Registered number: 03536032

CBRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CBRE LIMITED

COMPANY INFORMATION

Directors	C E Bird M D Samworth (resigned 31 December 2020) D Green (resigned 19 August 2019) D Mercado P Zagarof E G Foley (appointed 19 August 2019) C R Oster (appointed 1 July 2020) D A Bazzano (resigned 1 July 2020)
Company secretary	A C Naftis
Registered number	03536032
Registered office	St Martin's Court 10 Paternoster Row London EC4M 7HP
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL
Banker	HSBC plc 8 Canada Square London E14 4HQ
Solicitor	Gowling WLG 4 More London Riverside London SE1 2AU

CBRE LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities

The principal activity of the Company is the provision of property consultancy services.

Business review

Revenue increased by 3.7% to £394.0m (2018: £380.0m). Profit before tax has increased by 44.1% to £37.9m (2018: £26.3m).

Tax is payable for 2019 of which corporation tax is a charge of £10.7m (2018: £7.8m) and deferred tax credit of £0.9m (2018: £1.0m). Profit after tax therefore stands at £28.1m (2018: £19.5m).

Net assets of the company have increased by 7.9% to £458.2m (2018: £424.6m).

Principal financial risks and uncertainties

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

Credit Risk

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

The credit risk associated with trade debtors is managed by monitoring the credit worthiness of our clients. Trade debtors are distributed in such a manner that the concentration of credit risk is not considered extraordinary.

The financial risk associated with cash and trade creditors is considered minimal as the Company places its cash in creditworthy institutions. The Company performs ongoing credit evaluation of its customers' financial condition.

Interest and Inflation Risk

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

Exchange Rate Risk

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

The Company holds no foreign currency or interest rate derivatives.

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

COVID-19

As explained in note 2.2 and note 25 in the financial statements, the COVID-19 outbreak and resulting measures taken by various governments to contain the virus will negatively affect business in 2020.

- Revenue: Revenue performance for the remainder of the year remains heavily dependent on the length of time that Government social distancing measures remain in place.

- Going concern: Whilst uncertain, we do not believe, however, that the impact of the COVID-19 virus would have a material adverse effect on our ability to continue as a going concern. Refer to note 2.2 for a further review of the Going Concern implications.

Risks in regards to COVID-19 are outlined in the directors' report on page 8.

Financial Key Performance Indicators

The Key Performance Indicators presented below reflect the way the performance of the Company has been measured in 2019:

Revenue - to track the growth in the business. This is a key area of strategic focus for the board. Revenue has increased by 3.7% to £394.0m (2018: £380.0m).

Profit before tax - to track the underlying performance of the business and to ensure sales growth translates into increased profits. Profit before tax has increased by 44.1% to £37.9m (2018: £26.3m).

Subsequent Events

On 31 December 2020, an onerous lease provision of £8.8m was made on the St Martins Court office. This is a non COVID-19 related event and is in relation to the businesses strategy and forthcoming expansion of the Henrietta House office. Management's assessment has considered this to be a non-adjusting event.

As part of CBRE’s global strategy, offices have been rationalised and CBRE Jersey Limited was identified as an office which was no longer required by the business. The entity was sold on 31 December 2020. Management's assessment has considered this to be a non-adjusting event.

There have been no changes to the business activities or risk profile of the Company subsequent to the end of the reporting period.

There have been changes to the Company's directors subsequent to the 31 December 2019 including the resignation of D A Bazzano as at 1 July 2020, the resignation of M D Samworth as at 31 December 2020 and the appointment of C R Oster as at 1 July 2020

Directors' statement of compliance with duty to promote the success of the Company

Our Stakeholders

The Directors of the Company have acted in accordance with their duties codified in law, which include their duty to act in the way most likely to promote the success of the Company for the benefit of its shareholders. In doing so, Directors must pay regard to the Company's stakeholders and to CBRE's reputation for high standards of business conduct, having regard to matters set out in section 172(1) of the Companies Act 2006.

Directors consider stakeholder factors when making decisions at Board and Executive Committee levels, when setting strategy, developing policies, fostering the corporate culture and guiding and delegating decisions to management and employees.

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

The Company has taken steps to embed a deeper understanding of the responsibilities ascribed to the Directors under section 172(1) of the Companies Act 2006 at a CBRE Group level in the UK and across the management committees of its associated and subsidiary companies. Guidance has been provided by the Company's Secretariat to explain the importance of the considerations referred to in the section 172 (1) as part of good decision making, to ensure that proposals coming to the Directors contain appropriate information on the potential impact of business decisions on all the Company's stakeholders, and other relevant matters.

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

Employees

CBRE's success depends on its ability to attract and retain qualified and experienced employees. The Company employs around 2,500 people directly, in addition to staff employed by the wider CBRE UK group who support the business.

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

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

- The Directors understand that the Company needs to ensure that its culture is inclusive of the diversity it has, and is introducing an outcome that, year-on-year, its leaders are expected to increase their engagement results from the annual Your Voice survey.

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

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

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

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

- All of the Company's Executive Directors are required to attend Inclusive Leadership Workshops, that includes them making a personal pledge to progress the Company's D&I strategy. The workshops will be extended to all Senior Directors in 2020.

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

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

- In our third year of gender pay gap reporting, the Company has voluntarily published its ethnicity pay gap data. This builds on its commitment to the Business in the Communities Race at Work Charter which the Company became signatories of in October 2019.

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

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

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

- In addition, the Company offers coaching and mentoring programme to allow others to learn from other experts internally and externally.

- The Company offers an internal mobility swap and share scheme to enable employees to learn about different aspects and roles within the wider business.

- The Company also offers a focused development programme for high performers and for strategic focus areas, such as management and leadership development.

