

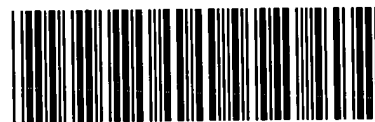
Company Registration No. 1232680

CBRE Global Investors (UK) Limited

Directors' Report and Audited Financial Statements

31 December 2020

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CBRE Global Investors (UK) Limited

Report and financial statements 2020

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CBRE Global Investors (UK) Limited

Officers and professional advisers

Directors

The directors who served during the year were:

RWI Dean	
PA Gibson	resigned 15 September 2020
H Marshall	
MA Ness	resigned 15 September 2020
M Chopra	appointed 15 September 2020

Registered office

Third Floor
One New Change
London
EC4M 9AF

Bankers

Bank of America N.A.
2 King Edward Street
London
EC1A 1HQ

National Westminster Bank Plc
City of London Office
1 Princes Street
London
EC2R 8PA

The Royal Bank of Scotland Plc
36 St. Andrews Square
Edinburgh
Scotland
EH2 2YB

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

CBRE Global Investors (UK) Limited

Strategic Report and Directors' Report

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

Results and dividends

The profit after tax for the year amounted to £3.6m (2019: £3.0m). The increase compared with prior year is due to a decrease in business expenses. No dividends were paid or proposed during the year (2019: £Nil).

Business review

CBRE Global Investors (UK) Limited ("the Company") is incorporated in England and Wales, and is a wholly owned subsidiary of CBRE Investment Management Limited (formerly known as CBRE Global Investors Limited). The Company acts as a property asset manager, undertaking portfolio management and management of collective investment schemes, and providing property advice.

The directors consider that this core activity will continue unchanged into the foreseeable future, however, fee income fluctuates according to the value of the assets under management. The trading results of the Company are shown in the Statement of Profit and Loss and Other Comprehensive Income on page 12.

The directors expect the level of activity to remain stable in the medium term.

Turnover and profits for the year were in line with expectations.

Risk management

The main risks and uncertainties facing the Company are as follows:

Strategic risks

These are principally the risk of the business declining due to external factors (for example a sustained fall in markets). We seek to manage such risks by being willing to change or adapt our products to meet market needs, constantly developing our research capability, monitoring tax and regulatory changes to assess their likely implications and controlling costs effectively. We regularly review investment performance and encourage a culture of open debate on investment strategy.

Impact of Novel Coronavirus (COVID-19)

Since COVID-19 was first reported, CBRE Investment Management (the "Firm") began closely monitoring the outbreak and took actions to respond. Given the Firm's role as a global investment manager, we continue to work actively with clients, tenants and vendors to coordinate our response and are following the guidance from global and regional health advisory agencies. The Firm also has a robust communications and safety programme in place for its employees to provide them with up-to-date information, guidance and resources as we track ongoing events and support preparedness and re-entry activities.

The Firm's business continuity programme ("BCP") was activated as soon as COVID-19 impacted the markets in which we operate. As part of the BCP, CBRE Global Investors has a Global Corporate Pandemic and Infectious Diseases Response Plan ("the Pandemic Plan") designed by CBRE Group, Inc ("CBRE") which we have been using to mitigate the impacts of COVID-19. The steps which we have taken since the beginning of COVID-19, which are covered in the Pandemic Plan include the following:

CBRE Global Investors (UK) Limited

Strategic Report and Directors' Report (continued)

- **Organization-wide guidance relating to travel restrictions and quarantine obligations**

We are adhering to applicable government restrictions on travel and public movement as well as requirements for quarantining and working from home.

All of CBRE Investment Management's employees based in EMEA, the United States and Canada began working from home on 16 March 2020. Any exceptions have had to be approved by a member of the Firm's Executive Committee ("EXCO"). In the Asia Pacific region, specific guidance was issued to each office regarding workplace protocols or work-from-home mandates based on the conditions and circumstances in each country which have changed as the pandemic has evolved in the region.

Some offices in Europe re-opened during summer 2020. All offices in North America, except for Los Angeles and Philadelphia, are open with restricted occupancy levels. Where offices have re-opened in all regions, attendance is voluntary and working from home is encouraged. Most employees globally continue to work from home.

