ZEPHYR MIDCO 2 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Registered number: 11346641

Company information

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Strategic report
For the year ended 31 December 2024

The Directors present their Strategic report for Zephyr Midco 2 Limited ("Midco 2" or "the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2024.

This Strategic report has been prepared to provide shareholders of the Company with additional information to assess the Group'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 activities of the Group in the year under review were the operation of online property portals, comparison websites and digital broker platforms as well as providing residential property software and data analytics. The Group's operations comprise the Houseful and RVU divisions, both of which generate revenues through services described below.

Houseful	RVU
- Homes, including Zoopla & PrimeLocation, which represents revenue generated from the provision of marketing services including portal revenues; - Software, including Alto, which represents revenue generated from the provision of software services focused on property professionals and websites; and - Data and Risk, including Hometrack and Calcasa, which represents revenue generated from the provision of residential property data, insight and analysis.	- Insurance, including lead consumer brands Confused.com & Tempcover, which represents revenue generated from annual & temporary insurance switching (including motor and household insurance) and from B2B services; - Energy, including lead consumer brand Uswitch, which represents revenue generated from consumer & business energy switching, ancillary products & B2B services; - Telecoms, including lead consumer brand Uswitch, which represents revenue generated from broadband & mobile contract switching; - Financial Services, including lead consumer brand Money, which represents revenue generated from financial product switching services (including business & personal banking & borrowing); and - Mortgages, including the brand Mojo, which represents revenue generated from mortgage intermediary services.

The principal activity of the Company was to act as a holding company for the Group's consolidated business and as a reporting entity for the Group's debt facilities.

Strategic report (continued)
For the year ended 31 December 2024

Business model and strategy

The Group owns and operates some of the UK's most trusted property and household related brands including Zoopla, Confused.com, Uswitch, Tempcover, Money, Mojo Mortgages, Hometrack and Alto as well as Calcasa in the Netherlands.

The Group drives growth by investing in people, products and marketing to create the most innovative and engaging household related platforms which help deliver greater transparency for consumers and provide increased efficiency for partners throughout the Houseful and RVU divisions' decision lifecycles. The two-sided proposition benefits from powerful network effects, which, in turn, generate increased engagement and an enhanced consumer and partner proposition.

Consumers	Partners
Able to access near whole of market data with real-time alerts to remain up to date and make the most informed decisions about everything related to finding, moving or managing their homes, as well as being able to make informed decisions in relation to switching key utility, insurance and other financial products.	Benefit from access to a highly engaged audience via the Group's property portals, comparison websites and digital broker platforms; generate additional revenues and deliver better service by using the Group's software and data insights.

Business and finance review

The Group reported revenue from continuing operations of £527.7 million for the year to 31 December 2024 (2023: £451.5 million) of which £509.4 million (2023: £436.9 million) was in the UK and £18.3 million (2023: £14.6 million) was generated overseas. The revenue growth is driven by a combination of price rises, new business wins, securing strong deals for consumers, new product initiatives, optimising core digital and offline marketing, and greater market penetration.

The Group made an operating loss from continuing operations of £1.3 million (2023: £23.3 million) after depreciation, amortisation, acquisition and disposal related costs, share-based payment charges and impairment. The Group recognised goodwill and intangible asset impairment charges of £6.7 million (2023: £11.7 million), primarily due to a shift in strategic priorities (see note 12 for details). The operating loss also includes restructuring costs of £1.9 million (2023: £3.0 million) reflecting a continuing review of the Group's operating models to optimise performance. See note 3 for the disclosure of costs accounted for within the operating loss. The Group generated net operating cash-flows of £151.2 million (2023: £144.6 million).

The Group made a total comprehensive loss for the year of £68.1 million (2023: loss of £45.6 million) after finance costs, foreign exchange, fair value movements on derivative financial instruments and income tax. In 2023, a profit of £59.8 million was recognised in relation to the gain on discontinued operations arising from the sale of RVU International. There are no discontinued operations in 2024.

Net debt and borrowings

As at 31 December 2024 the Group had net debt of £877.8 million (31 December 2023: £903.8 million) after capitalised loan fees, which is defined as loans and borrowings and lease liabilities, less cash and cash equivalents as per the statement of financial position.

In addition to the term loans, the Group also has access to a revolving credit facility of £146.5 million as part of the same debt arrangement, which can be accessed by the Group. As at 31 December 2024, the facility was undrawn (2023: the facility was undrawn).

In May 2024, the Group launched a debt transaction to reduce the margin on its EUR and GBP term loans. The margin on the GBP term loan was reduced from 6.0% to 5.5% and the margin on the EUR term loan was reduced from 5.0% to 4.25%.

In October 2024, the Group launched another debt transaction to restructure its existing debt stack and further reduce the margin on its EUR term loan. The Group raised an €84.0 million (£70.3 million) add-on to its Euro term loan and repaid its Second Lien of £70.0 million. The margin on the EUR term loan was reduced further from 4.25% to 3.75%.

Transaction fees incurred as a direct result of the debt transactions were capitalised in May 2024 of £0.8 million and October 2024 of £0.8m and these will be amortised over the life of the loans. Following the repayment of its Second Lien, capitalised transaction fees of £1.2m were written off in November 2024.

Refer to Note 19 for more details on the Group's loans and borrowings.

Strategic report (continued)

For the year ended 31 December 2024

Intangible assets and goodwill

Intangible assets and goodwill arising from acquisitions of subsidiaries and capitalisation of software are shown at net book value of £2,217.3 million (31 December 2023: £2,318.5 million).

In 2024, no impairment of goodwill was recognised (2023: £10.6m).

£6.1 million of Technology and Software intangible assets and £0.6 million of Customer Relationship intangible assets were written down for projects discontinued in the year due to a shift in strategic priorities (2023: £1.1 million of Technology and Software intangible assets).

