

**Company Registration No. 06430656**

**Colliers Capital Holdings Limited**

**Annual Report and Financial Statements for  
the year ended 31 December 2020**

COMPANIES HOUSE

**30 SEP 2021**

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# **Colliers Capital Holdings Limited**

## **Annual report and financial statements For the year ended 31 December 2020**

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# **Colliers Capital Holdings Limited**

## **Officers and professional advisers**

### **For the year ended 31 December 2020**

#### **Directors**

N Holroyd  
D Amel-Azizpour

#### **Registered office**

50 George Street  
London  
W1U 7GA

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants  
1 Embankment Place  
London WC2N 6RH  
United Kingdom

# **Colliers Capital Holdings Limited**

## **Strategic Report**

### **For the year ended 31 December 2020**

#### **Strategic Report**

The Directors present their strategic report and the audited financial statements for Colliers Capital Holdings Limited (the "Company") for the year ended 31 December 2020.

#### **Principal activities of the Company**

The principal activity of the Company is as property consultants providing a comprehensive range of agency, strategic, advisory and implementation services to property owners, investors, developers and occupiers primarily in the United Kingdom. The Company continues to operate within its principal activities and is forecasting continuing cash and profit generation over the coming years. The Company is registered with the Financial Conduct Authority (FCA – Reference No.583334). The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England.

#### **Review of the business and future prospects**

The Company commenced trading on 1 May 2013. 2020 saw a 21% decrease in turnover year on year whilst operating profit decreased to £405k (2019: £884k).

The directors are pleased with the performance of the business in 2020.

Following the year end the Company continues to be exposed to the adverse impact of Covid -19 to its business operations. It is however a well-balanced business (Fund management contracted income plus transactional fees) with budgets (which show a strong profit margin for 2021) prepared each year, principally based on contracted annual income streams.

Transactional market activity in 2020 was down substantially on previous years as a result of Covid-19 and 2021 could too be a challenging year whilst funds and investment committees delay committing to long term strategic investment decisions. However, the cost base of the Company remains steady and if transactional market activity returns then any additional deals brokered will all represent additional profit over the agreed 2021 business plan.

#### **Key performance indicators (KPIs) and results highlights**

The performance of the Company is measured by the directors and the executive management team through a series of key performance indicators. The principal measurements used to assess performance are profit on ordinary activities before taxation and revenue; both of which are deemed to be satisfactory for the year. Non-financial KPIs are not deemed necessary for this entity on the basis that there are no employees and the revenue streams consist of contractual income from a limited number of contracts.

Revenue achieved in the year was £1.7m (2019: £2.2m) showing a decrease of 21% (2019: 3%).

Operating profit decreased by £479k to £405k but this still delivered an operating profit margin for 2020 of 24%. The decrease in profitability was driven by the suppressed transactional market activity as a result of Covid-19 but the Directors are pleased to report an increase in underlying profitability on core contractual income driven by cost efficiencies implemented in response to the Global pandemic.

A dividend of £550k has been declared for the year ended 31 December 2020 (2019: £nil).

# **Colliers Capital Holdings Limited**

## **Strategic Report**

### **For the year ended 31 December 2020**

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

The directors and executive management team regularly monitor and manage potential risks and uncertainties within the Company.

A principal risk is the general health of the UK economy which has been negatively affected for a sustained period, firstly from Brexit uncertainty and more recently by Covid-19. The Company regularly monitors revenue and cost performance and implements operational changes as necessary.

#### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on its financial performance by monitoring levels of debt finance.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

##### **Credit risk**

The Company does not provide credit terms to any customers for its contracted annual income. Payments terms are immediate for all invoices. On transactional fees the Company's finance department on occasion may consider whether to allow credit terms based on a market assessment of the credit profile of the intended customer.

##### **Liquidity risk**

The Company does not have direct cash receipts and does not directly settle supplier invoices. Sales invoices are collected and expenditure is incurred by the immediate parent Company, Colliers International Property Consultants Limited ('CIPCL'). Cash transactions incurred by the immediate parent are settled through intercompany. The immediate parent Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the Company has sufficient available funds for operations and planned expansions.

