

Limited Liability Partnership Registration No. OC392375 (England and Wales)

**COLLIERS INTERNATIONAL HEALTHCARE UK LLP  
MEMBERS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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| <b>Designated members</b>                   | Colliers International Property Advisers UK LLP  |
| <b>Limited liability partnership number</b> | OC392375   |
| <b>Registered office</b>                    | 50 George Street<br>London<br>United Kingdom<br>W1U 7GA  |
| <b>Independent Auditors</b>                 | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>1 Embankment Place<br>London<br>WC2N 6RH |

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# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

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# **COLLIERS INTERNATIONAL HEALTHCARE UK LLP**

## **MEMBERS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The designated members present their report and audited financial statements for the year ended 31 December 2017.

#### **Principal activities**

The principal activity of Colliers International Healthcare LLP (the "partnership") is as property consultants providing a comprehensive range of healthcare real estate services to real estate owners, occupiers, investors and developers primarily in the United Kingdom.

Following a review of Colliers International's operations in the UK, it was no longer deemed to be cost effective to administer the partnership. On 31 December 2016, the trade and assets held by the partnership were transferred to Globestar Limited for market value consideration of £2,172,539. This was calculated based on a multiple of normalised EBITDA using the purchase method of accounting for a group reconstruction.

As part of the reconstruction a fair value exercise was completed to identify the underlying value of the assets and liabilities of the partnership at 31 December 2016. These totalled £289,539 and thus resulted in a gain on disposal of £1,883,000 (see note 8).

The partnership is expected to continue as a holding company for a period of at least 12 months from the signing of these financial statements.

As a result of this transaction, all operations in the current year and prior year have been reclassified as discontinued operations.

#### **Principal risks and uncertainties**

A principal risk is the general health of the UK economy. The corporate member regularly monitors performance by revenue department and geographical location and implements operational changes as necessary. As the property services industry is particularly affected by the status of the economy a sudden or continued downturn in the economy could potentially affect the partnership's performance.

On 23 June 2016, the U.K. Electorate voted to leave the European Union. Processes for negotiations have commenced and are ongoing, during which time, the UK remains a member of the European Union. There will be a resulting period of uncertainty for the U.K. economy with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities reported at the balance sheet date for 31 December 2017.

#### **Going concern**

As mentioned above, on 31 December 2016 a reconstruction of Colliers International's operations in the UK took place. The trade and assets of the partnership were acquired by Globestar Limited for market value consideration. As a result, at 31 December 2017 the partnership is now left with assets and liabilities relating to intercompany and former members only.

It is management's view that the partnership will continue as a holding company for a period of at least 12 months from the signing of these financial statements. There is no reason to suggest that the financial statements for the partnership should be prepared on any basis other than the going concern basis.

#### **Financial risk management**

The partnership's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk.

The corporate member has in place a risk management programme that seeks to limit the adverse effects on the partnership's financial performance by monitoring levels of debt finance and the related finance costs.



# **COLLIERS INTERNATIONAL HEALTHCARE UK LLP**

## **MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **Key performance indicators**

The performance of the corporate member and its subsidiaries (the "Group") is measured by the Executive Committee and the senior management team through a series of key performance indicators. The principal measurements used to assess performance are EBITDA and revenue; both of which are deemed to be satisfactory for the year.

### **Results**

The partnership's profit and loss account for the year ended 31 December 2017 is set out on page 7. The partnership made a £nil (2016: £nil) result for the financial year and the net assets attributable to members were £2,642,030 for the year ended 31 December 2017 (2016: £2,569,071).

### **Members' profit shares**

Members are remunerated solely out of the profits of the partnership and are personally responsible for funding their pensions.

The Executive Committee of the corporate member sets members' profit shares and reviews the allocation on an annual basis.

Members' profit shares comprise fixed monthly profit shares and variable profit amounts as recommended by the Executive Committee of the corporate member. Variable profit amounts are calculated by reference to a pre-determined formula.

All residual profits and losses are for the benefit of the corporate member, Colliers International Property Advisers UK LLP.

### **Members' capital**

Contributions to capital are made by members in such sums as shall be recommended by the corporate member. Members' capital is repayable immediately on retirement from the partnership and is treated accordingly as debt within loans and other debt due to members.

