

Colony Capital UK, Ltd

Annual Report and Financial Statements

Registered number 09120522

For the Year Ended 31 December 2020



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Directors' Report

The Directors present the Directors' Report and the audited financial statements of Colony Capital UK, Ltd for the year ended 31 December 2020.

Principal activities

The Company is part of DigitalBridge, Inc., (pka Colony Capital, Inc) (the "Parent"), the ultimate parent undertaking, and a company registered in the United States.

The principal activity of the Company is the provision of asset management and other services.

Results and dividends

The result for the financial year amounted to a profit after tax of \$501K (2019: profit after tax of \$1,687K). The Directors do not recommend the payment of a dividend (2019: \$nil).

Going Concern

Colony Capital UK, Ltd has made a profit after tax for the financial year of \$501K (2019: profit after tax of \$1,687K), has a cash balance of \$764K (2019: \$127K), net current assets of \$5,625K (2019: \$5,145K), and total equity of \$5,625K (2019: equity of \$5,145K) at the reporting date.

The Company continues to meet its day to day working capital requirements and had \$764K of unrestricted cash at year end. The Directors have considered the impact of the Covid-19 pandemic on the Company and prepared cashflow forecasts for a 12-month period to December 2022. This considered the historic and forecast level of expenditure incurred by the Company and assessed this could be met from existing cash reserves. Sensitivities and a downside scenario, considering an increase in costs and a decrease in forecast revenue were applied to the cashflow forecasts.

These forecasts, even when considering the sensitivities and a downside scenario, show that the Company has adequate resources to continue operations for a period of 12 months from the date these financial statements are approved and the Directors conclude that adopting the going concern basis of accounting in preparing the annual financial statements is appropriate.

The Directors have considered the impact of COVID-19 on the company, and consider there to be no significant impact, due to the nature of the company's principal activity. However the Directors will continue to monitor this.

Directors

The directors who held office during the year and up to the date of this report are as follows: -

Ioannis Emilios

George H Benzian

Stefen T Jaeger (resigned on 1st April 2020)

Political contributions

The Company made no political donations during the year or prior period.

Directors' Report (continued)

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Future developments

In October 2021, the provision of asset management and other services were no longer required and as a result the employment contracts of the company's employees were either transferred to a company within the group or voluntarily terminated by the employee. The Directors' intention is to keep the company for future strategic purposes and will focus on providing asset management and other services going forward.

Independent auditors

Ernst & Young LLP were appointed as auditors during the year. Pursuant to Section 487 of the Companies Act 2016, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

The Directors' Report has been prepared in accordance with the provisions relating to small companies under section 415A of the Companies Act 2006. The directors have also taken advantage of the small companies' exemption under section 414B of the Companies Act 2006 to not prepare the Strategic Report.

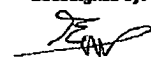
By order of the board

George H Benzian
Director

DocuSigned by:

A42EE8B83F024F9... 35 Portman Square
2nd Floor
Marylebone, London W1H 6LR

Ioanmils Ermilios
Director

DocuSigned by:

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28 December 2021

Statement of Director's responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable UK accounting standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLONY CAPITAL UK, LTD

Opinion

We have audited the financial statements of Colony Capital UK, Ltd (the 'company') for the year ended 31 December 2020 which comprise 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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 abilities 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 the 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.

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.

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 appear to be materially misstated. If we identify such material inconsistencies or appear material misstatements, we are required to determine whether this gives to a material misstatement in the financial statement 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLONY CAPITAL UK, LTD (continued)

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Accounting Standards including FRS 102 and the Companies Act 2006, and relevant tax regulations in the UK.
- We understood how Colony Capital UK, Ltd is complying with those frameworks through inquiry with management and understanding the Company's policies and procedures regarding compliance with laws and regulations. We corroborated our inquiries through our review of the Company's internal policies, and board meeting minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through inquiry with management to understand where they considered there was susceptibility to fraud. We also considered the susceptibility to management override.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, review of board meeting minutes, inquiries with management, and obtaining written representations from the directors of the company.