##### **Price risk**

The Company is not exposed to any price risk.

##### **Interest rate risk**

The Company can benefit from a facility secured by the immediate parent Company that provides debt finance and thus interest bearing liabilities. The Company does not have a specific policy for interest rate hedging but the directors review the appropriateness of this stance and will look to formalise a policy should the Company's operations change in size or nature.

The board of Directors of the Company consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole. In doing this, the Directors have had regard to the stakeholders and amongst other matters to those set out in s172(1) (a-f) of the Act in the decisions taken during the year end 31 December 2020:

- (a) likely consequences of any decisions in the long term;
- (b) interests of the Company's employees;
- (c) need to foster the Company's business relationships with suppliers, customers and others;
- (d) impact of the company's operations on the community and the environment,
- (e) Company's reputation for high standards of business conduct, and
- (f) need to act fairly as between members of the company.

# Colliers Capital Holdings Limited

## Strategic Report

### For the year ended 31 December 2020

The disclosures set out on this page are some examples of how the Directors have had regard to the matters set out in s172 (1)(a-f) as listed above when discharging their duties. A number of the items below represent the central measures taken across the group of Colliers International Property Advisers UK LLP and its subsidiaries operating in the UK (including the Company) and references below to the Colliers International UK business or similar are to be taken in this context.

#### Governance

The board of Directors meet regularly throughout the year to discuss the operations of the business focusing on all of our Stakeholders. The Directors' intention is to behave responsibly toward shareholders and treat them fairly and equally, so they too benefit from the successful delivery of the Company's plan. Ensuring the Colliers International UK business maintains high standards of business conduct is a key consideration and this is demonstrated by, for example, the maintenance of the following certifications: ISO 9001 (quality system certification), ISO 22301 (business continuity management), ISO 27001 (information security management), ISO 14001 (environmental system certification) and ISO 45001 (safety system certification).

#### Finance

In response to changes in the economic outlook arising from Brexit uncertainty the original 2019 business plan was revisited by the Directors on five separate re-forecasts throughout the year to consider the potential impact on the business and to identify responses required to market change and sentiment. The ultimate aim of this was of course to safeguard the long term success of the Company. As can be seen in the results for the period despite a fall in fee income, margin delivery was improved as part of a comprehensive operating cost review undertaken across Colliers International's operations in the UK.

#### Engaging with customers

Creating and fostering long term relationships with the Company's clients is of paramount importance. The Colliers International UK business keeps in constant contact with all of its customers and seeks regular feedback to appraise its performance upon delivery of its services. This feedback is vital to improving the service offering. An internal client engagement board focuses on all areas of customer experience and translating feedback into positive change where required.

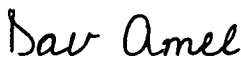
#### Engaging with employees

The aim of the Colliers International UK business is to articulate its values to all of its staff and the UK business plan is displayed prominently across its estate so that all employees are working towards a common goal. During the year, employee engagement surveys were conducted and in 2020 the Colliers International UK business initiated a promotion of mental health awareness and created a new balance in business initiative focusing on diversity and inclusion. The Colliers International UK business provides specialist tailored training to all staff through its dedicated learning and development function as well as making significant online development resources available including the Colliers International global initiative of "Colliers University".

#### Community and environment

Community is one of the Colliers International UK business's core values and it has a sustainability steering group and charity committee to assist in promoting and demonstrating such values. The Colliers International UK business holds a certification in ISO 14001 (environmental system certification).

Approved by the Board and signed on its behalf by



D Amel-Azizpour

Director

Date: 30 April 2021

# **Colliers Capital Holdings Limited**

## **Directors' report**

### **For the year ended 31 December 2020**

The Directors present their report and the audited financial statements for Colliers Capital Holdings Limited (the "Company") for the year ended 31 December 2020.

#### **Results and dividends**

The results for the year can be seen on page 10 of these financial statements. A dividend of £550k has been recommended and declared by the Directors for the year ended 31 December 2020 (2019: £nil).

