Registered number: 09005884

ZPG LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

ZPG LIMITED

COMPANY INFORMATION

Director	C Bryant K Maguire
Registered number	09005884
Registered office	The Cooperage 5 Copper Row London England SE1 2LH

ZPG LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their Strategic report of ZPG Limited ("the Company") for the twelve months to 31 December 2021. Previously, the financial statements were prepared for the fifteen months ended 31 December 2020 and before that were produced for the financial year ended 30 September 2019. The twelve month accounting period arises from a change to the Company's accounting reference date in order to align with its ultimate parent company. The two periods ended 31 December 2021 and 31 December 2020 are therefore not directly comparable.

This Strategic report has been prepared to provide shareholders of the Company with additional information to assess the Company's strategies and the potential for those strategies to succeed. The Strategic report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

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

Principal activity

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

Key performance indicators

	Twelve month period to 31 December 2021 £000	Fifteen month period to 31 December 2020 £000
Profit after tax	**35,410**	19,314
Net assets	**3,667,828**	3,139,886

Business review

The company made a profit after tax of £35,410k for the year ended 31 December 2021 (fifteen months ended 31 December 2020 - £19,314k). In the year to 31 December 2021, no consultancy fees were borne by the entity, however in the fifteen month period to 31 December 2020, £15,000k of these costs were absorbed by the Company.

The intention for the Company is to continue to act as a holding company for its trading subsidiaries and to settle central costs on behalf of the Group such as rent on the Group's head office and the remuneration of employees in central functions, which are then recharged accordingly.

The Company had a net asset position of £3,667,828k as at 31 December 2021 (31 December 2020 - £3,139,886k).

From 1 January 2022, the Company entered into a cash pooling arrangement which results in excess cash within certain trading subsidiary company bank accounts being rolled up into the Company's central bank account. This will support the treasury strategy for the wider Group.

Risk management, internal control and principal risks

The Company is exposed to the carrying value of investments. Full details of the Group's risk management structure can be found in the Zephyr Midco 2 Limited financial statements for the year ended 31 December 2021.

Section 172 Statement

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows: A director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long term;
- The interests of the company's employees;
- The need to foster the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.

The board of Directors of ZPG Limited consider both, individually and together, that they have acted in the way 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 stakeholders and matters set out above) in the decisions taken during the year ended 31 December 2021.

The Directors oversaw the Company's investment of further capital into its subsidiaries of £267,015k during the year to fund strategic growth in the trading subsidiary entities, with a long term plan to benefit the stakeholders of the Company, as well as approved the injection of new share capital and share premium (£492,515k) in the year.

This report was approved by the board on 22 September 2022 and signed on its behalf.

Charlie Bryant
Charlie Bryant (Sep 22 2022 15:38 GMT+1)

C Bryant
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The Directors who served during the year and subsequent to year-end were:

C Bryant
S Patterson (resigned 15 September 2022)
U Pagenkopf (resigned 8 August 2022)
K Maguire (appointed 8 August 2022)

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 and dividends

The profit for the year, after taxation, amounted to £35,410k (fifteen month period ended 31 December 2020 - £ 19,314k).

During the year, no dividends were made (fifteen month period ended 31 December 2020 - £nil). The Directors do not recommend a final dividend in respect of the year ended 31 December 2021.

Matters covered in the strategic report

In accordance with the Companies' Act 2006, s414 (c), information in respect of business activities and principal risks are shown within the Strategic Report.

Going concern

The Company acts as an intermediate holding company for a Group that operates online property portals and household related decision websites as well as providing residential property software and data analytics. The Group's trading results are consolidated by Zephyr Midco 2 Limited, an indirect parent entity of the the Company. The Company itself does not trade and therefore relies on the assessment of going concern on Zephyr Midco 2 Limited.

Details of this assessment can be found in the Zephyr Midco 2 consolidated financial statements available from the address listed in note 1 to the financial statements.

The Company's Statement of financial position shows a positive net asset position with cash resources and the Company has generated a profit after tax. Therefore, the Directors believe that the Company is well placed to manage its business and financial risks successfully.

Overall, 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 the financial statements.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Charitable and Political Contributions

There were no charitable or political contributions made in the year (fifteen month period ended 31 December 2020 - No charitable or political contributions made).

Post balance sheet events

On 25 March 2022, it was announced that a Group subsidiary (Penguin Portals Limited) would acquire 100% of Tempcover Holdings Limited and its subsidiaries (Temporary Cover Limited and Tempcover Limited). The acquisition completed on 29 July 2022. Tempcover will give the Group a foothold in the short term motor *insurance market. The fair values of assets and liabilities acquired are not complete at the time of sign off and* are therefore not disclosed.

