

Registered number: 00897907

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## PROPERTYMARK LTD

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019



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**PROPERTYMARK LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	V J Bannister K L Griffin N Emerson N Madan (resigned 17 March 2020) P E Savage (resigned 17 March 2020) L Scott (resigned 14 June 2019) N A Heathcote (appointed 14 June 2019) H R Herniman (appointed 14 June 2019) S E Wilkinson (appointed 14 June 2019)
<b>Registered number</b>	00897907
<b>Registered office</b>	Arbon House 6 Tournament Court Edgehill Drive Warwick Warwickshire CV34 6LG
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham B4 6AT

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**PROPERTYMARK LTD**

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**CONTENTS**

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	Page
<b>Group Strategic Report</b>	<b>1 - 4</b>
<b>Directors' Report</b>	<b>5 - 6</b>
<b>Independent Auditor's Report</b>	<b>7 - 10</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>11</b>
<b>Consolidated Statement of Financial Position</b>	<b>12</b>
<b>Company Statement of Financial Position</b>	<b>13</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>14</b>
<b>Company Statement of Changes in Equity</b>	<b>15</b>
<b>Consolidated Statement of Cash Flows</b>	<b>16</b>
<b>Analysis of Net Debt</b>	<b>17</b>
<b>Notes to the Financial Statements</b>	<b>18 - 33</b>

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**PROPERTYMARK LTD**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their Strategic Report of the company and the group for the year ended 31 December 2019.

**Principal activity**

The business of the group is to represent its members to the public, parliament and other relevant stakeholders; and to promote unity and understanding amongst sales agents, letting agents and other property professionals. Its core objectives are to support members, raise standards in the industry and to protect the consumer.

Propertymark liaises closely with those Government departments that have responsibilities for the Housing sector including HM Treasury and HM Revenue and Customs where those departments' remit touch on member business. Two-way communication is maintained with the National Trading Standards Estate and Letting Agents Team which has an overall compliance responsibility within the sector. There is further active participation in industry groups and working parties. All this work enables Propertymark to support its members by being able to prepare them in advance of market developments, by explaining Government direction and assessing the potential impact of emerging legislation.

The drive to improve standards and enhance the consumers' experience of using a Propertymark member is achieved through the provision of a comprehensive programme of training courses covering, for example, sales techniques, new legislation and complaints handling. In addition, Propertymark Qualifications offers a range of formally recognised qualifications at different levels. Members of Propertymark are required to adhere to a detailed Code of Conduct relating to every aspect of their business operation including maintaining client money accounts and obligatory Client Money Protection cover where relevant. Members must also afford consumers access for resolution of disputes through one of the Approved Redress Schemes.

Propertymark is the largest professional association for sales and letting agents in the UK and further supports its members by lobbying and responding to Government consultations with a co-ordinated voice. Membership numbers remained steady despite considerable challenges facing the sector and stood at 17,569 on 31 December 2019 (2018: 17,057). These numbers include ARLA Inventories, NAVA Propertymark and NAEA Commercial.

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## PROPERTYMARK LTD

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Principal risks and uncertainties

Whilst this review is to cover 2019, as it is being written, the environment for the nation and for all businesses has changed beyond any previous experience. The Covid-19 virus has had and will have a significant impact for some time to come. The sales and lettings sector will need to adjust. Economic uncertainty will affect future work practices, resource requirements and consumer confidence. All this will likely impact on Propertymark membership numbers and consequently income from membership fees and attendance at industry events. As an organisation Propertymark is making use of the Government's Job Retention Scheme and has furloughed a number of staff members but we are confident of recovery back to business as usual. A full assessment by the Government, by research bodies and financial institutions as to where we will all be after the virus has passed, has yet to be completed. As an organisation we continue to monitor closely the risks presented by a developing situation for members and our own position.

Over many years the industry has faced significant challenges. Economic uncertainty has created consumer nervousness, disparate Government legislation and uncertainty over Brexit have, at times, stunted sales and impinged on firms' approach to business in the lettings sector. Differing approaches to lettings legislation in the devolved administrations of Wales and Scotland have added to the complexity of the rules agents have to understand and adhere to. Aside from Covid-19 the potential consequences of these factors make the horizon unclear but Propertymark will attempt to mitigate that lack of clarity by assessing the risks as the environment develops and will continue to liaise with Government and influence its thinking. It remains uncertain as to when the Regulation of Property Agents regime will be established and whilst that will, for some agents, be a change in approach to conducting business Propertymark is well equipped to play a significant role in any future regulatory regime.