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

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

Suppliers

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

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

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

Clients

Client Care is one of CBRE's most important strategic initiatives. It encompasses the Company's account management and client experience programmes for its largest and most impactful Occupier and Investor clients. Client Care professionals deliver the power of the CBRE platform to the Company's clients by ensuring the Company is working seamlessly across all service lines and geographies. These teams engage senior CBRE leaders, market professionals and CBRE research and technology to drive measurably superior outcomes to the Company's clients.

Client Care facilitates a Global & Regional Client Feedback Programme using qualitative research, undertaken by an independent third party, to obtain feedback on a regular basis from the Company's biggest Occupier and Investor clients. This feedback is used as part of an "outer loop process" (i.e. corrective action planning with individual client issues/areas for improvement) and "inner loop process" (i.e. to help drive internal change within CBRE for the benefit of all of the Company's clients).

Community

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

The Company contributes to a CBRE Group-wide charitable giving programme which donated $14 million in 2019, of which 50% is donated to local charity causes decided within each country.

The Company carried out a range of local charitable activities through various partnerships, including with Action for Children. These charities enabled UK employees to donate their time to various local community projects and initiatives.

Environment

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

- The CBRE Group reduced Scope 2 greenhouse gas emissions by 28% between 2015 and 2018 and a further reduction of 30% by 2025 is planned.

- The Company has an embedded ESG strategy consisting of three pillars: Environment, Community and Culture, which is supported by a robust governance structure and employee engagement programme. Within the Environment pillar, the Company has an ambition to be net zero carbon across its business and operations by 2030 and has a robust set of KPIs to help achieve this.

- The Company has maintained the ISO14001 certification across all subscribed locations.

- Asset IQ, a CBRE IOT product, is installed within the Company's main London offices to allow the Company to retrieve, display and analyse performance in real-time and enhance operational and energy efficiency.

- The Company's multi-disciplinary Environmental Consultancy team engages with clients across the property and investment life-cycle to help them manage their environmental impacts. The Company is currently delivering environmental, social and governance strategies for over £12 billion of assets under management and have Asset IQ installed, and are providing energy consultancy advice, for circa 5 million sq ft.

Standards of Business Conduct

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

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

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

Acting Fairly Between Members

S172 of the Companies Act 2006 requires the Company to act fairly between its members. The Company is 100% owned by CBRE Holdings Limited, another entity within the CBRE Group.

2020 Focus

The strategy for the coming year is to expand in key areas of the business. To meet expectations with regards to KPI's.

This report was approved by the board and signed on its behalf.

DocuSigned by:
David Mercado
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D Mercado
Director

Date: 1 February 2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ('FRS 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;
- prepare the financial statements on the going concern basis .

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 to enable them to ensure that the 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.

Results and dividends

The profit for the year, after taxation, amounted to £28,073 thousand *(2018 : £19,509 thousand)*.

Directors

The directors who served during the year were:

C E Bird
M D Samworth (resigned 31 December 2020)
D Green (resigned 19 August 2019)
D Mercado
P Zagarof
E G Foley (appointed 19 August 2019)
D A Bazzano (resigned 1 July 2020)

The Company secretary is Alex Naftis who was appointed on 31 March 2000.

Future developments

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1 - 6.

COVID-19

Subsequent to the year end the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various governments and institutions around the world responding in different ways to address the outbreak. This has led to an increased level of uncertainty in the financial markets which has triggered volatility in interest rates, foreign exchange rates and equity prices among others.

Whereas the quantification of the impact on the Company is uncertain, management has considered the below specific factors that could affect the Company:

- Client activity and volume: The Company could face a potential reduction in client activity likely driven by risk averse customer behaviour leading to a reduction in new business and funds under management. The reduction in client activity could lead to a fall in revenue.

- Liquidity: The Company continues to closely monitor the impact of market volatility on its balance sheet. The Company currently has sufficient liquidity in excess of its regulatory requirement to absorb any short-term losses.

- Market fluctuations: Due to the uncertainty, the Company is likely to be exposed to possible volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. Global equity markets are likely to fall which could impact the Company’s revenue derived from the different funds it manages.

- Going concern consideration: Management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company to continue as a going concern. This assessment is disclosed in note 2.2 and focuses on the Company’s financial and operational resilience to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company continues to carefully monitor and mitigate the COVID-19 risks on an ongoing basis in order to minimize exposure while maintaining a robust balance sheet and sufficient headroom above regulatory capital requirements.

Engagement with employees

Employees are kept informed of information that is relevant to them through the CBRE intranet and internal communication emails.

Engagement with suppliers, customers and others

Suppliers

The Company carefully manages its policies on purchased services. The supply chain is regarded as fundamentally important to CBRE’s own business as a provider of real estate advisory services. The CBRE Group also expects that all contracted suppliers comply with CBRE’s Supplier Code of Conduct as well as all applicable laws and legislation.

Customers

Client Care is one of CBRE's most important strategic initiatives. It encompasses the Company’s account management and client experience programmes for its largest and most impactful Occupier and Investor clients. Client Care professionals deliver the power of the CBRE platform to the Company’s clients by ensuring the Company is working seamlessly across all service lines and geographies. These teams engage senior CBRE leaders, market professionals and CBRE research and technology to drive measurably superior outcomes to the Company’s clients.

Community and others

At CBRE, acting responsibly and being successful commercially, go hand-in-hand. A key element of this is creating new opportunities for our local communities. The Company carried out a range of local charitable activities through various partnerships, including with Action for Children. These charities enabled UK employees to donate their time to various local community projects and initiatives.