On 17 June 2022, the contingent consideration in relation to the Hometrack acquisition was accelerated and settled, with a final payout of £8.8m.

On 29 August 2022, it was announced that the Group had entered into an agreement to sell its Rastreator brand (based in Spain, with an office in Mexico) and RVU India to a third party. The agreement also included the potential sale of the Le Lynx brand in France, subject to local laws. The transaction has been approved by the board of Directors of ZPG Limited, and remains subject to regulatory approval and customary closing conditions. The fair values of the assets and liabilities involved in the transaction are not complete at the time of sign off, and are therefore not disclosed.

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 certain aspects of the Directors' Report.

For the year ended 31 December 2021, 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.

This report was approved by the board on 22 September 2022 and signed on its behalf.

Charlie Bryant
Charlie Bryant (Sep 27, 2022 15:38 GMT+1)

C Bryant
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	**12 months ended 31 December 2021 £000**	15 months ended 31 December 2020 £000
Administrative expenses		**3,227**	(21,446)
Operating profit/(loss)	4	**3,227**	(21,446)
Finance income	6	**47,551**	59,774
Finance costs	7	**(15,117)**	(19,191)
Profit before tax		**35,661**	19,137
Tax on profit	8	**(251)**	177
Profit for the financial year		**35,410**	19,314

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 10 to 33 form part of these financial statements.

ZPG LIMITED
REGISTERED NUMBER: 09005884

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Non-current assets			
Intangible assets	9	**442**	232
Property, plant and equipment	10	**27,433**	30,470
Investments	11	**2,821,115**	2,554,100
Trade and other receivables	12	**1,143,697**	892,487
		3,992,687	3,477,289
Current assets			
Trade and other receivables	12	**124,492**	70,862
Cash and cash equivalents	13	**131**	762
		124,623	71,624
Current liabilities			
Trade and other payables	14	**(416,692)**	(370,792)
Contingent consideration	15	**(1,300)**	(2,928)
Deferred tax liability	17	**(668)**	(417)
Lease liabilities	16	**(1,834)**	(3,484)
Net current liabilities		**(295,871)**	(305,997)
Total assets less current liabilities		**3,696,816**	3,171,292
Non-current liabilities			
Contingent consideration	15	**(4,938)**	(6,252)
Provisions	18	**(1,633)**	(1,633)
Lease liabilities	16	**(22,417)**	(23,521)
Net assets		**3,667,828**	3,139,886
Equity			
Called up share capital	19	**533**	452
Share premium account	20	**566,738**	74,304
Merger reserve	20	**2,100,312**	2,100,312
Retained earnings	20	**1,000,245**	964,818
		3,667,828	3,139,886

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2022.

Charlie Bryant
Charlie Bryant (Sep 22, 2022 15:38 GMT+1)

C Bryant
Director

The notes on pages 10 to 33 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 October 2019	**452**	**74,304**	**2,100,312**	**946,426**	**3,121,494**
Profit for the period	-	-	-	19,314	19,314
Share-based payments	-	-	-	(3)	(3)
Cumulative impact of IFRS 16	-	-	-	(919)	(919)
At 31 December 2020	**452**	**74,304**	**2,100,312**	**964,818**	**3,139,886**
Comprehensive income for the year					
Profit for the year	-	-	-	35,410	35,410
Share-based payments	-	-	-	17	17
Shares issued during the year	81	492,434	-	-	492,515
At 31 December 2021	**533**	**566,738**	**2,100,312**	**1,000,245**	**3,667,828**

The notes on pages 10 to 33 form part of these financial statements.

1. General information

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

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- *the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment*
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The Company is a wholly-owned subsidiary of Zephyr Bidco Limited and is included in the consolidated accounts of Zephyr Midco 2 Limited, comprising Zephyr Midco 2 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. The consolidated financial statements can be obtained from the address presented in note 1.

2.3 *Impact of new international reporting standards, amendments and interpretations*

There were no new IFRSs or IFRIC interpretations that were effective during the financial year beginning 1 January 2021 that have had a material impact on the Company.

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company for future periods.

2. Accounting policies (continued)

2.4 Going concern

The Company acts as an intermediate holding company for a Group that operates online property portals and household related decision websites as well as providing residential property software and data analytics. The Group's trading results are consolidated by Zephyr Midco 2 Limited, an indirect parent entity of the the Company. The Company itself does not trade and therefore relies on the assessment of going concern on Zephyr Midco 2 Limited.