During the year the company changed its trading name to Colliers Global Investors, effective from 31 July 2020; the legal structure of the company remains the same and there is no impact on its statutory status.

#### **Environment matters**

The Company understands the importance of its impact on the environment and implements policies to minimise damage that may be caused by its activities. The Company is exempt from disclosing its energy and carbon report within these financial statements on the basis that it is included within the consolidated financial statements within the group, Colliers International Property Advisors UK LLP.

#### **Political donations and political expenditure**

No political donations were made during the year (2019: £nil).

#### **Pillar III Disclosures**

The Company is authorised by the Financial Conduct Authority ('FCA') and has prepared a Capital Directive Pillar III disclosure document. A copy of this unaudited disclosure can be obtained from the Company's website at [www.colliersglobalinvestors.com](http://www.colliersglobalinvestors.com).

#### **Going Concern**

Subsequent to the year ended 31 December 2020, and as at the date of approval of these financial statements, the Company remains exposed to adverse impact of Covid-19 to its business operations. As such the Directors have undertaken a thorough review of the impact of Covid-19 on its business, customers, suppliers and staff to critically assess the appropriateness of the going concern assumption. In doing so, the Directors of the Company considered the existing client base and strength of the contractual income of the Company and assessed the risk of potential loss of its revenues due to Covid-19 and pandemic.

Additionally, the Directors have prepared detailed forecasts covering a period of at least 12 months from the date of signature of these Financial Statements as well as assessing the availability of cash resources to fulfil its financing requirements and in view of uncertain market conditions. Further, Colliers International Property Consultants Limited ('CIPCL'), immediate parent undertaking, directly incurs the majority of fixed and variable costs of the Colliers International UK business and reimburses the appropriate portion to the other group companies, including Colliers Capital Holdings Limited ('CCH'). A letter has been received from CIPCL which confirms that, CIPCL would not seek reimbursement of the expenses as at the date of financial statement from CCH in the event that CCH's revenues are reduced to the extent that the liability for the expenses would directly cause CCH to become insolvent, for a period of at least 12 months from the date of signing of these financial statements. Having completed this their review operational and financial impact on the Company, it remains the view of the Directors that the Going Concern assumption for the basis of preparation of these Financial Statements remains appropriate.

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

Refer to the Strategic report for disclosures made on risks and uncertainties.

#### **Future developments**

An analysis of future developments has been included in the Strategic report.

#### **Directors' and officers' liability insurance**

The Company maintained throughout the year, and continues to maintain, qualifying third party indemnity insurance covering the Directors of the Company.

#### **Financial risk management**

Refer to the Strategic report for disclosures made on risk management.

# Colliers Capital Holdings Limited

## Directors' report

### For the year ended 31 December 2020

#### Key performance indicators (KPIs)

An analysis of the Company's KPI's has been included in the Strategic report.

#### Directors

The Directors who have served throughout the year and up to the date of signing the financial statements are as follows:

N Holroyd  
D Amel-Azizpour

#### Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- 1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
  - 2) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, 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 the financial statements, the directors are required to:

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

The directors 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. 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.

#### Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board and signed on its behalf by

D Amel-Azizpour

Director

Date: 30 April 2021

*Sav Amel*





# Independent auditors' report to the members of Colliers Capital Holdings Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Colliers Capital Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

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

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

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

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

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the client assets sourcebook 'CASS', employment and tax legislation and data protection rules,

and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting and management bias in accounting estimates. Audit procedures performed included:

- Discussions with management and internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with regulator, i.e. Financial Conduct Authority (FCA) and external legal advisors;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, unusual words and unusual users.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Richard Porter (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
30 April 2021

## Colliers Capital Holdings Limited

### Profit and loss account For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	3	1,729	2,192
Administrative expenses		(1,324)	(1,308)
<b>Operating profit and profit before taxation</b>		<u>405</u>	<u>884</u>
Tax on profit	8	168	(11)
<b>Profit for the year</b>		<u><u>573</u></u>	<u><u>873</u></u>

All amounts derive from continuing operations.

There was no other comprehensive income for 2020 (2019: £nil).

The notes on pages 14 to 21 are an integral part of these financial statements.