Disabled employees

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

Statement of corporate governance arrangements

CBRE Limited's Corporate Governance practices reflect the requirements of applicable securities laws, including the Sarbanes-Oxley Act, the New York Stock Exchange listing requirements and CBRE Group's own vision of good governance practices.

CBRE's Corporate Governance Guidelines have been adopted by the Board of Directors to promote the effective functioning of the Board and to assist the Board in fulfilling its responsibilities. The Guidelines include:

- Director Qualification Standards
- Director Responsibilities
- Director Access to Management and Independent Advisors
- Director Compensation
- Director Orientation and Continuing Education
- Management Succession
- Annual Performance Evaluations
- Board Committees
- Further Corporate Governance Guideline Recommendations

Disclosure of information to auditor

The directors who held office at the date of approval of this Director's report confirm that: at the time when this Directors' report is approved has confirmed that:

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

Post balance sheet events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections now occurring worldwide. Measures taken by various governments to contain the virus have affected economic activity. We have taken several measures to monitor and prevent the effects of the COVID-19 virus.

We will continue to follow the UK Government’s policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

The existence of COVID-19 was confirmed in early 2020 and the entity considers this outbreak to be a nonadjusting post balance sheet event. As the situation is fluid and rapidly evolving, it is not practicable to provide a quantitative estimate of the potential impact of this outbreak on the entity.

On 31 December 2020, an onerous lease provision of £8.8m was made on the St Martins Court office. This is a non COVID-19 related event and is in relation to the businesses strategy and forthcoming expansion of the Henrietta House office. Management's assessment has considered this to be a non-adjusting event.

As part of CBRE’s global strategy, offices have been rationalised and CBRE Jersey Limited was identified as an office which was no longer required by the business. The entity was sold on 31 December 2020. Management's assessment has considered this to be a non-adjusting event.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1 February 2021 and signed on its behalf.

DocuSigned by:
David Mercado
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D Mercado
Director

St Martin’s Court
10 Paternoster Row
London
EC4M 7HP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBRE LIMITED

Opinion

We have audited the financial statements of CBRE Limited ("the company") for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, Statement of Financial position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBRE LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.

Richard Kelly (Senior statutory auditor)

for and on behalf of

KPMG LLP

Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

1 February 2021

CBRE LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	*2018 £000*
Turnover	4	**394,025**	*379,999*
Gross profit		**394,025**	*379,999*
Administrative expenses		**(359,540)**	*(354,980)*
Operating profit	5	**34,485**	*25,019*
Interest receivable and similar income	8	**11,489**	*10,159*
Interest payable and similar expenses	9	**(8,096)**	*(8,879)*
Profit before tax		**37,878**	*26,299*
Tax charge on profit	10	**(9,805)**	*(6,790)*
Profit for the financial year		**28,073**	*19,509*

The notes on pages 20 to 50 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	*2018* *£000*
Profit for the financial year		**28,073**	*19,509*
Other comprehensive income			
Actuarial gain/(loss) on defined benefit schemes		**4,149**	*(146)*
Movement on deferred tax relating to pension losses		**(1,209)**	*(309)*
Other comprehensive income for the year		**2,940**	*(455)*
Total comprehensive income for the year		**31,013**	*19,054*

The notes on pages 20 to 50 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £000		2018 £000
Fixed assets					
Intangible assets	11		**44,465**		*50,590*
Tangible assets	12		**32,463**		*31,829*
Investments	13		**18,004**		*18,354*
			94,932		*100,773*
Non Current assets					
Debtors due after more than 1 year			**319**		*453*
			319		*453*
Current assets					
Debtors: amounts falling due within one year	14	**687,251**		*627,279*	
Cash at bank and in hand	15	**85,501**		*87,671*	
		772,752		*714,950*	
Creditors: amounts falling due within one year	16	**(344,429)**		*(319,401)*	
Net current assets			**428,323**		*395,549*
Total assets less current liabilities			**523,574**		*496,775*
Provisions for liabilities					
Other provisions	19	**(1,646)**		*(2,505)*	
			(1,646)		*(2,505)*
Pension liability			**(63,747)**		*(69,649)*
Net assets			**458,181**		*424,621*
Capital and reserves					
Called up share capital	20		**6,000**		*6,000*
Share premium account	21		**203,769**		*203,769*
Other reserves	21		**54,255**		*51,708*
Profit and loss account	21		**194,157**		*163,144*
			458,181		*424,621*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 February 2021.

DocuSigned by:
David Mercado
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D Mercado
Director

The notes on pages 20 to 50 form part of these financial statements.

Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Capital contribution	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	6,000	203,769	51,708	163,144	424,621
Total comprehensive income for the year					
Profit for the year	-	-	-	28,073	28,073
Actuarial gains on pension schemes	-	-	-	2,940	2,940
Other comprehensive income for the year	-	-	-	2,940	2,940
Total comprehensive income for the year	-	-	-	31,013	31,013
Share based payment - Capital contribution	-	-	2,547	-	2,547
Total transactions with owners	-	-	2,547	-	2,547
At 31 December 2019	6,000	203,769	54,255	194,157	458,181

The notes on pages 20 to 50 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Capital contribution	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2018	6,000	203,769	49,549	144,090	403,408
Total comprehensive income for the year					
Profit for the year	-	-	-	19,509	19,509
Actuarial losses on pension schemes	-	-	-	(455)	(455)
Other comprehensive income for the year	-	-	-	(455)	(455)
Total comprehensive income for the year	-	-	-	19,054	19,054
Share based payment - Capital contribution	-	-	2,159	-	2,159
Total transactions with owners	-	-	2,159	-	2,159
At 31 December 2018	6,000	203,769	51,708	163,144	424,621

The notes on pages 20 to 50 form part of these financial statements.