Details of this assessment can be found in the Zephyr Midco 2 consolidated financial statements available from the address listed above in note 1.

The Company's Statement of financial position shows a positive net asset position with cash resources and the Company has generated a profit after tax. Therefore, the Directors believe that the Company is well placed to manage its business and financial risks successfully.

Overall, 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 the financial statements.

2.5 Share based payments

The Company provides equity-settled share-based incentive plans whereby ZPG Property Services Holdings Limited and ZPG Comparison Services Holdings Limited (subsidiaries of the Company) and a parent company of the Company (Zephyr Holdco Limited) grants sweet shares at unrestricted market value to employees of its subsidiaries for their employment services.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Vesting happens over a five-year period with all shares vesting at the date of an exit event if earlier than five years. The fair value for employee-based schemes is measured using the Black-Scholes valuation model and is charged to the statement of comprehensive income over the vesting period on a straight-line basis.

Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in the Zephyr Midco 2 Limited consolidated accounts. These can be obtained from the address listed above in note 1.

2.6 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.

2. Accounting policies (continued)

2.7 Finance income and costs

Finance income represents income on loans due from other group companies as well as 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 loans due to other group companies as well as 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 has limited exposure to foreign currency as majority of the Company's expense are in sterling. The Directors are comfortable that any sensitivity to fluctuations in exchange rates would not have a material impact on the results of the Company.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2. Accounting policies (continued)

2.9 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.

Research expenditure is expensed in the year in which it is incurred.

Under IAS 38, there is a requirement to capitalise development costs if they meet the recognition criteria, can be reliably measured and separated from the research phase of a project.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development costs are presented in these financial statements as additions to software assets and are only amortised once the asset is available for use at which point it is then amortised on a straight-line basis over their expected useful economic life.

Amortisation is provided on the following bases:

Computer software	-	over 3 to 5 years

2.10 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.

2. Accounting policies (continued)

2.10 Property, plant and equipment (continued)

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:

Fixtures and fittings	- over 3 to 5 years
Computer equipment	- over 2 to 5 years
Leasehold improvements	- over the lease term
Right of Use assets	- over the lease term

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 profit or loss.

2.11 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.

2.12 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 Company 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

2. Accounting policies (continued)

2.12 Leases (continued)

predetermined, the Company 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-of-use asset is initially measurement at cost, which comprises the initial amount of the lease liability adjusted 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 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 included in the measurement of the lease liability comprise fixed payments (including in substance 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 company's estimate of the amount expected to be payable under a residual value guarantee, or if the company 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 the income statement 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 separately on the statement of 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.

2.13 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, and 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.

2.15 Financial instruments

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

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

IFRS 9 "Financial Instruments" prescribes the rules for recognition and measurement of financial instruments. 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.

Trade and other receivables are designated as loans and receivables. They are recognised at amortised cost, which is net of any allowance for expected credit losses. This is deemed to be a reasonable approximation of their fair value. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition through detailed analysis of historical payment profiles and past default experience. When a trade receivable is deemed uncollectable, it is written off against the allowance account.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade and other payables are designated as other financial liabilities. They are recognised at their carrying amount, which is deemed to be a reasonable approximation of their fair value, or at amortised cost if are interest bearing.

Contingent consideration is recognised as a financial liability carried at fair value and gains or losses arising from changes in fair value are recognised in the Statement of comprehensive income.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Company's Ordinary Shares are classified as equity instruments and are recognised at the proceeds received, net of any direct issue costs.

Financial instruments are not used for speculative purposes.

The Company's cash and cash equivalents represent amounts held in the Company's current

2. Accounting policies (continued)

2.15 Financial instruments (continued)

accounts and overnight deposits that are immediately available.

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

The preparation of financial statements requires the Company's management to make judgements, assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of investments
On an annual basis, the Company is required to perform an impairment review to assess whether the carrying value of its investment in subsidiary undertakings is less than its recoverable amount. The recoverable amount is based on a calculation of expected future cash flows of the Company's subsidiary undertakings, which includes estimates of future performance.

The value in use calculations include key sources of estimation uncertainty and, in the current year this estimation uncertainty is heightened due to the impact of the macro-economic environment. However, sensitivities on key assumptions including forecast earnings and discount rate, would continue to result in sufficient headroom and no impairment would be required.