All non-essential business travel worldwide was suspended. Essential business travel must be approved by a member of the EXCO. We have tracked and monitored employee health for those who have travelled, have symptoms, or have been diagnosed with COVID-19 or have been in direct contact with someone who has a confirmed COVID-19 case. We are requiring such employees to quarantine themselves from the workplace for a minimum of 14 days from the time of exposure and longer if symptomatic. We have a return-to-work protocol for all employees who have been quarantined, as well as notification procedures in the event of a confirmed case.

- **Regular assessment and monitoring of the situation globally by our Global Security & Crisis Management Team ("GS&CM")**

When it was recognized that COVID-19 had a significant impact on an area, the GS&CM engaged with local leadership to ensure that impacts on CBRE Global Investors, our clients, our tenants, our employees and our supply chain were minimized and properly managed.

- **Collaboration with other areas of the business on how best to manage the impacts of COVID-19 such as:**

- **Health, Safety and Environment ("HSE"):** We are adhering to governing requirements and have developed additional standards for our operations including:
 - i. Pandemic and infectious diseases cleaning standards,
 - ii. Risk assessments for potential exposures,
 - iii. Evacuation of confirmed/suspected COVID-19 cases,
 - iv. Temperature screening in affected cities (where mandated by local law), and
 - v. Personal hygiene and mask standards.

In addition, CBRE is conducting HSE briefings with our tenants, issuing regular safety alerts regarding hygiene controls and staying in close contact and coordination with supply chain vendors.

CBRE Global Investors (UK) Limited

Strategic Report and Directors' Report (continued)

- **People (Human Resources):** As previously mentioned, all the Firm's employees based in EMEA, North America and Canada began working from home on 16 March 2020, and this continues to be the case overall. In the Asia Pacific region, specific guidance was issued to each office regarding workplace protocols or work-from-home mandates based on the conditions and circumstances in each country which have changed as the pandemic has evolved in the region.
 - **Operations:** We continue to source supplies for critical operational workers, including personal protective equipment and other essential supplies such as hand sanitizers, thermometers and disinfectant cleaning products. These items are provided to employees returning to offices.
 - **Procurement:** We worked with suppliers in affected locations to ensure their Business Continuity Plans were in place and their level of response was aligned to our requirements.
 - **Regularly update staff** on decisions made for their safety and security and post information and resources on the Firm's intranet site on how to manage COVID-19 impacts.
- **Managing any specific local impacts or questions related to the COVID-19 outbreak**

To maintain contact with our team members, CBRE utilizes a mass notification system which targets numerous devices including home, mobile and work phones, as well as business and personal e-mail. Based on the scope and the severity of an incident, this system can be activated 24/7 by any member of the business continuity team.

Additionally, we have considered the potential impact of COVID-19 on economic growth and real assets performance and have incorporated those impacts into our semi-annual Global House Views process. Throughout this period, the CBRE Global Investors' Global Investment Committee ("GIC") has met with increased frequency to discuss the latest market intelligence from our teams and have adjusted our House Views as necessary. We are committed to being transparent with our clients about how the evolving situation is affecting the current and projected performance of our portfolios of real assets, and we circulate ad hoc briefing notes as required.

Global Economy & Regulatory Environment

The range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. The effect of any such political, regulatory, economic or market outcomes on CBRE Global Investors UK could be adverse.

Property Valuation Risk

Holdings of property are inherently difficult to value due to the lack of marketability. As a result, estimates of valuation of investment are subject to substantial uncertainty and hence there is no assurance that the estimates resulting from the valuation process of investments will reflect the actual sales price even where such sales occur shortly after the valuation date.

Financial Condition of Tenants

Adverse changes in the financial condition of any tenant may have an adverse effect on the ability of CBRE Investment Management UK to collect rent payments. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences. Additionally, as a result of Covid 19, the UK Government has banned the forfeiture of commercial leases until the end of March 2021.

