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ZPG Limited

Registered number: 09005884

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Company information

Directors	Charles Bryant Ulf Pagenkopf Simon Patterson
Registered number	09005884
Registered office	ZPG Limited The Cooperage 5 Copper Row London SE1 2LH

ZPG Limited

Contents

Directors' report

For the year ended 30 September 2019

The Directors present their report of ZPG Limited ("ZPG" or "the Company") for the year ended 30 September 2019 ("2019"). The comparative period is for the year ended 30 September 2018 ("2018").

For the period ending 30 September 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its financial statements for the period in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Directors

The Directors who held office during the year and up to the date of signing these financial statements were as follows:

- Andy Botha – Resigned on 28 June 2019
- Charles Bryant – Appointed on 6 March 2020
- Neil Edwards – Appointed on 29 April 2019, resigned on 6 March 2020
- Seda Karpukhina – Appointed on 11 July 2018, resigned on 1 November 2018
- Ulf Pagenkopf
- Simon Patterson

Principal activity

The Company was incorporated on 22 April 2014. On 11 July 2018, the Company delisted from the London Stock Exchange.

The principal activity of the Company was to act as a holding company for the Company and its subsidiaries' (together "the Group") consolidated business and to settle central costs on behalf of the Group such as rent on the Group's head offices and the remuneration of employees in central functions, which are then recharged.

Directors' indemnities and insurance

In accordance with the Companies Act 2006 and the Company's Articles, the Company has purchased and maintains Directors' and officers' liability insurance cover, which remains in place as at the date of this report. A review is carried out on an annual basis to ensure that the Board remains satisfied that an appropriate level of cover is in place.

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries.

Results

The Company profit for the year after tax was £866,291 million (2018: 21,755 million).

Dividend

The Directors do not recommend a final dividend in respect of the year ended 30 September 2019 (2018: £16.6 million).

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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.

Directors' report (continued)

For the year ended 30 September 2019

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Companies' exemption

The Company qualifies as a small company under sections 382 and 383 of the Companies Act 2006 and has therefore taken the exemptions available in respect of the preparation of the Directors' Report and the Strategic Report.

This report was approved by the Board of Directors on 15 June 2020 and signed on its behalf by:

C Bryant
Director
15 June 2020

ZPG Limited

Statement of comprehensive income

For the year ended 30 September 2019

	Notes	2019 £000	2018 £000
Other Income		**859,548**	105,866
Administrative expenses		**(10,010)**	(54,056)
Operating profit	2	**849,538**	51,810
Finance income		**38,227**	598
Finance costs		**(15,042)**	(28,100)
Profit before tax		**872,723**	24,307
Income tax expense	4	**(6,432)**	(2,552)
Profit for the year		**866,291**	21,755
Attributable to:			
Parent company		**866,291**	21,755

ZPG Limited

Statement of financial position

As at 30 September 2019

	Notes	2019 £000	2018 £000
Assets			
Non-current assets			
Investment in subsidiaries	5	**2,554,100**	549,528
Intangible assets	6	**335**	1,761
Property, plant and equipment	7	**34,559**	7,907
Trade and other receivables	8	**892,487**	-
Corporation tax asset		**133**	-
Deferred tax assets	13	**192**	6,757
		3,481,806	565,953
Current assets			
Trade and other receivables	8	**28,453**	50,444
Cash and cash equivalents		**1,480**	2,112
		29,933	52,556
Total assets		**3,511,739**	618,509
Liabilities			
Current liabilities			
Trade and other payables	9	**350,627**	45,820
Deferred and contingent consideration	10	**2,906**	30,514
Lease liability	14	**3,077**	-
		356,610	76,334
Non-current liabilities			
Loans and borrowings	12	**-**	286,253
Deferred and contingent consideration	10	**6,963**	8,803
Provisions	11	**1,633**	1,633
Lease liability	14	**25,039**	-
		33,635	296,689
Total liabilities		**390,245**	373,023
Net assets		**3,121,494**	245,486
Equity			
Share capital	15	**452**	452
Share premium reserve		**74,304**	74,304
Other reserves	15	**2,100,312**	88,099
Retained earnings		**946,426**	82,631
Total equity		**3,121,494**	245,486