The details surrounding the Group's intangible assets and related impairment assessments are set out in Note 12.

Cash flow

The Group continues to be cash generative on an operating activities level with £151.2 million for the year (2023: £144.6 million). Net cash outflows from investing activities were £21.0 million (2023: inflows of £119.5 million), whilst net cash outflows from financing activities were £115.7 million (2023: outflows of £262.0 million), leaving cash and cash equivalents of £59.6 million as at 31 December 2024 (2023: £45.2 million).

Equity

There were no shares issued in the year (2023: in connection with the Group's refinancing, on 25 October 2023, the Company issued 100 £0.01 Ordinary shares for a total consideration of £130 million which increased share capital by £1 and share premium by £130 million).

Key performance indicators (KPIs)

The Group's performance can be measured through the following financial and non-financial KPIs.

	Year ended 31 December 2024	Year ended 31 December 2023
Revenue*	£527.7 million	£451.5 million
Operating loss for the year*	£ (1.3) million	£ (23.3) million
Total comprehensive loss for the year	£ (68.1) million	£ (45.6) million
Visits[1]	613 million	657 million

**From continuing operations*

[1]Visits comprise individual sessions to the Group's Classifieds websites or mobile applications, as well as comparison websites and digital broker platforms by users for the year as measured by Google Analytics.

The revenue growth is driven by a combination of price rises, new business wins (securing strong deals for consumers), new product initiatives and optimising core digital marketing. The improvement in the operating loss is largely driven by a reduction in impairment of goodwill and other intangibles from £11.7 million in 2023 to £6.7 million in 2024, as well as a reduction in amortisation from £127.5 million to £117.3 million.

The divisions and individual businesses each have their own detailed set of financial and non-financial KPIs. The above non-financial KPI has been chosen at a Group level since it is applicable and measurable for both divisions and provides a high level indication of consumer volumes and behaviours. The financial KPIs have been chosen as these provide an indication of growth and profitability trends at Group level.

Strategic report (continued)
For the year ended 31 December 2024

Working with us

We want our people to feel supported, motivated and inspired across everything they do. We believe our transformative learning culture is one of our local defining features and aim to foster in our people a thirst for knowledge, eagerness to learn and give them the opportunity to thrive.

Diversity, equity and inclusion is at the heart of our culture. We are making constant assessments to ensure we provide equal and fair access for all. We believe that all current and future employees should have fair and equal access to opportunities regardless of age, sexual orientation, gender, disability, race, nationality, ethnic origin, trade union affiliation, belief or religion.

Gender mix across the Company and Group for the year ended 31 December 2024

	Number (average employees)		Percentage	
	Female	Male	Female	Male
Company Directors	1	1	50%	50%
Senior Management	84	136	38%	62%
All Employees	559	807	41%	59%

Gender mix across the Company and Group for the year ended 31 December 2023

	Number (average employees)		Percentage	
	Female	Male	Female	Male
Company Directors	1	1	50%	50%
Senior Management	61	104	37%	63%
All Employees	524	766	41%	59%

In 2024, the Group has deepened its understanding of Gender Pay Gap data including more regular and robust reporting of gender pay gap, as well as regular review of ethnicity pay gap trends. This allows for ongoing monitoring of the impact and effectiveness of recruitment and internal development policies and decisions.

Risk management, internal control and principal risks

The Group's internal control framework is aligned to the "three lines of defence" model. Operational Management are the first line and they are primarily responsible for the direct management of risk, ensuring that appropriate mitigating controls are in place and that they are operating effectively. The second line is formed of the Group's internal governance functions such as compliance, commercial finance, legal, internal controls and risk. The third line includes other third-party advisors and experts and any other independent consultants reporting to the Board.

Risk is managed functionally and at a consolidated Group level. This structure enables the Group to ensure that risks are identified across its range of operations. The risks are then escalated in a manner which is consistent and aligned with the strategic goals. The Group assesses its risk management processes on a continuous basis to ensure that they remain fit for purpose.

The Group maintains a strategic risk register which is reviewed regularly by the Directors. The likelihood and impact of each risk are both scored and combined to provide an overall risk score. Each risk within the register is scored twice: firstly, excluding the existence of mitigating controls (the inherent risk score) and then again once mitigating controls have been considered (the residual risk score). The difference between these scores allows Management and the Directors to gain an understanding of the level of control the Group has over each risk.

The analysis contained within the risk register forms the basis of the principal risks and uncertainties detailed below. The risk factors described are not an exhaustive list or an explanation of all risks. Additional risks and uncertainties relating to the Group, including those that are not currently known to the Group or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business operations, results and / or financial condition.

Strategic report (continued)

For the year ended 31 December 2024

Risk management, internal control and principal risks (continued)