1. General information

CBRE Limited is a limited Company, incorporated in the United Kingdom under the Companies Act. The address and registered office is St Martin's Court, 10 Paternoster Row, London, EC4M 7HP.

The principal activity of the Company is the provision of property consulting services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is considered to be pounds sterling as that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

2.2 Going Concern

The Company's 2019 business activities and outlook, together with the principal business risks and uncertainties that are likely to affect its future development, performance and position and the directors' strategy and processes for managing these risks, including developing and implementing operational and financial resilience, are set out in the Strategic report and Directors Report on pages 1 to 10.

The directors perform an annual going concern review that considers the Company’s ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. Due to the impact of COVID-19, the directors have performed an indepth assessment of the business that could cast significant doubt on the ability of the Company to continue as a going concern. In reaching their conclusion, the directors considered:

- Stress tests on reasonable plausible downside scenarios such as significant reduction in revenue over time
- Level of existing and projected cash resources available in a stressed scenario
- The interdependency of the Company’s operations and finances on other entities within the group, and the overall operational and financial stability of the group as a whole.

We have taken several measures to monitor and prevent the effects of the COVID-19 virus. This includes safety and health measures for our people where we have implemented social distancing and working from home and in-depth contract reviews. Planned actions include, when required, short-term lock-down of locations, use of support made available by governments in the countries in which we operate and other crisis management and business continuity measures for short-, mid and long-term scenarios.

Based on the above, the directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going

2. Accounting policies (continued)

concern basis of accounting in preparing the annual financial statements.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CBRE Group, Inc. as at 31 December 2019 and these financial statements may be obtained from CBRE Limited, St Martin's Court, 10 Paternoster Row, London, EC4M 7HP.

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

2.5 Revenue

Revenue comprises commissions and fees receivable in respect of services performed.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates defined benefit plans for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plans assets are measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plans, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Both pension schemes operated by the Company are closed to new members and with effect from 30 June 2007 transferred all active members to deferred and ceased accrual for future benefits. The assets of each scheme are held in trustee administrated funds, separated from the Company's own resources.

2. Accounting policies (continued)

2.10 Share-based payments

The Company's ultimate parent, CBRE Group, Inc., issues equity settled share-based payments (Share options and restricted stock) to certain employees under its 2012 Equity Incentive Plan. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the determined vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value of the share options issued are measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects on non-transferability, exercise restrictions and behavioural considerations.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Current and deferred taxation

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

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

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

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

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

2. Accounting policies (continued)

2.13 Foreign Currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'Interest receivable and similar charges' and 'Interest payable and similar charges' respectively.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life which has been determined to be 20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10%	per annum
Office equipment	-	10%	per annum
Computer equipment	-	33%	per annum
Leasehold Improvements	-		shorter of 10 years or the length of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

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

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.19 Cash and cash equivalents

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

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.22 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Bad Debt Provision:
A bad debt provision is set up when a debt has been outstanding for a period of more than 180 days or when the Company becomes aware that the likelihood of recovering the debt is diminished.

Onerous Lease Provisions:
The Company has provided for operating lease rentals where these were above the market rate or where it is probable that a previously sublet unit will revert back to the Company.

The element of the rental which is above market rates, or above any rental costs paid relating to vacated properties is charged against the provision.

Provision are also made for the rates that the Company is liable to on empty sites. The key estimation judgement in determining the onerous amount is the period over the remaining lease term that the property will remain either rented or vacant. The Directors have estimated these periods after considering both the quality and the location of each of the units provided for.

Provisions:
The Company exercises judgement in respect to measuring and recognising provisions related to pending litigation or other outstanding claims. The principal judgements made relate to the likelihood that a pending claim will succeed, and as such a liability exists, and in quantifying the potential financial settlement.

Defined Benefit pension assumptions:
The Company operates two defined benefit pension schemes. The valuation of such schemes is determined by independent qualified actuaries. In carrying out the valuations a number of assumptions are used by the actuaries, the most significant of which are the discount rate, inflation assumptions, rate of salary increases and assumed life expectancies.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £000	2018 £000
Rendering of Services	**394,025**	*379,999*
	394,025	*379,999*

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	**297,978**	*297,892*
Rest of Europe	**73,395**	*65,635*
Rest of the world	**22,652**	*16,472*
	394,025	*379,999*

5. Operating profit

Company operating profit on ordinary activities is stated after charging:

		2019 £000	2018 £000
Movement in provisions	19	**57**	*554*
Depreciation of tangible fixed assets	12	**14,078**	*14,427*
Amortisation of intangible assets, including goodwill	11	**6,125**	*6,947*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements		**54**	*47*
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiary annual financial statements		**51**	*56*
Exchange differences		**3,965**	*(1,719)*
Other operating lease rentals		**9,021**	*8,112*
Share based payment	22	**2,548**	*2,158*
Defined contribution pension cost	6	**8,471**	*7,988*
Defined benefit pension cost	6	**161**	*1,032*

Costs of the defined benefit scheme includes only those items included within operating costs. Items reported elsewhere have been excluded. See Note 23.

6. Employee information

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	248,315	243,007
Social security costs	33,060	34,391
Cost of defined benefit scheme	161	1,032
Cost of defined contribution scheme	8,471	7,988
	290,007	286,418

Costs of the defined benefit scheme includes only those items included within operating costs. Items reported elsewhere have been excluded. See Note 23.

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

	2019 No.	2018 No.
Professional staff	1,455	1,436
Administrative staff	1,074	1,170
	2,529	2,606

7. Directors' remuneration

	2019 £000	*2018 £000*
Directors' emoluments	**4,156**	*6,264*
Directors pension costs - defined contrib'n sch.	**20**	*29*
	4,176	*6,293*

During the year retirement benefits were accruing to 2 directors *(2018 - 3)* in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 1 director *(2018 - 1)* in respect of defined benefit pension schemes.