We are alert to the possibility that Propertymark membership could be affected negatively by all these factors. 2019 has seen a small increase in membership numbers of 512. However, membership of Propertymark could be influenced in a more positive way by more of those working in the sector seeking to draw support from the benefits of being a member of a professional association and achieving what Regulation could require as an entry level qualification.

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## PROPERTYMARK LTD

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Operational review

To ensure financial stability for the future and recognising the potential pressures on Group income the organisation continues to review its operating procedures and to ensure resources are applied in an effective and economic manner in order to be better equipped to serve members and meet future potential developments.

The Finance department has undergone a major review of its processes, systems and procedures. As part of gaining that financial stability we have identified that our tax position was not properly ordered and that has led to a significant payment to HM Revenue and Customs of outstanding VAT which has arisen through misdefinition of our liabilities and exemptions over a number of years. We are confident that Propertymark's finances are now on a sure footing.

We continue to develop the new ARCA IT system. This has seen a long process of fundamental review of all areas of operation, the links to our finance system and website. That work has been progressing during 2019 and we are on target for implementation during 2020 within a budget agreed and closely monitored by the Propertymark Board.

Regular contact with members is maintained through the two major conferences for ARLA Propertymark and for NAEA Propertymark members with attendance at both events measurable in hundreds and supported by numerous exhibitors; and through 12 regional conferences and 78 masterclasses / regional meetings in the year. The aim of these events is to provide consistent and robust advice and guidance to members about forthcoming legislation and its likely impact on their businesses. Training courses relating to relevant law, business skills and complaints handling were attended by 3,141 members and non-members. Propertymark Qualifications is a recognised provider of OFQUAL, Qualifications Wales, CCEA and SCQF (Scotland) accredited qualifications. 2,087 accredited qualifications were awarded during the year under report.

As a major aspect of our support to members Propertymark provides member helplines to enable robust and focussed advice and answers to those individual members contacting the facility. With the constantly changing environment for lettings it is perhaps not surprising that the lettings helpline is busier than that for sales. It received and dealt with 24,343 calls during 2019 representing a 55% increase on the previous year with a wide range of issues being responded to. By contrast the sales helpline receives around 100 calls per month.

#### Strategic review and future prospects

We have defined four strategic priorities to ensure that Propertymark has a focus on supporting members.

Firstly we need to ready for Regulation. Propertymark will continue to be a significant contributor to government considerations and consultations on developing legislation. It is clear that those formulating new legislation value the input from Propertymark and indeed seek out information as to market activity and members views. Whilst a formal regulatory regime for the sector is as yet in the future our strategy is to ensure Propertymark has a role in that future regulated world and Propertymark will continue to be a regular presence at government working groups specifically, amongst other aspects on Regulation and Anti Money Laundering controls, to promote our relevance, market understanding and abilities in that regard.

Secondly we want to enhance membership services through a complete review of the current membership benefits, identifying further such benefits; and through ensuring that we maintain effective stakeholder communications along with providing courses and events that educate and support membership.

Thirdly we will set out to increase consumer awareness of the Propertymark brand.

We recognise that there is more to do to ensure that consumers have a greater awareness and understanding of how using a Propertymark agent can give confidence and support through the process to buyers, sellers, landlords and tenants and how they are protected when using a Propertymark agent.

Lastly we will build an organisation which is future proofed, financially viable and with robust strategic planning.

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**PROPERTYMARK LTD**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Key performance indicators**

Membership numbers increased this year by 3% to 17,569 (2018:17,057). Profit for the group was £224k compared to the 2018 result of £962k. Turnover, measured on a like for like basis, has increased by 4.5% demonstrating strong performance with a steady growth in membership numbers. The turnover was £6,242k and cost of sales £2,890k. Administrative expenses for the group was £4,669k (2018: £5,369k) the decrease reflecting a provision made in 2018 for indirect taxes. Cash and bank have reduced slightly to £3,900k (2018: £4,091k) which is driven by investment in the new ARCA IT system. Net assets £3,572k (2018: £3,348k) have increased as a result of the current year surplus of £224k.

