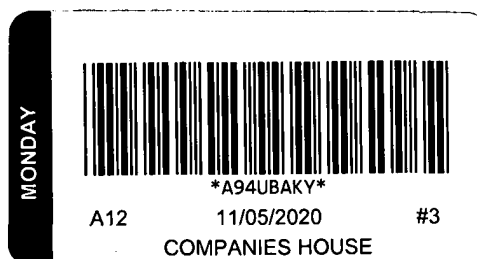


Company Registration No. 4726084

CVC Advisers Limited

**Annual report and financial statements
for the year ended 31 December 2019**



CVC Advisers Limited

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CVC Advisers Limited

Officers and professional advisers

Directors

Timothy C Cundy
Robert R Lucas
Lorne R Somerville
Soren Vestergaard-Poulsen (appointed 7 January 2020)
Frederick I Watt
Kenneth Young

Company Secretary

Lauren Livingston

Registered Office

111 The Strand
London, WC2R 0AG

Legal Advisers

Clifford Chance LLP
10 Upper Bank Street
London, E14 5JJ

Auditor

Deloitte LLP
Jersey

CVC Advisers Limited

Strategic report

The directors present their Strategic report on CVC Advisers Limited ("the Company") for the year ended 31 December 2019.

Business review

The Company's business is primarily that of procuring equity investments and providing related advisory services in relation to certain types of management buy-outs, strategic restructurings and venture capital transactions on behalf of group companies.

The Company is a member of, and authorised by, the Financial Conduct Authority ("FCA") in connection with the conduct of those activities subject to the provisions of the UK Financial Services Act 2012 and the Financial Services and Markets Act 2000 ('the Acts').

The directors do not anticipate any changes to the principal activities of the Company.

The coronavirus (COVID-19) outbreak has caused global economic disruption, across all industries and sectors. The uncertainties over the emergence and spread of COVID-19 have caused significant global market volatility. The directors are monitoring the situation, for any immediate and long term impact of COVID-19 on the Company's activities.

Results and performance

As shown in the Company's Income statement on page 9 the profit for the year, after taxation, has decreased to £1,159,123 (2018: £4,034,966) with a gross margin consistent year on year. Net assets, as shown on the Statement of financial position on page 10, have increased from £22,824,169 to £23,983,292 as a result of the net movement in retained earnings.

The directors did not declare an interim dividend (2018: £nil). The directors do not recommend the payment of a final dividend (2018: £nil).

Principal risks and uncertainties

The Company provides services to fellow group companies under long term contracts which guarantee a suitable profit margin, the most significant business risk is counterparty credit risk.

The Company is adequately capitalised as required for an entity regulated by the FCA.

Statement by the directors of the Company in performance of their statutory duties in accordance with section 172(1) Companies Act 2006 (the "Act").

Each director of the Company considers that they have individually and as a board acted in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole having regard to the matters set out in section 172(1)(a)-(f) of the Act.

The following paragraphs summarise how the directors fulfil their duties:

Purpose, strategy and consideration of the consequences of our decisions for the long term

The Company's strategy and operational focus is to provide best in class investment advisory services to the CVC investment management business. Throughout the year the board have had regard to changing socio and economic factors (such as the effect of "Brexit") on its clients' investment strategies and has taken a risk based approach to its long term decision making.

CVC Advisers Limited

Strategic report (continued)

Employees and culture

Following feedback as part of the Company's 2018 employee engagement survey, in 2019 the Company refined what it considers to be CVC's core values and has reinforced the Company's strategy in Company communications and at employee events. The Company has also focussed on how it can best attract and retain more diverse candidates by creating an appealing environment where everyone has the opportunity to be successful.

Impact of the Company's operations on the community and environment

We believe the management of environmental, social and governance (ESG) issues is a critical part of ensuring the long-term success of any business today. As part of the board's plans for the upcoming refurbishment of the Company's offices we have sought to improve energy efficiencies and encourage environmentally friendly practices such as by improving our cycle to work amenities.

Our employees are encouraged to work directly with our charity partners through providing their professional skills to charities or volunteering to help disadvantaged young people in their communities. An example of this is the CVC Young Innovator Awards where young entrepreneurs launching a new business or social enterprise are invited to pitch their ideas to members of the Company's staff, who then award cash grants up to €20,000 and provide ongoing mentoring support. The Company also operates a policy of 2:1 matching on any charitable fundraising that an employee undertakes up to an annual limit per employee.