# Colliers Capital Holdings Limited

## Balance sheet As at 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Current assets</b>			
Debtors	9	1,964	2,839
Cash at bank and in hand		396	396
		<u>2,360</u>	<u>3,235</u>
<b>Creditors: amounts falling due within one year</b>	10	-	(898)
<b>Net current assets</b>		<u>2,360</u>	<u>2,337</u>
<b>Total assets less current liabilities</b>		<u>2,360</u>	<u>2,337</u>
<b>Net assets</b>		<u>2,360</u>	<u>2,337</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Share premium account		267	267
Retained earnings		<u>2,093</u>	<u>2,070</u>
<b>Total shareholders' funds</b>		<u>2,360</u>	<u>2,337</u>

The notes on pages 14 to 21 are an integral part of these financial statements.

These financial statements on pages 10 to 21 were approved by the Board of Directors on 30 April 2021.

Signed on behalf of the Board of Directors

*Dav Amel*

Davoud Amel-Azizpour

Director

Colliers Capital Holdings Limited  
Registered No. 06430656

## Colliers Capital Holdings Limited

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

		Share Capital £'000	Share Premium £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2019		-	267	1,197	1,464
Comprehensive income for the year					
Profit for the year		-	-	873	873
At 1 January 2020 and as at 31 December 2019		-	267	2,070	2,337
Comprehensive income for the year					
Profit for the year		-	-	573	573
Dividend	16	-	-	(550)	(550)
At 31 December 2020		-	267	2,093	2,360

The notes on pages 14 to 21 are an integral part of these financial statements.

# Colliers Capital Holdings Limited

## Statement of Cash Flows For the year ended 31 December 2020

	2020	2019
	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit before taxation	405	884
<b>Adjustments for:</b>		
Taxation	168	(11)
Decrease / (increase) in debtors	325	(1,474)
(Decrease) / increase in creditors	(898)	601
<b>Net cash generated from operating activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activity</b>		
<b>Net cash generated from investing activity</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activity</b>		
Dividends paid	<u>-</u>	<u>-</u>
<b>Net cash generated from financing activity</b>	<u>-</u>	<u>-</u>
<b>Net cash increase in cash and cash equivalents during the year</b>	-	-
Cash and cash equivalents at the beginning of the year	396	396
<b>Cash and cash equivalents at the end of the year</b>	<u>396</u>	<u>396</u>
<b>Cash and cash equivalents comprise of:</b>		
Cash at bank	<u>396</u>	<u>396</u>

# **Colliers Capital Holdings Limited**

## **Notes to the financial statements For the year ended 31 December 2020**

### **1. General information**

Colliers Capital Holdings Limited (Company number 06430656), having its registered office at 50 George Street, London, W1U 7GA is a private limited company incorporated in England and Wales, United Kingdom. During the year the company changed its trading name to Colliers Global Investors, effective from 31 July 2020; the legal structure of the company remains the same and there is no impact on its statutory status.

The principal activity of the Company is as property consultants providing a comprehensive range of agency, strategic, advisory and implementation services to property owners, investors and occupiers primarily in the United Kingdom. All revenue is derived from the Company's principal activity.

#### **Statement of compliance**

The individual financial statements of Colliers Capital Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

### **2. Summary of significant accounting policies**

#### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in compliance with United Kingdom Accounting Standards.

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. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are considered to be significant in these financial statements.

#### **Going Concern**

Subsequent to the year ended 31 December 2020, and as at the date of approval of these financial statements, the Company remains exposed to adverse impact of Covid-19 to its business operations. As such the Directors have undertaken a thorough review of the impact of Covid-19 on its business, customers, suppliers and staff to critically assess the appropriateness of the going concern assumption. In doing so, the Directors of the Company considered the existing client base and strength of the contractual income of the Company and assessed the risk of potential loss of its revenues due to Covid-19 and pandemic.