CBRE Global Investors (UK) Limited

Strategic Report and Directors' Report (continued)

UK's Exit from the European Union (Brexit)

On 29 March 2017, the UK formally notified the European Commission (EC) of its intention to leave the European Union (EU) ("Brexit"). Under the process for leaving the EU contemplated in Article 50 of the Treaty on the functioning of the EU, the UK left the EU on 31 January 2020 and entered an 11 months transitional period. On 24 December 2020, the EU and the UK finally agreed a deal that will define their future relationship, which came into effect at 23.00 GMT on 31 December 2020.

Certain of the investments made or managed by the Company on behalf of clients and funds may be located in the U.K. or European Union, and they may, as a result, be affected by the events described above.

The medium to long impact of such events on the Company as investment manager is difficult to predict but there may be detrimental implications for the value of certain of the investments managed by the Company, or its ability to enter into transactions or to value or realise such investments. This may be due to, among other things: (i) increased uncertainty and volatility in U.K. and European Union financial markets; (ii) fluctuations in the market value of sterling and of U.K. and European Union assets; (iii) fluctuations in exchange rates between sterling, the euro and other currencies; and/or (iv) increased illiquidity of investments located or listed within the U.K. or the European Union.

As at 31 December 2020, the Company ceased to benefit from the EU marketing passport to market some of its funds to professional investors within the meaning of AIFMD (the Alternative Investment Fund Managers Directive) in Member States pursuant to Articles 31 and 32 of AIFMD and instead has to place reliance on the national private placement regime route to market its funds in the specific EU jurisdiction in which there is investor demand for its products.

The effect of the risks outlined above, could also be to increase compliance and operating costs for the Company. Any of these risks, taken singularly or in the aggregate, could have a material adverse effect on the Company's business, financial position and the performance of the investments it manages.

Litigation

In the ordinary course of their business, CBRE Investment Management UK may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the profitability of CBRE Investment Management UK. Any material litigation may consume substantial amounts of time and attention and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Cyber security risk

CBRE Investment Management UK increasingly depends on complex information technology and communication systems to conduct business functions. These systems are subject to various threats or risks that could adversely affect the business of CBRE Investment Management UK. A successful penetration or circumvention of the security of CBRE Investment Management UK's systems could result in the loss or theft of a client or investor's data, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with systems repairs. Such incidents could cause CBRE Investment Management UK to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

CBRE Global Investors (UK) Limited

Strategic Report and Directors' Report (continued)

Operational risks

The main risks we seek to control are operational risks. We aim to operate controls to ensure that the residual risk is minimised and consistent with providing high levels of service. The Company holds professional indemnity insurance to mitigate the residual risk of loss from such errors. Controls in place within the business to mitigate the risks arising from operational failures are set out in the AAF01/ISAE3402 Reports on Internal Controls.

The operations of the Company and third party providers are subject to reviews by its Operational Risk Committee. Policies and procedures combined with staff appraisals and training are used to ensure that the Company retains highly trained staff to reduce operational and business risks.

Liquidity risks

The Company maintains a healthy cash position and has sufficient resources to meet its current obligations. We seek to manage liquidity risk by ensuring that invoices are raised and collected in a timely manner.

A decline in property values or loss of key clients will impact on fee income nevertheless the business is not exposed to significant long-term costs. This is vigorously and regularly reviewed by the Company. As a result of COVID-19, the directors have further stress-tested the liquidity risk of the Company as outlined in note 1.

Key performance indicators

The following KPI's are used to measure the performance of the Company:

- Revenue is monitored to measure the growth of the business; in 2020 it increased from £10.6m to £10.7m, a rise of 1%, due to higher management fees earned on assets under management.
- Operating profit reflects the overall profitability of the Company; this has increased from £3.8m to £4.4m due to a decrease in business expenses.

Going Concern

As discussed in note 1 to the financial statements, the Directors have assessed going concern and reviewed the financial position of the Company including future plans and taking into account the reasonably possible downsides. These indicate the Company will have sufficient funds to meet its liabilities as they fall due for a period beyond 12 months from the date of their approval of these financial statements. As a result, the financial statements have been prepared on a going concern basis.

In addition, CBRE Limited has indicated its intention to make available financial support as needed by the Company. The Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

CBRE Global Investors (UK) Limited

Strategic Report and Directors' Report (continued)


Directors' statement as to disclosure of information to auditors

The directors who held office at the date of approving the directors' report confirm that:

- So far as they are aware, there is no relevant audit information of which the Company's auditors are unaware.
- Each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the Companies Act 2006.