**Corporate governance**

The group currently has a Senior Management Team made up of the Chairman, two Chief Executives, Head of Operations, Head of Finance and Head of Human Resources. The Propertymark Board currently meets once per month and consists of the Chairman, three representatives from lettings (elected from within ARLA Propertymark membership), three representatives from sales (elected from within NAEA Propertymark membership) and two independent Non Executive Directors appointed after open competition. The Board has the power to co-opt two further Board members where it is felt a specific expertise is needed. Such need is reviewed annually but has not yet resulted in any co-options. Supporting the Board is an Audit, Risk and Remuneration Committee.

This report was approved by the board on 31/5/2020

and signed on its behalf.

*Valerie Bannister*

**V J Bannister**  
Director

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**PROPERTYMARK LTD**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

**Results and dividends**

The profit for the year, after taxation and minority interests, amounted to £231,138 (2018 - £995,812).

No dividends will be distributed for the year ended 31 December 2019 (2018: £Nil).

**Directors**

The directors who served during the year were:

V J Bannister  
K L Griffin  
N Emerson  
N Madan (resigned 17 March 2020)  
P E Savage (resigned 17 March 2020)  
L Scott (resigned 14 June 2019)  
N A Heathcote (appointed 14 June 2019)  
H R Herniman (appointed 14 June 2019)  
S E Wilkinson (appointed 14 June 2019)

**Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Qualifying third party indemnity provisions**

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.



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PROPERTYMARK LTD

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Matters covered in the strategic report**

The strategic review and future prospects, principal risks and uncertainties, and the financial key performance indicators are included in the Group Strategic Report.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

This report was approved by the board on 31/5/2020

and signed on its behalf.

*Valerie Bannister*

**V J Bannister**  
Director



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMART LTD

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### Opinion

We have audited the financial statements of PropertyMark Ltd (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and company Statement of Changes in Equity and notes to the financial statements, 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 Financial Reporting Standard 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 state of the Group's and of the parent company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with 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 Group and the parent 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.

### The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMARK LTD (CONTINUED)

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### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMARK LTD (CONTINUED)

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### **Matter on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 for the financial statements**

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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **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.

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



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTYMART LTD (CONTINUED)**

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**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.

*Grant Thornton UK LLP*

Natalie Gladwin BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 1/6/2020

## PROPERTYMARK LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	6,242,066	7,307,794
Cost of sales		(2,890,012)	(2,161,005)
<b>Gross surplus</b>		<b>3,352,054</b>	<b>5,146,789</b>
Administrative expenses		(4,668,517)	(5,368,722)
Other operating income	5	1,520,327	1,173,829
<b>Operating surplus</b>	6	<b>203,864</b>	<b>951,896</b>
Interest receivable and similar income	10	22,457	20,399
<b>Surplus before taxation</b>		<b>226,321</b>	<b>972,295</b>
Tax on surplus	11	(2,540)	(10,243)
<b>Surplus for the financial year</b>		<b>223,781</b>	<b>962,052</b>
 <b>Total comprehensive income for the year</b>		<b>223,781</b>	<b>962,052</b>
 <b>Surplus for the year attributable to:</b>			
Non-controlling interests		(7,357)	(33,760)
Owners of the parent company		231,138	995,812

All of the activities of the Group are classified as continuing.

The notes on pages 18 to 33 form part of these financial statements.

**PROPERTYMARK LTD**  
**REGISTERED NUMBER:00897907**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	12	422,191	-
Tangible assets	13	1,770,302	1,840,054
		<u>2,192,493</u>	<u>1,840,054</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	1,353,789	1,191,541
Cash at bank and in hand	16	3,900,217	4,090,586
		<u>5,254,006</u>	<u>5,282,127</u>
Creditors: amounts falling due within one year	17	(3,569,503)	(3,077,431)
<b>Net current assets</b>		<u>1,684,503</u>	<u>2,204,696</u>
<b>Total assets less current liabilities</b>		<u>3,876,996</u>	<u>4,044,750</u>
<b>Provisions for liabilities</b>			
Other provisions	19	(304,871)	(696,406)
		<u>(304,871)</u>	<u>(696,406)</u>
<b>Net assets</b>		<u><u>3,572,125</u></u>	<u><u>3,348,344</u></u>
<b>Capital and reserves</b>			
Profit and loss account	20	3,613,242	3,382,104
<b>Equity attributable to owners of the parent company</b>		<u>3,613,242</u>	<u>3,382,104</u>
Non-controlling interests		(41,117)	(33,760)
		<u><u>3,572,125</u></u>	<u><u>3,348,344</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31/5/2020

