Yopa Property Limited

Annual report and consolidated financial statements

Registered number 09120252

31 December 2022

Contents

Company Information

Directors

The directors who held office during the year and up to the date of this report were as follows:

V T Frankish

G Turner

Registered Office

Meridian House, Wheatfield Way,

Hinckley, Leicestershire,

United Kingdom, LE10 1YG

Independent Auditor

KPMG LLP

15 Canada Square,

London,

E14 5GL

Registered Number

09120252

Strategic Report

The principal activity of Yopa Property Limited (the "Group") is estate agency services. The Group's objective is to grow the number of UK properties marketed and sold on behalf of customers while maintaining a lean and efficient operating model as the business scales. The strategy to achieve this is to deliver high-quality estate agency services at fair fixed fees by combining the expertise of local estate agents, with centralised support staff and utilising market-leading technology to provide customer transparency, support and economies of scale. The Group will grow its business through a combination of marketing-led customer acquisition and referrals and recommendations from past customers, driven by high service levels and customer satisfaction.

2022 Financial performance and position of the business

Under the leadership of a new CEO from 21st February 2022 and a refreshed management team, the business navigated through hardening conditions in the UK housing market throughout 2022. Unlike 2021, where we saw a relatively positive market buoyed by Government support in the form of the stamp duty holidays as well as pent-up demand following the pandemic, 2022 saw both political and economic uncertainty impact UK housing transaction numbers as well as a slowing of house price growth. These influences were further compounded by the mini budget in September 2022 which led to a further decline in conditions at the end of the year.

Total Group revenue of £17.7m was 5% below the 2021 comparable (£18.7m), with the revenue streams linked to completion numbers (mainly the businesses no sale no fee product and its conveyancing services) falling £1.7m short of the prior year. Total income linked to upfront listings was 2% higher than the prior year, a robust performance given the market backdrop.

The business achieved a 50% Gross profit margin in 2022 (51% in 2021) with the arrangements relating to agent payaways and direct costs remaining broadly unchanged. Total overheads at £15.3m rose by 7% against the prior year, mainly the result of investments made in increased marketing as well as costs related to the restructuring of the business where needed. The result being a total operating loss of £6.4m (2021: loss of £4.8m)

Throughout the year the business embarked on delivering a significant number of strategic changes centred around optimising efficiency in the field, driving ancillary revenue streams and further strengthening Yopa's customer proposition. These changes continue to improve the resilience of the model and the management team remains fully focussed on delivering future profitability to the business.

Future Developments

The outlook for the residential property market in 2023 is uncertain. The rising cost of borrowing funds is causing buyer uncertainty, and it is anticipated that the base rate will stabilise between 5-6% by the end of 2023, which is consistent with the average base rate pre-2008 downturn. Constraints around borrowings, coupled with rising house stock levels are expected to result in property prices declining by 5-8%.

Yopa's competitive pricing will be an advantage in a subdued market, although it will still be imperative to price properties correctly and maximise the value of each transaction through ancillary sales.

Principal risks and uncertainties

As with most estate agents in the UK, the level of residential housing market transactions and the ability to capture a greater share of those transactions are key areas of uncertainty for the business going forward. The level of residential housing market transactions is affected by many factors including the UK's economic outlook, consumer sentiment, interest rates, mortgage lending appetite from financial institutions and government policies on taxation among many other factors. There remains a sufficient opportunity for the business to grow and capture market share given its value proposition relative to many high street estate agents, with our value proposition becoming even more attractive during a subdued economic climate.

Financial risk management

The Group has exposure to financial risk by way of customer credit exposure and liquidity risk.

Strategic Report *(continued)*

Credit risk
Trade debtors are managed in respect of credit and cash flow risk by daily monitoring of inflows with finance providers, and dedicated management of longer-term debts via an established collections process. The credit risk for our Pay Later products resides with our third party financing provider, although sustained increases in credit risk will result in price increases.

Liquidity risk
Liquidity is managed through forecasting of future cash flow requirements for the business and maintaining sufficient cash balances to support the operation. The Group has a mix of fixed and variable costs which it can adjust to ensure it retains sufficient cash resources for its needs over that period should there be a deterioration in trading. The ability of the Group and Company to continue as a going concern is dependent on continued financial support from its ultimate shareholders. These events and conditions, along with the other matters explained in note 1.2 of the accounting policies, constitute a material uncertainty that may cast significant doubt on the Group's and parent company's ability to continue as a going concern.

The Company continued to be funded by proceeds arising from the issue of convertible loan notes in 2022, with a further £3,240,000 being issued in the year, resulting in a balance of £6,240,000 at the year-end. On 17 January 2023, the Yopa Group was acquired by Andor Holdco Limited, a company owned by two former majority shareholders, DMGV Limited and Grosvenor Hill Limited. The acquisition triggered the conversion of the £6,240,000 of loan notes into equity. An intercompany loan for £3,100,000 was then issued by Andor Holdco Limited to Yopa Property Limited to support the Group's working Capital needs for the upcoming financial year.