For the period ending 30 September 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the period in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

ZPG Limited

Statement of financial position (continued)

As at 30 September 2019

The financial statements of ZPG Limited (company number 09005884) were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

C Bryant
Director
15 June 2020

ZPG Limited

Statement of changes in equity

For the year ended 30 September 2019

	Share capital £000	Share premium reserve £000	Other Reserves: Treasury shares £000	Other Reserves: Shares in trust £000	Other Reserves: Merger reserve £000	Retained earnings £000	Total equity £000
At 1 October 2018	452	74,304	(1,227)	(1,169)	90,495	82,631	245,486
Profit and total comprehensive income for the period	-	-	-	-	-	866,291	866,291
Transactions with owners recorded directly in equity:							
Share-based payments	-	-	-	-	-	(6,105)	(6,105)
Acquisition of subsidiaries	-	-	-	-	2,009,817	-	2,009,817
Treasury shares purchased	-	-	1,227	-	-	(1,227)	-
Shares purchased by trusts	-	-	-	1,169	-	-	1,169
Cumulative impact of IFRS 16	-	-	-		-	4,836	4,836
At 30 September 2019	**452**	**74,304**	**-**	**-**	**2,100,312**	**946,426**	**3,121,494**

	Share capital £000	Share premium reserve £000	Other Reserves: Treasury shares £000	Other Reserves: Shares in trust £000	Other Reserves: Merger reserve £000	Retained earnings £000	Total equity £000
At 1 October 2017	439	74,304	(298)	(46)	90,495	51,456	216,350
Profit and total comprehensive income for the period	-	-	-	-	-	21,758	21,758
Transactions with owners recorded directly in equity:							
Shares issued	13	-	-	(13)	-	-	-
Share-based payments	-	-	-	-	-	18,344	18,344
Acquisition bonus settled in shares	-	-	-	-		7,607	7,607
Treasury shares purchased	-	-	(1,968)	-	-	-	(1,968)
Treasury shares released	-	-	1,039	(3)	-	(1,036)	-
Current tax on share-based payments	-	-	-	-	-	8,143	8,143
Shares purchased by trusts	-	-	-	(8,879)	-	-	(8,879)
Shares released from trusts	-	-	-	7,772	-	(7,059)	713
Dividends paid	-	-	-	-	-	(16,582)	(16,582)
At 30 September 2018	452	74,304	(1,227)	(1,169)	90,495	82,631	245,486

1. Accounting policies

ZPG Limited (the "Company", formerly ZPG Plc) is a company domiciled and incorporated in the United Kingdom. The address of the registered office is The Cooperage, 5 Copper Row, London SE1 2LH.

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below for the years ended 30 September 2019 and 30 September 2018. The policies have been consistently applied to all the periods presented, unless otherwise stated.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, in the year ended 30 September 2019 the Company has undergone transition from reporting under Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) to FRS 101 'Reduced Disclosure Framework'. This transition did not have a material effect on the financial statements. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Summary of disclosure exemptions:

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS101:

- IFRS 2: Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).

- IFRS 7: Complete exemption from all of the disclosure requirements of IFRS 7, Financial Instruments, other than those instruments where these disclosures are still required to comply with the law.

- IFRS 13: 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

- IFRS 15: 'Revenue from contracts with customers' (disclosure of disaggregation of revenue and allowance for expected credit losses reconciliations).

- IAS 1: Exemptions from comparative information requirements in respect of 'Property, plant and equipment' and 'Intangible assets'.

- The following paragraphs of IAS 1, 'Presentation of financial statements': – 10(d) (statement of cash flows); – 16 (statement of compliance with all IFRS); – 38A (requirement for minimum of two primary statements, including cash flow statements); – 38B–D (additional comparative information); – 111 (cash flow statement information); and – 134–136 (capital management disclosures).

- IAS 7, 'Statement of cash flows'. Complete exemption from preparing a Statement of cash flows and related notes.

- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

- IAS24: Exemption from disclosure of related party transactions entered into between two or more members of a group, provided that a subsidiary party to the transaction is wholly owned by such a member.