Engagement with stakeholders

The Company supports building and maintaining strong working relationships with our suppliers, sole shareholder and our clients (being other entities within the CVC network). The Company regularly engages with its sole shareholder to ensure its strategic vision is aligned. During 2019 the Company also focussed on further engaging with those of its suppliers who access the CVC IT network or have access to confidential or personal information as part of its ongoing supply chain engagement and risk management process. Each year the Board also considers and approves the Company's modern slavery statement, which explains the activities it has undertaken during the year to demonstrate our commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of the Company's business or in its supply chains.

Maintaining a reputation for high standards of business conduct

In accordance with its commitment to maintaining high standards of business conduct, the Company has implemented and updated various of its internal policies and procedures during 2019 in order to reflect its core values and the changing regulatory landscape, such as the introduction of the Senior Managers and Certification regime. The Company's internal Compliance team provides, introductory, annual and ad-hoc Code of Ethics training sessions to Company employees. Additionally, the Company conforms with the Walker Guidelines and works closely with UK based portfolio companies owned by Funds advised by CVC to improve their level of transparency and the quality of disclosures.

Approved by the Board of Directors
and signed on behalf of the Board



Tim Cundy

Director

7 April 2020

CVC Advisers Limited

Directors' report

Directors

The directors who served throughout the year and up to the date of this report are shown on page 1.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. The coronavirus (COVID-19) outbreak has caused global economic disruption, across all industries and sectors. The directors are monitoring the situation for any immediate and long term impact on the Company's activities, however they do not expect COVID-19 to cast doubt on the Company's ability to continue as a going concern. (note 17)

Employee engagement and business relationships

Please see the statement by the directors of the Company in performance of their statutory duties in accordance with section 172(1) Companies Act 2006 included in the Strategic report on page 2-3.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Dividends

Dividends are disclosed in the Strategic report on page 2.

Events after the balance sheet date

Details of events since the balance sheet date are disclosed in note 17.

Financial risk management objectives and policies

The Company's most significant risk is referred to in the Strategic report on page 2.

Donations

Charitable donations of £83,483 (2018: £5,991) were made during the period.
No political donations were made during the period. (2018: £nil)

CVC Advisers Limited

Directors' report (continued)

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP will be the auditor of the Company for the forthcoming financial year.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'T C Cundy', with a long horizontal flourish extending from the end.

Tim Cundy
Director
7 April 2020

CVC Advisers Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 year. In preparing these financial statements, the directors are required to:

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

The directors are 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 to 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.

CVC Advisers Limited

Independent auditor's report to the members of CVC Advisers Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CVC Advisers Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income statement;
- the Statement of financial position;
- the Statement of changes in equity;
- the Statement of cash flows; and
- the related notes 1 to 17.

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).

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in these matters.

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 these matters.

CVC Advisers Limited

Independent auditor's report to the members of CVC Advisers Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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 controls 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 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.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in these matters.

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 Independent 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.

John Clacy, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Jersey, 8 April 2020



CVC Advisers Limited

Income statement

For the year ended 31 December 2019

	Notes	31 Dec 19 £	31 Dec 18 £
Turnover	3	78,960,557	75,260,264
Cost of sales		<u>(73,678,174)</u>	<u>(70,192,955)</u>
Operating profit	5	5,282,383	5,067,309
Finance cost net	6	<u>(154,588)</u>	<u>131,223</u>
Profit before taxation		5,127,795	5,198,532
Tax on profit	7	<u>(3,968,672)</u>	<u>(1,163,566)</u>
Profit for the year		<u><u>1,159,123</u></u>	<u><u>4,034,966</u></u>

There is no other comprehensive income and therefore a separate Statement of comprehensive income has not been prepared.

All of the profit for the year is from continuing operations.

The accompanying notes on pages 13 to 21 are an integral part of these audited financial statements.

CVC Advisers Limited

Statement of financial position as at 31 December 2019

	Notes	31 Dec 19 £	31 Dec 18 £
Fixed assets			
Tangible assets	8	<u>3,267,796</u>	<u>4,182,591</u>
Non- current assets			
Debtors: amounts falling due after one year	9	<u>955,442</u>	<u>861,852</u>
Current assets			
Debtors: amounts falling due within one year	9	15,106,391	12,351,082
Cash at bank and in hand		<u>35,627,703</u>	<u>33,204,837</u>
		<u>50,734,094</u>	<u>45,555,919</u>
Creditors: amounts falling due within one year	10	<u>(30,544,040)</u>	<u>(27,776,192)</u>
Net current assets		<u>20,190,054</u>	<u>17,779,726</u>
Total assets less current liabilities		<u>24,413,292</u>	<u>22,824,169</u>
Creditors: amounts falling due after one year	10	<u>(430,000)</u>	<u>-</u>
Net assets		<u>23,983,292</u>	<u>22,824,169</u>
Capital and reserves			
Called-up share capital	12	30,990	30,990
Share premium account	12	2,969,010	2,969,010
Profit and loss account	12	<u>20,983,292</u>	<u>19,824,169</u>
Total shareholders' funds		<u>23,983,292</u>	<u>22,824,169</u>

The accompanying notes on pages 13 to 21 are an integral part of these audited financial statements.