Additionally, the Directors have prepared detailed forecasts covering a period of at least 12 months from the date of signature of these Financial Statements as well as assessing the availability of cash resources to fulfil its financing requirements and in view of uncertain market conditions. Further, Colliers International Property Consultants Limited ('CIPCL'), immediate parent undertaking, directly incurs the majority of fixed and variable costs of the Colliers International UK business and reimburses the appropriate portion to the other group companies, including Colliers Capital Holdings Limited ('CCH'). A letter has been received from CIPCL which confirms that, CIPCL would not seek reimbursement of the expenses as at the date of financial statements from CCH in the event that CCH's revenues are reduced to the extent that the liability for the expenses would directly cause CCH to become insolvent, for a period of at least 12 months from the date of signing of these financial statements. Having completed this their review operational and financial impact on the Company, it remains the view of the Directors that the Going Concern assumption for the basis of preparation of these Financial Statements remains appropriate.



# **Colliers Capital Holdings Limited**

## **Notes to the financial statements (Continued) For the year ended 31 December 2020**

### **2. Summary of significant accounting policies (continued)**

#### **Turnover**

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

#### **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash held in bank accounts only. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### **Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the Statement of income and retained earnings, except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

##### **(i) Current taxation**

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

##### **(ii) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Called up share capital**

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

#### **Employee benefits**

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

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

There are no direct employees of the Company as their contracts are held within its immediate parent company, Colliers International Property Consultants Limited ('CIPCL') and their costs are recharges to the Company.

# Colliers Capital Holdings Limited

## Notes to the financial statements (Continued) For the year ended 31 December 2020

### 2. Summary of significant accounting policies (continued)

#### Foreign currency translation

##### (i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates 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 fair value was determined.

#### Financial instruments

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

Financial assets, which include trade debtors, cash, bank balances and amounts owed by group undertakings are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### Dividends

Dividends are recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

# Colliers Capital Holdings Limited

## Notes to the financial statements (Continued) For the year ended 31 December 2020

### 3. Turnover

The geographical analysis of turnover is shown below;

	2020 £'000	2019 £'000
Netherlands	165	455
Norway	16	-
UK	1,548	1,616
USA	-	121
	<u>1,729</u>	<u>2,192</u>

Revenue split by activity:

	2020 £'000	2019 £'000
Project Management fees	1,548	1,524
Consultancy advice	165	629
Sales Commission Fees	16	39
	<u>1,729</u>	<u>2,192</u>

### 4. Audit fee

The audit fee for the year was £21,738 (2019: £21,055) and was borne on behalf of the Company by Colliers International Property Consultants Limited, the Company's immediate parent undertaking. No non-audit services were provided to the Company.

### 5. Operating profit before taxation

Operating profit is stated after charging:

	2020 £'000	2019 £'000
Staff Costs	<u>1,015</u>	<u>986</u>

### 6. Staff costs

	2020 £'000	2019 £'000
Wages and salaries	833	818
Social security costs	109	108
Other pension costs	73	60
	<u>1,015</u>	<u>986</u>

All payroll costs are recharges from other group entities. The Company has no direct employees (2019: nil). Staff costs include directors' emoluments. The monthly average number of employees working for this entity were 4 (2019: 4).

# Colliers Capital Holdings Limited

## Notes to the financial statements (Continued) For the year ended 31 December 2020

### 7. Directors' emoluments

The directors are remunerated by the immediate parent, Colliers International Property Consultants Limited. The amount recharged to the Company in respect of their services for the year ended 31 December 2020 was £220k (2019: £221k). A mark up of 5% is added to any recharge. The highest paid director was remunerated £210k (2019: £211k) in relation to services to the Company. The company does not operate a defined benefit pension scheme. No contributions were made in respect of the highest paid director relating to money purchase schemes.

### 8. Tax on profit

	2020 £'000	2019 £'000
<b>Current Tax</b>		
Current tax on profit for the year	-	168
Adjustments in respect of prior periods	(168)	(157)
Total current tax	(168)	11
Tax on profit	(168)	11
	<b>2020 £'000</b>	<b>2019 £'000</b>
Profit before taxation:	405	884
Profit before taxation multiplied by standard rate of corporation tax in UK of 19% (2019: 19%)	77	168
<b>Effects of:</b>		
- Adjustments in respect of prior periods	(168)	(157)
- Group relief surrendered	(77)	-
Total tax (credit)/charge for the year	(168)	11

Factors affecting current and future tax changes:

The tax rate for the current year is 19% and following the 2021 Finance Bill, it is expected to remain at this level.