### **Members' drawings**

The members are entitled to make monthly drawings on account of revenue profits at such amounts as shall be determined by Colliers International Property Advisers UK LLP, the corporate member. Other distributions on account of revenue profits will be made to members at such times as the corporate member shall determine. Revenue profits are profits of an income nature which are allocated to each member in respect of an accounting period.

### **Designated Members**

The Members who held office during the year and up to the date of signature of the financial statements were as follows:

Colliers International Property Advisers UK LLP

### **Political donations**

No political donations were made by the partnership during the year (2016: £nil).

### **Post balance sheet date events**

There are no post balance sheet events to report.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## MEMBERS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### Significant changes and future developments

At 31 December 2016 a reconstruction of Colliers International's operations in the UK took place. The trade and assets of the partnership were acquired by Globestar Limited for market value consideration resulting in an unrealised gain recognised in Other Comprehensive Income on disposal of operations of £1,883,000. The partnership is expected to continue as a holding company for a period of at least 12 months from the signing of these financial statements.

As a result of this transfer of trade and assets, all remaining non corporate members of the partnership resigned during 2016 as follows:

Adam Lenton - 31 December 2016  
Adrian Ilott - 31 August 2016  
Chris Saberton - 31 August 2016  
Jeremy Tasker - 31 August 2016  
Rachel McCarthy - 31 August 2016

### Independent auditors

In accordance with the partnership's membership agreement, a notice proposing that PricewaterhouseCoopers LLP be reappointed as auditors of the partnership will be put to a Members meeting.

### Statement of disclosure to auditors

Each of the Members in office at the date of approval of this Members' report and financial statements confirms that:

- so far as the Members are aware, there is no relevant audit information of which the partnership's auditors are unaware, and
- the Members have taken all the steps that they ought to have taken as Members in order to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

On behalf of the members



Anthony Horrell

Chief Executive Officer of Colliers International Property Advisers UK LLP

28/09/2018



# **COLLIERS INTERNATIONAL HEALTHCARE UK LLP**

## **MEMBERS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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

Company law as applied to partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law, as applied to partnerships, the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to partnerships by the Regulations.

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



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF COLLIERS INTERNATIONAL HEALTHCARE UK LLP

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

##### Opinion

In our opinion, Colliers International Healthcare UK LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Statement of Total Comprehensive Income and the Reconciliation of Members' Interests for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### Basis for opinion

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

##### Independence

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

##### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting period for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

##### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

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



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF COLLIERS INTERNATIONAL HEALTHCARE UK LLP

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

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

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will 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.

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

##### *Use of this report*

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

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

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.



Richard Porter (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory auditors  
London

28 September 2018



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

|  |      | Continuing operations | Discontinued operations | 31 December 2017 | Continuing operations | Discontinued operations | 31 December 2016 |
|--|------|-----------------------|-------------------------|------------------|-----------------------|-------------------------|------------------|
|  | Note | £                     | £                       | £                | £                     | £                       | £                |
| Turnover   | 3    | -                     | -                       | -                | -                     | 1,474,239               | 1,474,239        |
| Administrative expenses  |      | -                     | -                       | -                | -                     | (1,319,571)             | (1,319,571)      |
| <b>Operating Profit</b>  |      | -                     | -                       | -                | -                     | 154,668                 | 154,668          |
| <b>Profit for the financial year before members' remuneration and Profit shares</b>          |      | -                     | -                       | -                | -                     | 154,668                 | 154,668          |
| <b>Result / Profit for the financial year before members' remuneration and Profit shares</b> |      | -                     | -                       | -                | -                     | 154,668                 | 154,668          |
| Members' remuneration charged as an expense  |      | -                     | -                       | -                | -                     | (154,668)               | (154,668)        |
| <b>Result for the financial year available for discretionary division among members</b>      |      | -                     | -                       | -                | -                     | -                       | -                |
| <b>Other comprehensive income</b>  |      | -                     | -                       | -                | -                     | 1,883,000               | 1,883,000        |
| Unrealised gain on disposal of operations  | 12   | -                     | -                       | -                | -                     | 1,883,000               | 1,883,000        |
| <b>Total comprehensive income for the year</b>   |      | -                     | -                       | -                | -                     | 1,883,000               | 1,883,000        |

Following the reconstruction of the business, all operations in the current and prior year have been reclassified as discontinued operations.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

