

Company Registration No. 03729338 (England and Wales)

**CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R J Hayton A Bartolini A Probyn T Devonish	(Appointed 26 April 2021)
<b>Secretary</b>	T Devonish	
<b>Company number</b>	03729338	
<b>Registered office</b>	180 Great Portland Street London W1W 5QZ	
<b>Auditor</b>	Ernst & Young LLP 2 St Peter's Square Manchester M2 3EY	
<b>Bankers</b>	HSBC Bank plc 73 High Street Watford WD17 2DS	
<b>Solicitors</b>	Bird & Bird 15 Fetter Lane London EC4A 1JP	

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# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

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# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## STRATEGIC REPORT

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present the strategic report for the year ended 31 December 2020.

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

The company has a clear business focus on delivering savings for our clients. Allied to a primarily results based fee structure, this supports a series of performance indicators throughout the business, measuring our effectiveness and efficiency and designed with the objective of maximising the results we are able to achieve for our clients.

The directors consider the results for the year to be satisfactory and anticipate that the business will continue as a going concern for the foreseeable future.

### **Principal risks and uncertainties**

#### **Business risk**

In common with all businesses, the company faces risks and uncertainties that could impact on the achievement of its objectives. Risk is accepted as being a part of doing business and responsibility for risk management and internal control lies with the Board. Through the application of reasoned judgement and consideration of the likelihood and consequence of events, the Board believes a successful risk management framework balances risk and reward.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

#### **Interest rate risk**

The company finances its operations through a mixture of intercompany funding, retained profits and cash reserves and as such, has no interest risk.

#### **Credit risk**

The company's financial assets are cash and trade debtors. The credit risk associated with cash is limited. The directors monitor the company's exposure to credit risk on its trade debtors through a regular review of client balances in conjunction with debt ageing and collection history analyses.

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## STRATEGIC REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Response to COVID-19**

The global outbreak of COVID-19 and the subsequent public health emergency has adversely impacted economies and financial markets globally, leading to an economic downturn and to legislative and regulatory changes that have impacted our business and operations. In the UK, significant financial support was made available by the UK Government to businesses, with relief against business rates being offered to certain sectors including Retail, Hospitality and Leisure.

Judgments made in these financial statements reflect management's best estimates as at the year end, taking into consideration the most significant judgments that may be directly impacted by COVID-19. Management's significant estimates and assumptions that could be impacted most by COVID-19 are revenue recognition and the impairment of trade receivables.

The UK is now seeing an easing of the lockdown restrictions that were in place for significant periods of 2020. As indicated above, the impact to date of the COVID-19 has been primarily in an increased credit risk in our trade receivables but its full long-term impact remains difficult to quantify at this time. Accordingly, the directors have carried out a detailed review of the operations and cash flow requirements of the business over the period to 30 June 2022, using currently available information. As part of this exercise, revenue streams have been stress-tested and operating costs reviewed and streamlined where possible.

Social distancing measures and Working-From-Home across the entire UK group have not materially affected the day-to-day operations – group employees have been provided with the necessary facilities to be able to work remotely and to date no major issues have been reported.

Further consideration of the impact on the company can be found in notes 1.2 and 21.

*Alex Probyn*

A Probyn  
Director

**18 June 2021**

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

### Principal activities

The principal activity of the company continued to be that of property surveyors and consultants.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R J Hayton

A Bartolini

A Probyn

L Turrin

T Devonish

(Resigned 26 April 2021)

(Appointed 26 April 2021)

### Results and dividends

The results for the year are set out on page 8.

### Impact of Brexit

The UK Brexit transition period ended on 31 December 2020 with new rules applying from 1 January 2021. The company generates its revenue solely from UK based activities and the directors do not consider the impact of Brexit to be a principal risk or uncertainty facing the company.

### Future developments

The future developments of the company are set out in the Strategic Report.

### Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing the appointment of Ernst & Young LLP as auditor of the company will be put to the members at the annual general meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Going concern

After performing their assessment and making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue to operate in existence over the going concern assessment period to 30 June 2022 and accordingly, the financial statements have been prepared on a going concern basis.

