

Registered number: 11345273

ZEPHYR HOLDCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



ZEPHYR HOLDCO LIMITED

COMPANY INFORMATION

Directors	S Patterson D Morin
Registered number	11345273
Registered office	The Cooperage 5 Copper Row London England SE1 2LH
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ

ZEPHYR HOLDCO LIMITED

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ZEPHYR HOLDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their Strategic report of Zephyr Holdco Limited ("the Company") for the twelve months to 31 December 2021. Previously, the financial statements were prepared for the three months ended 31 December 2020 and before that were produced for the financial year ended 30 September 2020. The twelve month accounting period arises from a change to the Company's accounting reference date in order to align with its ultimate parent company.

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

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

Principal activities

The principal activity of the Company was to act as an intermediate holding company for a group that operates online property portals and household related decision websites as well as providing residential property software and data analytics. The Group's trading results are consolidated by Zephyr Midco 2 Limited ('the Group'), an indirect subsidiary which the Company directly controls.

Business and finance review

The Company has not traded during the year ended 31 December 2021 or in the prior period ended 31 December 2020. The Company incurred shared based payment charges in the year of £nil (period ended 31 December 2020: £34,835k) and a loss before tax of £8k (period ended 31 December 2020: £34,835k), arising from administrative expenses incurred.

During the prior period, the Company entered into an agreement with a related party. The agreement provides an option for the related party to purchase a fixed number of shares for a fixed price in the Company's direct subsidiary, which is exercisable until November 2022. At the date of the signing of these financial statements, the option has not been exercised. A share based payment charge of £nil (period ended 31 December 2020: £34,835k) was recognised in respect of this option.

During the year, the Company issued £140k (period ended 31 December 2020: £nil) of new share capital at a premium of £197,836k (period ended 31 December 2020: £nil). The purpose of this was to further invest into subsidiaries to further acquisitions and growth.

Financial key performance indicators

As the Company does not trade there are no KPIs. The value of the Company's investments is closely monitored and assessed for any impairment.

ZEPHYR HOLDCO LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement by the Directors in performance of their statutory duties in accordance with section 172 Companies Act 2006

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

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

The board of Directors of Zephyr Holdco Limited consider both, individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out above) in the decisions taken during the year ended 31 December 2021.

The Directors oversaw the Company's investment of further capital into its subsidiaries during the year to fund the strategic growth in the trading entities, with a long term plan to benefit the stakeholders of the Company. The Company does not have any employees and has a limited amount of suppliers.

Information on the Group's strategy and other decisions made by the Directors of the Group are outlined in the Strategic Report of Zephyr Midco 2 Limited, being the Company's intermediate subsidiary company. The consolidated financial statements of Zephyr Midco 2 Limited are available from its registered office at The Cooperage, 5 Copper Row, London, England, SE1 2LH.

The decisions are made to have a long-term beneficial impact on the Company and to contribute to the Group's success in providing best-in-class online property portals and household related decision websites, as well as providing residential property software and data analytics.

Risk management, internal control and principal risks

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

ZEPHYR HOLDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Covid-19 pandemic

At the date of approval of the annual report and financial statements there remains uncertainty in relation to the future impact that the Covid-19 pandemic will have on the global economy, and on the Company as a consequence. There have, however, been recent positive developments regarding the success of the UK vaccine rollout and its effectiveness against new variants of the virus, with the resulting easing of government-imposed restrictions beginning to generate increased levels of confidence throughout the wider economy. Nevertheless, it remains the Directors' considered view is that principal risk of the Covid-19 pandemic crisis to the Group that the Company controls is that some customers stop, or delay payments. This could then have a knock-on impact for the Company through its methodology utilised for the valuation of its investments into subsidiaries within these financial statements.

Overall, the Group's performance has been resilient throughout the pandemic to date, albeit the Directors have taken precautionary measures to conserve cash resources where possible. Additionally, the Directors have a range of further mitigating actions that can be taken in order to both maintain the Group's operating capabilities and to enable it to meet its future liabilities as they fall due.

Business continuity plans are in place, with measures to manage employee absences, the efficiency of the Company's operations and the ability for home working. Leadership teams and working groups led by senior managers are in place to support operational resilience and taking common-sense precautions with a view to ensuring the wellbeing of colleagues.