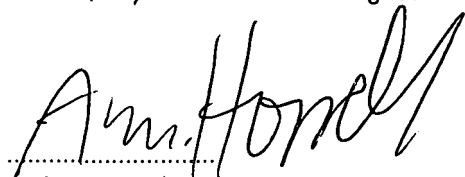
## BALANCE SHEET

AS AT 31 DECEMBER 2017

|   | Note | 2017<br>£ | 2016<br>£ |
|---|------|-----------|-----------|
| <b>Current assets</b>                                       |      |           |           |
| Debtors   | 8    | 2,677,292 | 2,604,333 |
| <b>Creditors: amounts falling due within one year</b>       | 9    | (35,262)  | (35,262)  |
| Net current assets  |      | 2,642,030 | 2,569,071 |
| <b>Total assets less current liabilities</b>                |      | 2,642,030 | 2,569,071 |
| <b>Represented by:</b>                                      |      |           |           |
| <b>Loans and other debts due to members within one year</b> |      |           |           |
| Members' capital classified as a liability                  |      | 55,830    | 55,830    |
| Other amounts   |      | 703,200   | 630,241   |
|   |      | 759,030   | 686,071   |
| Restructuring reserve                                       |      | 1,883,000 | 1,883,000 |
| <b>Total members' interests</b>                             |      |           |           |
| Loans and other debts due to members                        |      | 759,030   | 686,071   |
| Members' other interests                                    |      | 1,883,000 | 1,883,000 |
|   |      | 2,642,030 | 2,569,071 |

The notes on pages 11-17 are an integral part of these financial statements.

The financial statements on pages 7-17 were approved by the Members and authorised for issue on 28/09/2018 and are signed on their behalf by:



Anthony Horrell

Chief Executive Officer of Colliers International Property Advisers UK LLP

Limited Liability Partnership Registration No. OC392375



## COLLIERS INTERNATIONAL HEALTHCARE UK LLP

### RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2017

| Current financial year                      | EQUITY                   |                                      |                                       | DEBT           |               | Total members' interests |
|---|--------------------------|--------------------------------------|---------------------------------------|----------------|---------------|--------------------------|
|   | Members' other interests | Loans and other debts due to members |                                       |                |               |                          |
|   | Other reserves           | Total                                | Members' capital (classified as debt) | Other reserves | Other amounts | Total 2017               |
|   | £                        | £                                    | £                                     |                | £             | £                        |
| Members' interests at 1 January 2017        | -                        | -                                    | 55,830                                | 1,883,000      | 630,241       | 2,569,071                |
| Members' remuneration charged as an expense | -                        | -                                    | -                                     | -              | -             | -                        |
| Members' interest after profit              | -                        | -                                    | 55,830                                | 1,883,000      | 630,241       | 2,569,071                |
| Drawings                                    | -                        | -                                    | -                                     | -              | (168,900)     | (168,900)                |
| Other movements                             | -                        | -                                    | -                                     | -              | 72,959        | 72,959                   |
| Amounts due from former members             | -                        | -                                    | -                                     | -              | 168,900       | 168,900                  |
| Members' interests at 31 December 2017      | -                        | -                                    | 55,830                                | 1,883,000      | 703,200       | 2,642,030                |

#### Reconciliation of Members' Interests

Total members interests are stated net of amounts due from members. Other movements represent the transactions with the corporate member. All members including designated members were owed amounts from the partnership at year end. Members' other amounts rank after unsecured creditors and loans and other debts due to members rank pari passu with unsecured creditors in the event of winding up.



## COLLIERS INTERNATIONAL HEALTHCARE UK LLP

### RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

| Prior financial year                        | EQUITY                   |                                      | DEBT                                  |                | Total members' interests |
|---|--------------------------|--------------------------------------|---------------------------------------|----------------|--------------------------|
|   | Members' other interests | Loans and other debts due to members | Members' capital (classified as debt) | Other amounts  | Total 2016               |
|   | Other reserves           | Total                                | Members' capital (classified as debt) | Other reserves | Other amounts            |
|   | £                        | £                                    | £                                     | £              | £                        |
| Members' interests at 1 January 2016        | -                        | -                                    | 80,830                                | -              | 847,756                  |
| Members' remuneration charged as an expense | -                        | -                                    | -                                     | -              | 154,668                  |
| Members' interest after profit              | -                        | -                                    | 80,830                                | -              | 1,002,424                |
| Repayments of capital                       | -                        | -                                    | (25,000)                              | -              | -                        |
| Drawings                                    | -                        | -                                    | -                                     | -              | (460,377)                |
| Other movements                             | -                        | -                                    | -                                     | -              | 89,609                   |
| Amounts due to former members               | -                        | -                                    | -                                     | -              | (35,262)                 |
| Amounts due from former members             | -                        | -                                    | -                                     | -              | 33,847                   |
| Unrealised gain on disposal of operations   | -                        | -                                    | -                                     | 1,883,000      | -                        |
| Members' interest at 31 December 2016       | -                        | -                                    | 55,830                                | 1,883,000      | 630,241                  |