- IAS24: Exemption from disclosure of compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services.

The presentational currency of the financial statements is Pound Sterling (£).

The Company is a wholly-owned subsidiary of Zephyr Bidco Limited and is included in the consolidated accounts of Zephyr Holdco Limited, comprising Zephyr Bidco Limited and its subsidiaries (the "Group"). Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

1.2 New standards, amendments and IFRIC interpretations

The following standards have been adopted by the Company and are effective for the entire year ending 30 September 2019.

IFRS 9 Financial Instruments

IFRS 9 "Financial Instruments" prescribes the rules for recognition and measurement of financial instruments. The impact of the new standard on the Company is limited to the measurement of provisions raised in relation to revenue received. The standard requires the use of an expected loss model when determining an appropriate provision related to trade receivables. The Company has applied this model and uses both historical analysis and macroeconomic factors in determining the resulting provisions against trade receivables.

IFRS 15 Revenue recognition

IFRS 15 "Revenue from contracts with customers" was adopted by the Company. IFRS 15 replaces IAS 18 "Revenue and related interpretations" and aims to provide a framework on recognising how much revenue is recognised and when it should be recognised. The underlying principal of the new standard is to ensure that revenue is being recognised only when the services promised under the contract have been delivered and all performance obligations have been satisfied.

The Company has applied IFRS 15 in accordance with the modified retrospective transitional approach. No practical expedients have been applied.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet. The Company has maintained the use of 'accrued income' and 'deferred revenue' to describe such balances.

The Company's accounting policies for its revenue streams are disclosed in detail in note 1.4 below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company.

IFRS 16 Leases

Impact of initial application of IFRS 16 Leases

In the current year, the Company has early adopted IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 1.18. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is 1 October 2018.

The Company has applied IFRS 16 using the cumulative catch-up approach which:

- requires the Company to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

Financial impact of initial application of IFRS 16

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the balance sheet on 1 October 2018 range between 6.01% and 6.44%.

The Company has recognised £29,830 million of right-of-use assets and £29,156 million of lease liabilities upon transition to IFRS 16. The difference of £0.7 million is recognised in retained earnings.

1.3 Going concern

The Company's Statement of financial position shows a positive net asset position with significant cash resources and the Company continues to generate positive net cash flows from operating activities. Furthermore, the Company continues to generate both positive EBITDA and profit after tax. Therefore, the Directors believe that the Company is well placed to manage its business and financial risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.4 Other income

Dividend income are recognised as other income in profit and loss.

1.5 Finance income and costs

Finance income represents interest receivable on cash and deposit balances. Interest income is recognised as it accrues using the effective interest method.

Finance costs represent interest charged on bank loans and overdraft balances. Finance costs are recognised on an accruals basis using the effective interest method.

Foreign exchange gains and losses are recognised monthly based on the translation of assets and liabilities held in foreign currencies to Pound Sterling and realised gains and losses on transactions recorded in the year. The Company's principal exposure is to the US Dollar, through agreements with of a number of suppliers based in the United States. The Directors are comfortable that any sensitivity to fluctuations in exchange rates would not have a material impact on the results of the Company.

1.6 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. This cost includes the purchase price, directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and are not revalued.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful economic lives, using the straight-line method, on the following bases:

Computer equipment	– over 2 to 5 years
Fixtures and fittings	– over 3 to 5 years
Leasehold improvements	– over the lease term

The Directors review the residual values and useful economic lives of assets on an annual basis.

1.7 Intangible assets

Intangible assets with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the Statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets as follows:

Domain Names	– over 5 years
Database	– over 3 to 10 years
Customer relationships	– over 5 to 10 years
Website development and computer software	– over 3 to 5 years

1.8 Impairment of tangible and intangible assets

At each Statement of financial position date, the Directors review the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets are impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Any impairment loss is recognised immediately in the Statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that this increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the Statement of comprehensive income.

1.9 Current tax

Current income tax comprises UK income tax and is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date. Current tax is recognised in the Statement of comprehensive income except to the extent that it is required to be recognised directly in equity.