Whilst the pandemic has had an impact on the Group's financial performance, this was primarily due to a strategic decision made to invest in its customers through certain free of charge contracts within the Property subsidiary division. By February 2021, all customers had returned to paying and the majority have entered into long-term contracts. There has been no change in the Group's business model, underlying operations or overall strategy as a result of Covid-19 and the Directors remain assured of the Group's and Company's strong financial position and prospects. The potential impacts of the Covid-19 pandemic crisis are set out in more detail in the Going concern section of the Directors' report.

Changes in the period

No other material changes to the business have been identified in the year.

The Directors are satisfied that the Company has identified sufficient actions that seek to manage, rather than eliminate risk, so as to provide reasonable mitigation against material misstatement or loss within the business.

This report was approved by the board on 1 July 2022 and signed on its behalf.


Simon Patterson (Jul 1, 2022 71:53 GMT+1)

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S Patterson
Director

ZEPHYR HOLDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Results and dividends

The Company has not traded during the year or during the prior period.

The loss for the year, after taxation, amounted to £8k (period ended 31 December 2020 - loss £34,835k).

The Directors do not recommend a final dividend in respect of the year ended 31 December 2021 (period ended 31 December 2020 : £nil).

Directors

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

S Patterson
David Morin (appointed 21 February 2022)
Audinga Besusparyte (resigned 21 February 2022)

Directors' indemnities and insurance

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

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

Charitable and political contributions

During the year to 31 December 2021 the Company made no charitable or political donations (period ended 31 December 2020: £nil).

Matters covered in the Strategic report

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

Going concern

The Company acts as an intermediate holding company for a Group that operates online property portals and household related decision websites, as well as providing residential property software and data analytics. The Group's trading results are consolidated by Zephyr Midco 2 Limited, an indirect subsidiary which the Company directly controls. The Company itself does not trade and therefore relies on the assessment of going concern on its subsidiary Zephyr Midco 2 Limited. Details of this assessment can be found in the Zephyr Midco 2 Limited consolidated financial statements available from the address listed in Note 1 to the financial statements.

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

ZEPHYR HOLDCO LIMITED

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

Future developments

The Company aims to continue its mission of being a holding company for a trading Group who are the platform of choice for consumers and partners engaged in property and household related decisions. The Company will continue to ensure that the Group that it owns will continue to innovate and actively improve current products and develop new products to further improve the consumer and partner experience. The Directors look forward to launching more innovative products and services in the year ahead through its subsidiaries, despite an unprecedented macro-economic environment.


Post balance sheet events

On 25 March 2022, it was announced that a Group subsidiary, Penguin Portals Limited, would acquire 100% of Tempcover Holdings Limited and its subsidiaries (Temporary Cover Limited and Tempcover Limited). The acquisition is subject to regulatory approval and customary closing conditions and is expected to be completed by the autumn of 2022. Tempcover will give the Group a foothold in the short term motor insurance market. The consideration and fair values of assets and liabilities to be acquired are not complete at the time of sign off and are therefore not disclosed.

Auditor

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Pursuant to section 485 of the 2006 Companies Act Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be proposed for re-appointment as auditor in the absence of an Annual General Meeting.

This report was approved by the board on 1 July 2022 and signed on its behalf.


Simon Patterson (Jul 1, 2022 21:53 GMT+1)

S Patterson
Director

ZEPHYR HOLDCO LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Statement of disclosure to the auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information

ZEPHYR HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEPHYR HOLDCO LIMITED

Report on the audit of the Financial Statements**Opinion**

In our opinion the financial statements of Zephyr Holdco Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies (detailed in note 1 of the related notes); and
- the related notes 2 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ZEPHYR HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEPHYR HOLDCO LIMITED

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and HMRC tax legislations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection Regulations ('GDPR') and Financial Conduct Authority regulations.

ZEPHYR HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEPHYR HOLDCO LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

ZEPHYR HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEPHYR HOLDCO LIMITED

Use of our report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Rachel Argyle
Rachel Argyle (Jul 1, 2022 22:41 GMT+1)

Rachel Argyle (Senior statutory auditor)

For and on behalf of
Deloitte LLP

Statutory Auditor
1 July 2022

ZEPHYR HOLDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		12 months to 31 December 2021 £000	3 months to 31 December 2020 £000
	Note		
Administrative expenses		(8)	(34,835)
Loss before tax for the year/period	3,4	(8)	(34,835)
Taxation	6	-	-
Loss after tax for the year/period		(8)	(34,835)
Other comprehensive income		-	-
Total comprehensive loss for the year/period		(8)	(34,835)

The notes on pages 14 to 25 form part of these financial statements.