#### Reconciliation of Members' Interests

Total members interests are stated net of amounts due from members. Other movements represent the transactions with the corporate member. All members including designated members were owed amounts from the partnership at year end. Members' other amounts rank after unsecured creditors and loans and other debts due to members rank pari passu with unsecured creditors in the event of winding up.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Limited liability partnership information

Colliers International Healthcare UK LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office is 50 George Street, London, United Kingdom, W1U 7GA.

#### 1.1 Accounting convention

These financial statements have been prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships and applicable accounting standards in the United Kingdom and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in July 2014 (United Kingdom Generally Accepted Accounting Practice). The partnership chose to early adopt FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The financial statements have been prepared in compliance with FRS 102 and the accounting policies are consistently applied.

An exemption has been taken from preparing a cash flow statement as the partnership is a qualifying entity under FRS 102 and its cash flows are included in the publicly available consolidated financial statements of Colliers International Group Inc. as at 31 December 2017.

The financial statements are prepared in sterling, which is the functional currency of the partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the partnership'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 2.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

On 31 December 2016 a reconstruction of Colliers International's operations in the UK took place. The trade and assets of the partnership were acquired by Globestar Limited for market value consideration. As a result, at 31 December 2017 the partnership is now left with assets and liabilities relating to intercompany and former members only.

It is management's view that the partnership will continue as a holding company for a period of at least 12 months from the signing of these financial statements. There is no reason to suggest that the financial statements for the partnership should be prepared on any basis other than going concern.

#### 1.3 Turnover

Turnover, which excludes value added tax, represents the value of services rendered. Fees in respect of clients' property transactions are recognised as earned on unconditional exchange of contract. In the case of long-term developments and other professional services fees are recognised when the partnership is entitled to receive them in accordance with its terms of business.

#### Accrued and deferred revenue

Accrued revenue is recognised where services have been performed but remain unbilled at the end of the period. Deferred revenue representing advanced billing is carried forward in the balance sheet and released in the period to which it relates.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### 1.4 Members' participating interests

Members' participation rights are the rights of a member against the partnership that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the partnership are analysed between those that are, from the partnership's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the partnership has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other amounts'.

##### 1.5 Financial instruments

The partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the partnership's statement of financial position when the partnership becomes party to the contractual provisions of the instrument.

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.

##### *Basic financial assets*

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the partnership after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow partnership companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

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

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

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the partnership's obligations expire or are discharged or cancelled.

### 1.6 Equity instruments

Equity instruments issued by the partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the partnership.

### 1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.8 Retirement benefits and post retirement payments to members

The partnership operates a defined contribution pension scheme. The amounts charged in the year represents contributions payable in the period and are recognised in the profit and loss account.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 1.10 Professional indemnity insurance

Provision is made on a case-by-case basis in respect of the cost of defending claims and, where appropriate, the estimated cost of settling claims where such costs are not covered by insurance. The partnership is indemnified under the Group insurance policy and this is charged as an expense in the partnership financial statements.

#### 1.11 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements, but are disclosed unless the probability of an outflow of resources is remote.

#### 1.12 Members' remuneration

Non-corporate members' remuneration is charged as an expense through the statement of comprehensive income. This is in keeping with the treatment of any long term contributions as liabilities rather than equity in the Group's balance sheet. Any remaining profit is immediately allocated to the corporate member and is therefore also charged as an expense through the statement of comprehensive income. This is then included in loans and other debts to members.

### 2 Judgements and key sources of estimation uncertainty

In the application of the partnership's accounting policies, the Members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical accounting estimates and assumptions

The partnership makes estimates and assumptions concerning the future. The resulting accounting estimates will, 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.