Market risk
The property industry is cyclic, and the end of 2022 was widely reported to be the start of a moderate recession following a boom in market activity during the coronavirus years. The size of the residential property market is closely monitored by the Group, with forecast and budgets being sensitised accordingly. If the residential market were to contract , the Group's market size would need to grow to keep estate agency revenues stable. Further mitigation of market risk is provided by improving our productivity KPIs, as well as ensuring that we maximise the attachment of our ancillary products.

KPIs

The Directors meet monthly to discuss and monitor the following business KPIs:

	2022	**2021**	**Change %**
Revenue	17,706,011	18,655,753	(5%)
Gross profit	8,872,890	9,509,931	(7%)
Overheads	(15,285,285)	(14,321,091)	(7%)
Net Loss	(6,822,451)	(4,608,568)	(48%)
Net Cash outflow	(1,922,562)	(2,844,830)	32%

The 5% decline in revenue YoY was primarily driven by a decline in No Sale No Fee review in H1 22 V H1 21, which carries a high margin upon completion as the associated transaction costs are incurred upon instruction. An impairment charge of £192k was also recognised in FY22 to impair the carrying value of intangibles to £nil.

By order of the board

Verona Frankish
Director

5 December 2023

Directors' report

Principal activity

The principal activity of the Group is estate agency and financial services.

Business review

The business continued to grow and expand its market share while continuing to improve upon the services provided.

Proposed dividend

The directors do not recommend the payment of a dividend *(2021: £nil)*.

Political contributions

The Company made no political contributions during the year *(2021: £nil)*.

Carbon Reporting under SECR

The Company is under the thresholds for the SECR's definition of a large company and has taken advantage of the exemption available.

Directors

The directors who held office during the year and up to the date of this report were as follows:

G Turner

V T Frankish

M L De Carvalho (resigned 17 January 2023)

R R Muzyszka (resigned 17 January 2023)

A J Barclay (resigned 17 January 2023)

R C J Levy (resigned 17 January 2023)

Matters covered in the Group Strategic Report

A review of the business risks and principal risks are not included in the Group Directors' report as this information is included within the Group Strategic Report under s414C(11) of the Companies Act 2006.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

V. Frankish

Verona Frankish

Director

Company registered number: 09120252

Meridian House, Wheatfield Way
Hinckley
LE10 1YG

5 December 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report the Directors' Report and the Group and parent Company 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 they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOPA PROPERTY LIMITED

Opinion

We have audited the financial statements of Yopa Property Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated and Company Balance Sheet, Consolidated and Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicates that the ability of the Group and Company to continue as a going concern is dependent on the continued financial support from its shareholders. These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the group's and the parent company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the average transaction prices are low value and would have to be significantly different to cause a misstatement to revenue.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOPA PROPERTY LIMITED *(continued)*

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOPA PROPERTY LIMITED *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Tricker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
5 December 2023

Consolidated Profit and Loss Account and Other Comprehensive Income

for the year ended 31 December 2022

	Note	**Year Ended 31 December 2022 £**	Year Ended 31 December 2021 £
Turnover	*3*	**17,706,011**	18,655,753
Cost of sales		**(8,833,121)**	(9,145,822)
Gross profit		**8,872,890**	9,509,931
Administrative expenses	*4*	**(15,285,285)**	(14,321,091)
Group operating loss		**(6,412,395)**	(4,811,160)
Interest receivable and similar income	*7*	**38,284**	202,592
Interest expense and similar costs		**(448,340)**	-
Loss on ordinary activities before taxation		**(6,822,451)**	(4,608,568)
Tax on loss on ordinary activities	*8*	-	-
Loss for the financial year		**(6,822,451)**	(4,608,568)
Other comprehensive loss		-	-
Total comprehensive loss for the year		**(6,822,451)**	(4,608,568)
Attributable to:			
Equity holders of the parent		**(6,822,451)**	**(4,608,568)**

All amounts relate to continuing operations.

The notes on pages 16 to 34 form part of these financial statements.

Consolidated Balance Sheet
at 31 December 2022

	Note		2022		2021
		£	£	£	£
Fixed assets					
Intangible assets	*10*		-		415,712
Tangible assets	*9*		**27,667**		67,659
Investments	*13*		**402**		402
			28,069		483,773
Current assets					
Debtors	*11*	**1,278,484**		1,120,045	
Cash at bank and in hand	*15*	**468,549**		2,391,111	
		1,747,033		3,511,156	
Creditors: amounts falling due within one year	*12*	**(9,194,300)**		(4,592,032)	
Net current liabilities			**(7,447,267)**		(1,080,876)
Total assets less current liabilities			**(7,419,198)**		(597,103)
Net liabilities			**(7,419,198)**		(597,103)
Capital and reserves					
Called up share capital	*14*		**14,758,494**		14,758,494
Share premium account			**74,555,086**		74,555,086
Profit and loss account			**(96,732,778)**		(89,910,683)
Shareholders' funds			**(7,419,198)**		(597,103)
Equity attributable to holders of the parent			**(7,419,198)**		(597,103)

The notes on pages 16 to 34 form part of these financial statements.