ZEPHYR HOLDCO LIMITED
REGISTERED NUMBER: 11345273

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Non-current assets			
Investments in subsidiaries	7	1,623,521	1,425,222
Total assets		1,623,521	1,425,222
Current liabilities			
Trade and other payables	8	(8)	-
Net current liabilities		(8)	-
Total assets less current liabilities		1,623,513	1,425,222
Net assets		1,623,513	1,425,222
Equity			
Called up share capital	9	1,565	1,425
Share premium account	10	1,621,011	1,423,175
Other reserves	10	35,780	35,457
Retained earnings	10	(34,843)	(34,835)
Total equity		1,623,513	1,425,222

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S.P.
 Simon Patterson (Jul 1, 2022 21:53 GMT+1)

S Patterson
 Director

Date: 1 July 2022

The notes on pages 14 to 25 form part of these financial statements.

ZEPHYR HOLDCO LIMITED

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

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 October 2020	1,425	1,423,175	541	-	1,425,141
Loss for the period	-	-	-	(34,835)	(34,835)
Share-based payments charge	-	-	34,916	-	34,916
At 1 January 2021	1,425	1,423,175	35,457	(34,835)	1,425,222
Loss for the year	-	-	-	(8)	(8)
Shares issued during the year (see note 9)	140	197,836	-	-	197,976
Share-based payments charge	-	-	323	-	323
At 31 December 2021	1,565	1,621,011	35,780	(34,843)	1,623,513

The notes on pages 14 to 25 form part of these financial statements.

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies

Zephyr Holdco Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the UK under the Companies Act 2006 and registered in England and Wales. The address of the registered office is The Cooperage, 5 Copper Row, London SE1 2LH. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 1 to 3.

1.1 Basis of preparation of financial statements

The principal accounting policies adopted in the preparation of the financial statements are set out below for the year ended 31 December 2021. The policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements of Zephyr Holdco Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, and also in accordance with the Companies Act 2006.

The Company has not traded during the year or the prior period.

The Company's functional and presentational currency is GBP (£).

The Company is a wholly-owned subsidiary of Zephyr Luxco S.à.r.l, and is included in the consolidated accounts of Zephyr Luxco S.à.r.l, comprising Zephyr Luxco S.à.r.l and its subsidiaries (the "Group"). The consolidated financial statement of Zephyr Luxco S. à.r.l can be obtained from 2, rue Edward Steichen, L-2540 Luxembourg. 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
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

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

1.3 Impact of new international reporting standards, amendments and interpretations

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company for the financial period beginning 1 January 2021.

1.4 Going concern

The Company acts as an intermediate holding company for a Group that operates online property portals and household related decision websites as well as providing residential property software and data analytics. The Group's trading results are consolidated by Zephyr Midco 2 Limited, an indirect subsidiary which the Company directly controls. The Company itself does not trade and therefore relies on the assessment of going concern on its subsidiary Zephyr Midco 2 Ltd. Details of this assessment can be found in the Zephyr Midco 2 consolidated financial statements available from the address listed above.

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

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)**1.5 Share based payments**

The Group provides equity-settled share-based incentive plans whereby Zephyr Holdco Limited grants shares at unrestricted market value to its employees of its subsidiaries for their employment services. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Vesting happens over a five-year period with all shares vesting at the date of an exit event if earlier than five years. The fair value for employee-based schemes is measured using the Black-Scholes valuation model and is charged to the statement of comprehensive income over the vesting period on a straight-line basis in the subsidiary company where the employee is employed.

Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in the Zephyr Midco 2 Limited consolidated accounts.

During the prior period, the Company entered into an agreement with a related party. The agreement provides an option for the related party to purchase a fixed number of shares for a fixed price in the Company's direct subsidiary, which is exercisable until November 2022.

The share-based payment charge for the option was calculated using the Black Scholes model. The option has a fair value on day 1 for which no identifiable consideration has been received. Given there are no cash-settlement alternatives under the option, the share-based payment is classified as equity-settled. As there are no vesting conditions, the full charge was recognised in the profit and loss account on day 1.