The highest paid director received remuneration of £2,099*k (2018 - £2,576k)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2018 - £NIL)*.

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL *(2018 - £NIL)*.

During the year 2 directors received shares under the long term incentive schemes (*2018* - *2*)

8. Interest receivable and similar income

	2019 £000	*2018 £000*
Intercompany interest receivable	**7,252**	*10,001*
Bank interest receivable	**4,237**	*158*
	11,489	*10,159*

9. Interest payable and similar expenses

	2019 £000	*2018 £000*
Intercompany interest payable	**5,666**	*6,494*
Net cost of financing of retirement benefits	**2,430**	*2,385*
	8,096	*8,879*

10. Taxation

	2019 £000	*2018* *£000*
Corporation tax		
Current tax on profits for the year	**10,663**	*7,295*
Adjustments in respect of previous periods	**-**	*513*
	10,663	*7,808*
Total current tax	**10,663**	*7,808*
Deferred tax		
Origination and reversal of timing differences	**(642)**	*(960)*
Adjustment in respect of prior periods	**(216)**	*(58)*
Total deferred tax	**(858)**	*(1,018)*
Taxation on profit on ordinary activities	**9,805**	*6,790*

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as *(2018 - the same as)* the standard rate of corporation tax in the UK of 19.00% *(2018 - 19.00%)* as set out below:

	2019 £000	*2018 £000*
Profit on ordinary activities before tax	**37,879**	*26,299*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	**7,197**	*4,997*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**3,004**	*2,754*
Adjustments to tax charge in respect of prior periods	**1,096**	*454*
Non-taxable income	**(2)**	*(2)*
Adjust closing and opening deferred tax rate	**(66)**	*65*
Group relief claimed	**(9,351)**	*(7,295)*
Payment for group relief	**9,351**	*7,295*
Transfer pricing adjustments	**-**	*4*
Deferred tax not recognised	**(1,209)**	*(403)*
Fixed asset differences	**87**	*170*
Adjustments to bought forward differences	**(302)**	*(1,249)*
Total tax charge for the year	**9,805**	*6,790*

From 2017 onwards payment is made in relation to group relief.

Factors that may affect future tax charges

The amounts provided for deferred taxation are in relation to temporary differences between accumulated depreciation and capital allowances. Budget 2020 announced that the UK corporation tax rate will be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after then end of the accounting period, and so deferred tax balances have been calculated at 17%. Had the 19% rate been applied instead, the closing deferred tax asset would have increased by £377,619 to a £3,587,379 asset.

11. Intangible assets

	Intangible Assets £000	Goodwill £000	Total £000
Cost			
At 1 January 2019	**5,804**	**161,657**	**167,461**
At 31 December 2019	**5,804**	**161,657**	**167,461**
Amortisation			
At 1 January 2019	**5,804**	**111,067**	**116,871**
Charge for the year on owned assets	**-**	**6,125**	**6,125**
At 31 December 2019	**5,804**	**117,192**	**122,996**
Net book value			
At 31 December 2019	**-**	**44,465**	**44,465**
At 31 December 2018	*-*	*50,590*	*50,590*

12. Tangible fixed assets

	Leasehold Improvements £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2019	**29,102**	**8,561**	**68,135**	**105,798**
Additions	**3,656**	**82**	**10,974**	**14,712**
At 31 December 2019	**32,758**	**8,643**	**79,109**	**120,510**
Depreciation				
At 1 January 2019	**17,173**	**6,465**	**50,331**	**73,969**
Charge for the year on owned assets	**3,553**	**805**	**9,720**	**14,078**
At 31 December 2019	**20,726**	**7,270**	**60,051**	**88,047**
Net book value				
At 31 December 2019	**12,032**	**1,373**	**19,058**	**32,463**
At 31 December 2018	*11,929*	*2,096*	*17,804*	*31,829*

13. Fixed asset investments

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 January 2019	**18,004**	**350**	**18,354**
At 31 December 2019	**18,004**	**350**	**18,354**
Impairment			
Charge for the period	**-**	**350**	**350**
At 31 December 2019	**-**	**350**	**350**
Net book value			
At 31 December 2019	**18,004**	**-**	**18,004**
At 31 December 2018	*18,004*	*350*	*18,354*

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
CB Richard Ellis Limited	Property services	Ordinary	100%
CBRE Capital Advisors Limited	Financial Services	Ordinary	100%
CBRE Jersey Limited	Property Services	Ordinary	100%
CBRE Loan Services Limited	Property Services	Ordinary	100%
CBRE Indirect Investment Services Limited	Financial Services	Ordinary	100%
CBRE Management Services Limited	Management Services	Ordinary	100%
CBRE Financial Services Limited	Investment holding	Ordinary	100%
CBRE European Treasury Limited	Treasury management services	Ordinary	100%
Mareagle (Ireland)	Investment holding	Ordinary	100%
CBRE Services (Jersey) Limited	Estate agent and property management services	Ordinary	100%
CBRE Hotels Limited	Real estate brokerage	Ordinary	100%
Fintan Limited	Investment holding	Ordinary	100%
CBRE Global Investors Europe Holdings Limited	Investment holding	Ordinary	100%
CB Hillier Parker Pension Scheme Trustee Limited	Pension Fund Trustee	Ordinary	100%
Richard Ellis St Quintin Trustee Limited	Pension Fund Trustee	Ordinary	100%

All of the above subsidiary undertakings are incorporated in England and Wales with the exception of the following entities:

- CBRE Services (Jersey) Limited - Incorporated in Jersey
- CBRE Jersey Limited - Incorporated in Jersey
- Mareagle (Ireland) - Incorporated in Ireland

14. Debtors

	2019 £000	*2018 £000*
Due after more than one year		
Other debtors	**319**	*453*
	319	*453*

	2019 £000	*2018 £000*
Due within one year		
Trade debtors	**103,284**	*93,846*
Amounts owed by group undertakings	**509,190**	*475,403*
Other debtors	**34,970**	*23,973*
Prepayments and accrued income	**36,597**	*31,707*
Deferred taxation	**3,210**	*2,351*
	687,251	*627,280*

Amounts due from group companies are unsecured and repayable on demand.