These financial statements were approved by the board of directors on 5 December 2023 and were signed on its behalf by:

V. Frankish

Verona Frankish
Director

Company registered number: 09120252

Company Balance Sheet
at 31 December 2022

	Note		2022		2021
		£	£	£	£
Fixed assets					
Intangible assets	*10*		-		415,712
Tangible assets	*9*		**12,438**		32,100
Investments	*13*		**404**		404
			12,842		448,216
Current assets					
Debtors: including £nil (2021: £838,450) due after more than one year	*11*	**1,195,538**		1,927,438	
Cash at bank and in hand		**248,288**		2,311,622	
		1.443,826		4,239,060	
Creditors: amounts falling due within one year	*12*	**(9,091,778)**		(4,498,849)	
Net current liabilities			**(7,647,952)**		(259,789)
Total assets less current liabilities			**(7,635,110)**		188,427
Net Liabilities			**(7,635,110)**		188,427
Capital and reserves					
Called up share capital	*14*		**14,758,496**		14,758,496
Share premium account			**74,555,086**		74,555,086
Profit and loss account			**(96,948,692)**		(89,125,155)
Shareholders' funds			**(7,635,110)**		188,427

The notes on pages 16 to 34 form part of these financial statements.

These financial statements were approved by the board of directors on 5 December 2023 and were signed on its behalf by:

V. Frankish

Verona Frankish
Director

Company registered number: 09120252

Consolidated Statement of Changes in Equity

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2021	14,758,494	74,555,086	(85,294,909)	4,018,671
Equity-settled share based payment transactions	-	-	(7,206)	(7,206)
Total comprehensive loss for the year				
Loss for the year	-	-	(4,608,568)	(4,608,568)
Balance at 31 December 2021	14,758,494	74,555,086	(89,910,683)	(597,103)

	Called up Share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2022	14,758,494	74,555,086	(89,910,683)	(597,103)
Equity-settled share based payment transactions	-	-	354	354
Total comprehensive loss for the year				
Loss for the year	-	-	(6,822,451)	(6,822,451)
Balance at 31 December 2022	**14,758,494**	**74,555,086**	**(96,732,778)**	**(7,419,198)**

The notes on pages 16 to 34 form part of these financial statements.

Company Statement of Changes in Equity

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2021	14,758,496	74,555,086	(84,837,974)	4,475,608
Equity-settled share based payment transactions	-	-	(7,206)	(7,206)
Total comprehensive loss for the year				
Loss for the year	-	-	(4,279,975)	(4,279,975)
Balance at 31 December 2021	14,758,496	74,555,086	(89,125,155)	188,427

	Called up Share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2022	14,758,496	74,555,086	(89,125,155)	188,427
Equity-settled share based payment transactions	-	-	354	354
Total comprehensive loss for the year				
Loss for the year	-	-	(7,823,891)	(7,823,891)
Balance at 31 December 2022	**14,758,496**	**74,555,086**	**(96,948,692)**	**(7,635,110)**

The notes on pages 16 to 34 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2022

	Note	2022 £	2021 £
Loss for the year		**(6,822,451)**	(4,608,568)
Adjustments for:			
Equity settled share-based payment expense		**354**	(7,206)
Depreciation, amortisation and impairment		**456,790**	405,679
Interest expense		**448,340**	-
Increase in trade and other debtors		**(158,438)**	(262,265)
Increase/(Decrease) in trade and other creditors		**913,928**	(1,038,144)
Net cash used in operating activities		**(5,161,477)**	(5,510,504)
Cash flows from investing activities			
Acquisition of tangible fixed assets		**(1,086)**	(21,382)
Acquisition of other intangible assets		**(-)**	(312,944)
Net cash used in investing activities		**(1,086)**	(334,326)
Cashflow from financing activities			
Loan received	*15*	**3,240,000**	3,000,000
Net cash generated from financing activities		**3,240,000**	3,000,000
Net decrease in cash and cash equivalents		**(1,922,562)**	(2,844,830)
Cash and cash equivalents on 1 January		**2,391,111**	5,235,941
Cash and cash equivalents on 31 December	*15*	**468,549**	2,391,111

Notes
(forming part of the financial statements)

1 Accounting policies

Yopa Property Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in England in the United Kingdom. The registered number is 09120252 and the registered address is Meridian House, Wheatfield Way, Hinckley, Leicestershire, United Kingdom, LE10 1YG. The principal activity of Yopa Property Limited (the "Company") is estate agency and financial services.