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.

Colony Capital UK, Ltd
Annual Report and Financial Statements
For the year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLONY CAPITAL UK, LTD (continued)

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.

Ernst & Young LLP

Daniel Saunders (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

28 December 2021

Statement of Comprehensive Income
For the year ended 31 December 2020

	<i>Note</i>	2020	2019
		\$'000	\$'000
Turnover	2	2,335	17,271
		<hr/>	<hr/>
Gross profit		2,335	17,271
Administrative expenses		(2,006)	(15,183)
Foreign exchange (loss)/gain		(3)	46
		<hr/>	<hr/>
Operating profit	6	326	2,134
		<hr/>	<hr/>
Profit on ordinary activities before taxation		326	2,134
		<hr/>	<hr/>
Tax on profit	7	175	(447)
		<hr/>	<hr/>
Profit for the financial year		501	1,687
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		501	1,687
		<hr/>	<hr/>

The notes on pages 10 to 16 form part of these financial statements.

Statement of Financial Position
As at 31 December 2020

		2020	2019
	Note	\$'000	\$'000
Current assets			
Debtors	8	31,783	30,089
Cash at bank		764	127
		<u>32,547</u>	<u>30,216</u>
Current Liabilities			
Creditors: amounts falling due within one year	9	(26,922)	(25,071)
		<u>5,625</u>	<u>5,145</u>
Net current assets		<u>5,625</u>	<u>5,145</u>
Total assets less current liabilities		<u>5,625</u>	<u>5,145</u>
Net Assets		<u>5,625</u>	<u>5,145</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		5,625	5,145
Total equity		<u>5,625</u>	<u>5,145</u>

The notes on pages 10 to 16 form part of these financial statements.

The Directors' Report has been prepared in accordance with the provisions relating to small companies under section 415A of the Companies Act 2006. The directors have also taken advantage of the small companies' exemption under section 414B of the Companies Act 2006 to not prepare the Strategic Report. The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

These financial statements on pages 7 to 9 were authorized for issue by the board on Tuesday, 28th December 2021 and were signed on its behalf by:

George H Benzian
Director

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Ioannis Ermilios
Director

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Company Registration Number: 0912052

Statement of Changes in Equity
For the year ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	\$'000	\$'000	\$'000
Balance at 1 January 2019	-	3,451	3,451
Profit for the financial year	-	1,687	1,687
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,687	1,687
	<hr/>	<hr/>	<hr/>
Transactions with owners, recognized directly in equity			
Other contribution	-	7	7
	<hr/>	<hr/>	<hr/>
	-	5,145	5,145
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	-	5,145	5,145
	<hr/>	<hr/>	<hr/>

	Called up share capital	Profit and loss account	Total equity
	\$'000	\$'000	\$'000
Balance at 1 January 2020	-	5,145	5,145
Profit for the financial year	-	501	501
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	501	501
	<hr/>	<hr/>	<hr/>
Transactions with owners, recognized directly in equity			
Share based payment	-	(21)	(21)
	<hr/>	<hr/>	<hr/>
	-	5,625	5,625
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	-	5,625	5,625
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 16 form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

Colony Capital UK, Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK, England. The registered number is 09120522 and the address of its registered office is 35 Portman Square, 2nd Floor, Marylebone, London W1H 6LR.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is US dollars. All amounts in the financial statements have been rounded to the nearest \$'000's.

The Company's ultimate parent undertaking, DigitalBridge, Inc. (pka Colony Capital, Inc.) ("the Parent"), includes the Company in its consolidated financial statements for the year ended 31 December 2020. The consolidated financial statements of DigitalBridge, Inc. (pka Colony Capital, Inc) are prepared in accordance with U.S. GAAP, are available to the public and may be obtained online from:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1679688/000167968821000018/clny-20201231.htm>

In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- The requirement to prepare a cash flow statement; and
- The requirement to disclose any key management personnel compensation.