Recognition and valuation of earn-out agreements
Consideration for the acquisition of Hometrack included a commercial earn-out agreement which is contingent upon the future performance of a ten-year licence agreement entered at the point of acquisition. The settlement of the commercial earn-out will be in the range of £nil to £25 million payable over the ten-year period post acquisition. The earn-out is measured at fair value using unobservable inputs (level 3) at the point of acquisition using discounted future cashflows under a range of weighted scenarios requiring an estimation of the future performance of the licence agreement. At each reporting period the earn-out will be measured at fair value using the same method with any changes from revaluation being recognised in the statement of comprehensive income. If an equal weighting was applied across the different scenarios in the model estimating the fair value of the earn-out, the liability as at 31 December 2021 would decrease by £0.6m (2020 - increase by £2.6m).

A total charge of £0.3 million (2020 - £0.6 million) was recognised with regards to fair value movements on earn-outs in the year as detailed in Note 15.

4. Operating profit

The operating profit is stated after charging/(crediting):

	12 months ended 31 December 2021 £000	15 months ended 31 December 2020 £000
Depreciation of property, plant and equipment	**3,738**	4,795
Amortisation of intangible assets	**272**	228
Management recharges	**(7,640)**	(4,527)

Amortisation charges on the Company's intangible assets and depreciation charges on the Company's property, plant and equipment are recognised in the administrative expenses line item in the Statement of comprehensive income.

5. Employees

Staff costs were as follows:

	12 months ended 31 December 2021 £000	15 months ended 31 December 2020 £000
Share-based payments	**17**	(3)
	17	(3)

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

	12 months ended 31 December 2021 No.	15 months ended 31 December 2020 No.
Administration	**14**	14
Directors	**3**	3
	17	17

From 1 April 2018, the majority of the employees of the Company were transferred to Zoopla Limited, a subsidiary of ZPG Limited. The Company retained employees that work in shared functions and their costs are fully passed down to trading entities within the Group. Directors were remunerated by other Group companies.

6. Finance income

	12 months ended 31 December 2021 £000	15 months ended 31 December 2020 £000
Interest receivable from group companies	**47,551**	59,774
	47,551	59,774

The majority of the interest receivable is in relation to the debt held with the Company's immediate parent (Zephyr Bidco Limited).

7. Finance costs

	12 months ended 31 December 2021 £000	15 months ended 31 December 2020 £000
Interest on loans from group undertakings	**13,558**	17,011
Interest on lease liabilities	**1,601**	2,152
Other interest (income) / payable	**(42)**	28
	15,117	19,191

8. Taxation

	12 months ended 31 December 2021 £000	15 months ended 31 December 2020 £000
Corporation tax		
Current tax on profits for the year/period	**-**	-
Adjustments in respect of previous periods	**-**	133
Total current tax	**-**	133
Deferred tax		
Origination and reversal of timing differences	**70**	(276)
Adjustment in respect of prior periods	**21**	68
Tax asset previously unrecognised	**-**	(79)
Effect of tax rate changes	**160**	(23)
Total deferred tax	**251**	(310)
Taxation on profit on ordinary activities for the year/period	**251**	(177)

8. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	12 months ended 31 December 2021 £000	15 months ended 31 December 2020 £000
Profit on ordinary activities before tax	**35,661**	19,137
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**6,776**	3,636
Effects of:		
Adjustments in respect of prior periods	**21**	201
Expenses not deductible for tax purposes	**69**	1,727
Impact of tax rate changes	**160**	(23)
Deferred tax not recognised	**-**	(80)
Group relief	**(6,740)**	(4,754)
Other movement	**(35)**	(884)
Total tax charge for the year/period	**251**	(177)

Factors that may affect future tax charges

The Finance Act 2021, which was substantively enacted on 24 May 2021, included an increase in the main rate of UK corporation tax to 25% from 1 April 2023 from 19%. This rate has been substantively enacted at the balance sheet date of 31 December 2021, and as a result, the deferred tax balances as at 31 December 2021 have been revalued.