These Financial Statements are the Consolidated financial statements of Yopa Property Limited (The Company) and its subsidiary Scout Financial Services Limited (collectively known as The Group) for the year to 31 December 2022. The Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. The parent company is Included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.
- Certain disclosures required by FRS 102.26 Share Based Payments.
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Notwithstanding a loss for the year ended 31 December 2022 of £6,822,451 (2021: £4,608,568), net current liabilities of £7,447,268 (2021: £1,080,876), net liabilities of £7,419,198 (2021: £597,103), and operating cash outflows for the year of £5,161,477 (2021: £5,510,504), the financial statements have been prepared on a going concern basis which the directors consider being appropriate for the following reasons. The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, under the base case scenario and the reasonably possible downside scenario, the company will require additional funds, through funding from its ultimate shareholders - Daily Mail Group Ventures and Grosvenor Hill Ventures Limited to meet its liabilities as they fall due for at least 12 months from the date of this report, the going concern assessment period. Yopa was acquired by Andor Holdco Limited - a company jointly owned by two long-standing investors; Daily Mail Group Ventures (74%) and Grosvenor Hill Venture Limited (26%) on 15 January 2023 (subsequently after year-end). The acquisition was designed to protect future investments from further dilution. On 17 January 2023, Andor Holdco Limited, funded by its shareholders, provided Yopa with a £3,100,000 loan, increased by a further £1,700,000 on 8 August 2023, with the intention to give the business sufficient funds until it reaches breakeven by 31 December 2024. Both instalments of the intercompany loan have a 5-year term and are non-interest bearing.

The principal risks affecting the going concern assumption and plans to deal with these are as follows:

1) Exposure to the UK housing market and the impact of the broader economic environment

Inflationary pressures and rising interest rates in the first 6 months of 2023 have influenced the dynamics of the housing market from what the UK experienced in 2022. Yopa closely monitors total UK housing market listings, the volume of housing completions and the total volume of mortgage approval levels to best take advantage of the situation in the market.

2) Financing and capital structure

Yopa needs working capital finance and therefore our shareholders assist with the day-to-day working capital needs. Following the consolidation in Yopa's ownership structure at the start of 2023 the business has a more straight-forward route to its shareholders – DMGV Limited and Savills (through Grosvenor Hill Ventures Limited); both of whom are fully committed to Yopa's long term plan.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going Concern (continued)

3) Increased competition

Yopa trades in a highly competitive market, competing against both the traditional estate agency models as well as the online / hybrid agents. Tracking market share is a key measure for the management team and through employing the right people, engaging the right quality business owners, the strength of the Yopa proposition (technology and service), and our marketing plan, Yopa's market share performance remains robust.

4) Securing and retaining talent

Key to all the plans in place is the quality of our people – the culture, the packages offered and the way we treat our people continue to ensure we retain and attract the right people to deliver the plans we have.

Based on Daily Mail Group Ventures and Grosvenor Hill Ventures Limited's indications of its intent to support the company, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis, as they have concluded that the company's financial position means that this is realistic for at least a year from the date of approval of the financial statements (the going concern assessment period). However, the circumstances discussed above indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. In the parent financial statements investment in subsidiaries is carried at cost less impairment.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments). Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss. As the Company's shares are not publicly traded, judgement is required in order to ascertain the fair value of other financial instruments.

Investments in subsidiaries

Investment in subsidiaries is included in the current financial statement at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.7 Intangible fixed assets other than goodwill

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. The costs of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date. Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets. The Group assesses at each reporting date whether tangible fixed assets are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are straight line over the same term as the relevant property lease.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

1.9 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Impairment (continued)

of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of the impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10 Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

Where the Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the Group. The basis of such allocation is disclosed in note 16.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.11 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in respect of services provided relating to the sale of property, net of any trade or settlement discounts, volume rebates and any sales taxes.

Both the Group's and the Company's material revenues come via instructions and referrals.

Instruction revenue

The majority of instruction revenue is generated from Pay Now, Pay Later and No Sale No Fee products.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Turnover (continued)

For Pay Now and Pay Later instructions, the service provides listing of the property on the Company's website. Revenue is recognised at the point instruction is given for Pay Now instructions, as this approximates the timing at which the listing is created and there is no further involvement required from the Company. Revenue is recognised at the point of listing for Pay Later instructions. The future economic benefits related to Pay Later instructions are received at the point the service is provided, as the credit terms are provided by a third party.

No Sale No Fee transactions are recognised upon legal completion of the property sale as this is the point at which the customer is contractually bound to settle the fees, and the outcome of the transaction cannot be estimated reliably until this event.

There are several additional services provided over time and which can be purchased by customers who list their properties for sale. These services include premium portal listings and viewing packages, which are priced differently and can be purchased separately. Premium portal listings are recognised at the point instruction as this approximates the timing at which the listing is created and there is no further involvement required from the Company. Viewing packages are recognised over the historic average period from initial instruction to a sales transaction as this is the period over which the service is provided.

Financial Services turnover is derived from an agency relationship with it's agreed network provider. As such turnover is recognised net of intermediary commission and supervision costs.

Referral revenue

Where the Company introduces sellers and buyers of properties to one of the Company's third-party partners for referral services, the Company earns commission for these referrals, which is due at completion of the property transaction.

Referral revenue is recognised at the point of completion which is the point when control of the services provided passes to the customer and economic benefits flow to the entity.

Brokerage revenue

Brokerage revenue is recognised at the point of receipt of consideration.

1.12 Other revenue

Other revenue consists of the proceeds from a Research and Development tax credit and receipts from a prior year insurance claim.