### 9. Debtors

	2020 £'000	2019 £'000
Trade debtors	509	1,178
Amounts owed by Group undertakings	1,449	1,654
Prepayments and accrued income	6	7
	<b>1,964</b>	<b>2,839</b>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand. Trade debtors are stated after provision of £nil (2019: £nil).

# Colliers Capital Holdings Limited

## Notes to the financial statements (Continued) For the year ended 31 December 2020

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

	2020 £'000	2019 £'000
Corporation tax	-	168
Other creditors	-	730
	<u>-</u>	<u>898</u>

The purchase ledger function is outsourced to Colliers International Property Consultants Limited ('CIPCL'), the immediate parent undertaking and appropriate costs are reimbursed by Colliers Capital Holdings Limited.

As stated in note 2, the Directors of CIPCL have confirmed their willingness to incur expenses on behalf of Company and not demand its debts in case the Company becomes insolvent.

### 11. Financial instruments

	2020 £'000	2019 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	396	396
Financial assets that are debt instruments measured at amortised cost	<u>1,963</u>	<u>2,839</u>
	<u>2,359</u>	<u>3,235</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>-</u>	<u>(730)</u>

Financial assets measured at fair value comprise cash. Financial assets that are debt instruments measured at amortised cost comprise amounts due from group undertakings, trade debtors and other debtors.

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

# Colliers Capital Holdings Limited

## Notes to the financial statements (Continued) For the year ended 31 December 2020

### 12. Analysis of changes in net payables

	At 1 Jan 2020	Cash flows	Other non-cash settlements	At 31 Dec 2020
	£'000	£'000	£'000	£'000
<b>Cash and cash equivalents</b>				
Cash at bank	396	-	-	396
	<u>396</u>	<u>-</u>	<u>-</u>	<u>396</u>
<b>Payables</b>				
Debt due within one year	(898)	-	898	-
	<u>(898)</u>	<u>-</u>	<u>898</u>	<u>-</u>
<b>Total</b>	<u>(502)</u>	<u>-</u>	<u>898</u>	<u>396</u>

### 13. Reconciliation of net cash flow to movement in net payables

	2020
	£'000
<b>Increase in cash in the period</b>	-
Cash used to increase liquid resources	898
Change in net debt	<u>898</u>
Net debt at 1 January	<u>(502)</u>
Net funds at 31 December	<u>396</u>

# Colliers Capital Holdings Limited

## Notes to the financial statements (Continued) For the year ended 31 December 2020

### 14. Reserves

#### Profit and loss account

Includes all current retained profits and losses, less dividends declared.

#### Share premium account

Includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares were deducted from share premium.

### 15. Called up share capital

	2020 £'000	2019 £'000
267 ordinary shares of £1 each (2019: 267 shares of £1)	-	-

### 16. Dividends

	2020 £'000	2019 £'000
Dividends payable	550	-

The Directors have declared a non-cash dividend for the year ended 31 December 2020 (2019: £nil), which will be settled as an amount owed to Colliers International Property Consultants Limited, immediate parent company, and offset against amounts owed from them.

### 17. Related party transactions

The Company has taken advantage of the exemptions available under FRS 102 Section 33.1A- Related Party Disclosures, not to disclose transactions with other Group companies that are wholly owned within the Group. There have been no other related party transactions.

### 18. Ultimate parent Company

The immediate parent undertaking is Colliers International Property Consultants Limited. The ultimate parent undertaking is Colliers International Group Inc., a Company incorporated in Canada. This is the largest group of undertakings to consolidate these financial statements as at 31 December 2020. The intermediate parent, Colliers International Property Advisors UK LLP, is the smallest group to consolidate these financial statements as at 31 December 2020. The consolidated financial statements of Colliers International Group Inc. are available from the group's website, [www.colliers.com](http://www.colliers.com).