



# ZPG Limited

Registered number: 09005884

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
FOR THE 15 MONTHS ENDED 31 DECEMBER 2020

THURSDAY



\*AADM81L\*

A20

23/09/2021

#160

COMPANIES HOUSE

## ZPG Limited

### Company information

---

**Directors**

Charles Bryant  
Ulf Pagenkopf  
Simon Patterson

**Registered number**

09005884

**Registered office**

ZPG Limited  
The Cooperage  
5 Copper Row  
London  
SE1 2LH

# Contents

---

Directors' report.....	1
Statement of comprehensive income .....	3
Statement of financial position .....	4
Statement of changes in equity .....	5
Notes to the financial statements .....	6

## **ZPG Limited**

# **Directors' report**

*For the period ended 31 December 2020*

---

The Directors present their report of ZPG Limited ("ZPG" or "the Company") for the period ended 31 December 2020 ("2020"). The Company has changed its year-end from 30th September to 31st December. The current reporting period of the financial statements is therefore the 15 months from 1 October 2019 to 31 December 2020 and is not comparable to the year ended 30 September 2019. The 15 months accounting period arises from a change to the Group's accounting reference date in order to align with parent company.

For the period ended 31 December 2020, 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 period and up to the date of signing these financial statements were as follows:*

- Charles Bryant
- 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 after tax for the period was £19.3 million (year ended 30 September 2019: £866.3 million).*

### **Dividend**

During the period, no dividends were made (year ended 30 September 2019: £nil). The Directors do not recommend a final dividend in respect of the period ended 31 December 2020.

### **Subsequent events**

There are no events subsequent to the balance sheet date which require adjustments to or disclosure within the financial statements.

## **Directors' report** (continued)

For the period ended 31 December 2020

---

### **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:

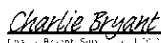
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 21 September 2021 and signed on its behalf by:

  
CBS - Bryant Signatures (0150000111)

C Bryant  
Director  
21 September 2021

**ZPG Limited****Statement of comprehensive income**

For the period ended 31 December 2020

	Notes	15 months to 31 December 2020 £000	Year to 30 September 2019 £000
<b>Other Income</b>	<b>2</b>	<b>-</b>	<b>859,548</b>
Administrative expenses		(21,446)	(10,010)
<b>Operating profit</b>	<b>2</b>	<b>(21,446)</b>	<b>849,538</b>
Finance income		59,774	38,227
Finance costs		(19,191)	(15,042)
<b>Profit before tax</b>		<b>19,137</b>	<b>872,723</b>
Income tax expense	4	177	(6,432)
<b>Profit for the year</b>		<b>19,314</b>	<b>866,291</b>
<b>Attributable to:</b>			
Parent company		19,314	866,291

## Statement of financial position

As at 31 December 2020

	Notes	31 December 2020 £000	30 September 2019 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	5	2,554,100	2,554,100
Intangible assets	6	232	335
Property, plant and equipment	7	30,470	34,559
Trade and other receivables	8	892,487	892,487
Corporation tax asset		-	133
Deferred tax assets	13	-	192
		<b>3,477,289</b>	<b>3,481,806</b>
<b>Current assets</b>			
Trade and other receivables	8	70,862	28,453
Cash and cash equivalents		762	1,480
		<b>71,624</b>	<b>29,933</b>
<b>Total assets</b>		<b>3,548,913</b>	<b>3,511,739</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	370,792	350,627
Deferred and contingent consideration	10	2,928	2,906
Deferred tax liability	13	417	-
Lease liability	14	3,484	3,077
		<b>377,621</b>	<b>356,610</b>
<b>Non-current liabilities</b>			
Deferred and contingent consideration	10	6,252	6,963
Provisions	11	1,633	1,633
Lease liability	14	23,521	25,039
		<b>31,406</b>	<b>33,635</b>
<b>Total liabilities</b>		<b>409,027</b>	<b>390,245</b>
<b>Net assets</b>		<b>3,139,886</b>	<b>3,121,494</b>
<b>Equity</b>			
Share capital	15	452	452
Share premium reserve		74,304	74,304
Other reserves	15	2,100,312	2,100,312
Retained earnings		964,818	946,426
<b>Total equity</b>		<b>3,139,886</b>	<b>3,121,494</b>

For the period ending 31 December 2020, 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.