1.13 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable in profit or loss using the effective interest method.
Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes *(continued)*

1 Accounting policies *(continued)*

1.14 Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

1.15 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.16 Change in accounting policy

In these financial statements the Group and Company has applied the following amendments to FRS 102:

Amendments to FRS 102: Interest rate benchmark reform has been adopted from 1 January 2021. The Phase 2 has been applied retrospectively, however, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group has no transactions for which the benchmark rate had been replaced with an alternative benchmark as at 31 December 2020, there is no impact on the opening equity balances as a result of retrospective application.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised. Information about significant areas of estimation and judgements that have the most significant impact on the financial statements are described in the following notes:

Estimates

2.1 Share based payments

The fair value of services received in return for share options granted are measured by reference to the fair value of goods or services received or reference to the fair value of share options granted. The estimate of fair value is measured using the Black-Scholes model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Notes *(continued)*

2 Critical accounting estimates and judgements *(continued)*

Judgements

2.2 Revenue recognition

The Company recognises revenue for the services provided for Pay Now and Pay Later products upon instruction and listing of the property respectively. The Company has taken a judgment that the point the instruction is given approximates with the timing at which the listing is created.

2.3 Fair Value of other Instruments

The Company measures its convertible loan notes at fair value, being the present value of the expected future cash outflows discounted at a market rate of interest. As the Company has no external borrowings from which it can infer a market rate of interest, management needs to apply its judgment in order to select an appropriate rate.

The convertible loan note balances convert at the earlier of;

1) A qualifying financing event i.e., an equity financing of at least £5m
2) A non-qualifying financing event i.e., an equity financing of less than £5m
3) A change of control
4) The maturity date being 5 years after the issue date

The acquisition of Yopa by Andor Holdco Limited on 17 January 2023 triggered a convertible event, from which the holders of the convertible loan note holders ultimately received proceeds equal to the principal plus accrued interest. Given that the terms of the acquisition had been agreed before the balance sheet date, the proceeds are deemed to reflect the fair value of the convertible loan notes as of 31 December 2022.

Notes *(continued)*

3 Turnover

	2022	2021
	£	£
Instructions	**12,906,104**	13,725,581
Referrals	**2,847,503**	3,148,177
Brokerage fees	**1,952,404**	1,781,995
Total turnover	**17,706,011**	18,655,753

All revenue relates to mortgage brokering and property agency services rendered in the United Kingdom.

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2022	2021
	£	£
Depreciation of tangible fixed assets	**41,078**	152,201
Amortisation of intangibles	**223,602**	253,478
Impairment of intangibles	**192,110**	-

Auditor's remuneration:

	2022	2021
	£	£
Audit of these financial statements	**89,033**	80,000
Taxation compliance services	**4,300**	3,500

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2022	2021
Brokers	**34**	43
Head Office staff	**46**	46
Contact Centre staff	**87**	88
	167	177

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2022	2020
	£	£
Wages and salaries	**7,267,923**	7,228,750
Social security costs	**844,903**	813,890
Contributions to defined contribution plans	**121,143**	113,211
Share based payments (See note 16)	**355**	666
	8,234,324	8,156,517

The Group had outstanding contributions of £21,847 to defined contribution plan at the end of the year (2021: £24,463).

6 Directors' remuneration

	2022	2021
	£	£
Directors' remuneration	**271,671**	112,809

The remuneration of the highest paid director was £166,785 *(2021: £112,809)*. No payments were made to any pension scheme on behalf of the directors in either the current or prior year. Key management personal are considered to be the same as directors.

7 Other interest receivable and similar income

	2022	2021
	£	£
Bank interest	**591**	257
Other income	**37,663**	202,335
	38,254	202,592

8 Taxation

Total tax expense recognised in the profit and loss account

	2022	2021
	£	£
Current tax		
Current tax on income for the period	-	-
UK corporation tax at 19%	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	1
Effect of tax rate change on opening balance	-	(1)
Total deferred tax charge		
	-	-

Notes *(continued)*

8 Taxation *(continued)*

Deferred tax asset not recognised was £23,656,619 as at December 2022 and £21,945,729 as at December 2021.

Reconciliation of effective tax rate

	2022	2021
	£	£
Loss for the year	**(6,822,451)**	(4,608,568)
Total tax expense	**-**	-
Loss excluding taxation	**(6,822,451)**	(4,608,568)
Tax on loss on ordinary activities at standard CT rate of 19% *(2021: 19%)*	**(1,296,266)**	(875,628)
Effects of:		
Fixed asset differences	**49,781**	(945)
Short-term timing differences	**22,136**	
Income not deductible for tax purposes	**-**	(1,369)
R&D expenditure credits	**-**	2,475
Deferred tax not recognised	**1,638,973**	1,151,931
Remeasurement of deferred tax for changes in UK tax rate from 19% to 25%	**(410,614)**	(276,464)
Total tax expense included in profit or loss	**-**	-

Factors that may affect future current and total tax charges

The UK tax rate increased to 25% from 1 April 2023. This will have a consequential effect on the Group's future tax charge.