On behalf of the board

*Alex Probyn*

A Probyn

Director

18 June 2021

# **CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED**

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#### **Opinion**

We have audited the financial statements of CVS (Commercial Valuers & Surveyors) Limited for the year ended 31 December 2020 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"(United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED**

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#### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements do not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

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#### **Auditor's responsibilities for the audit of the financial statements**

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

#### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detections of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how CVS (Commercial Valuers & Surveyors) Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation and minutes of meetings of those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assuming revenue to be a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals, and journals indicating large or unusual transactions based on our understanding of the business; enquiries of legal counsel and management. In addition, we completed procedures to conclude on the compliance of the disclosures in financial statements with the requirements of the relevant accounting standards and UK legislation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of the auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

**Jamie Dixon (Senior Statutory Auditor)**  
for and on behalf of Ernst & Young LLP

18 June 2021

2 St Peter's Square  
Manchester  
M2 3EY

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
	Notes		
Turnover	3	16,258,115	11,554,886
Cost of sales		(5,092,341)	(3,262,141)
<b>Gross profit</b>		<b>11,165,774</b>	<b>8,292,745</b>
Administrative expenses		(3,673,612)	(3,477,579)
<b>Operating profit</b>	4	<b>7,492,162</b>	<b>4,815,166</b>
Interest payable and similar expenses	7	(12,855)	(15,925)
<b>Profit before taxation</b>		<b>7,479,307</b>	<b>4,799,241</b>
Taxation	8	(1,439,778)	(975,031)
<b>Profit for the financial year</b>	17	<b>6,039,529</b>	<b>3,824,210</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>6,039,529</b>	<b>3,824,210</b>

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9		117,421		240,448
<b>Current assets</b>					
Debtors	10	13,603,005		5,890,173	
Cash at bank and in hand		286,298		170,346	
		<u>13,889,303</u>		<u>6,060,519</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,756,230)</u>		<u>(2,830,876)</u>	
<b>Net current assets</b>			<u>9,133,073</u>		<u>3,229,643</u>
<b>Total assets less current liabilities</b>			<u>9,250,494</u>		<u>3,470,091</u>
<b>Creditors: amounts falling due after more than one year</b>	12		-		(259,126)
<b>Net assets</b>			<u><u>9,250,494</u></u>		<u><u>3,210,965</u></u>
<b>Capital and reserves</b>					
Called up share capital	15		9,977		9,977
Capital redemption reserve	16		1		1
Profit and loss reserves	17		<u>9,240,516</u>		<u>3,200,987</u>
<b>Total equity</b>			<u><u>9,250,494</u></u>		<u><u>3,210,965</u></u>

The financial statements were approved by the board of directors and authorised for issue on 18 June 2021 and are signed on its behalf by:

*Alex Probyn*

A Probyn  
Director

Company Registration No. 03729338

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

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	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>	9,977	1	(623,223)	(613,245)
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	-	-	3,824,210	3,824,210
<b>Balance at 31 December 2019</b>	9,977	1	3,200,987	3,210,965
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year	-	-	6,039,529	6,039,529
<b>Balance at 31 December 2020</b>	9,977	1	9,240,516	9,250,494

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# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Company information**

CVS (Commercial Valuers & Surveyors) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 180 Great Portland Street, London, W1W 5QZ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

A cash flow statement has not been included in the financial statements as the Company is a qualifying entity and in accordance with paragraph 1.12 (b) of FRS 102, is exempt from the requirements of section 7 Statement of Cash Flows. The shareholder has been notified in writing and does not object to the Company taking these exemptions. The results of the Company are consolidated in the results of Altus Group Limited whose financial statements present a true and fair view and are publicly available.

#### **1.2 Going concern**

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to risks and uncertainties are described in the Strategic Report.

The directors are required to consider the availability of resources to meet the Company's liabilities for a period until 30 June 2022. The directors have considered the going concern position of the Company, taking into account the uncertainty surrounding the current COVID-19 pandemic.