These financial statements were approved by the Board of Directors on 7 April 2020.

Signed on behalf of the Board of Directors by:



Tim Cundy

Director

Company registration: 4726084

CVC Advisers Limited

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

	Called-up share capital	Share Premium account	Profit and loss account	Total
	£	£	£	£
At 1 January 2018	<u>30,990</u>	<u>2,969,010</u>	<u>15,789,203</u>	<u>18,789,203</u>
Profit for the year	-	-	4,034,966	4,034,966
At 31 December 2018	<u>30,990</u>	<u>2,969,010</u>	<u>19,824,169</u>	<u>22,824,169</u>
Profit for the year	-	-	1,159,123	1,159,123
At 31 December 2019	<u>30,990</u>	<u>2,969,010</u>	<u>20,983,292</u>	<u>23,983,292</u>

The accompanying notes on pages 13 to 21 are an integral part of these audited financial statements.

CVC Advisers Limited

**Statement of cash flows
For the year ended 31 December 2019**

	Notes	31 Dec 19 £	31 Dec 18 £
Net cash flows from operating activities	11	973,748	8,409,512
Cash flows from investing activities			
Interest received	6	171,315	131,223
Loans received		2,950,000	241,614
Payments to acquire tangible fixed assets	8	(1,672,197)	(2,248,083)
Net cash flows used in investing activities		<u>1,449,118</u>	<u>(1,875,246)</u>
Cash flows from financing activities			
Loans payable repaid		-	(241,614)
Net cash flows from financing activities		<u>-</u>	<u>(241,614)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>-</u>	<u>(3,772)</u>
Net increase in cash and cash equivalents		2,422,866	6,288,880
Cash and cash equivalents at beginning of the year		<u>33,204,837</u>	<u>26,915,957</u>
Cash and cash equivalents at end of the year		<u><u>35,627,703</u></u>	<u><u>33,204,837</u></u>

The accompanying notes on pages 13 to 21 are an integral part of these audited financial statements.

CVC Advisers Limited

Notes to the financial statements

For the year ended 31 December 2019

1 General information

The Company is incorporated in the United Kingdom under the Companies Act 2006. The Company is a private limited company and is registered in England and Wales. The registered office is 111 Strand, London, WC2R 0AG.

The principal activity of the Company and nature of operations are set out in the Strategic report on page 2.

2 Accounting policies

Basis of accounting

The principal activity of the Company and nature of operations are set out in the Strategic report on page 2.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

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

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Turnover

Turnover from rendering of services represents the value of services provided under contract to the extent that there is a right to consideration and is recorded at fair value of the consideration received or receivable.

Fee revenue is recognised on an accruals basis.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of financial position.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling, the functional currency, at the market rates prevailing at the year end. Foreign currency transactions are translated into sterling at the rate ruling at the date of the transaction. All exchange gains and losses are recognised in the Income statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and provision for impairment. Depreciation is provided on a straight line basis over the expected useful life as follows:

Computers and IT equipment/technology	3 years
Fixtures, fittings and equipment	5 years

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided in full on timing differences that result in an obligation at 31 December to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

CVC Advisers Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

2 Accounting policies (continued)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from date of approval of these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements, in conformity with FRS 102, requires the Directors to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The judgements and estimates are based on historical experience and other factors that are considered relevant. Actual results may differ from these judgements and estimates. As at 31 December 2019, there are no significant judgements and estimates applied to the financial statements.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

i) Debtors due within one year and cash at bank

Basic financial assets, including debtors, due within one year and cash at bank, are initially recognised at transaction price and are subsequently measured at the undiscounted amount of cash or other consideration expected to be received, net of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions on the transfer.

ii) Loans and interest receivable due after one year

Loans and interest receivable due after more than one year are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

i) Creditors due within one year

Basic financial liabilities, including creditors, due within one year, are initially recognised at transaction price and are subsequently measured at the undiscounted amount of cash or other consideration expected to be paid.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

i) Creditors due after more than one year

Creditors due after more than one year are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest rate method.