Notes *(continued)*

9 Tangible fixed assets

	Fixtures, fittings and equipment £	Leasehold Improve-ments £	Total £
Cost			
Balance at 1 January 2022	626,908	420,879	1,047,787
Additions	1,086	-	1,086
Balance at 31 December 2022	627,994	420,879	1,048,873
Depreciation and impairment			
Balance at 1 January 2022	560,474	419,654	980,128
Depreciation charge for the year	41,078	-	41,078
Balance at 31 December 2022	601,552	419,654	1,021,206
Net book value			
At 31 December 2022	**26,442**	**1,225**	**27,667**
At 31 December 2021	66,434	1,225	67,659

Company tangible assets	Fixtures, fittings and equipment £	Leasehold Improve-ments £	Total £
Cost			
Balance at 1 January 2022	564,540	420,879	985,419
Additions	1,086	-	1,086
Balance at 31 December 2022	565,626	420,879	986,505
Depreciation and impairment			
Balance at 1 January 2022	533,665	419,654	953,319
Depreciation charge for the year	20,748	-	20,748
Balance at 31 December 2022	554,413	419,654	974,067
Net book value			
At 31 December 2022	**11,213**	**1,225**	**12,438**
At 31 December 2021	30,875	1,225	32,100

10 Intangible assets

	Website development costs £
Cost	
Balance at 1 January 2022	1,577,578
Additions	-
Write-down of fully amortised assets	(1,577,578)
Balance at 31 December 2022	-
Amortisation	
Balance at 1 January 2022	1,161,866
Charge for the year	223,602
Impairment	192,110
Write-down of fully amortised assets	(1,577,578)
Balance at 31 December 2022	-
Net book value	
At 31 December 2022	-
At 31 December 2021	415,712

Notes *(continued)*

11 Debtors

	Group 2022	Company 2022	Group 2021	Company 2021
	£	£	£	£
Trade debtors	**321,930**	**287,549**	244,972	244,972
Other debtors	**159,278**	**159,278**	138,277	138,277
Amounts owed by Group Undertakings	-	-	-	838,450
Prepayments and accrued income	**797,276**	**748,711**	736,796	705,739
	1,278,484	**1,195,538**	1,120,045	1,927,438

All debtors are due within one year except for the amounts owed by group undertakings (2022: £947,825 and 2021: £838,450 due after more than 1 year). Yopa fully provided for the £947,825 due from group undertakings as at 31 December 2022. Part of the consolidated and company other debtors balances is £77,526 (2021: £84,966) of the credit line with the related party DMGT.

12 Creditors: amounts falling due within one year

As disclosed in note 2.3 to the financial statements, the convertible loan notes converted into equity on 17 January 2023 due to the acquisition of Yopa by Andor Holdco Limited.

	Note	Group 2022	Company 2022	Group 2021	Company 2021
		£	£	£	£
Trade creditors		**909,934**	**875,049**	461,669	428,028
Other creditors		**39,956**	**35,333**	22,931	22,933
Accruals and deferred income		**1,200,983**	**1,171,606**	734,491	726,492
Taxation and social security		**803,427**	**769,789**	372,941	321,396
Convertible loan notes	18	**6,240,000**	**6,240,000**	3,000,000	3,000,000
		9,194,300	**9,091,778**	4,592,032	4,498,849

13 Fixed Asset Investments

	Shares in group undertakings	Shares in company undertakings
	£	£
Movements in fixed asset investments		
Cost or valuation		
At 31 December 2021	402	404
Consolidated subsidiary	-	-
At 31 December 2022	402	404
Carrying amount	402	404
At 31 December 2021	402	404
At 31 December 2022	402	404

Notes *(continued)*
13 Fixed Asset Investments *(continued)*

In all the undertakings below the Group's and Company's interest at the year-end is 100%.

All undertakings are registered under Meridian House, Wheatfield Way, Hinckley, LE10 1YG.

In the year ending 31 December 2022, Scout Financial Services Limited was exempt from audit of its individual financial statements under section 479a of the Companies Act 2006.

Subsidiary Undertakings	Country of Incorporation	Principal Activity	Registered number	Total shares
Hillgate Financial Services Limited	United Kingdom	Dormant	09907935	2
Scout Financial Services Limited	United Kingdom	Operating/Consolidated	09906155	2
Yopa Property Sales Limited	United Kingdom	Dormant	10054986	100
Yopa Estate Agents Limited	United Kingdom	Dormant	10055050	100
Yopa Investments Limited	United Kingdom	Dormant	10068340	100
Yopa Lettings Limited	United Kingdom	Dormant	10054884	100

Per section 405 of the Companies Act 2006 Yopa Property Limited has taken the exemption to not include the dormant entities in the consolidation on a basis that the inclusion is not material for the purpose of giving a true and fair view if taken together.