1.6 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Financial instruments

Trade and other payables are not interest bearing and are designated as other financial liabilities. They are recognised at their carrying amount, which is deemed to be a reasonable approximation of their fair value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Key sources of judgements and estimation uncertainty

Judgements

Holdco investors agreement

During the prior period, the Company entered into an agreement with a related party. The agreement provides an option for the related party to purchase a fixed number of shares for a fixed price in the Company's direct subsidiary, which is exercisable until November 2022.

Judgement is required to determine the appropriate accounting treatment of the agreement; in particular whether the arrangement is within the scope of IFRS 2 or IFRS 9. The Directors have performed an extensive exercise to demonstrate that the arrangement falls within the scope of IFRS 2 and that the Company receives services from a related party. Consequently, the Directors have concluded that the agreement should be accounted for in the Company's accounts as share-based payment in line with IFRS 2.

Had the alternate judgement been made, and the option accounted for as a financial instrument in line with IFRS 9, the initial impact to the financial statement remains unchanged. Subsequently, the option would be revalued at each reporting period end.

Estimation uncertainty

Impairment of assets, including investments

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

The value in use calculations include key sources of estimation uncertainty and, in the current year this estimation uncertainty is heightened due to the impact of the macro-economic environment. However, sensitivities on key assumptions including forecast earnings and discount rate, would continue to result in sufficient headroom and no impairment would be required (see note 7 for more detail).

3. Operating loss

The operating loss is stated after charging:

	12 months to 31 December 2021 £000	3 months to 31 December 2020 £000
Share based payments	-	34,835

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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4. Auditor's remuneration

	12 months to 31 December 2021 £000	3 months to 31 December 2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8	-

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

During the prior year, the auditor was remunerated by other group companies within the Zephyr Luxco S.à.r.l. group.

5. Employees

The Company has no employees (period ended 31 December 2020 - £nil). Directors are remunerated through other group entities and not recharged.

6. Taxation

	12 months to 31 December 2021 £000	3 months to 31 December 2020 £000
Total current tax	-	-
Deferred tax	-	-
Total deferred tax	-	-
Taxation on loss	-	-

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Taxation (continued)**Factors affecting tax charge for the year/period**

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

	12 months to 31 December 2021 £000	3 months to 31 December 2020 £000
Loss before tax	(8)	(34,835)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(2)	(6,619)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	6,619
Unrelieved tax losses carried forward	2	-
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges and there is no material unrecognised deferred tax asset in the twelve month period to 31 December 2021 or the three month period to 31 December 2020.

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Investments in subsidiaries

	Zoopla Limited £000	Uswitch Limited £000	Hometrack Data Systems Limited £000	Zephyr Bidco Limited £000	Zephyr Holdco 3 Limited £000	RV Pondview Limited £000	Total £000
Cost or valuation							
At 31 December 2020 and 1 January 2021	479	47	34	62	1,424,600	-	1,425,222
Additions	260	23	7	33	-	197,976	198,299
At 31 December 2021	<u>739</u>	<u>70</u>	<u>41</u>	<u>95</u>	<u>1,424,600</u>	<u>197,976</u>	<u>1,623,521</u>

ZEPHYR HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

7. Investments in subsidiaries (continued)

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

Details of the Company's direct and indirect subsidiaries and joint ventures at 31 December 2021 are shown below. All of the entities listed are consolidated in the consolidated accounts of Zephyr Luxco S.à.r.l., the ultimate parent company of the Group.

The percentage of Ordinary Share capital of each subsidiary listed is owned entirely by the direct parent indicated other than in respect of Websky Limited where 75% of Ordinary Share capital is owned by W New Holdings Limited with Zoopla Limited owning the remaining 25% and also RV Pondview UK Limited which is 6.5% directly owned and 66.5% indirectly owned via Zephyr Holdco 3 Limited, the company's directly held subsidiary.

The investments in Zoopla Limited, Uswitch Limited, Hometrack Data Systems Limited and Zephyr Bidco Limited relate to share-based payments which are held as capital contributions within these investee entities.

Investments in subsidiaries are valued at cost less any provision for impairment. An impairment loss is recognised when the recoverable amount is less than its carrying value. The key assumptions for the value in use calculations are those regarding discount rates, cash flow forecasts and the long-term growth rates.

The post-tax discount rates and long-term growth rates used in each business unit are shown below.