1.10 Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. Deferred tax is recognised in the Statement of comprehensive income except to the extent that it is required to be recognised directly in equity.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax assets are recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

1.11 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at Management's best estimate of the expenditure required to settle the obligation at the Statement of financial position date and are discounted to present value where the impact is material. The unwinding of any discount is recognised in finance costs.

Dilapidation provisions are recognised based on Management's best estimate of costs to make good the Company's leasehold properties at the end of the lease term.

1.12 Employee benefits: defined contribution scheme

The Company operates a defined contribution pension scheme which is a post-employment benefit plan under which the Company pays fixed contributions into a fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. Contributions payable to the fund are charged to the Statement of comprehensive income in the year to which they relate.

1.13 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The leases relate to vehicles and properties. To assess whether a contract conveys the right to control the use of an identified assets, the group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive subscription right then the asset is not identified;

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- The Company has the right of direct use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the group has the right to direct the use of the asset if either:

    - The Company has the right to operate the asset; or

    - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company recognizes a right-of-use and a lease liability at the lease commencement date. The right-use asset is initially measurement at cost, which comprises the initial amount of the lease liability adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of -use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right- of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis at those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that's are not paid at the commitment date, discounted using the interest rate, implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments include in the measurement of the lease liability comprise fixed payments, including in substances fixed payments.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payment arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-use-of asset or is recorded in profit or loss if the carrying amount of the right-use-of asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loan and borrowing' in the statement of the financial position.

Short-term and leases of low value assets

The Company has made use of the practical expedient available to not recognise right-of-use assets and lease liabilities for short term leases of computer equipment that have a lease term of twelve months or less and leases of low valued assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.14 Key Sources of estimation uncertainty

Management make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within future periods are discussed below.

Impairment of goodwill and intangibles

Determining whether goodwill and intangible assets are impaired or whether a reversal of impairment of intangible assets should be recorded requires an estimation of the recoverable value, which represents the higher of fair value and value in use, of the relevant cash-generating unit. The value in use calculation requires Management to estimate the future cash flows expected to arise from the cash-generating unit discounted using a suitable discount rate to determine if any impairment has occurred. A key area of judgement is deciding the long-term growth rate and the discount rate applied to those cash flows. Refer to Note 10 for further details.

2. Operating profit

	2019	2018
	£000	£000
Operating profit is stated after charging:		
Amortisation of intangible assets	**276**	127
Depreciation of tangible assets	**3,574**	1054

Amortisation charges on the Company's intangible assets are recognised in the administrative expenses line item in the Statement of comprehensive income.

There are no longer operating lease rentals due to the adoption of IFRS 16.

3. Employee costs

Employee costs incurred by the Company for the year, including Directors, were:

	2019	2018
	£000	£000
Wages and salaries	-	8,576
Social security costs	-	10,084
Defined contribution pension costs	-	396
Share-based payments	**423**	10,090
	423	29,146

The average number of employees during the period was nil (2018: 97). From 1 April 2018, employees of the Company were transferred to Zoopla Limited, a subsidiary of ZPG Limited.

Directors were remunerated by the Group companies.

4. Income tax

	2019 £000
Current tax:	
Current period	**(3,119)**
IFRS 16 tax impact analysis	**-**
Adjustment in respect of prior periods	**2,986**
Total current tax	**(133)**
Deferred tax	
Origination and reversal of temporary differences	**7,063**
Adjustment in respect of prior periods	**(498)**
Total deferred tax	**6,565**
Total income tax (credit) / charge	**6,432**

The Company has taken the exemption to disclose the company only corporation tax note for the year ended 30 September 2018 given a consolidated financial statement was prepared. Corporation tax is calculated at 19.0% (2018: 19.0%) of the taxable profit / (loss) for the period. The charge for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	2019 £000
Profit before tax	**872,724**
Current corporation tax rate of 19.0% (2018: 19.0%)	**165,817**
Fixed asset differences	**3,496**
Adjustments in respect of prior periods	**2,986**
Non-deductible expenses	**(1,415)**
Impact of deferred tax rate changes	**(421)**
Deferred tax not recognised	**-**
Non-taxable income	**(169,990)**
Group relief	**5,959**
Total income tax expense	**6,432**

5. Investments in subsidiaries

Investments in subsidiaries are valued at cost less any provision for impairment.