Key risk	Description and impact	Management and mitigation
Macroeconomic conditions – Energy wholesale prices **The Group is exposed to a number of macro-economic conditions including during 2021 to 2024 a more volatile global wholesale energy market. The impact of any increase in volatility could impact switching availability and behaviour with a knock-on effect on the Group's financial performance.**	Since the second half of 2021, due to a shortage of gas supplies and disruptions to other sources of energy, global wholesale gas prices have been volatile, reaching a record high gas price of £7.88 per therm on August 2022. The combination of volatile energy wholesale prices, the price cap set by UK regulator (Ofgem), the Energy Price Guarantee (EPG) put in place by the UK government, and more recent regulatory mechanisms - the Market Stabilisation Charge (MSC) and the Ban on Acquisition-only Tariffs (BAT) - temporarily stopped energy switching services, which has had an adverse impact on the Group's revenue. High wholesale prices on their own are not a barrier to switching; the interplay between the high energy prices and the regulatory mechanisms is key to the performance of the switching market; suppliers removed their acquisition tariffs from the market in September 2021 as a result of these factors. Since the EPG ended in June 2023, switching has returned at low levels on aggregator sites; the MSC was removed in March 2024. The BAT remains in place and is expected to for the foreseeable future; management believes that this may impact the rate of return of switching volumes, but is unlikely to materially affect the market size over the long term. Whilst energy switching began to return in a more meaningful way in 2024, switching levels remain significantly lower than in the pre-2021 period, therefore the Group's revenue remains adversely affected.	• Regularly reviewing market conditions and indicators with scenario analysis. • Educating consumers about the energy market, the price cap and their options in uncertain conditions to maintain our reputation and brand awareness. • Maintaining a flexible cost base that can respond to changing conditions. • Engagement with government and regulators as appropriate.
Competitive environment **The Group operates in marketplaces which are highly competitive. The actions of the Group's competitors, and / or the Group's inaction, can have a significant and adverse impact on the Group.**	If new or existing competitors can provide, or are perceived to provide, an enhanced partner or consumer service, this presents a risk to the Group's market share and consequently its financial results. The Group invests in marketing to build brand awareness and drive traffic to its websites. Increased digital marketing expenditure by competitors, or general price increases, may cause the Group to	• Focussing on strategic marketing and brand investment. • Prioritising high margin/ low-cost marketing channels to minimise reliance on higher cost paid marketing channels. • Data-driven analysis of return on marketing spend on a regular basis enables spend to be directed to channels which generate more revenue than they cost, so that

Strategic report (continued)

For the year ended 31 December 2024

Key risk	Description and impact	Management and mitigation
	incur additional marketing spend to ensure that it can continue to compete effectively.	marketing spend is on an ROI-positive basis and profit-accretive. • Ensuring partners understand the unique value proposition that can be provided through our websites, products, and services. • Offering attractive and competitive pricing packages to partners and agreeing longer-term contracts to provide assurance over forecasted revenue. • Diversifying risk through multiple revenue streams. • The Houseful division is largely subscription based and is therefore less susceptible to short term fluctuations in the market.
Integration of acquisitions **The Group is highly acquisitive, which presents inherent operational, strategic and cultural challenges.**	The inability to successfully integrate acquisitions may adversely affect consumer and / or partner experience with a resulting impact on strategic opportunities and the Group's future revenues. The challenges surrounding integrating different cultures, working practices and locations could impact team retention and performance. In addition, there is the possibility that the financial and operational control environments of acquired entities are not as established as those of the Group.	• Centralised shared service functions across Group finance, facilities, and IT. • Ongoing integration of all acquired entities into the Group reporting software • Functions within the organisation, particularly shared services, have focused on aligning processes and systems where this creates a net operational benefit. • Projects initiated, which are now delivering, to develop a streamlined approach across the various segments for products and technology. • Communicating the benefits of acquisitions to both partners and consumers.
IT systems and cyber security **A failure in one system or a security breach may disrupt the efficiency and functioning of the Group's operations.**	Any failure of the Group's IT infrastructure through error or attack could impair the operation of the Group's websites and services, the processing and storage of data and the day-to-day management of the Group's business, otherwise referred to as the confidentiality integrity and availability. In addition, any theft or misuse of data (consumer and partner) held within the Group's databases could have both reputational and financial implications for the Group.	• Regularly testing the security of the IT systems and platforms, including penetration testing. The Group uses a third-party application to protect against Distributed Denial of Service (DDoS) attacks. • RVU ensures compliance with the UK government backed Cyber Essentials framework, across the UK entities, using a third-party tool to help with this. • Houseful has aligned its practices across the group to ISO27001 to support the ISO compliant business units. This has led to a mature information security

Strategic report (continued)
For the year ended 31 December 2024

Key risk	Description and impact	Management and mitigation
		program including controls across identify, detect, protect, response, recover and Govern (Aligned with the NIST CSF framework). • Dedicated in-house cyber security resource.
Data protection and exposure **Non-compliance with data protection and related requirements could lead to significant penalties for the organisation.** **The Group may be susceptible to an external hack which could lead to a loss of data, including personal data.**	Data protection entails various elements such as ensuring compliance with GDPR, cookie laws and direct marketing. A non-compliance with data protection laws may result in financial loss, an interruption or stop to business operations, and reputational damage. The Group holds personal data in various systems, therefore any loss of data through an external or internal hack could lead to business interruption or a stop to business operations and a significant financial and / or reputational damage.	• Data protection officer ("DPO") positions in both divisions. • Both divisions have a privacy policy framework, mandatory data protection training and plans to assess and monitor compliance in place to address all in-scope laws. • Dedicated and experienced information security team help review the security environment, identify risks, and minimize the impact of any incident. • Senior level oversight with representation at divisional Risk Committees and discussion at the Audit Committee. • Training schemes coordinated related to data hacks / governance. • Business Continuity and incident response plan revisions ensuring mitigation plans are formalised in the event of a data hack. • Information Security Policy and Personal Data Breach Management Policy (or similar) in place.
Retention and recruitment **The Group operates in markets with a high demand for high calibre personnel. Failure to attract and retain a skilled workforce may impact on the Group's financial performance.**	Competition for qualified talent is intense and an inability to attract highly skilled employees could adversely impact the Group's operations, financial position or prospects. Similarly, an inability to motivate, develop and retain key team members, particularly through periods of business change, could adversely impact the Group's operations, financial condition and prospects. The Group has a track record of growth through acquisition – an inability to retain key team members from these businesses could increase business risk in the event of reliance on their business-critical knowledge.	• Share schemes in place to improve staff retention. • Learning & development activities held across the Group. • Talent teams resourced with experienced senior members who can drive change. • Recruitment agency partners well informed to positively impact the recruitment process and source the best candidates. • Careers websites for both divisions. • Employee Value Proposition defined and embedded across the employee journey.