As the consolidated financial statements of DigitalBridge, Inc. (pka Colony Capital, Inc.) include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

1.1. Measurement convention

The financial statements are prepared on a going concern basis, under the historical cost convention.

1.2. Going concern

Colony Capital UK, Ltd has made a profit for the financial year of \$501K (2019: profit of \$1,687K), has a cash balance of \$764K (2019: \$127K), net current assets of \$5,625K (2019: \$5,145K), and total equity of \$5,625K (2019: Equity of \$5,145K) at the reporting date.

The Company continues to meet its day to day working capital requirements and had \$764K of unrestricted cash at year end. The Directors have considered the impact of the Covid-19 pandemic on the Company and prepared cashflow forecasts for a 12-month period to December 2022. This considered the historic and forecast level of expenditure incurred by the Company and assessed this could be met from existing cash reserves. Sensitivities and a downside scenario, considering an increase in costs and a decrease in forecast revenue were applied to the cashflow forecasts.

These forecasts, even when considering the sensitivities and a downside scenario, show that the Company has adequate resources to continue operations for a period of 12 months from the date these financial statements are approved and the Directors conclude that adopting the going concern basis of accounting in preparing the annual financial statements is appropriate.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency (USD) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in the Statement of Comprehensive Income.

1.4. Revenue recognition

All of the Company's revenue is generated from transfer pricing under a cost plus approach. The revenue recognition accounting policy of the Group (using terms defined in the Ultimate Parent Company's consolidated financial statements) is outlined below:

Asset management and other fees

Asset management and other fees are recognized based on contractual terms specified in the underlying governing documents in the periods during which the related services are performed and the amounts have been contractually earned.

1.5 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognized initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortized cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognized initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortized cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.6. Employee benefits

Defined contribution plans and other long term employee benefits

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

Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognized in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Share-based payment transactions

The Company is part of a group share-based payment plan with share options settled in the equity of the ultimate parent issued to the Company's employees. The company recognizes and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognized for the parent. The basis of such allocation is disclosed in note 10.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.7. Taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognized in the financial statements. Deferred tax is not recognized on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognized in a business combination and the corresponding amount that can be deducted or assessed for tax. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Unrelieved tax losses and other deferred tax assets are recognized only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.8. Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It has taken the advantage of the exemption available FRS 102 Section 33.1A not to disclose transactions with members of the same group that are wholly owned.

1.9. Share capital

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

2. Turnover

All turnover relates to the Company's principal activity and consists entirely of transfer pricing recharges to another Group entity, under a cost plus approach.

3. Auditor's remuneration

	2020	2019
	\$'000	\$'000
Audit of these financial statements	49	42
	<u> </u>	<u> </u>

4. Staff numbers and costs

The average monthly number of persons employed by the Company (excluding the Directors) during the year, analyzed by category, were as follows:

	2020	2019
	Number	Number
Administrative	3	5
	<u> </u>	<u> </u>

Notes to the Financial Statements (continued)

4. Staff numbers and costs (continued)

The aggregate payroll costs of these persons is as follows:

	2020	2019
	\$'000	\$'000
Wages and salaries	857	12,855
Social security cost	538	834
Other pension cost	8	65
	<u>1,403</u>	<u>13,754</u>

Included in wages and salaries are severance costs payable of \$77K (2019: \$10,264K).

5. Directors' remuneration

The directors did not receive any emoluments in respect of their qualifying services as a director to the Company (2019: \$nil). They were remunerated by other group entities for their services to the Group as a whole.