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:

*Charlie Bryant*  
 C Bryant  
 Director  
 21 September 2021

## Statement of changes in equity

For the period ended 31 December 2020

	Share capital £000	Share premium reserve £000	Other Reserves		Merger reserve £000	Retained earnings £000	Total equity £000
			Treasury shares £000	Shares in trust £000			
At 1 October 2019	452	74,304	-	-	2,100,312	946,426	3,121,494
Profit and total comprehensive income for the period	-	-	-	-	-	19,314	19,314
<i>Transactions with owners recorded directly in equity:</i>							
Share-based payments	-	-	-	-	-	(3)	(3)
Cumulative impact of IFRS 16	-	-	-	-	-	(919)	(919)
<b>At 31 December 2020</b>	<b>452</b>	<b>74,304</b>	<b>-</b>	<b>-</b>	<b>2,100,312</b>	<b>964,818</b>	<b>3,139,886</b>

	Share capital £000	Share premium reserve £000	Other Reserves		Merger reserve £000	Retained earnings £000	Total equity £000
			Treasury shares £000	Shares in trust £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
<i>Transactions with owners recorded directly in equity:</i>							
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
<b>At 30 September 2019</b>	<b>452</b>	<b>74,304</b>	<b>-</b>	<b>-</b>	<b>2,100,312</b>	<b>946,426</b>	<b>3,121,494</b>



# Notes to the financial statements

For the period ended 31 December 2020

---

## 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 period ended 31 December 2020 and for the year ended 30 September 2019. 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 IFRS Standards adopted by the European Union 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 Midco 2 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.

## **Notes to the financial statements** (continued)

For the period ended 31 December 2020

---

### **1.2 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 positive 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.

### **1.3 Other income**

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

### **1.4 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 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.

### **1.5 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.

### **1.6 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

### **1.7 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.

## **Notes to the financial statements** (continued)

For the period ended 31 December 2020

---

### **1.7 Impairment of tangible and intangible assets (continued)**

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.

### **1.8 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.

### **1.9 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.

### **1.10 Provisions**

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.

### **1.11 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.

## **Notes to the financial statements** (continued)

For the period ended 31 December 2020

### **1.12 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 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:
  - o The Company has the right to operate the asset; or
  - o 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 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.

## Notes to the financial statements (continued)

For the period ended 31 December 2020

**1.13 Key Sources of estimation uncertainty**

Management made 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.

*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 2020 would increase by £ 2.6 million.

A total charge of £ 0.6 million (30 September 2020: £0.9 million) was recognised with regards to fair value movements on earn-outs in the year as detailed in Note 10.

**2. Other Income and Operating profit****Other income**

	<b>15 months to 31 December 2020 £000</b>	<b>Year to September 2019 £000</b>
Other income:	-	859,548

Other income comprised dividends receivable. In the period ended 31 December 2020, no dividends were received by the Company. The dividends received as stated in the financial statements for the year ended 30 September 2019 followed a one-off restructure of the ZPG group to apportion its debt between its Property and Comparison divisions.

**Operating profit**

	<b>15 months to 31 December 2020 £000</b>	<b>Year to September 2019 £000</b>
Operating profit is stated after charging:		
Amortisation of intangible assets	228	276
Depreciation of tangible assets	4,795	3,574

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

## Notes to the financial statements (continued)

For the period ended 31 December 2020

## 3. Employee costs

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

	15 months to 31 December 2020 £000	Year to September 2019 £000
Share-based payments	3	423
	3	423

The average number of employees during the period was 14 (2019: Nil). 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 the Group companies.