Strategic report (continued)

For the year ended 31 December 2024

Key risk	Description and impact	Management and mitigation
Regulatory environment **The Group operates in several regulated environments, including the UK Financial Conduct Authority (FCA). Failure to meet regulatory requirements may impact the Group's financial performance.**	The Group monitors changes in the regulatory environments in which it operates to identify incoming changes that may have an impact on the strategy, operations, or business model of the Group. Key areas in the industries in which the Group operates which are being actively monitored are: *Regulated products:* The Consumer Duty introduced by the FCA from 31 July 2023 continued to be a focus in 2024. This requires firms to act to deliver good outcomes for retail customers, with specific focus on the four "Customer Outcomes". These outcomes relate to products and services, price and value, consumer understanding and consumer support including understanding needs, characteristics, and objectives of consumers. This principle is explicitly embedded in policies and procedures as appropriate, to ensure that appropriate governance controls are in place to deliver against these outcomes. This includes the appointment of a RVU Board Consumer Duty Champion, who is supported by Consumer Duty owners within each individual entity. In addition, all staff are made of their individual responsibilities through training and specific development objectives where relevant.	• A Group wide Risk & Compliance team operates across all regulated entities, with a single Senior Manager across the RVU Group responsible for ensuring alignment and consistency of standards. • High level of diverse knowledge & experience within the Group function providing a greater depth and breadth to the team's ability and agility when responding to compliance or risk matters. • Appropriate governance frameworks are in place to ensure all risks (including regulatory) are treated appropriately in terms of identification, notification, management, mitigation and remediation. With agreed risk appetites and thresholds, and an established escalation process in place. • Implementing processes, including training, to ensure compliance with all mandatory reporting obligations. • Regular monitoring of regulatory risks by the Board, the Audit Committee, Risk Committee, the legal function, and internal control throughout the business. • Maintaining regular open and constructive dialogue with all significant regulatory bodies.
Reputational and brand damage **The Group operates several identifiable and respected brands which could be damaged by factors such as unethical or unlawful activity, poor customer service or negative press.**	Damage to any of the Group's brands could lead to a fall in consumer confidence, reducing traffic and leads for the Group's partners and in turn impacting the Group's revenue. There is also a risk that the Group's partners may choose to terminate their existing relationship with the Group because of any reputational damage, which would directly impact the Group's revenues.	• Embedding a culture of transparency, social awareness, and ethical behaviour throughout the Group. • Regularly reviewing the Group's risks and reviewing and developing internal control frameworks to mitigate the risk of error or fraud. • Executing the Group's strategy, which has both consumers and the Group's partners at its core. • Continually investing in the Group's brands.

Strategic report (continued)

For the year ended 31 December 2024

Key risk	Description and impact	Management and mitigation
Interest rate risk **The volatility of market interest rates due to macroeconomic factors may impact the Group's cashflows.**	The Group is exposed to fluctuations in the Sterling Overnight Index Average (SONIA) and Euro Interbank Offered Rate (EURIBOR) on its external debt. The volatility of market interest rates due to macroeconomic factors can impact the Group's cashflows.	• During the year, the interest rate volatility was monitored and interest rate hedges were utilised to manage interest rate risk.
Foreign exchange risk **Foreign exchange volatility due to macroeconomic factors which may impact the Group's cashflows.** **The Group holds term loans denominated in Euro and operates a trading business outside of the UK. Failure to manage foreign exchange volatility due to macroeconomic factors may impact the Group's cashflows.**	The Group is exposed to fluctuations primarily in the British Pound (GBP), the Euro (EUR) and U.S. Dollar (USD). The Group's primary cash inflows are in GBP, with significant cash outflows in EUR (for interest payments on EUR denominated debt) and USD (for supplier payments). The volatility of foreign exchange rates due to macroeconomic factors can impact the Group's cashflows.	• Monitoring foreign currency rate fluctuations. • Implementing spot trading and movements prior to converting large amounts for interest and supplier payments. • Repatriating cash from Euro earning subsidiary to pay Euro interest as a natural hedge. • During the year, the Group entered a foreign currency hedging instrument to manage foreign exchange risk on the final principal repayment of the Euro debt (see note 24).

The key risks in the table above are broadly consistent with the previous year. There are no material new risks in the current year that fall outside of these categories.

The risk around integration of acquisitions has decreased throughout 2024 there have been no significant acquisitions in 2023 or 2024.

Changes in the year

No other material changes to the business have been identified in the year that have not been considered further in this Strategic report. The Directors are satisfied that the Group has identified sufficient actions that seek to manage, rather than eliminate risk, to provide reasonable mitigation against material misstatement or loss within the business.

Section s172 statement

We have a broad range of stakeholders who influence or are affected by our day-to-day activities and have varying needs and expectations. Our aim is to try to ensure that the perspectives, insights, and opinions of stakeholders are understood and taken account of when key operational, investment or business decisions are being taken.

Section 172 requires that "a Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other mattes) to:

a) The likely consequences of any decisions in the long term;
b) The interests of the Group's employees;
c) The need to foster the Group's business relationships with suppliers, customers and others;
d) The impact of the Group's operations on the community and the environment;
e) The desirability of the Group maintaining a reputation for high standards of business conduct; and
f) The need to act fairly as between members of the company.

The Directors consider the factors set out above in discharging their duties under Section 172.

Strategic report (continued)

For the year ended 31 December 2024

Section s172 statement (continued)

The Group's key stakeholder groups are our shareholders, employees, customers and consumers, suppliers, the community, and regulators. Here we explain how the Board engages with and manages our relationship with our key stakeholders:

Shareholders

- The Directors are committed to openly engaging with their shareholders through attendance at Board meetings, so that shareholders understand the strategy and objectives of the Group.
- The Group provides regular reports and maintains regular dialogue with shareholders to ensure their involvement in the Group's decision-making.
- As per previous years the Directors approve an annual budget, prepared by the Group's senior management. The Directors were then able to monitor performance against this budget and plan through the year to 31 December 2024.
- The Directors worked closely with the shareholders whilst undertaking the debt transactions outlined in note 19. Additionally, the Directors consulted with shareholders in regard to the impairment recognised during the year.
- The Directors are committed to the sustainable generation of shareholder value.