6. Operating profit

Operating profit is stated after charging/(crediting) the following:

	2020	2019
	\$'000	\$'000
Foreign exchange (loss)/gain	(3)	46
	<u>(3)</u>	<u>46</u>

7. Taxation

Total tax (credit)/expense recognized in the Statement of Comprehensive Income

	2020	2019
	\$'000	\$'000
Corporation Tax:		
Current tax on income for the year	63	461
Adjustment in respect of prior years	(238)	(14)
	<u>(175)</u>	<u>447</u>

Notes to the Financial Statements (continued)

7. Taxation (continued)

Reconciliation of effective tax rate

	2020	2019
	\$'000	\$'000
Profit before taxation	326	2,134
Tax using the UK corporation tax rate of 19% (2019: 19%)	62	405
Expenses not deductible for tax purposes	1	56
Adjustments in respect of prior years	(238)	(14)
Total tax (credit) / expense included in the Statement of Comprehensive Income	(175)	447

Factors which may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax rate, thereby maintaining the current rate of 19%. The UK budget 2021 announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. This change was not substantively enacted at the balance sheet date. The Company's deferred tax balance is \$nil (2019: \$nil) and therefore there is no impact on the measurement of deferred tax balances.

8. Debtors

	2020	2019
	\$'000	\$'000
Amounts owed by group undertakings	17,393	30,065
Amounts owed by immediate parent company	14,390	-
Prepayments on taxation, social security and accrued income	-	28
Other debtors	-	(4)
	31,783	30,089

Amounts owed by Group undertakings and amounts owed by the immediate parent company are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements (continued)

9. Creditors: amounts falling due within one year

	2020	2019
	\$'000	\$'000
Accruals and deferred income	259	5,388
Amounts due to related parties	26,460	19,270
Corporation tax payable	197	-
Other creditors	6	413
	<u>26,922</u>	<u>25,071</u>

Amounts due to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand,

10. Employee benefits

Share based payments

The Company is a member of a Group share-based payment plan named Colony Capital 2014 Omnibus Stock Incentive Plan (the "CLNY Equity Incentive Plan"), which is settled in the equity of the ultimate parent company, DigitalBridge, Inc. (pka Colony Capital, Inc.). The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. The Company recognizes and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognized for the Group. The basis for reasonable allocation is determined by the specifics of each individual award given to the employees of the Company.

During the year ended 31 December 2020, it was identified that the vesting conditions were not met and the share based expense was reversed by recognizing a credit, in administrative expenses, in the Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

11. Capital and reserves

Share capital

Authorized, allotted, called up and fully paid

	2020	2019
	\$'000	\$'000
1 ordinary share of £1 each	-	-
	<hr/>	<hr/>
At 31 December	-	-
	<hr/>	<hr/>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12. Related parties

In accordance with FRS 102 Section 33, the Company is exempt from disclosing related party transactions with entities that are wholly owned within the Group.

13. Ultimate parent company and parent company of larger group

The ultimate parent undertaking is DigitalBridge, Inc. (pka Colony Capital, Inc.), a company registered in the United States.

The registered address of DigitalBridge, Inc is 750 Park of Commerce Drive, Suite 210, Boca Raton, FL 33487, 561-570-4644.

The Company's immediate parent undertaking is Colony Capital Investment Holdco, LLC, a company registered in the United States.

The parent undertaking of the largest and smallest group to consolidate these financial statements is DigitalBridge, Inc (pka Colony Capital, Inc). The consolidated financial statements can be obtained online at:

<https://www.sec.gov/ix?doc=/Archives/edgar/data/1679688/000167968821000018/clny-20201231.htm>

14. Critical accounting estimates and judgements

In preparing these financial statements, the Directors do not consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

15. Subsequent Events

In October 2021, the provision of asset management and other services were no longer required and as a result the employment contracts of the company's employees were either transferred to a company within the group or voluntarily terminated by the employee. As disclosed in the Directors' Report, the Directors' intention is to keep the company for future strategic purposes and will focus on providing asset management and other services going forward. As disclosed in the Directors' Report, the Directors will continue to focus on the Company's principal activity, the provision of asset management and other services, going forward.