*Valerie Bannister*

**V J Bannister**  
Director

The notes on pages 18 to 33 form part of these financial statements.

**PROPERTYMARK LTD**  
**REGISTERED NUMBER:00897907**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	12	422,191	-
Tangible assets	13	1,770,302	1,840,054
		<u>2,192,493</u>	<u>1,840,054</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	1,125,775	1,051,727
Cash at bank and in hand	16	3,588,156	4,060,445
		<u>4,713,931</u>	<u>5,112,172</u>
Creditors: amounts falling due within one year	17	(5,462,083)	(5,459,799)
<b>Net current liabilities</b>		<u>(748,152)</u>	<u>(347,627)</u>
<b>Total assets less current liabilities</b>		<u>1,444,341</u>	<u>1,492,427</u>
<b>Provisions for liabilities</b>			
Other provisions	19	(304,871)	(696,406)
		<u>(304,871)</u>	<u>(696,406)</u>
<b>Net assets</b>		<u>1,139,470</u>	<u>796,021</u>
<b>Capital and reserves</b>			
Profit and loss account	20	1,139,470	796,021
		<u>1,139,470</u>	<u>796,021</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The company made a surplus of £343,449 (2018: £916,104) during the year.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31/5/2020

*Valerie Bannister*  
**V J Bannister**  
 Director

The notes on pages 18 to 33 form part of these financial statements.



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**PROPERTYMARK LTD**


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


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	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 January 2019	3,382,104	(33,760)	3,348,344
<b>Comprehensive income for the year</b>			
Surplus / (deficit) for the year	231,138	(7,357)	223,781
<b>Total comprehensive income for the year</b>	<u>231,138</u>	<u>(7,357)</u>	<u>223,781</u>
<b>At 31 December 2019</b>	<u><u>3,613,242</u></u>	<u><u>(41,117)</u></u>	<u><u>3,572,125</u></u>

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


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	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 January 2018	2,386,292	-	2,386,292
<b>Comprehensive income for the year</b>			
Surplus / (deficit) for the year	995,812	(33,760)	962,052
<b>Total comprehensive income for the year</b>	<u>995,812</u>	<u>(33,760)</u>	<u>962,052</u>
<b>At 31 December 2018</b>	<u><u>3,382,104</u></u>	<u><u>(33,760)</u></u>	<u><u>3,348,344</u></u>

The notes on pages 18 to 33 form part of these financial statements.

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**PROPERTYMARK LTD**


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


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	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
At 1 January 2019	796,021	796,021
<b>Comprehensive income for the year</b>		
Surplus for the year	343,449	343,449
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	343,449	343,449
	<hr/>	<hr/>
<b>At 31 December 2019</b>	<b>1,139,470</b>	<b>1,139,470</b>
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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**


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	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
At 1 January 2018	(120,083)	(120,083)
<b>Comprehensive income for the year</b>		
Surplus for the year	916,104	916,104
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	916,104	916,104
	<hr/>	<hr/>
<b>At 31 December 2018</b>	<b>796,021</b>	<b>796,021</b>
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The notes on pages 18 to 33 form part of these financial statements.