During the year, the Company completed a restructuring of the trading entities within the Group. The Company transferred all trade and assets of the property trading entities into ZPG Property Services Holdings Limited, and all trade and assets of the comparison trading entities into ZPG Comparison Services Holdings Limited at nil gain or loss. The Company subsequently acquired 100% shares in ZPG Property Services Holdings Limited (£1,704.4 million) and ZPG Comparison Services Holdings Limited (£849.7 million). The restructuring led to a net increase in the investment of £2,010.0 million due to the capitalisation of existing intercompany loans.

	Zoopla Limited	uSwitch Limited	Hometrack.co .uk Limited	Property Software Holdings Limited	Dot Zinc Holdings Limited	ZPG Property Services Holdings Limited	ZPG Comparison Services Holdings Limited	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 October 2018	104,970	157,658	116,644	47,155	123,101	-	-	549,528
Disposal of subsidiaries	(101,801)	(156,662)	(116,302)	(46,324)	(122,994)	-	-	(544,083)
Acquisition of ZPG Property Services Holdings Limited	-	-	-	-	-	1,704,400	-	1,704,400
Acquisition of ZPG Comparison Services Holdings Limited	-	-	-	-	-	-	849,700	849,700
Share-base payment	(3,169)	(996)	(342)	(831)	(107)	-	-	(5,445)
At 30 September 2019	-	-	-	-	-	**1,704,400**	**849,700**	**2,554,100**
At 1 October 2017	101,805	156,662	116,298	46,324	-	-	-	421,089
Acquisition of Money	-	-	-	-	122,995	-	-	122,995
Share-based payment – Capital contribution	3,165	996	346	831	106	-	-	5,444
At 30 September 2018	104,970	157,658	116,644	47,155	123,101	-	-	549,528

6. Intangible assets

	Software £000
Cost	
At 1 October 2018	1,977
Additions	285
Disposals	(1,435)
At 30 September 2019	**827**
At 1 October 2017	424
Additions	1,553
At 30 September 2018	1,977
Accumulated amortisation	
At 1 October 2018	216
Charge for the year	276
Disposals	-
At 30 September 2019	**492**
At 1 October 2017	89
Additions	127
At 30 September 2018	216
Net book value	
At 30 September 2019	**335**
At 30 September 2018	1,761

7. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Leasehold improvements £000	Right of use asset £000	Total £000
Cost					
At 1 October 2018	1,384	2,000	6,021	-	9,405
Additions	57	319	69	29,831	30,276
Disposals	(6)	(44)	-	-	(50)
At 30 September 2019	**1,434**	**2,275**	**6,090**	**29,831**	**39,631**
At 1 October 2017	823	1,023	4,479	-	6,325
Additions	561	977	1,542	-	3,080
At 30 September 2018	1,384	2,000	6,021	-	9,405
Accumulated depreciation					
At 1 October 2018	348	505	645		1,498
Charge for the year	279	569	421	2,305	3,574
At 30 September 2019	**627**	**1,074**	**1,066**	**2,305**	**5,072**
At 1 October 2017	151	141	295	-	587
Charge for the year	197	364	350	-	911
At 30 September 2018	348	505	645	-	1,498
Net book value					
At 30 September 2019	**807**	**1,201**	**5,024**	**27,526**	**34,560**
At 30 September 2018	1,036	1,495	5,376	-	7,907

8. Trade and other receivables

	2019 £000	2018 £000
Loan balances due from Group companies	**892,487**	20,473
Trading balances due from Group companies	**25,736**	28,445
Prepayments	**1,419**	1,526
Amounts held in escrow	**-**	-
Other taxation and social security receivables	**1,204**	-
Other receivables	**95**	-
	920,940	50,444
Non-current	**892,487**	-
Current	**28,453**	50,444
	920,940	50,444

The Directors consider that the carrying value of trade and other receivables are approximate to their fair value.

The Company has a receivable of £20.5 million due from Property Software Holdings Limited, £473,477 million due from ZPG Property Services Holdings Limited and £398,536 million due from ZPG Comparison Services Holdings Limited which are designated as an unsecured, intercompany loans which are repayable on demand.