	WACC 2021	WACC 2020	Terminal growth 2021	Terminal growth 2020
Property Data	8.2%	9.0%	3.7%	3.7%
Property Marketing	8.2%	9.5%	4.0%	4.0%
Property Software	9.5%	9.0%	4.7%	4.7%
RVU London	9.1%	10.0%	3.5%	3.5%
Confused.com	9.1%	n/a	3.5%	n/a
RVU International	9.6%	n/a	3.5%	n/a

Significant headroom in the investment into Zephyr Holdco 3 Limited was identified, hence no impairment is recognised.

The Company has performed a sensitivity analysis on WACC and forecasted EBITDA. Should the post-tax WACC for all business units increase by 0.5%, the investment in Zephyr Holdco 3 Limited would not result in any impairment. Should the EBITDA growth rate for the next five years reduce by 5% against forecast for all business units, the investment in Zephyr Holdco 3 Limited will also not result in any impairment.

Zephyr Holdco 3 Limited is the only direct subsidiary of Zephyr Holdco Limited. All subsidiaries incorporated in the UK are registered at The Cooperage, 5 Copper Row, London SE1 2LH, apart from Penguin Portals Limited, Inspop.com Limited and Confused.com Limited which are registered at Greyfriars House, Greyfriars Road, Cardiff, Wales, CF10 3AL.

The subsidiaries incorporated in the Cayman Islands, namely Zephyr Holdco 3 Limited, Zephyr Holding LP, Zephyr Holdco 2 Limited, ZPG Property Services Holdings Limited and ZPG Comparison Services Holdings Limited, are registered at c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Investments in subsidiaries (continued)

Zephyr Holding LP is controlled by the Company, which is its General Partner. 100% of the outstanding shares of ZH LP is owned by RV Pondview UK Limited, an indirect subsidiary of the Company.

The subsidiary incorporated in Netherlands, namely Calcaša B.V., is registered at Koornmarkt 41, 2611EB Delft, The Netherlands.

The subsidiary incorporated in Mexico, namely Preminen Mexico S.A. de C.V., is registered at C/ Varisovia, 36, 5th floor 06600 Col. Juarez Mexico City.

The subsidiary incorporated in India, namely Preminen Price Comparison India Private Limited, is registered at F-2902, Ireo Grand Arch, Sector 58, Gurugram, Haryana, Gurgaon, Haryana, India 122011.

The subsidiary incorporated in France, namely LeLynx SAS, is registered at 34 Quai de la Loire 75019 Paris.

The subsidiary incorporated in Spain, namely Rastreator Comparador Correduria de Seguros S.L.U, is registered at Calle Sanchez Pacheco, 85, 28002 (Madrid).

The joint venture HLIX Limited did not trade in the year. It is incorporated at 133 Praed Street, London, W2 1RN.

The associate incorporated in China, namely Long Yu Science & Technology (Beijing) Company Limited, is registered at Room 1806, 15th Floor, Block 16, No. 39 East 3rd Ring Middle Road, Chaoyang District, Beijing, the PRC.

The associate incorporated in Bahrain, namely Preminen MENA Price Comparison W.L.L., is registered at Road no 3618, Block 436, Building 852, Office no 42, 4th floor, Seef (Kingdom of Bahrain).

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Investments in subsidiaries (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding
Zephyr Holdco 3 Limited	Cayman Islands	100%
RV Pondview UK Limited	United Kingdom	73%
Zephyr Holding LP	Cayman Islands	73%
Zephyr Holdco 2 Limited	Cayman Islands	73%
Zephyr Midco 1 Limited	United Kingdom	73%
Zephyr Midco 2 Limited	United Kingdom	73%
Zephyr Bidco Limited	United Kingdom	73%
ZPG Limited	United Kingdom	73%
ZPG Property Services Holdings Limited	Cayman Islands	73%
ZPG Property Services Holdings UK Limited	United Kingdom	73%
ZPG Comparison Services Holdings Limited	Cayman Islands	73%
ZPG Comparison Services Holdings UK Limited	United Kingdom	73%
Zoopla Limited	United Kingdom	73%
Yourkeys Technology Limited	United Kingdom	73%
Zoopla Printing Services Limited	United Kingdom	73%
W New Holdings Limited	United Kingdom	73%
Websky Limited	United Kingdom	73%
TechnicWeb Limited	United Kingdom	73%
Uswitch Limited	United Kingdom	73%
Property Software Holdings Limited	United Kingdom	73%
Jupix Limited	United Kingdom	73%
MovelT Network Limited	United Kingdom	73%
Property Software Limited	United Kingdom	73%
Core Estates Limited	United Kingdom	73%
CFP Software Limited	United Kingdom	73%
Vebra Investments Limited	United Kingdom	73%
Vebra Limited	United Kingdom	73%
Vebra Solutions Limited	United Kingdom	73%
Hometrack.co.uk Limited	United Kingdom	73%
Hometrack Data Systems Limited	United Kingdom	73%
Hometrack MLS Limited	United Kingdom	73%
Dot Zinc Holdings Limited	United Kingdom	73%
Dot Zinc Limited	United Kingdom	73%
ZPG Property Services Limited	United Kingdom	73%
Calcasa B.V.	Netherlands	73%
Penguin Portals Limited	United Kingdom	73%
Rastreator.com Limited	United Kingdom	73%
Rastreator Comparador Correduria de Seguros S.L.U	Spain	73%
LeLynx SAS	France	73%
Inspop.com Limited	United Kingdom	73%
Premieren Price Comparison Holdings Limited	United Kingdom	73%
Premieren Dragon Price Comparison Limited	United Kingdom	73%
Premieren Price Comparison India Private Limited	India	73%
Premieren Mexico S.A. de C.V.	Mexico	73%
Life's Great Group Limited	United Kingdom	73%
Life's Great Limited	United Kingdom	73%