## PROPERTYMARK LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	223,781	962,052
<b>Adjustments for:</b>		
Depreciation of tangible assets	82,169	64,135
Interest received	(22,457)	(20,399)
Taxation charge	2,540	10,243
(Increase) in debtors	(163,910)	(14,662)
Increase / (decrease) in creditors	528,527	(2,218,027)
(Decrease) / increase in provisions	(391,535)	679,187
Corporation tax (paid)	(31,018)	(5,128)
<b>Net cash generated from operating activities</b>	<b>228,097</b>	<b>(542,599)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(422,191)	-
Purchase of tangible fixed assets	(12,417)	(132,184)
Sale of tangible fixed assets	-	33,290
Interest received	22,457	20,399
<b>Net cash from investing activities</b>	<b>(412,151)</b>	<b>(78,495)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(184,054)</b>	<b>(621,094)</b>
Cash and cash equivalents at beginning of year	4,084,271	4,705,365
<b>Cash and cash equivalents at the end of year</b>	<b>3,900,217</b>	<b>4,084,271</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,900,217	4,090,586
Bank overdrafts	-	(6,315)
	<b>3,900,217</b>	<b>4,084,271</b>

The notes on pages 18 to 33 form part of these financial statements.

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**PROPERTYMARK LTD**


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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	4,090,586	(190,369)	3,900,217
Bank overdrafts	(6,315)	6,315	-
	<u>4,084,271</u>	<u>(184,054)</u>	<u>3,900,217</u>

The notes on pages 18 to 33 form part of these financial statements.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

Propertymark Ltd is a private company limited by guarantee and incorporated in England and Wales. Its registered head office is located at Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, Warwickshire, CV34 6LG.

The principal activity of the company and group are detailed in the Group strategic report.

The financial statements are presented in Sterling ("£").

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting power of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for the entity as a subsidiary and recognises a non-controlling interest.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Turnover**

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

Membership fees are included in the Statement of Comprehensive Income, in the period to which they relate to. Advanced payments in respect of membership fees are deferred and recognised over the course of the membership term.

Education and training, publications, seminars and events along with all other income (including entrance fees, conferences and events, CPD training and book sales) are recognised in the Statement of Comprehensive Income in the period in which the services or goods are provided.

**2.4 Going concern**

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic review and future prospects section of the Group Strategic report on pages 1 to 4.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**2.5 Other operating income**

Other operating income represents client money protection (CMP) income. This is in relation to fees received from customers in order to demonstrate that they are Propertymark Protected. This is accounted for in the period to which they relate.

**2.6 Intangible assets**

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

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

The estimated useful lives range as follows:

Software development	3-10	years
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Amortisation is charged on intangible assets at the point in which it is classified as available for use.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)****2.7 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Leasehold property	- 2% or 10%
Fixtures and fittings	- 25%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.9 Debtors**

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

**2.10 Cash and cash equivalents**

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)****2.11 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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

**2.12 Creditors**

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

**2.13 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.



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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.14 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**2.15 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.16 Provisions for liabilities**

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.17 Taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**Client Money Protection (CMP) provision:**

A provision is made in respect of management's best estimate of the likely exposure in relation to client money protection.

**Provision for indirect and other taxes:**

Management have recognised a provision representing their best estimate, of the likely exposure resulting from a review of historical indirect tax procedures and compliance.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. Turnover**

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

	2019 £	2018 £
Membership fees	3,523,452	4,781,428
Education and training	1,539,614	1,543,549
Publications	109,577	129,287
Seminars and events	998,318	891,992
Other	71,105	(38,462)
	<u>6,242,066</u>	<u>7,307,794</u>

**5. Other operating income**

	2019 £	2018 £
Client Money Protection income	1,335,296	1,173,829
Receipt of insurance monies	<u>185,031</u>	<u>-</u>

**6. Operating surplus**

The operating surplus is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	82,169	64,135
Other operating lease rentals	<u>85,435</u>	<u>68,617</u>

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**PROPERTYMARK LTD**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**7. Auditor's remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Parent annual financial statements	<b>25,500</b>	<b>26,000</b>
Fees payable to the Group's auditor and its associates for the audit of the Subsidiaries annual financial statements	<b>18,000</b>	<b>15,000</b>
	<u><b>43,500</b></u>	<u><b>41,000</b></u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	<b>7,100</b>	<b>6,000</b>
Taxation advisory	<b>68,017</b>	<b>36,000</b>
Other accounting services	<b>3,000</b>	<b>3,000</b>
	<u><b>78,117</b></u>	<u><b>45,000</b></u>