The Company has net current assets of £9,133,073, net assets of £9,250,494 and a cash at bank balance of £286,298 as at 31 December 2020. Furthermore, the company does not have any external borrowings, other than inter-company payable balances.

As part of their going concern review, the directors have analysed cashflow forecasts covering a period up to 30 June 2022 across a range of scenarios. These scenarios cover a range of sensitivities including a reverse stress test together with a review of operating costs.

As a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least 30 June 2022. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

#### **1.3 Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is recognised as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The company generates revenue by sharing in the total savings made by clients throughout a rates cycle. Revenue is recognised in line with the time periods over which the clients receive such savings.

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

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	20% straight line basis
Fixtures and fittings	33% Straight line basis
Office equipment	33% Straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.7 Retirement benefits

During 2018 the company's employees transferred under TUPE to the holdings company Altus Group (UK) Limited.

#### 1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

A provision for an onerous lease is recognised when the expected benefits to be derived by the company from a lease is lower than the unavoidable cost of meeting its obligations under the lease. The company provides for its onerous lease obligations under operating leases where the property is vacant. The amount provided is based on the lowest net cost of exiting the contract.

#### 1.9 Finance costs

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

#### 1.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

### 2 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Rendering of services	16,258,115	11,554,886

	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	16,258,115	11,554,886

### 4 Operating profit

	2020 £	2019 £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(212)	(2,353)
Depreciation of owned tangible fixed assets	118,903	156,983
Operating lease charges	167,147	236,733



# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor:		
<b>For audit services</b>		
Audit of the company's subsidiaries	37,000	40,000

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was NIL (2019: NIL).

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	93,931	115,076
Recharges from parent company	4,853,950	4,544,355
	4,947,881	4,659,431

During 2018, the company's employees transferred their employment under TUPE to the immediate parent company Altus Group (UK) Limited, following their acquisition of the company on 2nd November 2017. Since the transfer, a recharge has been made to the company by Altus Group (UK) Limited in respect of the relevant proportion of staff costs incurred in respect of activities undertaken on behalf of the company. The recharge for the year amounted to £4,853,950 (2019: £4,544,355).

Included within wages and salaries are charges related to restricted share units of £93,931 (2019: £115,076).

The directors' remuneration for the year was £nil (2019: £nil). The level of qualifying services of the directors of the company is considered to be incidental and negligible compared to the services provided to the group. There are no management charges to the company from other group companies in respect of these services. Consequently it is determined that the remuneration for such qualifying services is £nil.

### 7 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	12,855	15,925

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current year	1,422,730	1,016,634
Adjustments in respect of prior periods	(28,413)	-
Total current tax	1,394,317	1,016,634
<b>Deferred tax</b>		
Origination and reversal of timing differences	54,960	(46,497)
Impact of change in tax rates	(9,499)	4,894
Total deferred tax	45,461	(41,603)
Total tax charge	1,439,778	975,031

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	7,479,307	4,799,241
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,421,068	911,856
Tax effect of expenses that are not deductible in determining taxable profit	99,286	22,115
Adjustments in respect of prior years	(28,413)	-
Depreciation on assets not qualifying for tax allowances	54,143	36,166
Tax rate changes	(9,499)	4,894
Tax deduction arising from exercise of employee options	(96,807)	-
Taxation charge for the year	1,439,778	975,031

#### Factors affecting current and future taxes

The standard tax rate for the year was 19% (2019 - 19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to reduce the tax expense for the period by £11,141, to increase the deferred tax asset by £11,141.

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2020	294,592	389,578	757,555	1,441,725
Disposals	(25,822)	(243,899)	(609,050)	(878,771)
At 31 December 2020	268,770	145,679	148,505	562,954
<b>Depreciation and impairment</b>				
At 1 January 2020	118,598	361,086	721,593	1,201,277
Depreciation charged in the year	66,325	26,456	26,122	118,903
Eliminated in respect of disposals	(25,822)	(243,899)	(604,926)	(874,647)
At 31 December 2020	159,101	143,643	142,789	445,533
<b>Carrying amount</b>				
At 31 December 2020	109,669	2,036	5,716	117,421
At 31 December 2019	175,994	28,492	35,962	240,448