Approved by the Board of directors and signed on behalf of the Board.

DocuSigned by:

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H Marshall
Director
24 September 2021

Company Registration No. 1232680
Registered Address: Third Floor, One New Change, London, EC4M 9AF

CBRE Global Investors (UK) Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBRE GLOBAL INVESTORS (UK) LIMITED

Opinion

We have audited the financial statements of CBRE Investment Management Limited (formerly known as CBRE Global Investors (UK) Limited) ("the Company") for the year ended 31st December 2020 which comprise Statement of profit and loss and other comprehensive income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentations to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any usual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBRE GLOBAL INVESTORS (UK) LIMITED (Continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, our overall knowledge of the control environment we perform procedures to address the risk of management override of controls, in particular management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, employment law, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBRE GLOBAL INVESTORS (UK) LIMITED (Continued)

- 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, 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.

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.



Mark Noonan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
29 September 2021

CBRE Global Investors (UK) Limited

Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2020

	Note	2020 £	2019 £
Revenue	2	10,679,935	10,556,569
Administrative expenses	4, 5	<u>(6,544,590)</u>	<u>(7,048,784)</u>
Trading profit		4,135,345	3,507,785
Other operating income	3	<u>253,481</u>	<u>256,932</u>
Operating profit		4,388,826	3,764,717
Finance income		<u>49,375</u>	<u>147,825</u>
Profit on ordinary activities before taxation		4,438,201	3,912,542
Income tax expense	6	<u>(837,697)</u>	<u>(923,624)</u>
Profit for year		<u>3,600,504</u>	<u>2,988,918</u>

All operating profit is derived from continuing operations in the UK. The net profit for the year is attributable to the ordinary shareholder. There are no minority interests. The Company does not have any other recognised gains or losses.

Notes on page 15 to page 23 form part of these financial statements.

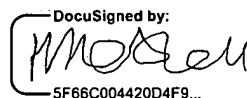
CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

Balance sheet
at 31 December 2020

	Note	2020 £	2019 £
Non-current assets			
Investments	7	81,003	81,003
Deferred tax asset	8	<u>46,401</u>	<u>47,397</u>
		<u>127,404</u>	<u>128,400</u>
Current assets			
Trade and other receivables	9	5,651,547	6,213,057
Cash and cash equivalents		<u>26,707,555</u>	<u>24,652,089</u>
		<u>32,359,102</u>	<u>30,865,146</u>
Total assets		<u>32,486,506</u>	<u>30,993,546</u>
Equity and Liabilities			
Current liabilities			
Trade and other payables	10	7,243,172	9,350,716
Total liabilities		<u>7,243,172</u>	<u>9,350,716</u>
Equity			
Called up share capital	11	213,000	213,000
Share premium		19,800	19,800
Retained earnings		25,010,534	21,410,030
Total Equity		<u>25,243,334</u>	<u>21,642,830</u>
Total Equity and Liabilities		<u>32,486,506</u>	<u>30,993,546</u>

Notes on page 15 to page 23 form part of these financial statements.
 These financial statements were approved by the board of directors on 24 September 2021

Signed on behalf of the Board of Directors

DocuSigned by:

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H Marshall
 Director
 Company Registration No. 1232680

CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

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

	Issued Capital	Share Premium	Retained Earnings	Total Equity
	£	£	£	£
At 1 January 2020	213,000	19,800	21,410,030	21,642,830
Profit for the year	-	-	3,600,504	3,600,504
At 31 December 2020	<u>213,000</u>	<u>19,800</u>	<u>25,010,534</u>	<u>25,243,334</u>

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

	Issued Capital	Share Premium	Retained Earnings	Total Equity
	£	£	£	£
At 1 January 2019	213,000	19,800	18,421,112	18,653,912
Profit for the year	-	-	2,988,918	2,988,918
At 31 December 2019	<u>213,000</u>	<u>19,800</u>	<u>21,410,030</u>	<u>21,642,830</u>

Notes on page 15 to page 23 form part of these financial statements.

