b>Other comprehensive income for the period</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>9,504</b>

The notes on pages 13 to 20 form part of the financial statements.

# Savills Asia Pacific Holding Limited

## Statement of Financial Position As at 31 December 2021

Registered number: 13200021

	Note	2021 £'000
<b>Fixed assets</b>		
Investments	14	26,251
Financial assets at fair value through other comprehensive income ('FVOCI')	8	14
Financial assets at fair value through profit and loss	9	7,194
		<b>33,459</b>
<b>Current assets</b>		
Cash at bank and in hand		30
		<b>30</b>
Creditors: amounts falling due within one year	10	(23,985)
<b>Net current liabilities</b>		<b>(23,955)</b>
<b>Total assets less current liabilities</b>		<b>9,504</b>
<b>Net assets</b>		<b>9,504</b>
<b>Capital and reserves</b>		
Called up share capital	11	-
Profit and loss account		9,504
<b>Total shareholders' surplus</b>		<b>9,504</b>

The financial statements on pages 10 to 20 were approved by the Board of Directors and signed on its behalf by:



**Danny O'Donnell**  
**Director**  
22 June 2022

The notes on pages 13 to 20 form part of the financial statements.

## **Savills Asia Pacific Holding Limited**

### **Statement of Changes in Equity For the period 15 February 2021 to 31 December 2021**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total shareholders' deficit £'000</b>
<b>Balance at 15 February 2021</b>	-	-	-
<b>Profit for the financial period</b>	-	<b>9,504</b>	<b>9,504</b>
<b>Other comprehensive income</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>9,504</b>	<b>9,504</b>
<b>Balance at 31 December 2021</b>	-	<b>9,504</b>	<b>9,504</b>

The notes on pages 13 to 20 form part of the financial statements.

# **Savills Asia Pacific Holding Limited**

## **Notes to the financial statements – 15 February 2021 to 31 December 2021**

### **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 periods presented, unless otherwise stated.

#### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention modified by revaluation of financial assets held at fair value through other comprehensive income, and in accordance with the Companies Act 2006 as applicable using the Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The current reporting period has been shortened to end 31 December 2021 to align with the Savills Group.

#### **Going Concern**

The Company is in a net liability position as at the period ended 31 December 2021. The Directors of the Company have received confirmation from the Directors of the ultimate parent company that if needs be, the ultimate parent company would financially support the Company to enable it to meet its liabilities as they fall due for a period of 12 months from the date of approval of the balance sheet and carry on its business without curtailment of its operations. As a result, the Directors consider the going concern basis of preparation to be appropriate.

#### **Consolidation**

The results of the Company are included in the Group's 2021 Annual Report and Accounts which are publicly available. Copies of the Group's 2021 Annual Report and Accounts are available from the Company Secretary at 33 Margaret Street, London, W1G 0JD.

The Company is a wholly owned subsidiary of Savills Holding Company Limited and of its ultimate parent Savills plc.

The Company is exempt from the requirement to prepare group financial statements by virtue of Section 400 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group.

#### **Financial instruments**

Financial assets and liabilities are recognised on the Company's statement of financial position at fair value when the Company becomes party to the contractual provisions of the instrument. Subsequent measurement depends on the classification and is discussed in the cash at bank and in hand and trade creditors' paragraphs below.

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of consideration received is recognised in profit or loss. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

# **Savills Asia Pacific Holding Limited**

## **Notes to the financial statements – 15 February 2021 to 31 December 2021**

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

#### **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.

#### **Financial assets at fair value through profit and loss**

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### **Financial assets at fair value through other comprehensive income ('FVOCI')**

The Company has made an irrevocable election at initial recognition for certain equity investments to be classified as FVOCI. Changes in fair value are recognised through other comprehensive income rather than profit or loss. Dividends from these investments are recognised in profit or loss. When such investments are disposed or become impaired, the accumulated gains and losses, recognised in other comprehensive income, are reclassified to retained earnings and will not be recycled to the income statement.

#### **Subsidiaries**

A subsidiary is an entity controlled by the Company, where control is the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are held at cost, less any provisions 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 fair value less costs to sell and value in use.

#### **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 substantially 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.