9. Intangible assets

	Computer software £000
Cost	
At 1 January 2021	**952**
Additions	**482**
At 31 December 2021	**1,434**
Amortisation	
At 1 January 2021	**720**
Charge for the year	**272**
At 31 December 2021	**992**
Net book value	
At 31 December 2021	**442**
At 31 December 2020	232

10. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Leasehold improvements £000	Right of use assets £000	Total £000
Cost or valuation					
At 1 January 2021	**1,663**	**2,813**	**6,090**	**29,719**	**40,285**
Additions	**53**	**624**	**24**	**-**	**701**
At 31 December 2021	**1,716**	**3,437**	**6,114**	**29,719**	**40,986**
Depreciation					
At 1 January 2021	**1,028**	**1,944**	**1,598**	**5,245**	**9,815**
Charge for the year on owned assets	**313**	**671**	**426**	**2,328**	**3,738**
At 31 December 2021	**1,341**	**2,615**	**2,024**	**7,573**	**13,553**
Net book value					
At 31 December 2021	**375**	**822**	**4,090**	**22,146**	**27,433**
At 31 December 2020	635	869	4,492	24,474	30,470

11. Investments

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

	ZPG Property Services Holdings Limited £000	ZPG Comparison Services Holdings Limited £000	Total £000
Cost or valuation			
At 1 January 2021	**1,704,400**	**849,700**	**2,554,100**
Additions	**-**	**267,015**	**267,015**
At 31 December 2021	**1,704,400**	**1,116,715**	**2,821,115**

11. Investments (continued)

Subsidiary undertakings

The Company's direct subsidiaries are incorporated in the Cayman Islands and are registered at the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104.

The increase in investments in the year was to partly fund the acquisition by the Company's indirectly owned subsidiary (ZPG Comparison Services Holdings UK Limited, owned via ZPG Comparison Services Holdings Limited) of the Penguin Portals Group (comprising Confused.com, Rastreator.com, LeLynx.fr, the Preminen group and a technology support function in India). Subsequent to the acquisition, this acquired group is referred to as Confused.com and RVU International.

The following were directly held subsidiary undertakings of the Company:

Name	**Registered office**	**Holding**
ZPG Property Services Holdings Limited	Cayman Islands	100%
ZPG Comparison Services Holdings Limited	Cayman Islands	100%

All investments are tested for impairment by comparing the carrying value of the investment with its recoverable amount, which represents the higher of its estimated fair value and value in use. The impairment tests demonstrated significant headroom for all investments. The Directors do not consider there to be an impairment to the Company.

12. Trade and other receivables

	2021 £000	2020 £000
Due after more than one year		
Loan balances due from Group companies	**1,143,697**	892,487
	1,143,697	892,487

	2021 £000	2020 £000
Due within one year		
Trading balances due from Group companies	**122,822**	68,750
Other taxation and social security receivables	**538**	1,096
Prepayments	**1,104**	940
Other receivables	**28**	76
	124,492	70,862

12. Trade and other receivables (continued)

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, £473.5 million due from ZPG Property Services Holdings Limited, £624.0 million due from ZPG Comparison Services Holdings Limited and £25.7 million due from ZPG Property Services Limited which are designated as unsecured, intercompany loans

The loan with Property Software Holdings Limited accrues interest charged at 2.5% interest per annum and has no fixed repayment date.

The loan with ZPG Property Services Limited is interest-free and has no fixed repayment date.

The loans with ZPG Property Services Holdings Limited and ZPG Comparison Services Holdings Limited carry interest on specific tranches of the loans based on the lending rate paid by the Company to its parent, at 4.75%. The remaining tranches are interest-free. These two loans may be repaid to the Company in whole or in part at any time, but shall be repaid no later than 2029.

The Company has used judgement to determine that these loan balances should be classified as 'due after more than one year'.

Trading balances due from Group companies are non-interest bearing and receivable on demand.

The Company considers that these amounts are recoverable in full based on the performance on the underlying subsidiaries.

13. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	**131**	762
	131	762

14. Trade and other payables

	2021 £000	2020 £000
Trade payables	**1,891**	1,782
Accruals	**6,337**	6,281
Other taxation and social security	**40**	53
Amounts owed to group undertakings	**88,686**	56,496
Loans owed to group undertakings	**319,738**	306,180
	416,692	370,792

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.

The loans owed to Group undertakings relates to a £319.7 million intercompany loan provided by Zephyr Bidco Limited ("Bidco"), which may be repaid by the Company in whole or in part at any time, but shall be repaid no later than 2028. The loan carries interest accrued at 4.75%.

Amounts owed to Group companies are non-interest bearing and payable on demand.

15. Contingent consideration

Consideration for the acquisition of Hometrack included a commercial earn-out agreement which is contingent upon the future performance of a ten-year license agreement entered at the point of acquisition. Judgement is therefore made on the Hometrack earn-out with eight potential outcomes being weighted, based on probability of realisation.