Employees

- The Group is passionate about attracting, engaging, developing and retaining the best talent in the industry.
- The Group engages through employee survey tools (primarily Peakon) to regularly measure employee net promoter score (eNPS) and key engagement drivers.
- The Group in addition to competitive salaries offers a comprehensive suite of benefits to the majority of its employee base which includes a discretionary bonus package; employer defined contribution pension matching; health insurance; learning and training budgets; and access to a lifestyle hub which offers a range of discounts and rewards on retailers. The Group reviews its benefits package each year to ensure benefits are still fit for purpose, and to ensure that any new and relevant benefit offerings are being considered.
- The Group has a strong focus on its employees' wellbeing and operates numerous schemes which focus on improving mental health and wellbeing. These include subscriptions to the Calm App, a digital detox day in the Houseful division, availability of an onsite gym for London-based employees, flexible working policies beyond what is legally required, additional wellbeing policies for specific areas, for example, bereavement, menopause and menstrual support, and employee assistance programmes.
- The Group supports employees through a variety of different life changes and challenges. This includes (but is not limited to) providing generous maternity, paternity, shared parental and adoption leave packages, providing support and funding for fertility treatment and providing a menstrual and menopause policy and support line. The Group continues to respond to employee feedback, adjusting the support and provisions available in line with what the Group's employees value.
- As part of the Group's commitment to creating an inclusive and diverse workforce, Employee Resource Groups (ERGs) provide employees with a community and a safe space to meet and support one another, as well as an opportunity to discuss potential changes to existing and new policies and initiatives, and led by volunteers from across the business. The ERGs cover the following diversity categories; gender (female), sexual orientation, race, disability and working parents. The Group continues to respond to employee feedback, with a view to further expand these groups.
- The Groups aims to make Diversity, Equity & Inclusion (DE&I) a central part of its decisions, whether recruitment, talent development, engagement campaigns, or marketing, to ensure the Group becomes more welcoming, fair and representative daily. The Group uses diversity attribute information from Workday (its HR system) to create reports to analyse the fairness and equality of key operational HR processes, using data to analyse where biases may occur.
- In 2024, Houseful partnered with the Black Young Professionals Network with the aim of increasing the ethnic diversity of employees based in London. In addition, representatives spoke at events such as Rec Fest 2024 (a Talent Acquisition Event), highlighting the Diversity, Ethnicity and Inclusion initiatives and focused on the positive impact of this in Tech.
- RVU partnered with a diversity, equity and inclusion group called 10,000 Black Interns to support with their summer internships and increasing ethnic diversity of employees. The RVU division has recently introduced a new Talent Tool (Pinpoint) to improve the recruitment experience for existing and prospective employees.
- The Board actively seeks input from employees on key decisions that will impact them.

Strategic report (continued)

For the year ended 31 December 2024

Section s172 statement (continued)

Customers and consumers

- The Group aims for its customers, including estate agents, new home developers, lenders, brokers and providers of energy, communications, insurance and financial services products to benefit from access to a highly engaged audience via the Group's portals within the Houseful and RVU divisions, generating additional revenues and delivering better service by using the Group's software and data insights. The Group has dedicated Product and Tech teams, who are committed to innovating these products so that customers have data driven platforms, which will help their businesses succeed.
- Houseful's brands continued to deliver against their ambition to create the connections that power better property decisions. This included ongoing investment in product (including use of AI) and marketing to optimise the experience for customers, as well as the continued provision of market data with real-time alerts.
- RVU's brands continued to offer expertise and impartial guidance in a straightforward way, helping consumers make confident decisions about their home and life essentials. In 2024 this included investment in product to improve customer experience and journey; investment in brand marketing campaigns to reach and educate more customers; and continued commitment to providing timely information and guidance to help customers save money.

Suppliers

The Group is committed to working with suppliers who share the Group's values. Before commencing a business relationship with a supplier, the Group will review the supplier's labour practices and ensure compliance with sanctions and Politically Exposed Persons ("PEP") regulations. The Group complies with their statutory duty to report on payment practices and is committed to reducing the time taken to pay suppliers, particularly those who are smaller in size.

Social responsibility and the Community

To ensure the Group's internal minimum ESG standards are consistently reflective of external ESG compliance requirements they are reviewed and updated by the Group ESG committee quarterly. The gap analysis, depicting the Group's current performance against the standards, is updated by the committee and broader working group biannually.

The Group is committed to improving its practices to combat slavery and human trafficking in its supply chains. The Group complies with all relevant laws and has a whistleblowing policy which applies to relevant employees, officers, consultants, casual workers and agency workers in the Group. The Group's modern slavery statement can be found at modern-slavery-statement-registry.service.gov.uk (under ZPG Limited).

The Group continues to use the Carbon Accounting Tool and engaged with advisors to analyse its direct and indirect carbon emissions in detail. The analysis of data has been utilised to inform the Group's emissions reduction targets and set a net zero strategy. See the 'Environmental Matters' section of the Directors' Report and the Climate-Related Financial Disclosure report for further details.