Details of the trading balances due from Group companies are non-interest bearing and receivable on demand.

The Company is comfortable that these amounts are recoverable in full.

9. Trade and other payables

	2019 £000	2018 £000
Trade payables	**1,686**	1,515
Accruals	**6,351**	20,593
Other taxation and social security payments	**150**	582
Amount payable to Group companies	**55,271**	23,130
Loan payable to Group companies	**287,169**	-
	350,627	45,820

All trade and other payables are classified as current liabilities.

The Directors consider that the carrying value of trade and other payables are approximate to their fair value.

Loan payable to Group companies include £287,169 million of intercompany loan provided by Zephyr Bidco Limited ("Bidco"), which is repayable on demand.

Details of the amounts payable to Group companies are non-interest bearing and receivable on demand.

10. Deferred and contingent consideration

During the year the Company made a total settlement of £21.9 million (2018: 39.5 million) due on acquisition made in the year, in relation to the acquisition of Dot Zinc Holdings Limited ("Money") and Hometrack Data Systems Limited ("Hometrack"). Of the £21.9 million, £21.9 million (2018: £13.7 million) of deferred and contingent consideration settled during the year was conditional on continued employment of Management.

A further £0.5 million was recognised through the income statement in relation to payments to continuing Management shareholders.

Additionally, the Company recognised a credit of £8.1 million for changes in the fair value of future settlements.

The fair values of the Company's liabilities in respect of deferred and contingent consideration arising on acquisitions are set out below and are considered equal to their carrying value.

	Deferred consideration £000	Contingent consideration Earn-out £000	Total £000
At 1 October 2018	1,757	37,560	39,317
Charge in the period for amounts conditional on the continued employment of Management	527	-	527
Changes in fair value	-	(8,064)	(8,064)
Money payment	-	(18,388)	(18,388)
Hometrack payment	(2,284)	(1,239)	(3,523)
At 30 September 2019	**-**	**9,869**	**9,869**
Current	-	2,906	2,906
Non-current	-	6,963	6,963
At 1 October 2017	9,317	12,552	21,869
Recognised on acquisition of Money	17,557	44,383	61,940
Charge in the period for amounts conditional on the continued employment of Management	5,179	210	5,389
Changes in fair value	-	(10,344)	(10,344)
Money payment	(17,557)	(7,520)	(25,077)
Hometrack payment	(7,245)	(772)	(8,017)
uSwitch payment	(2,386)	(949)	(3,335)
Property Software Group payment	(3,108)	-	(3,108)
At 30 September 2018	1,757	37,560	39,317
Current	1,757	28,757	30,514
Non-current	-	8,803	8,803

11. Provisions

The Company's dilapidation provisions relate to Management's best estimation of costs to make good the Company's leasehold property at the end of the lease term. The carrying provision represents expected exit costs on completion of the Company's property lease. No additional dilapidation provision was recognised during the year.

	Dilapidation provisions £000
At 1 October 2018	1,633
Recognised in the period	-
At 30 September 2019	**1,633**
At 1 October 2017	1,375
Recognised in the period	258
At 30 September 2018	1,633

12. Loans and borrowings

On 18 January 2018, ZPG Limited successfully refinanced its debt and replaced its existing revolving credit facility ("Old RCF") with a new £200 million revolving credit facility ("New RCF") and £200 million in unsecured senior loan notes ("Loan Notes"), bringing the Company's total credit facilities to £400 million. Arrangement fees incurred on issuing the New RCF are capitalised and amortised over the term of the notes and facility respectively.

Following the acquisition of ZPG Limited by Zephyr Bidco Limited ("Bidco") in July 2018,

- ZPG Limited repaid £64.0 million, which was drawn under the New RCF, on 23 July 2018; and
- ZPG Limited redeemed the £200.0 million Loan Notes on 6 August 2018 and incurred a redemption premium of £10.9 million, which was recognised as finance cost in the statement of comprehensive income.