### 10 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	22,924	51,414
Amounts owed by group undertakings	13,494,324	5,643,028
Other debtors	26,798	78,958
Prepayments and accrued income	23,680	36,033
	13,567,726	5,809,433
Deferred tax asset (note 13)	35,279	80,740
	13,603,005	5,890,173

### 11 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,034	12,783
Amounts owed to group undertakings	2,145,244	1,276,894
Corporation tax	2,409,233	1,177,862
Other creditors	477	24,488
Accruals and deferred income	45,947	99,129
Provision for onerous lease costs	153,295	239,720
	4,756,230	2,830,876

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	-	259,126
	-	259,126

### 13 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
<b>Balances:</b>		
Fixed asset timing differences	11,624	15,524
Tax losses carried forward	23,655	21,165
Employee remuneration	-	44,051
	35,279	80,740
		2020 £
<b>Movements in the year:</b>		
Asset at 1 January 2020		(80,740)
Charge to profit or loss		45,461
Asset at 31 December 2020		(35,279)

### 14 Retirement benefit schemes

During 2018, the company's employees transferred under TUPE to the holding company Altus Group (UK) Limited. Prior to this the company operated a defined contribution pension scheme which has also continued to operate under the holding company.

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
786,553 Ordinary shares of 1p each	7,866	7,866
100,000 "A" Ordinary shares of 1p each	1,000	1,000
111,109 "E" Ordinary shares of 1p each	1,111	1,111
1 "B" Ordinary share of 1p each	-	-
1 "C" Ordinary share of 1p each	-	-
1 "D" Ordinary share of 1p each	-	-
	<u>9,977</u>	<u>9,977</u>

### 16 Capital redemption reserve

	2020 £	2019 £
At beginning and end of year	<u>1</u>	<u>1</u>

Includes amounts relating to previous redemption of shares.

### 17 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	3,200,987	(623,223)
Profit for the year	6,039,529	3,824,210
At the end of the year	<u>9,240,516</u>	<u>3,200,987</u>

### 18 Financial commitments, guarantees and contingent liabilities

#### Contingent Liabilities

On 24 March 2020, Altus Group (UK) Limited amended its banking facilities to further strengthen its financial and liquidity position. The amended credit facilities increased the Group's borrowing capacity from CAD\$200m to CAD\$275m with certain provisions that allow the Group to further increase the limit to CAD \$350m. The amended agreement extended the term by three years to expire on 24 March 2023, with an additional two-year extension available at the Group's option. The other significant amendment is that the bank credit facilities are unsecured.

Prior to this, there was a charge over the company's assets in order to secure the debts of Altus Group Limited and its subsidiary entities. The outstanding debt against which the security was held stood at CAD \$138.0m as at 31 December 2019 (2019 closing rate £1: CAD\$1.71609).

# CVS (COMMERCIAL VALUERS & SURVEYORS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	231,432	333,070
Between two and five years	810,799	647,475
In over five years	316,372	498,286
	<u>1,358,603</u>	<u>1,478,831</u>

### 20 Related party transactions

The company has taken advantage of the exemption in FRS102, Section 1.12 that transactions do not need to be disclosed with companies, the whole of whose voting rights are controlled within the group.

### 21 Events after the reporting date

In March 2021, the UK saw the start of the easing of lockdown restrictions and, supported by the success to date of the national vaccination programme, the country appears to be looking at a full easing of measures into July 2021. Although the impact to date of the COVID-19 on the company has been seen primarily in an increased credit risk in our trade receivables, the directors remain diligent in assessing any adverse trends across the business, particularly as the UK looks to return to more normal trading conditions.

### 22 Ultimate controlling party

The Company's immediate parent undertaking is Altus Group (UK) Limited and the company's ultimate controlling party is Altus Group Limited, a company incorporated in Ontario, Canada.

Altus Group Limited is the parent undertaking of the largest and smallest group of which the Company is a member and which prepares group accounts.

Group accounts for Altus Group Limited may be obtained from the investor relations section of the website [www.altusgroup.com](http://www.altusgroup.com).