The Group's employees play an active role in volunteering; the majority of its employees are entitled to a full day's annual leave to volunteer for a registered charity or non-profit organisation that is close to their heart. The Group additionally invests in educational programmes to support young people in the community. Some examples across the Group of our work in the community include:

- The Houseful division continued and expanded its ongoing work with Future Frontiers and Tech She Canin 2024 as part of its 'enabling change for tomorrow' initiative. Through the Future Frontiers partnership, 65 Houseful employees were trained on how to become effective coaches and mentors to young people from low-income backgrounds. This allowed them to support students from underprivileged backgrounds and help them make better educational choices and to open their eyes to the wealth of careers available to them. As a sponsor and strategic partner of Tech She Can, the Group has partnerships with charities supporting people from lower socioeconomic backgrounds at the start of their careers, and has run coaching sessions for young women on how to learn to code.
- Houseful continued to work closely with Crisis, its long-term strategic partner, to leverage its data and insight to help raise awareness of homelessness and the barriers to boosting the supply of rented homes for those on low incomes.

Strategic report (continued)

For the year ended 31 December 2024

Section s172 statement (continued)

- RVU has an educational initiative called RVUni, as a part of its 'Pay it Forward' programme, which offers students from underprivileged backgrounds the opportunity to learn about different marketing disciplines. They receive practical advice on their CVs and application letters, and have the opportunity to ask specialists about their careers and roles. The aim is to help students decide where they'd like to focus their studies, supporting in making their university course decisions or opting for an apprenticeship. In 2024, 22 secondary school students from both inner and greater London schools attended RVUni in the London office for the weeklong course.
- In addition, RVU also hosted a weeklong coding course called CodeF which was run in partnership with SEO London to teach over 30 young women about different careers in tech and how to build a website from scratch. Additional initiatives supporting local charities were carried out at a business level in 2024, including donating Christmas presents to underprivileged children, food bank donations and running to raise money for local charities.

Regulators / Industry bodies

- The Group operates in a number of regulated environments. Certain revenue streams across the Group are regulated by the FCA. The Group is committed to protecting consumers and as a result engages with regulators and professional bodies to ensure that it complies with all regulatory responsibilities.
- The details of the policies implemented, and their outcomes are covered in more detail in the 'Risk Management, Internal control and principal risks' section of the Strategic report.
- Led by the Board, the Group has a high-integrity culture, with appropriate policies, training and processes relating to anti bribery and corruption along with substantial business control functions such as Internal Control and Site Reliability Engineering (the latter covering Cyber Security operations).

The Strategic report is approved by the Board of Directors ("Board") on 28 March 2025 and signed on behalf of the Board by

Charles Bryant (Mar 28, 2025 18:01 GMT)

Charles Bryant
Director

Directors' report

For the year ended 31 December 2024

The Directors present their report of Zephyr Midco 2 Limited ("Midco 2" or "the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2024.

Directors

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

- Charles Bryant
- Karen Maguire (resigned 1 February 2024)
- Chrisna Stafleu (appointed 1 February 2024)

Identification of private equity fund

The Company's indirect parent company Zephyr Luxco S.a.r.l. is majority held by investment funds managed or advised by Silver Lake Technology Management, L.L.C. or its affiliates ("Silver Lake"). Silver Lake is a technology-focused investment firm (https://www.silverlake.com). As disclosed in note 26 to the financial statements, the ultimate controlling party is Silver Lake (Offshore) AIV GP V Ltd, which is an entity affiliated with Silver Lake.

Further detail on board composition

During the year ended 31 December 2024, there were two statutory Directors of Zephyr Midco 2 Limited – Charlie Bryant and Chrisna Stafleu. Charlie is CEO of the Houseful division and Chrisna is the Group Finance Director.

None of these Directors were appointed by Silver Lake or hold other Directorships in other entities managed by Silver Lake outside of the ZPG Group.

Directors' indemnities and insurance

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

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

Results

The Group total comprehensive loss for the year after tax was £68.1 million (2023: £45.6 million). Refer to the Strategic report for further discussions of the Group's results and performance for the year.

Dividend

The Directors do not recommend a final dividend in respect of the year to 31 December 2024 (2023: £nil).

Future developments

The Group aims to continue its mission of being the platform of choice for consumers and partners engaged in property and household related decisions. In 2025, the Group will continue to:

- Focus on its partner and consumer relationships in order to grow revenue and enhance long term stability of earnings;
- Invest in its brands and the technology that supports its websites and products to provide its partners and consumers with the optimal user experience; and
- Leverage the breadth of its portfolio and focus on areas of competitive advantage.

The Directors look forward to continuing to improve and evolve the Group's products and services, to build deeper connections with customers and consumers in the year ahead.

Directors' report (continued)

For the year ended 31 December 2024

Financial risk management

Refer to Note 24 for details of the Group's financial risk management which includes information on the Group's exposure to credit risk, market risk and liquidity risk.

Going concern

The Group consolidated statement of financial position shows a positive net current asset position of £28.8 million with significant cash resources and the Group continues to generate positive net cash flows from operating activities of £151.2 million in 2024. Given the positive net cash inflow and the net current asset position, the Directors believe that the Group is well placed to manage its business and financial risks successfully going forward. Net cash inflow for the year was £14.5 million before foreign exchange movements. The year-end cash position was £59.6 million. The Group has a Revolving Credit Facility ('RCF') of £146.5 million, which is undrawn at 31 December 2024.

In order to gain comfort over the Group's ability to continue as a going concern, the Directors have modelled the Group's cash flow position for the 12 months following the date of the signing of these accounts. The Group is subject to covenants under its year-end debt structure and throughout the cash flow forecast period there is sufficient headroom on the financial covenants.

The Directors have a reasonable expectation that the Group 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. The Directors' consideration of uncertainties that the business will face in the next 12 months are captured within the principal risks disclosed in the Strategic report.

Research and development

The Group continues to incur expenditure on research and development in order to develop new products and enhance the existing websites. The Group accounting policies on research and development are discussed in Note 1 to the consolidated financial statements. The Group capitalised £21.0 million (2023: £19.8 million) in relation to technology development costs.

Political contribution and charitable donation

No political contributions were made in the period (2023: £nil).

Total charitable contributions made to all registered charities during the year was £125,805 (2023: £148,289).