15. Cash and cash equivalents

	2019 £000	*2018 £000*
Cash at bank and in hand	**85,501**	*87,671*
	85,501	*87,671*

16. Creditors: Amounts falling due within one year

	2019 **£000**	*2018* *£000*
Trade creditors	**6,416**	*2,444*
Amounts owed to group undertakings	**172,078**	*165,680*
Corporation tax and withholding tax	**142**	*152*
Other taxation and social security	**6,071**	*6,604*
Other creditors	**41,791**	*34,370*
Accruals and deferred income	**117,931**	*110,151*
	344,429	*319,401*

A loan for £98,440,566 (2018: £97,555,482) is owed to CBRE Finance II Limited, payable on demand. Interest is payable at an annual rate equal to LIBOR plus 5.079%.

17. Financial instruments

	2019 **£000**	*2018* *£000*
Financial assets		
Financial assets measured at fair value through profit or loss	**85,501**	*87,671*
Financial assets that are debt instruments measured at amortised cost	**680,493**	*1,056,910*
Financial assets that are equity instruments measured at cost less impairment	**-**	*350*
	765,994	*1,144,931*
Financial liabilities		
Financial liabilities measured at amortised cost	**(797,715)**	*(739,022)*

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and intercompany receivables.

Financial assets that are equity instruments measured at cost less impairment comprise of unlisted equity investments.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and intercompany payables.

18. Deferred taxation

18. Deferred taxation (continued)

Deferred taxation provided in the financial statements is as follows:

	2019 £000
At beginning of year	2,351
Credited to the profit or loss	858
At end of year	**3,209**

The deferred tax asset is made up as follows:

	2019 £000	*2018 £000*
Fixed asset timing differences	2,783	*1,972*
Other short term timing differences	427	*379*
	3,210	*2,351*

19. Provisions

	Provision for annuities £000	Provisions for onerous leases £000	Other provisions £000	Total £000
At 1 January 2019	671	1,168	666	2,505
Charged to profit or loss	409	(266)	(86)	57
Utilised in year	(342)	6	(580)	(916)
At 31 December 2019	**738**	**908**	**-**	**1,646**

20. Share capital

	2019 £000	*2018 £000*
Allotted, called up and fully paid		
6,000,104 *(2018 - 6,000,104)* Ordinary shares of £1.00 each	6,000	*6,000*

21. Reserves

Share premium account

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

Other reserves

The capital contribution reserve relates to restricted shares in CBRE Group, Inc. awarded to senior employees.

Profit and loss account

This includes all current and prior period retained profits and losses including accumulated actuarial gains and losses on the defined benefit pension schemes.

22. Share based payments

CBRE Limited operates two separate share based payment schemes, awards are made in either the form of Share Options or Restricted Shares in CBRE Group,Inc. There were no outstanding share options held by employees of CBRE Limited as at 31 December 2019 or 31 December 2018.

	2019 Number	*2018 Number*
Exercisable at the end of the year	**-**	*-*

Restricted Stock

Restricted stock units in CBRE Group, Inc are granted to senior employees. Fair Value is ascertained by reference to the listed share price at the date of grant. The vesting of the shares is dependent upon employees meeting service based vesting conditions with a maximum condition on the current outstanding shares of 4 years. If an employee leaves employment in the Company within the vesting period the shares are forfeited. There are no market based conditions to be met in order for the shares to vest and the exercise price of the shares is £nil. Details of the restricted stock units are summarised below:

	2019 £000	*2018 £000*
Outstanding at the beginning of the year	**156,460**	*209,867*
Granted during the year	**97,341**	*38,823*
Forfeited during the year	**(56,148)**	*(12,590)*
Vested during the year	**(10,805)**	*(79,640)*
	186,848	*156,460*

Included in wages and salaries is a total expense of restricted share awards of £2,546,797 (2018: £2,158,362) from transactions accounted for as equity settled share-based payment transactions.

23. Pension Commitments

Defined Benefit schemes

The Company operates two defined benefit pension schemes,. The CB Hillier Parker Pension Scheme and the Richard Ellis St Quintin Retirement Fund. Both pension schemes are closed to new members and with effect from 30 June 2007 the CB Hillier Parker Pension Scheme and the Richard Ellis St Quintin Retirement Fund transferred all active members to deferred and ceased accrual for future benefits.

The assets of each scheme are held in trustee administered funds, separated from the group's own resources. Contributions to the schemes are determined by independent qualified actuaries on the basis of periodic valuations using the projected unit method.

A summary of the actuarial gain, pension liability and pension reserve for both schemes can be found below:

	Actuarial gain/(loss) 2019 £000	Actuarial gain/(loss) 2018 £000	Pension liability 2019 £000	Pension liability 2018 £000	Pension Reserve 2019 £000	Pension Reserve 2018 £000
CB Hillier Parker Pension Scheme	**894**	**1,779**	**61,849**	**64,695**	**(106,578)**	**(107,472)**
Richard Ellis St Quintin Retirement Fund	**3,255**	**(1,925)**	**19,614**	**23,879**	**(31,754)**	**(35,009)**
Less: Deferred Tax	**(1,209)**	**(309)**	**(17,716)**	**(18,925)**	**10,070**	**11,279**
	2,940	**(455)**	**63,747**	**69,649**	**(128,262)**	**(131,202)**

The Company operates a Defined benefit pension scheme.