## 4. Income tax

	15 months to 31 December 2020 £000	Year to September 2019 £000
<b>Current tax:</b>		
Current period	-	(3,119)
Adjustment in respect of prior periods	133	2,986
<b>Total current tax</b>	<b>133</b>	<b>(133)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(276)	7,063
Adjustment in respect of prior periods	68	(498)
Tax asset previously unrecognised	(79)	-
Effect of tax rate change on opening balance	(23)	-
<b>Total deferred tax</b>	<b>(310)</b>	<b>6,565</b>
<b>Total income tax (credit) / charge</b>	<b>(177)</b>	<b>6,432</b>

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:

	15 months to 31 December 2020 £000	Year to September 2019 £000
Profit before tax	19,137	872,724
Current corporation tax rate of 19.0% (2019: 19.0%)	3,636	165,817
Fixed asset differences	-	3,496
Adjustments in respect of prior periods	201	2,986
Non-deductible expenses	1,727	(1,415)
Impact of deferred tax rate changes	(23)	(421)
Deferred tax not recognised	(80)	-
Non-taxable income	-	(169,990)
Group relief	(4,754)	5,959
Other movement	(885)	-
<b>Total income tax expense</b>	<b>(177)</b>	<b>6,432</b>

## Notes to the financial statements (continued)

For the period ended 31 December 2020

## 5. Investments in subsidiaries

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

	Zoopla Limited £000	uSwitch Limited £000	Hometrack.co .uk Limited £000	Property Software Holdings Limited £000	Dot Zinc Holdings Limited £000	ZPG Property Services Holdings Limited £000	ZPG Comparison Services Holdings Limited £000	Total £000
At 1 October 2019	-	-	-	-	-	1,704,400	849,700	2,554,100
<b>At 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,704,400</b>	<b>849,700</b>	<b>2,554,100</b>
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

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

Name of company	Principal activity
ZPG Property Services Holdings Limited	Holding company
ZPG Comparison Services Holdings Limited	Holding company

All other 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 other investments. The Directors do not consider there to be an impairment to the Company. The carrying value of all other investments therefore remains unchanged.

## Notes to the financial statements (continued)

For the period ended 31 December 2020

## 6. Intangible assets

	Software £000
<b>Cost</b>	
At 1 October 2019	827
Additions	126
Disposals	-
<b>At 31 December 2020</b>	<b>953</b>
At 1 October 2018	1,977
Additions	285
Disposals	(1,435)
At 30 September 2019	827
<b>Accumulated amortisation</b>	
At 1 October 2019	492
Charge for the year	228
Disposals	-
<b>At 31 December 2020</b>	<b>720</b>
At 1 October 2018	216
Additions	276
At 30 September 2019	492
<b>Net book value</b>	
<b>At 31 December 2020</b>	<b>232</b>
At 30 September 2019	335

## 7. Property, plant and equipment

	Fixtures and fittings £000	Computer equipment £000	Leasehold improvements £000	Right of use asset £000	Total £000
<b>Cost</b>					
At 1 October 2019	1,435	2,276	6,090	29,831	39,633
Additions	300	583	-	-	882
Disposals	(72)	(46)	-	(112)	(230)
<b>At 31 December 2020</b>	<b>1,663</b>	<b>2,812</b>	<b>6,090</b>	<b>29,719</b>	<b>40,285</b>
At 1 October 2018	1,384	2,000	6,021	-	9,405
Additions	57	319	69	29,831	30,278
Disposals	(6)	(44)	-	-	(50)
At 30 September 2019	1,435	2,276	6,090	29,831	39,633
<b>Accumulated depreciation</b>					
At 1 October 2019	627	1,074	1,066	2,305	5,072
Disposals	-	-	-	(53)	(53)
Charge for the year	401	870	532	2,992	4,795
<b>At 31 December 2020</b>	<b>1,028</b>	<b>1,944</b>	<b>1,598</b>	<b>5,244</b>	<b>9,814</b>
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
<b>Net book value</b>					
<b>At 31 December 2020</b>	<b>635</b>	<b>869</b>	<b>4,492</b>	<b>24,475</b>	<b>30,470</b>
At 30 September 2019	808	1,202	5,024	27,527	34,560



## Notes to the financial statements (continued)

For the period ended 31 December 2020

## 8. Trade and other receivables

	31 December 2020	30 September 2019
	£000	£000
Loan balances due from Group companies	892,487	892,487
Trading balances due from Group companies	68,750	25,735
Prepayments	940	1,419
Other taxation and social security receivables	1,096	1,204
Other receivables	76	94
	<b>963,349</b>	<b>920,940</b>
Non-current	892,487	892,487
Current	70,862	28,453
	<b>963,349</b>	<b>920,940</b>

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 unsecured, intercompany loans which are repayable on demand.