Employees

The Group is passionate about attracting, engaging, developing and retaining the best talent in the industry and has invested significantly to improve its talent attraction and recruitment. This includes offering an extensive and varied range of benefits for every life stage, as well as competitive salaries and market-leading benefits, which the Group continually monitors, reviews and evolves in response to industry changes, benchmarking exercises and employee feedback.

The Group is always open to feedback and seeks to provide as many opportunities for discussion as possible. It is vital that every employee feels they have a voice, and this is achieved through employee survey tools to help the Group regularly measure employee net promoter score (eNPS) and key engagement drivers. Dedicated employees help to formalise and lead the engagement and internal communications strategy across the Group.

The Group is focused on keeping up to date with current best practice when it comes to professional development. This is achieved by having dedicated learning and development professionals who work to offer a wide selection of opportunities for employees to truly optimise their potential. These include a range of interactive soft skills workshops where employees can sign up and learn with other colleagues collaboratively, provision for external training courses, as well as a large selection of self-learning materials and videos, including a learning and development platform. The Group values the experience of more senior members of staff to provide 'on the job' training to their colleagues.

Directors' report (continued)

For the year ended 31 December 2024

Employees (continued)

The Group is focused on keeping up to date with current best practice when it comes to HR policies. The Group keeps up to date with employment law changes, as well as new initiatives in the HR space, to ensure employees are provided with HR policies that go above best practice.

The Group has supported employees during the review of the Group's operating models, and where required, has provided additional post-employment support.

Diversity and inclusion

The Directors believe that all current and future employees should have fair and equal access to all opportunities regardless of their age, sexual orientation, parental responsibilities, disability, race, nationality, ethnic origin, membership of a trade union, religion, belief, or gender and this is reflected throughout all the Group's employment policies and practices, including recruitment, selection, training, promotion, salary reviews and flexible working.

The Group's subsidiaries instil a culture of equal opportunities, and policies are contained within relevant employee guidance at the various subsidiary company levels. These set out that it is the relevant subsidiary company's policy to select the most qualified person for each position within the organisation and it is the intent to comply with the requirements and spirit of all laws in the implementation of all facets of equal opportunity. These policies apply to all employment practices and personnel actions including, but not limited to, recruitment, selection, training, promotion, pay rates, discipline, and dismissal. This includes giving full and fair consideration to applications for employment made by disabled persons and continuing the employment of, and arranging appropriate training, career development and the opportunity for promotion for any of the Group's employees who are, or become, disabled.

Environmental matters

Growing the business sustainably continues to be an area of focus for the Group. In 2022, the Group completed its first full carbon footprint analysis, which laid the foundation for a structured approach to emissions reduction. In 2023, the Group onboarded a carbon accounting tool to enable full Scope 1, 2, and 3 data collection and analysis. Building on this progress, in 2024, the Group developed its first Net Zero strategy and committed to the Science Based Targets initiative (SBTi), ensuring its carbon reduction goals align with climate science. SBTi validated the Group's carbon reduction targets in March 2025. This verification will provide the assurance needed to publish the Group's Net Zero strategy and enhance transparency in its carbon transition planning.

To further enhance the accuracy of emissions data, the Group explored advanced hardware technologies for automated energy monitoring. Following this investigation, a new building management system (BMS) was selected, and a key project to optimise the efficiency of the Group's primary Heating, Ventilation, and Air Conditioning (HVAC) system is set to launch in 2025. This initiative builds on prior energy efficiency measures, such as the installation of water meters to monitor and strategically reduce water consumption. The impact of these upgrades will be tracked and reported through the Group's Energy Saving Opportunity Scheme (ESOS) action plan. The increase in fugitive emissions in the table below results from inefficiencies in the HVAC (Heating, Ventilation, and Air Conditioning) systems, therefore this project is also expected to address and mitigate this.

As part of its requirement to prepare Climate-Related Financial Disclosures (CFD), the Group established a cross-functional working group to assess climate-related risks and opportunities across its operations and value chain. This analysis informs strategic decision-making and risk mitigation efforts, with further details available in the Climate-Related Financial Disclosure report.

The Group remains focused on promoting sustainable workplace initiatives. Employees continue to benefit from an electric vehicle leasing scheme via salary sacrifice, as well as a cycle-to-work scheme. In-office recycling remains available, with employees required to properly dispose of waste in designated categories. Additionally, the Group partners with a third party to donate redundant tech hardware for sustainable recycling or reuse. In 2024, this initiative resulted in the donation of 433 hardware assets, preventing approximately 85,000kg of CO_2e emissions by reducing the need for new equipment manufacturing. This builds on previous years' efforts, including the planting of 2,000 trees through reforestation partnerships.

Directors' report (continued)

For the year ended 31 December 2024

Environmental matters (continued)

The Group has a number of property and company car leases to support business operations. The Group has measured its Scope 1 and 2 emissions using the Greenhouse Gas Protocol standard and the fuel-based: fuel type calculation method.

The Group has followed the 2019 UK Government Environmental Reporting Guidelines and has used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024 to calculate the below disclosures.

Emission was also calculated using an 'intensity metric', which will enable the Group to monitor how well we are controlling emissions on an annual basis. The Group considers the most suitable metric as 'emission per employee', based on average number of employees, as the Group is an employee focussed business.

The Group is not required to disclose non-UK based emissions within these financial statements.