CB Hillier Parker Pension Scheme

The scheme was closed to new entrants in April 2002. Existing active members continued to accrue future service benefits under the rules of the scheme until 30 June 2007 when active members were transferred to deferred and the scheme ceased to accrue for future benefits.

The employer contribution for the year was £3,858,000 (2018: £3,738,000).

The pension charge to the Company for the year from the scheme was a cost of £1,906,000 (2018: £1,955,000).

The movement in the scheme liabilities and asset is as follow:

Reconciliation of present value of plan liabilities:

	2019 **£000**	*2018* *£000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**218,120**	*247,569*
Interest cost	**5,946**	*6,142*
Actuarial gains/losses	**23,988**	*(17,213)*
Benefits paid	**(8,286)**	*(18,378)*
At the end of the year	**239,768**	*218,120*

Reconciliation of present value of plan assets:

	2019 **£000**	*2018* *£000*
At the beginning of the year	**153,425**	*179,352*
Interest income	**4,157**	*4,300*
Return on assets, excluding interest income	**24,882**	*(15,434)*
Contributions	**3,858**	*3,738*
Benefits paid	**(8,286)**	*(18,378)*
Scheme Administrative cost	**(117)**	*(153)*
At the end of the year	**177,919**	*153,425*

. **Pension Commitments (continued)**

Composition of plan assets:

	2019 **£000**	*2018* *£000*
Diversified Growth Fund	**80,703**	*75,374*
Equity Linked LDI	**72,687**	*53,328*
Multi Asset Credit Fund	**12,231**	*11,445*
Fixed Income Global Fund	**11,948**	*11,397*
Cash	**350**	*1,881*
Total plan assets	**177,919**	*153,425*

	2019 **£000**	*2018* *£000*
Fair value of plan assets	**177,919**	*153,425*
Present value of plan liabilities	**(239,768)**	*(218,120)*
Net pension scheme liability	**(61,849)**	*(64,695)*

The amounts recognised in profit or loss are as follows:

	2019 **£000**	*2018* *£000*
Net interest on the net defined benefit liability	**1,789**	*1,842*
Service cost - administrative cost	**117**	*153*
Total	**1,906**	*1,995*

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £106,578k *(2018 - £107,472k).*

The Company expects to contribute £4,740k to its Defined benefit pension scheme in 2020.

. **Pension Commitments (continued)**

Principal actuarial assumptions at the Statement of Financial Position date:

	2019	*2018*
	%	*%*
Discount rate	**2.00**	*2.75*
Future salary increases	**N/A**	*N/A*
Future pension increases	**3.25**	*3.50*
Inflation assumption	**3.25**	*3.50*
Mortality rates (years)		
- for a male aged 60 now	**28.7**	*28.8*
- at 60 for a male aged 40 now	**30.2**	*30.3*
- for a female aged 60 now	**29.7**	*29.8*
- at 60 for a female member aged 40 now	**31.3**	*31.3*

Post retirement mortality assumptions in 2019 are using S2PA_L tables with allowance for future improvements from 2007 in line with CMI 2018 with a smoothing parameter (SK) of 8.5 and a long term annual improvement of 1.25% pa for males and females. (2018: S2PA_L tables with allowance for future improvements from 2007 in line with CMI 2017 with a smoothing parameter (SK) of 8.5 and a long term annual improvement of 1.25% pa for males and females).

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019	*2018*	*2017*	*2016*	*2015*
	£000	*£000*	*£000*	*£000*	*£000*
Defined benefit obligation	**(239,768)**	*(218,120)*	*(247,569)*	*(248,939)*	*(182,580)*
Scheme assets	**177,919**	*153,425*	*179,352*	*168,483*	*150,753*
Surplus	**(61,849)**	*(64,695)*	*(68,217)*	*(80,456)*	*(31,827)*

Richard Ellis St Quintin Retirement Fund

The scheme was closed to new entrants in April 1997 for the Richard Ellis scheme and March 1998 for the St Quintin scheme. Existing active members continued to accrue future service benefits under the rules of the scheme until 30 June 2007 when the active members were transferred to deferred and the scheme ceased to accrue for future benefits. In addition, a small number of former Richard Ellis directors who are currently in service were granted salary linkage on their accrued deferred pensions up to 30 June 2007.

The total employer contribution for the year was £1,696,000 (2018: £1,641,000).

The pension charge to the Company for the year from the scheme was a cost of £685,000 (2018: £1,420,000)

The movement in scheme liabilities and assets is as follows:

Reconciliation of present value of plan liabilities

	2019 **£000**	*2018* *£000*
At the beginning of the year	**85,540**	*89,817*
Interest cost	**2,308**	*2,206*
Actuarial (gains)/losses	**7,659**	*(3,477)*
Benefits paid	**(3,805)**	*(3,836)*
Past service cost	**-**	*830*
	91,702	*85,540*

Reconciliation of fair value of scheme assets

	2019 **£000**	*2018* *£000*
At the beginning of the year	**61,661**	*67,642*
Interest income	**1,667**	*1,663*
Return on assets, excluding interest income	**10,914**	*(5,402)*
Contributions	**1,696**	*1,641*
Benefits paid	**(3,805)**	*(3,836)*
Fund Administrative cost	**(44)**	*(47)*
At the end of the year	**72,089**	*61,661*