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Investments in subsidiaries (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Holding
Life's Great Tech Limited	United Kingdom	73%
PSG Web Services Limited*	United Kingdom	73%
Real Estate Technology Limited*	United Kingdom	73%
Confused.com Limited*	United Kingdom	73%
HLIX Limited**	United Kingdom	18%
Long Yu Science & Technology (Beijing) Company Limited***	China	31%
Preminen MENA Price Comparison W.L.L.***	Bahrain	22%

* denotes dormant subsidiaries

** denotes joint ventures

*** denotes associates

8. Trade and other payables

	2021 £000	2020 £000
Accruals	8	-
	8	-

9. Share capital

	2021 £000	2020 £000
Authorised, allotted, called up and fully paid		
156,500,568,671 (2020 - 142,460,000,000) ordinary shares of £0.00001 each	1,565	1,425

On 30 April 2021, the Company issued 14,040,568,671 £0.00001 ordinary shares for a total price of £0.014100284 pence per share (2020 - no shares issued).

The ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

ZEPHYR HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Reserves**Share premium account**

Share premium of £1,423m was recognised on shares issued in 2018. During the year, further shares were issued and additional share premium of £198m was recognised (2020 - no shares issued).

Other reserves

Other reserves relate to share-based payment charges.

During the prior period, the Company entered into an agreement with a related party. The agreement provides an option for the related party to purchase a fixed number of shares for a fixed price in the Company's direct subsidiary, which is exercisable until November 2022.

The share-based payment charge for this option was calculated using the Black Scholes model. The option has a fair value on day 1 for which no identifiable consideration has been received. Given there are no cash-settlement alternatives under the option, the share-based payment is classified as equity-settled. As there are no vesting conditions, the full charge was recognised in the profit and loss account on day 1. The volatility used in the model of 40.0% was based on volatility in the shares of a comparable listed company.

Retained earnings reserve

The retained earnings reserve comprises all gains and losses not classified within other equity reserves.

11. Related party transactions

Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group.

During the prior period, the Company entered into an agreement with a related party. The agreement provides an option for the related party to purchase a fixed number of shares for a fixed price in the Company's direct subsidiary, which is exercisable until November 2022.

12. Post balance sheet events

On 25 March 2022, it was announced that a Group subsidiary, Penguin Portals Limited, would acquire 100% of Tempcover Holdings Limited and its subsidiaries (Temporary Cover Limited and Tempcover Limited). The acquisition is subject to regulatory approval and customary closing conditions and is expected to be completed by the autumn of 2022. Tempcover will give the Group a foothold in the short term motor insurance market. The consideration and fair values of assets and liabilities to be acquired are not complete at the time of sign off and are therefore not disclosed.

13. Controlling party

The direct parent of the Company is Zephyr Luxco S.à.r.l which is a company registered at 2 Rue Edward Steichen, 2540, Luxembourg. The largest and smallest consolidated group financial statements of which Zephyr Holdco Limited is a part of is Zephyr Luxco S.à.r.l. The ultimate controlling party of the Company is Silver Lake (Offshore) AIV GP V Ltd.