14 Capital and reserves

	Preference shares of £1 each	Ordinary shares
In thousands of shares		
On issue at 1 of January	9,431,876	5,326,619
On issue at 31 of December	9,431,876	5,326,619

Share capital

	2022	2021
	£	£
Ordinary share capital Issued and fully paid		
0 Ordinary D* shares of £1 each	**-**	-
2,311,315 Ordinary F shares of £1 each	**2,311,315**	2,311,315
230,734 Ordinary I shares of £1 each	**230,734**	230,734
1,470,840 Ordinary S shares of £1 each	**1,470,840**	1,470,840
4,095,767 C-1* Preference Shares of £1 each	**4,095,767**	4,095,767
2,223,667 C-2* Preference Shares of £1 each	**2,223,667**	2,223,667
3,112,442 C-3* Preference Shares of £1 each	**3,112,442**	3,112,442
8,968 Ordinary E shares of £1 each	**8,968**	8,968
1,304,762 Ordinary L shares of £1 each	**1,304,761**	1,304,761
	14,758,494	14,758,494

The holders of ordinary shares are entitled to receive dividends as declared from time to time. Ordinary D, F, S and L shares are entitled to one vote per share at meetings of the Company.

Notes *(continued)*

14 Capital and reserves *(continued)*

D Shares

The 0 ordinary shares of £1 each have full voting, dividend and capital distribution (including on winding up) rights; pre-exemption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

E Shares

The 8,968 ordinary shares of £1 each shall not be entitled to any voting rights (except at class meeting where a variation class rights is proposed), they are entitled to receive dividends and capital distribution (including on winding up) rights in proportion to their holding; pre-emption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

F Shares

The 2,311,315 ordinary shares of £1 each have full voting, dividend and capital distribution (including on winding up) rights; pre-emption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

I Shares

The 230,734 ordinary shares of £1 each shall not be entitled to any voting rights (except at class meeting where a variation of class rights is proposed), they are entitled to receive dividends and capital distribution (including on winding up) rights in proportion to their holding; pre-emption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

L Shares

The 1,304,762 ordinary shares of £1 each have full voting, dividend and capital distribution (including on winding up) rights, pari passu with other holders of ordinary shares; pre-emption rights apply on transfer of shares' they do not confer any rights of redemption.

S Shares

The 1,470,840 ordinary shares of £1 each have attached to them full voting, dividend and capital distribution (including on winding up) rights, transfer notice and pre-emption rights on transfer of shares; they do not confer any rights of redemption.

C1 Preference Shares

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; rights entitling the holder to payment of the amount equal to the subscription price paid for the C-1 preference share on a return of capital in preference to receipt of any proceeds by the ordinary shareholders transfer notice and pre-emption rights on transfer of shares.

C2 Preference Shares

The shares have full voting, dividend and capital distribution (including on winding up) rights; rights entitling the holder to payment of the amount equal to the subscription price paid for the C-2 preference share on a return of capital in preference to receipt of any proceeds by the ordinary shareholders; transfer notice and pre-emption rights on transfer of shares.

C3 Preference Shares

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; rights entitling the holder to payment of the amount equal to the subscription price paid for the C-3 preference share on a return of capital in preference to receipt of any proceeds by the ordinary shareholders, the C-1 Preference shareholders and the C-2 preference shareholders; transfer notice and pre-emption rights on transfer of shares.

Notes *(continued)*

15 Analysis of Changes in Net Debt

	Note	December 2021 £	Cash flows 2022 £	Non cash changes £	December 2022 £
Cash		2,391,111	(1,922,562)		468,549
Borrowings	*18*	(3,000,000)	(3,240,000)	-	(6,240,000)
Total net debt		(608,889)	(5,162,562)	-	(5,771,451)

16 Employee Benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £121,143 (2021 £89,258).

Share Based Payments

The terms and conditions of the grants are as follows:

Grant date	Scheme No	Type of scheme	Employees entitled	Number of options outstanding	Performance conditions	Exercise Price	Earliest exercise date	Expiry date
17/05/2016	**1**	EMI	2	8,017	Length of service	£1.00	31/05/2016	17/05/2026
11/05/2017	**6**	EMI	1	17,175	Length of service	£10.06	11/05/2017	11/05/2027
23/05/2017	**8**	EMI	1	1,000	Length of service	£10.06	23/05/2017	23/05/2027
13/06/2017	**9**	EMI	1	600	Length of service	£10.06	13/06/2017	13/06/2027
06/04/2018	**11**	EMI	2	2,000	Length of service	£15.33	06/04/2020	06/04/2028
27/04/2018	**12**	EMI	1	79,731	Length of service	£1.00	27/04/2018	27/04/2028
27/04/2018	**13**	EMI	1	79,731	Length of service	£10.06	27/04/2018	27/04/2028
03/05/2018	**14**	EMI	1	16,500	Length of service	£10.06	31/12/2018	03/05/2028
18/06/2018	**15**	EMI	1	4,188	Length of service	£1.00	18/06/2018	18/06/2028
29/01/2020	**16**	EMI	8	628,424	Length of service	£0.01	20/08/2019	20/08/2029
17/11/2020	**17**	EMI	9	121,475	Length of service	£0.01	01/09/2020	01/09/2030
24/05/2022	**18**	EMI	4	406,316	Length of service	£0.01	01/04/2022	01/04/2032
02/08/2022	**19**	EMI	1	8,378	Length of service	£0.01	01/08/2023	01/08/2033