CBRE Global Investors (UK) Limited

Year ended 31 December 2020

Notes to the financial statements (continued)

1 Accounting policies

Basis of preparation

CBRE Global Investors (UK) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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.

These financial statements were prepared in accordance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is Sterling, rounded to the nearest pound. These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These financial statements do not contain areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Company's ultimate parent undertaking, CBRE Group Inc., includes the Company in its consolidated financial statements. The consolidated financial statements of CBRE Group Inc. are available to the public and may be obtained from the address given in note 14. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) 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 period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

Going concern

The Company holds net assets of £25,243,334 as at 31 December 2020 (2019: £21,642,830), profit for the year then ended of £3,600,504 (2019: £2,988,918), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have assessed going concern and reviewed the financial position of the Company including future plans and taking into account the reasonably possible downsides. These indicate the Company will have sufficient funds to meet its liabilities as they fall due for a period beyond 12 months from the date of their approval of these financial statements. As a result, the financial statements have been prepared on a going concern basis.

In addition, CBRE Limited has indicated its intention to make available financial support as needed by the Company. The Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

CBRE Global Investors (UK) Limited

Year ended 31 December 2020

Notes to the financial statements (continued)

1 Accounting policies (continued)

Revenue recognition

Revenue comprises commissions, fees and related income exclusive of VAT for property investment management services. Fee income is recognised on an accruals basis. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Income and expenses

Income and expenses are included in the Statement of comprehensive income on an accruals basis. All of the Company's income and expenses are derived from continuing operations

Foreign exchange

Foreign exchange differences are taken to the income statement in the year in which they arise.

Taxation

Current tax including UK Corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

Employee benefit trust

The Company has established an employee benefit trust to provide compensation to employees. The assets and liabilities of the trust that are unvested with employees are recorded as the Company's own assets and liabilities. The cost of funding the trust is charged to the income statement in the year arrangements are entered into.

2 Revenue

	2020 £	2019 £
Management fees	10,494,941	10,354,425
Transaction fees	116,025	79,724
Incentive fees	68,969	122,420
	<u>10,679,935</u>	<u>10,556,569</u>

3 Other operating income

	2020 £	2019 £
Insurance overage	<u>253,481</u>	<u>256,932</u>

4 Staff costs

The Company had no employees (2019: nil) and no direct staff costs in the current or preceding year. Directors' remuneration is disclosed in note 13. An affiliated company, CBRE Investment Management Limited (formerly known as CBRE Global Investors Limited), carries out all the administration on behalf of the Company and, therefore, it makes a charge for these services..

5 Auditors' remuneration

Auditors' remuneration of £22,560 (2019: £19,550) for the statutory audit of these financial statements pursuant to legislation was borne in the current and preceding year by CBRE Investment Management Limited (formerly known as CBRE Global Investors Limited), the immediate parent company.

CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

6 Taxation on profit on ordinary activities

	2020 £	2019 £
<u>Current Tax</u>		
UK Corporation tax at 19.00% (2019: 19.00%) based on adjusted profit for the period	836,701	730,877
Adjustment in respect of previous periods	-	(2,128)
	<u>836,701</u>	<u>728,749</u>
<u>Deferred Tax</u>		
Origination and reversal of temporary differences	6,572	16,007
Adjustment in respect of previous periods	-	178,868
Effect of rate change	(5,576)	-
	<u>996</u>	<u>194,875</u>
 Tax on profit on ordinary activities	 <u>837,697</u>	 <u>923,624</u>

The total tax charge for the period is lower (2019: higher) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
<i>Total tax reconciliation</i>		
Profit on ordinary activities before tax	4,438,201	3,912,542
Tax on profit on ordinary activities at standard UK corporation tax rate at 19.00% (2019: 19.00%)	843,258	743,383
<i>Effects of:</i>		
Expenses not deductible for tax purposes	29	5,385
Adjustments to brought forward values	(14)	-
Group relief (claimed)/surrendered	(836,701)	-
Payment/(receipt) for group relief	836,701	-
Adjustments in respect of previous periods	-	176,740
Effect of rate change	(5,576)	(1,884)
Total tax charge	<u>837,697</u>	<u>923,624</u>

CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

7 Fixed asset investments

	2020 £	2019 £
Interests in group undertakings		
Cost at 1 January	81,003	81,003
Disposal	-	-
Cost at 31 December	<u>81,003</u>	<u>81,003</u>

Investments in group undertakings are set out below:

	Country of registration or incorporation	Description of shares held (ordinary shares of £1)	Proportion of nominal value of issued shares held
CBRE Investment Management (UK Funds) Limited (formerly known as CBRE Global Investors (UK Funds) Limited)	England and Wales	70,000 at £1	100%
CBRE UK Property Fund (General Partner) Limited	England and Wales	1,000 at £1	100%
Partnership Shares Limited	England and Wales	2 at £1	100%
CBRE Investment Management (UK Investments) Limited (formerly known as CBRE Global Investors (UK Investments) Limited)	England and Wales	1 at £1	100%
CBRE Global Investors (Guernsey) Limited	Guernsey	10,000 at £1	100%

CBRE Investment Management (UK Funds) Limited acts as a property asset manager and operator, and is a Financial Conduct Authority regulated company.

CBRE UK Property Fund (General Partner) Limited acts as general partner to the CBRE UK Property Fund.

Partnership Shares Limited holds shares in CBRE UK Property Income (General Partner) Limited.

CBRE Investment Management (UK Investments) holds investments in unit trusts which invest in and manage property assets.

CBRE Global Investors (Guernsey) Limited acts as manager to several Guernsey-registered unit trusts.

CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

8 Deferred taxation asset

	2020	2019
	£	£
At 1 January	47,397	242,272
Charge to the profit and loss for the year	(996)	(194,875)
At 31 December	<u>46,401</u>	<u>47,397</u>

Budget 2021 announced that the UK corporation tax rate was to increase from 19% to 25% with effect from 1 April 2023. A small profits rate of 19% applies for taxable profits of £50,000 or less and a tapered rate will apply to companies with taxable profits between £50,001 and £249,999. This provision was substantially enacted on 24 May 2021, after the end of the accounting period, and so deferred tax closing balances have been calculated at 19%. Had the 25% rate been applied instead the closing deferred tax asset would have increased by £14,653 to a £61,054 asset.

9 Trade and other receivables

	2020	2019
	£	£
Amounts owed by group undertakings	2,281,052	877,553
Prepayments and accrued income	2,718,945	4,673,245
Assets held in employee benefit trust	651,550	662,259
	<u>5,651,547</u>	<u>6,213,057</u>

CBRE Global Investors (UK) Limited
Year ended 31 December 2020
Notes to the financial statements (continued)

10 Trade and other payables

	2020 £	2019 £
Current liabilities: amounts due within less than one year		
Amounts owed to group undertakings	6,501,708	8,597,065
Other taxation and social security payable	-	-
Obligations under employee benefit trust	651,550	662,259
Other payables	89,914	91,392
	<u>7,243,172</u>	<u>9,350,716</u>
Current liabilities		

11 Share capital

	2020 £	2019 £
Authorised		
165,000 'A' ordinary shares of 30p each	49,500	49,500
165,000 'B' ordinary shares of 10p each	16,500	16,500
200,000 'D' ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
	<u>266,000</u>	<u>266,000</u>
Issued and fully paid		
100,000 'A' ordinary shares of 30p each	30,000	30,000
100,000 'B' ordinary shares of 10p each	10,000	10,000
173,000 'D' ordinary shares of £1 each	<u>173,000</u>	<u>173,000</u>
	<u>213,000</u>	<u>213,000</u>

The 'A' and 'B' shares rank pari passu as regards any profits to be distributed by the Company, regardless of nominal value. They carry one vote per share. On return of assets the 'A' and 'B' shares rank equally and are due a sum equivalent to the amounts originally subscribed for or credited as paid up in respect of each share, including any premium.

Each share is due a proportion of any future distributed reserves calculated pro-rata to the original values of each share, subject to the intervening rights of the 'D' shares.

