

CBRE A/S

Rued Langgaards Vej 6 - 8
2300 København S

CVR no. 14 79 90 79

Annual report 2016

The annual report was presented and approved at the
Company's annual general meeting on

23 May 2017

Anne-Mette Thygesen

chairman

CBRE A/S
Annual report 2018
CVR no. 14 79 80 79

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	
Income statement	8
Balance sheet	9
Notes	11

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CBRE A/S for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 23. May 2017

Executive Board:




Niels Cederholm

Board of Directors:


Marco Stephan

Clemens Hekman


Mikael Glud

Duncan James Green



Niels Cederholm



Independent auditor's report

To the shareholders of CBRE A/S

Opinion

We have audited the financial statements of CBRE A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines 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, Management is 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23. May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mark Palmberg
State Authorised
Public Accountant

CBRE A/S
Annual report 2016
CVR no 14 79 90 79

Management's review

Company details

CBRE A/S
Rued Lønggaards Vej 6 - 8
2300 København S

Website: <http://www.cbre.dk>

CVR no.: 14 79 90 79
Established: 19 December 1990
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Marco Stephan Clemens Hekman,
Duncan James Green
Niels Cederholm
Mikael Glud

Executive Board

Niels Cederholm

Auditor

KPMG
Statsautoniseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

CBRE A/S
Annual report 2016
CVR no. 14 79 80 79

Management's review

Operating review

Principal activities

The objective of the Company is to carry on business in the fields of real estate services and any other related activities.

Development in activities and financial position

In the current financial year, the Company realised a profit of DKK 11,521 thousand compared to a profit of DKK 1,222 thousand 2015. The Company's balance sheet at 31. December 2016 shows total assets of DKK 50,762 and equity of DKK 21.093 thousand.

Events after the balance sheet date

No events have occurred after the balance sheet date that affect the assessment of the annual report.

Expected development

The Company expects a profit in 2017.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	1. jan – 31. dec 2016	1. jan – 31. dec 2015
Gross profit		<u>64.670</u>	<u>43.056</u>
Staff costs	2	-52.839	-41.618
Depreciation, amortisation and impairment		<u>-62</u>	<u>-142</u>
Operating profit		<u>11.769</u>	<u>1.296</u>
Financial income	3	36	0
Financial expenses	4	-284	-74
Profit before tax		<u>11.521</u>	<u>1.222</u>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit for the year		<u>11.521</u>	<u>1.222</u>
Proposed profit appropriation			
Retained earnings		<u>11.521</u>	<u>1.222</u>
		<u>11.521</u>	<u>1.222</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		695	469
		<u>895</u>	<u>489</u>
Investments			
Other securities and equity investments		1	1
		<u>1</u>	<u>1</u>
Total fixed assets		<u>696</u>	<u>470</u>
Current assets			
Receivables			
Trade receivables		21.067	15.421
Receivables from group entities		1.325	1.020
Other receivables		1.424	2.987
Prepayments		1.180	399
		<u>24.996</u>	<u>19.807</u>
Cash at bank and in hand		<u>25.070</u>	<u>9.475</u>
Total current assets		<u>50.066</u>	<u>29.282</u>
TOTAL ASSETS		<u>50.762</u>	<u>29.752</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	6		
Share capital		2.000	2.000
Retained earnings		19.093	7.572
Total equity		21.093	9.572
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		1.197	36
Payables to group entities		5.808	4.709
Other payables		22.664	15.435
		29.669	20.180
Total liabilities other than provisions		29.669	20.180
TOTAL EQUITY AND LIABILITIES		50.762	29.752
Contractual obligations, contingencies, etc	7		
Deferred tax			

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of CBRE A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivables or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is related to real estate services and recognised in the income statement at the final acquisition of the right to the fee, corresponding to a legally binding contract. The fee is recognised excluding VAT, taxes and discounts in connection with the delivery of services.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment 3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

In its capacity as the administrative company, CBRE A/S is liable for its consolidated entities' corporation taxes towards the tax authorities concurrently with the payment of joint taxation contribution by the entities.

Joint tax contribution payable and receivable is recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Current tax payables and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liabilities method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year of taxable income. Where alternative tax rules can be applied to determine the tax value, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised under other current assets at the expected value of their utilisation; either as set off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 January – 31 December

Notes

2 Staff costs			
DKK'000		1. jan – 31. dec 2016	1. jan – 31. dec 2015
Wages and salaries		52.387	41.198
Other social security costs		452	420
		<u>52.839</u>	<u>41.618</u>
Average number of full-time employees		<u>55</u>	<u>51</u>
3 Financial income			
DKK'000		1. jan – 31. dec 2016	1. jan – 31. dec 2015
Financial income		36	0
		<u>36</u>	<u>0</u>
4 Financial expenses			
DKK'000		1. jan – 31. dec 2016	1. jan – 31. dec 2015
Interest expense to group entities		-37	0
Financial expenses		-247	-74
		<u>-284</u>	<u>-74</u>
5 Property, plant and equipment			
DKK'000			
Cost at 1 January 2016		1.087	1.087
Additions		288	288
Disposals		-87	-87
Cost at 31 December 2016		<u>1.308</u>	<u>1.308</u>
Depreciation and impairment losses at 1 January 2016		-818	-818
Depreciation		-82	-82
Disposals		87	87
Depreciation and impairment losses at 31 December 2016		<u>-813</u>	<u>-813</u>
Carrying amount at 31 December 2016		<u>695</u>	<u>695</u>
		Fixtures and fittings, tools and equipment	Total

Financial statements 1 January – 31 December

Notes

6 Equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2016	2.000	7.572	9.572
Profit of the year	0	11.521	11.521
Equity at 31 December 2016	2.000	19.093	21.093

There have been no changes in the share capital during the last five years.

7 Contractual obligations, contingencies, etc.

The Company's rent and lease obligations are as follows. The total rent obligation in the notice period totals approx. DKK 1.4 Million. The Company has total lease obligations of DKK 0,26 Million.

8 Deferred tax

The Company has an unrecognised tax asset of DKK 548 thousand (2015:DKK 3,231 thousand)