# **Savills Asia Pacific Holding Limited**

## **Notes to the financial statements – 15 February 2021 to 31 December 2021**

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

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. 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.

#### **Dividend income**

Other operating income consists of dividend income, which is recognised when the right to receive payment is established.

#### **Dividends**

Dividends are recognised as distributions in the period in which they are approved.

#### **Disclosure exemptions under FRS 101**

The following disclosure exemptions have been adopted under FRS 101 and are material to the Company:

- Presentation of a cash flow statement;
- Disclosure of related party transactions between wholly-owned subsidiaries and parents with the Group; and
- Disclosure of information relating to new standards not yet effective and not yet applied.

### **2 Financial risk management**

#### **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 receivables and committed transactions. The Company has policies that require appropriate credit checks on potential customers before business commences. A risk control framework is used to assess the credit quality of clients, taking into account financial position, past experience and other factors. There were no significant individual trade debtor balances as at 31 December 2021. Primarily all cash is held with Standard Chartered Bank 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. This is consolidated by the Group, which is responsible for securing finance.

#### **Interest rate risk**

The Company has interest-bearing assets and 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.

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

#### **Critical accounting estimates and assumptions**

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. 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 discussed below.



## Savills Asia Pacific Holding Limited

### Notes to the financial statements – 15 February 2021 to 31 December 2021

#### 3 Critical accounting estimates and management judgements (continued)

##### Income taxes

Judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### Impairment in assets

All assets are tested for impairment where there are indicators of impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. Value-in-use is determined using the discounted cash flow method, with an appropriate discount rate to reflect market rates and specific risks associated with the asset. Actual outcomes could vary significantly from these estimates.

##### Fair value of financial assets at fair value through profit and loss

Management determine the fair value of financial assets at fair value through profit and loss upon the latest trading performance of the equity investments, cash flow forecasts of the investments and applying these to a discounted cash flow valuation.

#### 4 Other operating income/(expenses)

	2021 £'000
Other operating income includes:	
Net foreign exchange gains	92
Other operating expenses includes:	
Bad debt expense	(132)

Fees payable to the Company's auditors, Ernst & Young LLP:

	2021 £'000
Audit services:	
Fees payable for audit of Company's financial statements	10

#### 5 Staff and Directors

##### (a) Staff numbers

The Company had no employees during the period.

##### (b) Directors' emoluments

Directors of Savills Asia Pacific Holding Limited were not remunerated for their services provided to the Company in 2021. The services were of negligible value.

## Savills Asia Pacific Holding Limited

### Notes to the financial statements – 15 February 2021 to 31 December 2021

#### 6 Finance income

	2021 £'000
Interest receivable on compulsory convertible debentures ('CCD')	132
<b>Net finance income</b>	<b>132</b>

See note 9 for further details.

#### 7 Income tax expense

	2021 £'000
Analysis of tax expense for the period	
<b>Current tax</b>	
United Kingdom:	
Corporation tax on profits for the period	346
<b>Total current tax</b>	<b>346</b>
<b>Income tax expense</b>	<b>346</b>

The standard applicable UK corporation tax rate was 19.00%. The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard tax rate applicable to Company's profit. The tax for the period is lower than the standard rate of 19.00%. The total tax on profit can be reconciled to the accounting profit as follows:

	2021 £'000
Profit before income tax	9,850
Tax on profit at 19%	1,872
Effects of:	
Dividend income non-taxable	(1,526)
<b>Income tax expense</b>	<b>346</b>
<b>The effective tax rate for the period is:</b>	<b>4%</b>

#### 8 Financial assets at fair value through other comprehensive income (FVOCI)

	2021 £'000
At 15 February 2021	-
Additions	14
<b>At 31 December 2021</b>	<b>14</b>

Financial assets at FVOCI comprises equity investment in Savills Property Services (India) Private Ltd.