CVC Advisers Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

3 Turnover

Turnover represents amounts derived from the rendering of services which fall within the Company's ordinary activities after deduction of applicable value added tax. Revenue is derived from customers within the European Union.

	31 Dec 19 £	31 Dec 18 £
Fee revenue from other group undertakings	<u>78,960,557</u>	<u>75,260,264</u>

Information regarding directors and employees

4 Directors' remuneration	31 Dec 19 £	31 Dec 18 £
Emoluments	2,249,187	4,403,794
Company contributions to money purchase pension schemes	<u>2,345</u>	<u>-</u>
	<u>2,251,532</u>	<u>4,403,794</u>
Number of directors accruing benefits under a money purchase pension scheme	No. <u>5</u>	No. <u>5</u>
Remuneration of the highest paid director	£	£
Emoluments	469,427	1,421,227
Company contributions to money purchase pension schemes	<u>2,345</u>	<u>-</u>
	<u>471,772</u>	<u>1,421,227</u>
Average number of persons employed (including directors)	No. <u>150</u>	No. <u>133</u>
Average number of persons employed (including directors) within:		
Advisory services	<u>55</u>	<u>44</u>
General and administration services	<u>95</u>	<u>89</u>
Staff costs during the year (including directors)	2019 £	2018 £
Wages and salaries	45,297,669	42,738,258
Social security costs	6,504,444	6,147,805
Pension costs	<u>2,534,625</u>	<u>1,287,805</u>
	<u>54,336,738</u>	<u>50,173,868</u>

CVC Advisers Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

5 Operating profit

	31 Dec 19	31 Dec 18
	£	£
Operating profit is stated after charging the following:		
Depreciation	2,586,991	3,136,967
Auditor's remuneration		
- audit fee for the audit of the Company's accounts	25,750	25,000
- other services pursuant to legislation	1,250	1,250
Operating lease rentals		
- other	838,623	1,692,259

6 Finance cost net

	31 Dec 19	31 Dec 18
	£	£
Interest receivable on bank interest/deposits	98,815	57,473
Interest receivable on loan receivable	72,500	73,750
Interest payable and similar expenses	(325,903)	-
	(154,588)	131,223

7 Tax on profit

	31 Dec 19	31 Dec 18
	£	£
The charge for tax on the profit for the year comprises:		
UK corporation tax - current year	1,683,145	1,372,783
UK corporation tax - prior years	2,379,117	-
	4,062,262	1,372,783
Deferred tax:		
Timing differences - Current year	(104,601)	(193,364)
Timing differences - Prior year	-	(15,853)
Effect of changes in tax rates	11,011	-
Total deferred tax	(93,590)	(209,217)
Total taxation charge	3,968,672	1,163,566

During the year ended 31 December 2019, the Company had an effective tax charge of 77% (compared with applicable 2019 corporation tax rate of 19%). 60% of the effective tax charge is due to corporation tax prior years adjustments for 2012-2018.

CVC Advisers Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

7 Tax on profit (continued)

Reconciliation of tax charges:

Profit before taxation	5,127,795	5,198,532
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	974,281	987,721
Effect of:		
Expenses not deductible	273,251	168,949
Transfer pricing adjustment	331,011	-
Adjustment in respect of prior years	2,379,117	(15,853)
Other including tax rate changes	11,012	22,749
Total taxation charge	3,968,672	1,163,566

The Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015, set the corporation tax rate at 19% from 1 April 2017.

8 Tangible fixed assets

	Computers and IT equipment/ technology £	Fixtures, fittings, and equipment £	Total £
Cost			
At 1 January 2019	10,249,375	7,462,501	17,711,876
Additions	1,183,178	489,019	1,672,197
At 31 December 2019	11,432,553	7,951,520	19,384,073
Accumulated depreciation			
At 1 January 2019	6,970,294	6,558,991	13,529,285
Charge for the year	1,798,889	788,102	2,586,991
At 31 December 2019	8,769,183	7,347,093	16,116,276
Net book value			
At 31 December 2019	2,663,370	604,427	3,267,796
At 31 December 2018	3,279,081	903,510	4,182,591