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

	31 December 2020	30 September 2019
	£000	£000
Trade payables	1,782	1,686
Accruals	6,281	6,351
Other taxation and social security payments	53	150
Amount payable to Group companies	56,496	55,271
Loan payable to Group companies	306,180	287,169
	<b>370,792</b>	<b>350,627</b>

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 includes £306.2 million of intercompany loan provided by Zephyr Bidco Limited ("Bidco"), which is repayable on demand.

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

## Notes to the financial statements (continued)

For the period ended 31 December 2020

**10. Deferred and contingent consideration**

Judgement is 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 1.13. A fair value movement of £0.6 million was recognised in respect of Hometrack earn-out. If all eight scenarios were weighted equally the deferred consideration on that agreement would be an additional £2.6 million.

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 2019	-	9,869	9,869
Changes in fair value	-	589	589
Hometrack payment	-	(1,278)	(1,278)
<b>At 31 December 2020</b>	-	<b>9,180</b>	<b>9,180</b>
Current	-	2,928	2,928
Non-current	-	6,252	6,252
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)
Hometrack payment	(2,284)	(1,239)	(3,523)
Money payment	-	(18,388)	(18,388)
<b>At 30 September 2019</b>	-	<b>9,869</b>	<b>9,869</b>
Current	-	2,906	2,906
Non-current	-	6,963	6,963

## Notes to the financial statements (continued)

For the period ended 31 December 2020

## 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 2019	1,633
Recognised in the period	-
<b>At 31 December 2020</b>	<b>1,633</b>
At 1 October 2018	1,633
Recognised in the period	-
At 30 September 2019	1,633

## 12. Loans and borrowings

	31 December 2020 £000	30 September 2019 £000
Opening gross borrowings	-	286,253
Repayment of related party borrowings to Bidco	-	(286,253)
Total loans and borrowings	-	-

## 13. Deferred tax

	Property, plant and equipment £000	Shared based payments £000	Intangible asset £000	Other £000	Total £000
Deferred tax (liability)/asset at 1 October 2019	(306)	(63)	-	561	192
(Charge)/credit to profit or loss	154	70	-	52	276
(Charge) to retained earnings	-	-	-	(919)	(919)
Prior year adjustment	(6)	-	-	(62)	(68)
Tax asset previously unrecognised	-	-	-	79	79
Effect of change in tax rate	(36)	(7)	-	66	23
<b>Deferred tax (liability)/asset at 31 December 2020</b>	<b>(194)</b>	<b>-</b>	<b>-</b>	<b>(223)</b>	<b>(417)</b>
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 assets and liabilities are offset where the Company has a legally enforceable right to do so.

## ZPG Limited

### Notes to the financial statements (continued)

For the period ended 31 December 2020

#### 14. Leases

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

	31 December 2020 £000	30 September 2019 £000
<b>Right-of-use assets</b>		
Buildings	24,475	27,527
	<b>24,475</b>	<b>27,527</b>
	31 December 2020 £000	30 September 2019 £000
<b>Lease liabilities</b>		
Current	3,484	3,077
Non-current	23,521	25,039
	<b>27,005</b>	<b>28,116</b>

#### 15. Equity

##### Share capital

	31 December 2020 £000	30 September 2019 £000
<b>Shares classified as capital</b>		
<b>Authorised</b>		
451,675,633 (2018: 451,675,633) shares of £0.001 (2018: £0.001) each	452	452
<b>Called-up share capital – allotted and fully paid</b>		
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 and ZPG Comparison Services Holdings Limited (£2,009.8 million) arising from the group restructuring during the prior year.

#### 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 8 and 9 of these financial statements.

#### 17. Subsequent events

There are no events subsequent to the balance sheet date which require adjustments to or disclosure within the financial statements.

## **Notes to the financial statements** (continued)

For the period ended 31 December 2020

---

### **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 2020 and 3 months ended 31 December 2020 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 30 September 2020 and 3 months ended 31 December 2020 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 Zephyr Midco 2 Limited, The Cooperage, 5 Copper Row, London SE1 2LH.

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