**8. Employees**

Staff costs were as follows:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,015,969</b>	<i>1,727,690</i>	<b>1,836,800</b>	<i>1,727,690</i>
Social security costs	<b>193,738</b>	<i>159,123</i>	<b>176,963</b>	<i>159,123</i>
Cost of defined contribution scheme	<b>77,112</b>	<i>56,776</i>	<b>70,518</b>	<i>56,776</i>
	<u><b>2,286,819</b></u>	<u><i>1,943,589</i></u>	<u><b>2,084,281</b></u>	<u><i>1,943,589</i></u>

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Administration	<u><b>61</b></u>	<u><i>55</i></u>	<u><b>61</b></u>	<u><i>55</i></u>

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. Directors' remuneration**

	2019 £	2018 £
Remuneration	26,000	8,705
	<u>26,000</u>	<u>8,705</u>

**10. Interest receivable**

	2019 £	2018 £
Other interest receivable	22,457	20,399
	<u>22,457</u>	<u>20,399</u>

**11. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on surplus for the year	2,540	10,243
<b>Total current tax</b>	<u>2,540</u>	<u>10,243</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on surplus on ordinary activities</b>	<u>2,540</u>	<u>10,243</u>

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**PROPERTYMARK LTD**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Surplus on ordinary activities before tax	<u>226,321</u>	<u>972,295</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	43,001	184,736
<b>Effects of:</b>		
Non tax deductible depreciation	8,140	-
Expenses not deductible for tax purposes	3,780	122
Income not taxable	(79,714)	(209,540)
Deferred tax not recognised	22,786	33,514
Other differences leading to an increase in the tax charge	4,547	1,411
<b>Total tax charge for the year</b>	<u><u>2,540</u></u>	<u><u>10,243</u></u>

**Factors that may affect future tax charges**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

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PROPERTYMARK LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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12. Intangible assets

Group and Company

	Software development £
<b>Cost</b>	
Additions	422,191
At 31 December 2019	<u>422,191</u>
<b>Net book value</b>	
At 31 December 2019	<u>422,191</u>
At 31 December 2018	<u>-</u>

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**PROPERTYMARK LTD**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**13. Tangible fixed assets****Group and Company**

	Leasehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2019	2,583,238	152,187	2,735,425
Additions	-	12,417	12,417
At 31 December 2019	2,583,238	164,604	2,747,842
<b>Depreciation</b>			
At 1 January 2019	869,335	26,036	895,371
Charge for the year	42,840	39,329	82,169
At 31 December 2019	912,175	65,365	977,540
<b>Net book value</b>			
At 31 December 2019	1,671,063	99,239	1,770,302
At 31 December 2018	1,713,903	126,151	1,840,054

**14. Fixed asset investments**

## Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Propertymark Qualifications Ltd	Limited by guarantee	100%	Awarding body
Money Shield Ltd	Ordinary	51%	Client money protection

Propertymark Ltd has been the sole member of its subsidiary company Propertymark Qualifications Limited, a company limited by guarantee, since incorporation in November 2006, and as such hold no share capital.

In the event of winding up, every member of the company undertakes to contribute to the assets of the company such an amount as may be required not exceeding £10.

**Joint venture**

Propertymark Limited holds a 50% interest in the voting rights of The Dispute Service Limited, however is not entitled to receive financial benefit as a result of its holding and as such there is no impact on the consolidated results of Propertymark Limited.



## PROPERTYMARK LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

## 15. Debtors

	<b>Group 2019 £</b>	<i>Group 2018 £</i>	<b>Company 2019 £</b>	<i>Company 2018 £</i>
Trade debtors	<b>909,893</b>	583,536	<b>805,217</b>	499,960
Amounts owed by group undertakings	-	-	-	123,984
Other debtors	<b>64,867</b>	201,235	<b>64,867</b>	201,201
Prepayments and accrued income	<b>379,029</b>	405,108	<b>255,691</b>	226,582
Tax recoverable	-	1,662	-	-
	<b><u>1,353,789</u></b>	<u>1,191,541</u>	<b><u>1,125,775</u></b>	<u>1,051,727</u>

Amounts owed by group undertakings are unsecured, not subject to interest and are repayable on demand.