Detailed disclosure on the judgement is disclosed in Note 3. A fair value movement of £0.3 million in the year to 31 December 2021 (fifteen month period to 31 December 2020 - £0.6 million) was recognised in respect of the Hometrack earn-out. If all possible scenarios were weighted equally, the contingent consideration on the agreement would be a reduction of £0.6 million as at 31 December 2021 (31 December 2020 - an increase of £2.6 million).

Subsequent to the year-end of 31 December 2021, the Hometrack contingent consideration was accelerated and settled in full for £8.8 million. This final settlement differs from the liability recognised as at the balance sheet date of 31 December 2021 due to the estimation uncertainty associated with the assumptions within this liability.

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

	Contingent consideration earn-out £000	Total £000
At 1 January 2021	9,180	9,180
Changes in fair value	271	271
Hometrack payment	(1,301)	(1,301)
Money.co.uk payment	(1,912)	(1,912)
At 31 December 2021	6,238	6,238
Current	1,300	1,300
Non-current	4,938	4,938

	Contingent consideration earn-out £000	Total £000
At 1 October 2019	9,869	9,869
Changes in fair value	589	589
Hometrack payment	(1,278)	(1,278)
At 31 December 2020	9,180	9,180
Current	2,928	2,928
Non-current	6,252	6,252

15. Contingent consideration (continued)

	Contingent consideration earn-out £000	Total £000
Hometrack	6,238	6,238
At 31 December 2021	6,238	6,238

	Contingent consideration earn-out £000	Total £000
Hometrack	7,268	7,268
Money.co.uk	1,912	1,912
At 31 December 2020	9,180	9,180

16. Leases

Company as a lessee

The Company is a lessee in leases for buildings.

Lease liabilities are due as follows:

	2021 £000	2020 £000
Current	**1,834**	3,484
Non-current	**22,417**	23,521
	24,251	27,005

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2021 £000	2020 £000
Interest expense on lease liabilities	**1,601**	2,152

17. Deferred taxation

	2021 £000
At beginning of year	**(417)**
Charged to profit or loss	**(251)**
At end of year	**(668)**

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Property, plant and equipment	**(115)**	(194)
Other	**(553)**	(223)
	(668)	(417)

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

18. Provisions

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

	Dilapidation provisions £000
At 1 January 2021	**1,633**
At 31 December 2021	**1,633**

19. Share capital

	2021	2020
	£000	£000
Authorised, allotted, called up and fully paid		
532,519,708 (2020 - 451,675,633) Ordinary shares of £0.001 each	**533**	452

On 30 April 2021, the Company issued 80,844,075 £0.001 shares for a total consideration of £492,515k.

20. Reserves

Share premium account

The share premium account relates to the excess of the nominal value received for a share subscription. In 2021, the share premium account increased by £492,434k in relation to the 30 April 2021 share issue mentioned in note 19.

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 in ZPG Property Services Holdings Limited and ZPG Comparison Services Holdings Limited (£2,009.8 million) arising from the group restructuring during 2019.

Retained earnings reserve

The Retained earnings reserve relates to all gains and losses not recognised in any other reserve.

21. Related party transactions

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 14 of these financial statements.

22. Post balance sheet events

On 25 March 2022, it was announced that a Group subsidiary (Penguin Portals Limited) would acquire 100% of Tempcover Holdings Limited and its subsidiaries (Temporary Cover Limited and Tempcover Limited). The acquisition completed on 29 July 2022. Tempcover will give the Group a foothold in the short term motor insurance market. The fair values of assets and liabilities acquired are not complete at the time of sign off and are therefore not disclosed.

On 17 June 2022, the contingent consideration in relation to the Hometrack acquisition was accelerated and settled, with a final payout of £8.8m.

On 29 August 2022, it was announced that the Group had entered into an agreement to sell its Rastreator brand (based in Spain, with an office in Mexico) and RVU India to a third party. The agreement also included the potential sale of the Le Lynx brand in France, subject to local laws. The transaction has been approved by the board of Directors of ZPG Limited, and remains subject to regulatory approval and customary closing conditions. The fair values of the assets and liabilities involved in the transaction are not complete at the time of sign off, and are therefore not disclosed.

23. 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 31 December 2021 is that of Zephyr Luxco S.a.r.l. The smallest group of which the Company is a member and for which the group accounts are drawn up for the year ended 31 December 2021 is that of Zephyr Midco 2 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 The Cooperage, 5 Copper Row, London SE1 2LH.

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