Arrangement fees that had been capitalised on both the New RCF and Loan Notes were fully amortised on the repayment dates stated above. The repayment of the New RCF and Loan Notes were funded directly by Bidco and replaced with a loan, which is held at amortised cost and repayable on the tenth anniversary of the date of the loan agreement.

During the year ending 30 September 2019, the loan was repaid in full. The Company has no other loans or borrowings.

	2019 £000	2018 £000
Opening gross borrowings	**286,253**	269,000
Drawings on Old RCF	-	50,000
Repayment of borrowings on Old RCF	-	(319,000)
Drawings on new RCF	-	145,996
Repayment of borrowings on New RCF	-	(81,996)
Repayment of borrowings on New RCF following acquisition by Bidco	-	(64,000)
Issue of unsecured senior loan notes	-	200,000
Redemption of unsecured senior loan notes	-	(200,000)
Proceeds from related party borrowings	-	290,456
Repayment of related party borrowings to Bidco	**(286,253)**	(4,203)
Gross borrowings	-	286,253
Capitalised arrangement fees	-	-
Total loans and borrowings	-	286,253

13. Deferred tax

	Property, plant and equipment £000	Long term bonus plans £000	Intangible asset £000	Other £000	Total £000
Deferred tax (liability)/asset at 1 October 2018	(475)	964	-	6,268	6,757
(Charge)/credit to profit or loss	(17)	(63)	(26,591)	(3,499)	(30,170)
Prior year adjustment	186	(964)	26,591	(2,208)	23,605
Deferred tax (liability)/asset at 30 September 2019	**(306)**	**(63)**	-	**561**	**192**
Deferred tax (liability)/asset at 1 October 2017	(209)	1,377	-	-	1,168
(Charge)/credit to profit or loss	(457)	(395)	-	6,268	5,416
Prior year adjustment	191	(18)	-	-	173
Deferred tax (liability)/asset at 30 September 2018	(475)	964	-	6,268	6,757

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. Management believe that the Company will generate sufficient future profits in order to support the recognition of the deferred tax asset.

14. Leases

As at 30 September 2019 the Statement of financial position contains the following amounts that relate to assets leased by the Company:

	2019 £000
Right-of-use assets	
Buildings	27,526
	27,526

	2019 £000
Lease liabilities	0
Current	3,077
Non-current	25,039
	28,116

15. Equity

Share capital

	2019 £000	2018 £000
Shares classified as capital		
Authorised		
451,675,633 (2018: 451,675,633) shares of £0.001 (2018: £0.001) each	452	452
Called-up share capital – allotted and fully paid		
451,675,633 (2017: 451,675,633) Ordinary Shares of £0.001 (2018: £0.001) each	452	452

Other reserves – merger reserve

The merger reserve includes the difference between the investment recognised in Zoopla Limited on restructuring in 2014 of £90.9 million and the value of the shares issued of £0.4 million. The merger reserve also includes the investments on ZPG Property Services Holdings Limited (£1,704.4 million) and ZPG Comparison Services Holdings Limited (£849.7 million) arise from the group restructuring during the year.

Other reserves – Shares in trust

Shares in trust represents shares in issue that are held by the Employee Benefit Trust and the Share Incentive Plan Trust for the purpose of settling the ZPG Group's obligations under the employee share plans. The shares in trust are fully exercised during the year.

Other reserves – treasury shares

During the year, the Company recognised the warrants charge through retained earnings following the exercise of outstanding warrants. The outstanding treasury shares are nil (2018: £1,227,000).

16. Related parties

In the ordinary course of business, the Company has traded with other subsidiaries of its parent company, Zephyr Holdco Limited. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 12 and 13 of these financial statements.

17. Subsequent events

There are no reportable subsequent events.

18. Ultimate controlling party

The direct parent of the Company is Zephyr Bidco Limited.

The largest group of which the Company is a member and for which group accounts are drawn up for the year ended 30 September 2019 is that of Zephyr Holdco Limited, incorporated in the United Kingdom and registered in England and Wales at the address below. Copies of the report and accounts are available from Zephyr Holdco Limited, The Cooperage, 5 Copper Row, London SE1 2LH.

The ultimate controlling party of the Company is Silver Lake (Offshore) AIV GP V Ltd.