## 16. Cash and cash equivalents

	<b>Group 2019 £</b>	<i>Group 2018 £</i>	<b>Company 2019 £</b>	<i>Company 2018 £</i>
Cash at bank and in hand	<b>3,900,217</b>	4,090,586	<b>3,588,156</b>	4,060,445
Less: bank overdrafts	-	(6,315)	-	(6,315)
	<b><u>3,900,217</u></b>	<u>4,084,271</u>	<b><u>3,588,156</u></b>	<u>4,054,130</u>

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**PROPERTYMARK LTD**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**17. Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<i>Group</i>	<b>2019</b>	<i>Company</i>
	<b>£</b>	<b>2018</b>	<b>£</b>	<b>2018</b>
		<b>£</b>		<b>£</b>
Bank overdrafts	-	6,315	-	6,315
Trade creditors	<b>138,898</b>	38,642	<b>138,898</b>	37,706
Amounts owed to group undertakings	-	-	<b>2,150,473</b>	2,530,779
Corporation tax	<b>1,250</b>	31,390	<b>1,250</b>	14,329
Other taxation and social security	<b>46,953</b>	120,076	<b>33,378</b>	120,076
Other creditors	<b>3,735</b>	57,682	<b>1,037</b>	11,922
Accruals and deferred income	<b>3,378,667</b>	2,823,326	<b>3,137,047</b>	2,738,672
	<b>3,569,503</b>	<b>3,077,431</b>	<b>5,462,083</b>	<b>5,459,799</b>

Amounts owed to group undertakings are unsecured, not subject to interest and are repayable on demand.

**18. Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<i>Group</i>	<b>2019</b>	<i>Company</i>
	<b>£</b>	<b>2018</b>	<b>£</b>	<b>2018</b>
		<b>£</b>		<b>£</b>
<b>Financial assets</b>				
Cash and cash equivalents	<b>3,900,217</b>	4,090,586	<b>3,588,156</b>	4,060,445
Financial assets measured at amortised cost	<b>1,029,156</b>	1,004,267	<b>870,084</b>	932,332
	<b>4,929,373</b>	<b>5,094,853</b>	<b>4,458,240</b>	<b>4,992,777</b>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(471,983)</b>	(325,283)	<b>(2,529,189)</b>	(2,725,945)

Cash and cash equivalents comprise cash in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, bank overdrafts and amounts owed to group undertakings.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**19. Provisions**

	Provision for indirect and other taxes £	CMP provision £	Total £
<b>Group and Company</b>			
At 1 January 2019	679,187	17,219	696,406
(Utilised) / charged in the year	(506,208)	114,673	(391,535)
<b>At 31 December 2019</b>	<u>172,979</u>	<u>131,892</u>	<u>304,871</u>

Management continue to recognise a provision representing their best estimate, of the likely exposure resulting from a review of historical indirect tax procedures and compliance.

A provision is made by management representing their best estimate, of any potential pay-out of claims from members of the CMP scheme.

**20. Reserves**

**Profit and loss account**

The profit and loss account includes all current and prior year retained profits and losses.

**21. Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

**22. Capital commitments**

At 31 December 2019 the Group and company had capital commitments as follows:

	Group 2019 £	Group 2018 £
Contracted for but not provided in these financial statements	251,431	-
	<u>251,431</u>	<u>-</u>

These costs relate to contractual obligations associated with development of a new IT system as capitalised within intangible assets.

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**PROPERTYMARK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**23. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £77,112 (2018: £56,776). Contributions totalling £171 were receivable from (2018: £208 payable to) the fund at the balance sheet date and are included in creditors.

**24. Commitments under operating leases**

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

	<b>Group 2019 £</b>	<i>Group 2018 £</i>	<b>Company 2019 £</b>	<i>Company 2018 £</i>
Not later than 1 year	<b>81,294</b>	80,536	<b>81,294</b>	80,536
Later than 1 year and not later than 5 years	<b>37,365</b>	90,576	<b>37,365</b>	90,576
	<u><b>118,659</b></u>	<u>171,112</u>	<u><b>118,659</b></u>	<u>171,112</u>

**25. Related party transactions**

During the year, N Emerson, a director of the group, provided consultancy services amounting to £17,050 (2018: £3,115).

During the year, a total of key management personnel compensation of £536,969 (2018: £451,030) was paid.

**26. Controlling party**

The group is controlled by its board of directors as shown in the directors' report.