Composition of scheme assets

	2019 £000	2018 £000
Equity	-	-
Broad Bonds	-	-
Diversified Growth Fund	30,895	27,301
Equity Linked LDI	23,614	18,443
Multi Asset Credit Fund	13,362	11,925
Fixed Income Global Fund	4,140	3,711
Cash	78	281
	72,089	61,661

Scheme Assets

The fair value of assets in the scheme and the present value of the liabilities in the scheme at the balance sheet date were:

	2019 £000	2018 £000
Fair value of plan assets	72,089	61,661
Present value of plan liabilities	(91,703)	(85,540)
Net pension scheme liability	(19,614)	(23,879)

The amounts recognised in profit or loss are as follows:

	2019 £000	2018 £000
Service cost - including current & past service costs, settlements	-	830
Service cost - administrative cost	44	47
Net interest on the net defined benefit liability	641	543
Total	685	1,420

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £31,754k (2018: £35,009k).

The Company expects to contribute £1,695k to its Defined Benefit pension schemes in 2020.

Principal actuarial assumptions at the Statement of Financial Position date:

	2019	*2018*
	%	*%*
Discount rate	**2.75**	*2.50*
Future salary increases	**N/A**	*N/A*
Future pension increases in line with increase in RPI capped at 5% pa (LPI)	**3.30**	*3.30*
Inflation assumption (RPI)	**3.25**	*3.50*
Mortality rates		
- for a male aged 65 now	**23.9**	*24.0*
- at 65 for a male aged 45 now	**25.2**	*25.3*
- for a female aged 65 now	**24.9**	*25.0*
- at 65 for a female member aged 45 now	**26.4**	*26.5*

Post retirement mortality assumptions in 2019 are using S2PA_L tables with allowance for future improvements from 2007 in line with CMI 2018 model, with a smoothing parameter (SK) of 8.5 and long term annual rate improvement of 1.25% pa for males and females. (2018: S2PA_L tables with allowance for future improvements from 2007 in line with CMI 2017 model, with a smoothing parameter (SK) of 8.5 and long term annual rate improvement of 1.25% pa for males and females).

Amounts for the current and previous four periods are as follows:

	2019	*2018*	*2017*	*2016*	*2015*
	£000	*£000*	*£000*	*£000*	*£000*
Defined benefit obligation	**(85,540)**	*(89,817)*	*(89,390)*	*(73,698)*	*(73,698)*
Scheme assets	**61,661**	*67,642*	*64,109*	*56,627*	*56,627*
Deficit	**(23,879)**	*(22,175)*	*(25,281)*	*(17,071)*	*(17,071)*

Both final salary schemes are closed to new entrants, and under the method used to calculate pension costs, the cost as a percentage of covered pensionable payroll will tend to increase as the average age of membership increases.

Defined Contribution Schemes

The group operates three defined contribution schemes. It also makes contributions to group personal pension plans and holds an insurance policy to provide death-in-service benefits to pension scheme members. The assets of all schemes are held separately from those of the Company and are administered by the trustees.

The group operated a defined contribution scheme for employees of CBRE Limited. The scheme was closed in June 2001 and the liability for these members has been substantially extinguished from the scheme by payment of transfer values either to an arrangement of the member's choice or to a Section 32 policy with Friends Provident established by the trustees.

The group operates two defined contribution schemes for employees of CBRE Management Services Limited. The total pension charge for the year was £796,527 (2018: £668,794).

The total pension charge for the year for group personal plans was £8,470,559 (2018: £7,988,111). Contributions totalling £725,801 (2018: £985,017) were payable to the fund at the balance sheet date.

24. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	*2018 £000*
Property Leases		
Not later than 1 year	**13,650**	*14,111*
Later than 1 year and not later than 5 years	**52,144**	*52,730*
Later than 5 years	**82,762**	*31,446*
	148,556	*98,287*

	2019 £000	*2018 £000*
Other Leases		
Not later than 1 year	**544**	*452*
Later than 1 year and not later than 5 years	**218**	*343*
	762	*795*

25. Post balance sheet events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections now occurring worldwide. Measures taken by various governments to contain the virus have affected economic activity. We have taken several measures to monitor and prevent the effects of the COVID-19 virus. We will continue to follow the UK Government's policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people. We also refer to note 2.3 on the potential Going Concern impact.

The Coronavirus pandemic is classified as a non-adjusting post-balance sheet event for the 2019 financial statements. The overall impact of the Coronavirus pandemic, including the associated global economic crisis on the Company's financial performance and position cannot be reliably measured at this time although a significant reduction in the revenue and profitability of the company over the next 12-18 months is within the realistic range of possible future scenarios.

On 31 December 2020, an onerous lease provision of £8.8m was made on the St Martins Court office. This is a non COVID-19 related event and is in relation to the businesses strategy and forthcoming expansion of the Henrietta House office. Management's assessment has considered this to be a non-adjusting event.

As part of CBRE's global strategy, offices have been rationalised and CBRE Jersey Limited was identified as an office which was no longer required by the business. The entity was sold on 31 December 2020. Management's assessment has considered this to be a non-adjusting event.

26. Immediate and ultimate parent company

CBRE Holdings Limited, a company incorporated in England and Wales, is the immediate parent company.

The Directors regard CBRE Group, Inc., a company incorporated in the United States, as the ultimate parent company and ultimate controlling party. CBRE Group, Inc. is the parent company of the largest group of which the Company is a member and for which consolidated financial statements are drawn up.

Copies of the consolidated group financial statements for CBRE Group, Inc. are available from CBRE Limited, St Martin's Court, 10 Paternoster Row, London, EC4M 7HP.