Notes *(continued)*

16 Employee Benefits *(continued)*

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2022	**Number of options 2022**	Weighted average exercise price 2021	Number of options 2021
Outstanding at the beginning of the year	**1.02**	**1,407,047**	0.92	1,620,264
Granted during the year	**0.01**	**414,694**	-	-
Exercised during the year	**-**	**-**	-	-
Forfeited during the year	**0.01**	**(448,205)**	0.28	(213,217)
Outstanding at the end of the year	**1.05**	**1,373,536**	1.02	1,407,047
Exercisable at the end of the year	**2.48**	**933,435**	1.82	700,196

The fair value of services received in return for share options granted are measured by reference to the fair value of goods or services received or reference to the fair value of share options granted. The estimate of fair value is measured using the Black-Scholes model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

The total expenses recognised for the year and the total equity recognised at the end of the year arising from share-based payments are as follows:

	Equity-settled share based payment transactions recorded in equity 2022 £	**Equity-settled share based payment transactions recorded in equity 2021 £**
Total equity brought forward at 1 January	**910,702**	**917,908**
Equity-settled share based payment transactions		
Share based payment expense	**630**	**666**
Forfeited share options	**(275)**	**(7,872)**
Total share based payment/(credit)	**354**	**(7,206)**
Total equity carried forward at 31 December	**911,057**	**910,702**

The equity-settled share based payment transactions are recorded within the profit and loss account component of equity. A separate share options reserve is not presented in the financial statements.

Notes *(continued)*

17 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	**163,359**	284,713
More than one year	**153,646**	1,378,643
	317,004	1,663,356

During the year £285,655 was recognised as an expense in respect of operating leases (2021: £268,781).

Yopa exercised the break clause in respect of the Watford office lease on 22 November 2022, with an agreed exit date of 31 May 2023, reducing Yopa's operating lease commitments by £1,068,455.

18 Related parties

Related party transactions

The Company has a media credit line from Daily Mail Group (DMGT), a Shareholder of the Company. The total balance of £77,526 (*2021: £84,966*) included in Other Debtors in the Balance Sheet is to be used for services provided. Total amount of transactions of £71,299 (*2021:* £59,666) were recognised during the year for marketing and payroll services. £67,099 worth of services were provided at a 50% discount to the usual arm's length rate.

During the financial year ended 31 December 2022 Landmark Information Group, part of Daily Mail and General Trust plc (DMGT), a shareholder of the Company, acquired the conveyancing panel management business of Aventria and renamed it Optimus. As at 31 December 2022 included within the debtors total were £nil (*2021: £nil*). The total amount of transactions of £3,319,823 (*2021: £3,106,598*) were recognised during the year. Per our best knowledge the services provided were at an arm's length basis.

As at 31 December 2022 included within the creditors total were amounts owed to Landmark Information Group, part of Daily Mail and General Trust plc (DMGT), a shareholder of the Company of £1,932 *(2021: £4,560)*. Total amount of transactions of £106,202 (*2021:* £93,699) were recognised during the year. Per our best knowledge the services provided were at an arm's length basis.

As at 31 December 2022 included within the creditors total were amounts owed to Savills, part of Grosvenor Hill Ventures Group, a shareholder of the Company of £3,900 (2021: £4,560).

As at 31 December 2022 included within the debtors total were £nil (*2021: £nil*) owed by Primis/First complete which is owed by Yopa shareholder LSL. Per our best knowledge, the services provided were at an arm's length basis. The total amount of transactions of £1,625,529 (*2021: £1,232,641*) were recognised during the year.

As of 31 December 2022, there were £6,240,000 convertible loan notes in issue and an interest balance of £472,866 of interest had been accrued. DMGV Limited held £4,754,312 convertible loan notes and Grosvenor Hill Venture Limited held £1,485,687. The acquisition of Yopa by Andor Holdco Limited on 15 January 2023, triggered the conversion of all convertible loan notes in issue into equity.

As at 31 December 2021 included within the debtors total were amounts owed by Embrace Financial Services Limited of £1,985. Embrace Financial Services Limited is part of the LSL Property Services Group, a former Shareholder of the Company. The underlying transaction dated back to 2019 and was deemed to be irrecoverable by the end of 31 December 2022, with the balance been written-off.. The balance as at 31 December 2022 was therefore £nil.

19 Ultimate controlling party

During the year ended 31 December 2022, the Company was an associate undertaking of DMGV limited, with no ultimate controlling party.

20 Subsequent events

Yopa was acquired by Andor Holdco Limited on 17 January 2023, a company jointly owned by two long standing investors; DMGV Limited,74% shareholding, and Grosvenor Hill Venture Limited, 26% shareholding. The acquisition triggered the conversion of the £6,240,000 of convertible loan notes as of 17 January 2023 into equity.