The 'D' shares have no voting rights and no right to a dividend. On liquidation they have the right to a repayment of the original capital paid up only after there has been a distribution of £300 in respect of each 'A' and 'B' share and are not entitled to participate further in any surplus. Accordingly shareholders' funds attributable to the 'D' shares are £nil (2019: £nil).

CBRE Global Investors (UK) Limited

Year ended 31 December 2020

Notes to the financial statements (continued)

12 Financial risk management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. This is significant in relation to the financial institutions where the Company holds bank accounts. This risk is mitigated by the Company's policy of only dealing with creditworthy counterparties, specifically institutions with high credit ratings assigned by international credit rating agencies. In addition, the Company's clients are subject to rigorous acceptance procedures and concentration of credit risk is limited due to the large client base. Details of the Company's receivables are summarised in note 9 of these financial statements. Amounts due to and from fellow CBRE Group companies are monitored and settled regularly. There is not considered to be any significant increase in this credit risk as a result of COVID-19.

Liquidity risk

The Company manages liquidity risk by maintaining a healthy cash position through continuously monitoring cash flow and funding needs. The Company maintains sufficient resources to meet its cash obligations without relying on any form of borrowing facility. Those assets held by the Company which could be relied on for additional liquidity are third party and intercompany receivables. The Company ensures that these receivables are promptly and easily converted to cash by ensuring that invoices are raised and cash collected against these in a timely manner. The nature and status of the clients of the Company means it does not have any difficulty with recoverability of trade receivables. The Company also has policies in place to ensure that all payables are paid within the pre-agreed credit terms. As a result of COVID-19, the directors have further stress-tested the liquidity risk of the Company as outlined in note 1.

Market risk

The Company manages UK real estate investments on behalf of third-party clients and the majority of the Company's income is calculated on the gross asset value of those investments. As such, the Company's income will fluctuate in accordance with UK real estate valuations. The business plans and cashflows prepared in the light of COVID-19 have included downside risk as a result of increased uncertainty around UK real estate valuations.

Foreign currency risk

The Company does not hold any foreign currency bank accounts or other assets or liabilities and therefore is not exposed to foreign currency risk. There is no additional impact here as a result of the COVID-19 outbreak.

Interest rate risk

The Company does not have any borrowing facilities and therefore its only exposure is to negative movements in deposit rates. However, interest rates are low and the Company is not significantly exposed.

CBRE Global Investors (UK) Limited

Year ended 31 December 2020

Notes to the financial statements (continued)

13 Related parties

The Company is exempt under FRS 102 from having to disclose transactions with other wholly-owned members of the group, on the basis that it is a wholly-owned subsidiary of CBRE Group Inc., whose consolidated financial statements are publicly available.

Related parties which are not fellow subsidiaries are Limited Partnerships and Unit Trusts which have been identified as related parties due to the relationship between these entities and the Company as their investment manager, and in some cases due to a fellow group company being General Partner or Trust Manager to these entities. During the year, the Company entered into the following transactions with related parties:

	2020	2019
	£	£
Trading transactions		
Related parties not members of CBRE Group Inc:		
Fees earned for investment management services provided	<u>5,035,892</u>	<u>5,672,702</u>

No amounts were outstanding at the balance sheet date in either 2020 or 2019.

Some directors of the Company are also directors of the parent company and fellow subsidiaries. The directors received remuneration for their services to the group and in total for 2020 this was £2,530,024 (2019: £3,146,629) all of which was paid by CBRE Investment Management Limited (formerly known as CBRE Global Investors Limited), the parent company. Included in this amount are Company pension contributions of £67,091 (2019: £97,589). The highest paid director in the year was paid £951,919 (2019: £1,009,573). Included in this amount are Company pension contributions of £29,313 (2019: £34,028). The directors do not believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of the parent and fellow subsidiary companies.

No other transactions were entered into with any directors.

Loans to related parties

The Company did not have any loans with related parties at the current or prior year end or during the year.

14 Parent company

The immediate parent company is CBRE Investment Management Limited (formerly known as CBRE Global Investors Limited).

The ultimate parent and ultimate controlling party is CBRE Group Inc., a company incorporated in the United States of America. This is the largest and smallest company for which consolidated accounts are prepared.

The consolidated group financial statements of CBRE Group Inc. are available from www.cbre.com.