# Savills Asia Pacific Holding Limited

## Notes to the financial statements – 15 February 2021 to 31 December 2021

### 9 Financial assets at fair value through profit and loss

	2021 £'000
At 15 February 2021	-
Additions	5,467
Movement in fair value	1,727
At 31 December 2021	7,194

Financial assets at fair value through profit and loss comprises £7,194k of compulsory convertible debentures ('CCD') issued by Savills Property Services (India) Private Ltd,. The CCD carries interest of 7.2% per annum and were issued in 2021. They convert in to Class B equity shares at the expiry of 7 years or earlier if certain EBITDA and revenue targets are met and at 10 years the loans are mandatorily convertible.

### 10 Creditors: amounts falling due within one year

	2021 £'000
Corporation tax	346
Deferred consideration	365
Amounts owed to parent and fellow subsidiary undertakings	23,274
	23,985

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 11 Called up share capital

	Number of Shares 2021	2021 £'000
Ordinary shares of £1 each:		
Authorised, allotted, called up and fully paid	100	-

### 12 Contingent liabilities

There were no contingent liabilities at 31 December 2021.

### 13 Parent undertaking

The immediate parent undertaking is Savills (Overseas Holdings) Limited.

The ultimate parent undertaking and controlling party is Savills plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Group's Annual Report and Accounts are available from the Company Secretary at 33 Margaret Street, London, W1G 0JD.

## Savills Asia Pacific Holding Limited

### Notes to the financial statements – 15 February 2021 to 31 December 2021

#### 14 Investments in subsidiaries

	2021 £'000
Additions – transfers	24,814
Additions – acquisitions	1,437
<b>At 31 December 2021</b>	<b>26,251</b>

Savills Asia Pacific Limited transferred the entire issued share capital of Savills (Aust) Holdings Pty Ltd, Savills (Singapore) Pte Ltd and Savills (SEA) Pte Ltd to the Company in October 2021.

The Company acquired 60% of Merx Holdings (SG) Pte. Ltd, a project management consulting firm operating across Asia, in December 2021.

The subsidiaries of the Company are shown below together with details of their registered office. Except where otherwise noted, they are wholly-owned, have share capital wholly comprised of ordinary shares and are consolidated into the Savills Plc Group financial statements. Holding interests are the same as voting interests. Unless otherwise stated the share capital is wholly comprised of ordinary shares.

<b>Direct Ownership - Subsidiary Undertakings</b>	<b>% owned</b>	<b>Country of incorporation/Place of business</b>	<b>Registered Office</b>
Savills (Aust) Holdings Pty Ltd <sup>1</sup>	100	Australia	Level 25, 1 Farrer Place, Sydney, NSW 2000
Merx Holdings (SG) Pte. Ltd.	60	Singapore	168 Robinson Road, #12 Capital Tower, Singapore 068912
Savills (Singapore) Pte Ltd	100	Singapore	30 Cecil Street #20-03 Prudential Tower, 049712
Savills (SEA) Pte Ltd <sup>2</sup>	100	Singapore	30 Cecil Street #20-03 Prudential Tower, 049712

<b>Indirect Ownership – Subsidiary Undertakings</b>	<b>% owned</b>	<b>Country of incorporation</b>	<b>Registered office</b>
Merx HK Limited	60	Hong Kong	Room 1302, 13/F., Tai Sang Bank Building, 130-132 Des Voeux Road Central, Hong Kong
Merx Macau Limited	60	Macau	Avenida da Praia Grande, nº 665, Edifício Great Will, 16º andar, Unidade A, em Macau
Merx Construction Management (MCM) Pte Ltd	60	Singapore	168 Robinson Road, #12 Capital Tower, Singapore 068912
Merx Malaysia Sdn. Bhd.	60	Malaysia	Unit 1336, Suite-A, Lobby 7, Block A, Damansara Intan No 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor, Malaysia

<sup>1</sup> Both ordinary and redeemable shares owned by the Company.

<sup>2</sup> Ordinary shares owned by the Company. Preference shares subscribed by Savills Investment Management Overseas Holdings Limited.

## **Savills Asia Pacific Holding Limited**

### **Notes to the financial statements – 15 February 2021 to 31 December 2021**

#### **15 Related parties**

The Company is a borrower and a guarantor under the Group £360m Revolving Credit Facility ("RCF") between Savills Holding Company Limited (an intermediate holding company) and the banks. As at 31 December 2021 and 31 December 2020, the RCF was not drawn.