### 3 Turnover

An analysis of the partnership's turnover is as follows:



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Turnover

(Continued)

Turnover analysed by geographical market

|                    | 2017<br>£ | 2016<br>£        |
|--------------------|-----------|------------------|
| UK                 | -         | 1,362,069        |
| USA                | -         | 9,290            |
| Other EU countries | -         | 102,880          |
|                    | <u>-</u>  | <u>1,474,239</u> |

The partnership's activities consist solely of real estate advisory services.

### 4 Audit Fee

The audit fee for the year was £3,900 (2016: £5,400) and was borne on behalf of the partnership by Colliers International Property Consultants Limited, a fellow subsidiary undertaking.

### 5 Result / Profit for the financial year before members' remuneration and profit shares

Result / Profit for the financial year before members' remuneration and profit shares is arrived at after charging:

|                      | 2017<br>£ | 2016<br>£ |
|----------------------|-----------|-----------|
| Management recharges | -         | 1,319,571 |

Management recharges are made on a monthly basis for the running of the business and are subject to a 5% (2016: 5%) markup.

Staff costs included in note 6 are included within this management recharge.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Employees

The partnership has no direct employees (2016: nil). Staffing was provided by a fellow subsidiary. The staff costs (excluding members' costs) in the year were as follows:

|                       | 2017<br>£ | 2016<br>£      |
|-----------------------|-----------|----------------|
| Wages and salaries    | -         | 536,915        |
| Social security costs | -         | 62,707         |
| Pension costs         | -         | 29,372         |
|                       | <u>-</u>  | <u>628,994</u> |

### 7 Members

The average number of full time equivalent members including the designated members during the year, all of whom were engaged in the partnership's principal activity, numbered 1 (2016: 4).

The profit attributable to the member with the largest entitlement was £nil (2016: £1,720,507) and was allocated to the corporate member.

### 8 Debtors

|   | 2017<br>£        | 2016<br>£        |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Amounts due from fellow Group undertakings  | 2,571,542        | 2,570,486        |
| Amounts due from members                    | 105,750          | 33,847           |
|   | <u>2,677,292</u> | <u>2,604,333</u> |

The partnership does not maintain a bank account. Cash flow is managed by a fellow subsidiary undertaking of Colliers International Property Advisers UK LLP.

Amounts owed by Group undertakings are unsecured, bear no interest and are repayable on demand.

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

|                               | 2017<br>£     | 2016<br>£     |
|-------------------------------|---------------|---------------|
| Amounts due to former members | <u>35,262</u> | <u>35,262</u> |

Amounts due to Group undertakings are unsecured, bear no interest and are repayable on demand.



# COLLIERS INTERNATIONAL HEALTHCARE UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Retirement benefit schemes

#### Defined contribution schemes

The partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the partnership in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £nil (2016: £29,372).

### 11 Loans and other debts due to members

|                                      | 2017<br>£        | 2016<br>£        |
|--------------------------------------|------------------|------------------|
| <b>Analysis of loans</b>             |                  |                  |
| Loans and other debts due to members | 759,030          | 686,071          |
| Restructuring reserve                | 1,883,000        | 1,883,000        |
|                                      | <u>2,642,030</u> | <u>2,569,071</u> |

In the event of a winding up of the partnership the amounts included in 'Loans and other debts due to members' will rank equally with unsecured creditors.

### 12 Discontinued operations

Following a review of Colliers International's operations in the UK, it was no longer deemed to be cost effective to administer the partnership. On 31 December 2016, the trade and assets held by the partnership were transferred to Globestar Limited for market value consideration of £2,172,539. This was calculated based on a multiple of normalised EBITDA using the purchase method of accounting for a group reconstruction.

The following assets and liabilities were transferred to Globestar Limited on 31 December 2016:

Trade Debtors: £309,512.

Accruals (£19,973)

In 2016, an unrealised gain was recognised within Other comprehensive income: £1,883,000

### 13 Related party transactions

The partnership is a qualifying entity and has taken advantage of the exemptions available under FRS 102 - Related Party Disclosures, not to disclose transactions with other Group companies that are wholly owned within the Group. All transactions with members are disclosed within members' interest note. There have been no other related party transactions.

### 14 Controlling party

The immediate parent entity is Colliers International Property Advisers UK LLP which is also the smallest group which prepares consolidated financial statements. The ultimate parent company is Colliers International Group Inc., a company incorporated in Canada. This is the largest group which prepares consolidated financial statements containing results of Colliers International Healthcare UK LLP. Copies of the consolidated financial statements are available from the Group's website [www.colliers.com](http://www.colliers.com).