CVC Adviers Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

9 Debtors

	31 Dec 19	31 Dec 18
	£	£
Amounts falling due within one year		
Amounts owed by related parties (note 14)	12,355,130	6,313,500
VAT	311,120	404,936
Other debtors	1,522,837	3,896,455
Prepayments	917,304	1,736,191
	<u>15,106,391</u>	<u>12,351,082</u>
 Amounts falling due after one year		
Deferred tax asset	955,442	861,852
	<u>955,442</u>	<u>861,852</u>

10 Creditors

	31 Dec 19	31 Dec 18
	£	£
Amounts falling due within one year		
Amounts owed to related parties (note 14)	4,582,313	1,404,571
Corporation taxation	3,962,262	1,272,783
Other creditors	3,992,694	1,816,387
Accruals	18,006,771	23,282,451
	<u>30,544,040</u>	<u>27,776,192</u>
 Amounts falling due after one year		
Other creditors	430,000	-
	<u>430,000</u>	<u>-</u>

CVC Advisers Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

11 Reconciliation of operating profit to operating cash flows

	31 Dec 19 £	31 Dec 18 £
Operating profit	5,282,383	5,067,309
Adjustment for depreciation charge	2,586,991	3,136,967
Increase in debtors	(5,798,898)	(3,251,262)
Increase in creditors	182,465	4,772,910
Income tax paid	(1,279,193)	(1,316,412)
Net cash flows from operating activities	<u>973,748</u>	<u>8,409,512</u>

12 Called-up share capital and reserves

	31 Dec 19 £	31 Dec 18 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
50,000 redeemable preference shares of £1 each	<u>50,000</u>	<u>50,000</u>
	<u>51,000</u>	<u>51,000</u>
Called-up, allotted and fully paid:		
1,000 ordinary shares of £1 each	1,000	1,000
29,990 redeemable preference shares of £1 each	<u>29,990</u>	<u>29,990</u>
	<u>30,990</u>	<u>30,990</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The redeemable preference shares may be redeemed at £100 per share at any time at the option of the Company. Holders of redeemable preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of £100 per share.

The share premium reserve contains the premium arising on issue of equity shares net of issue expenses.

The profit and loss reserve represents cumulative profits or losses.

CVC Advisers Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

13 Operating lease commitments

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

	31 Dec 19	31 Dec 18
	£	£
Land and buildings		
- Within one year	104,860	898,404
- In the second to fifth years inclusive	8,072,587	52,000
- In the fifth year and beyond	11,479,720	-
	<u>19,657,167</u>	<u>950,404</u>

14 Related parties

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Trading balances outstanding at 31 December, are as follows:

	31 Dec 19	31 Dec 18
	£	£
Entity with control - parent		
Outstanding balance payable	<u>4,582,313</u>	<u>1,404,571</u>

	31 Dec 19	31 Dec 18
	£	£
Other related parties - other group entities		
Outstanding balance receivable	<u>12,355,130</u>	<u>6,313,500</u>

Transactions between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and repayable on demand. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the year, the Company has not made any provision for doubtful debts relating to amounts owed by related parties. (2018: nil).

CVC Advisers Limited

Notes to the financial statements (continued) **For the year ended 31 December 2019**

15 Contingent liability

As noted in the prior year there was a discovery assessment raised by HMRC into 2012 which the Company appealed and has been withdrawn by HMRC. There was also an ongoing enquiry by HMRC into the Company's tax position for 2013-2017. Post year end a comprehensive tax settlement was made by the Company and the allocated tax accruals are disclosed in Note 7 and 10.

16 Immediate and ultimate parent company and controlling party

The Company's immediate parent undertaking and controlling party is CVC Advisers (Luxembourg) Sarl, incorporated in Luxembourg. Registered office at 20 Avenue Monterey, Luxembourg L-2163.

The Company's ultimate controlling party is CVC Capital Partners Advisory Group Holding Foundation, resident in Jersey. Registered office 22 Grenville Street, St Helier, Jersey, JE4 8PX.

The Company is consolidated into CVC Capital Partners Advisory Holdings II Limited accounts. This is the smallest and largest group into which the Company is consolidated.

17 Events after the end of the reporting period

Events after the end of the reporting period have been evaluated up to the date the financial statements were approved and authorised for issue by the Board of Directors and there have been no material events requiring adjustment or disclosure in these financial statements.

During the period from the date of the Statement of Financial Position to the date that the Financial Statements were approved, the coronavirus (COVID-19) outbreak has caused global economic disruption, across all industries and sectors. The uncertainties over the emergence and spread of COVID-19 have caused significant global market volatility. The directors are monitoring the situation, for any immediate and long term impact of COVID-19 on the Company's activities.