	Year ended 31 December 2024	**Year ended 31 December 2023 (restated)**
Scope 1 (direct emissions)		
Mobile combustion (tCO_2e)	9.9	5.6
Stationary combustion (tCO_2e) (1)	-	-
Fugitive emissions (tCO_2e) (1)	106.2	83.9
Combustion of natural gas (tCO_2e)	-	-
Scope 2 (indirect emissions)		
Purchased electricity (tCO_2e)	148.1	165.2
Electricity consumption used to calculate above emissions (kWh)	715,470	797,496
Total gross Scope 1 & 2 emissions (tCO_2e) (1)	264.2	254.7
Intensity ratio (tCO_2e / employee) (1)	0.2	0.2

(1) *As part of its commitment to working towards operating as a Net Zero business, the Group tracked carbon data more comprehensively in 2024, this resulted in a retrospective increase in its Scope 2 emissions in 2023. The data has been restated to this effect.*

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual 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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 the parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the United Kingdom, including FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' report (continued)

For the year ended 31 December 2024

Statement of Directors' responsibilities (continued)

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Subsequent events

On 20 March 2025, the Group accumulated a further €66.7m under its foreign currency hedge, bringing the total guaranteed amount under this instrument to €133.3m (see note 24 for further details of this hedging instrument).

Statement of disclosure to the auditor

Each of the Directors at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he/she has taken all the reasonable steps that he / she ought to have taken as a Director to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

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.

The Directors' report is approved by the Board of Directors ("Board") on 28 March 2025 and signed on behalf of the Board by

Charles Bryant (Mar 28, 2025 18:01 GMT)

Director
Charles Bryant

Climate-Related Financial Disclosure

For the year ended 31 December 2024

Non-financial and sustainability information statement

The Group recognises that addressing climate-related risks and opportunities is integral to achieving sustainable growth. The Group continues to embed Environmental, Social, and Governance (ESG) considerations into its strategy and strives to align its operations with the broader global transition toward a low-carbon future.

A cornerstone of the Group's ESG approach is the establishment of Minimum ESG Standards. These standards serve as a comprehensive framework, consolidating current and forthcoming ESG requirements, including mandatory regulations such as the Energy Saving Opportunity Scheme (ESOS) and Gender Pay Gap reporting. They also outline the baseline expectations for internal and external stakeholders, including employees, customers, and insurers, ensuring alignment across all aspects of the value chain.

In 2024, the Group took further strides to strengthen its sustainability efforts. The Group has invested in enhancing its ability to integrate sustainability into our procurement processes, enabling more responsible decision-making across our supply chain. The Group also committed to the Science Based Targets initiative (SBTi), with validation expected in 2025, solidifying the ambition for the Group to align with global climate targets.

The Group's ongoing efforts in 2024 have further strengthened its commitment to net-zero carbon emissions, ensuring transparency and progress that reinforce stakeholder confidence. While the Group does not view reputational transition risk as material, these actions actively demonstrate our dedication to sustainability and further embed it across our operations. By demonstrating meaningful progress and embedding sustainability across our operations, the Group reaffirms its relevance to customers and consumers while safeguarding its brand integrity.

By embedding ESG principles into our business planning, the Group aims not only to navigate the evolving regulatory landscape but also to seize opportunities that enhance our resilience and competitive advantage. This disclosure highlights the measures the Group has undertaken to integrate climate-related considerations into its governance, strategy, and risk management processes, ensuring a continued leadership into a sustainable future.

1. Governance and Climate-Related Risks and Opportunities

The Group has embedded the management of climate-related risks into its established Group Enterprise Risk Management (ERM) framework, ensuring alignment with the Company's overarching risk strategy. Oversight of these risks rest with the divisional Risk Committees, supported by the ESG Steering Group consisting of key ESG stakeholders across the Group. The ESG Steering Group is responsible for integrating climate-related considerations, including relevant climate-related risk mitigations into the Company's strategy and operations.

Specific climate risk mitigations are also included in ZPG's internal Minimum ESG Standards. Delivery against ZPG's Minimum ESG Standards are reviewed quarterly by the ESG Steering Group. ZPG's performance against these standards will be presented to the Audit Committee semi-annually from 2025 onwards, which includes members of the Board.

2. Process for Identifying, Assessing, and Managing Climate-Related Risks and Opportunities

Opportunities

The Group employs a systematic approach to identify, assess, and manage climate-related risks and opportunities:

Identification: Climate risks and opportunities are identified through market analysis, regulatory reviews, and stakeholder feedback. The climate-related risk identification process is reviewed and updated annually to ensure it remains aligned with the evolving landscape.

Assessment: Risks are evaluated in line with the Group's ERM framework, using criteria such as potential financial impact, likelihood, and duration.

Management: Mitigation strategies are implemented by the relevant operational teams, with the divisional Risk Committees overseeing and monitoring risk management initiatives. The table below also includes potential mitigation strategies which could be executed in the future should further mitigation be deemed necessary.

Climate-Related Financial Disclosure (continued)

For the year ended 31 December 2024

3. Principal Climate-Related Risks and Opportunities

The Group's risks and opportunities are evaluated over the following time frames:

Short Term (1 years): Immediate regulatory adjustments and minor physical risks.

Medium Term (3-5 years): Potential significant impacts from regulatory shifts and physical threats to supply chains.

Long Term (6+years): Large-scale shifts in consumer demand and substantial impacts from physical risks.

The Group's risks and opportunities are evaluated against the following three climate scenarios. These scenarios are based on guidelines from the Network for Greening the Financial System ('NGFS'), and are the most relevant scenarios for the Group:

Orderly Scenario (Net Zero 2050)	Disorderly Scenario (Delayed Transition)	Hot House World (Current Policies)
Early Policy Action	Late Policy Action	No Policy Action
<2℃	>2℃	>3℃
In this scenario, early and smooth policy implementation leads to a gradual transition to a low-carbon economy, achieving net-zero emissions by 2050. Global warming is limited to below 2°C, and businesses adapt in an organised and predictable way.	In this scenario, climate policy implementation is delayed, resulting in a sudden and disruptive transition to a low-carbon economy after 2030. Carbon pricing is introduced abruptly, and policies become more stringent. The transition is economically and socially disruptive, with significant short-term volatility.	This scenario assumes no new climate policies are implemented beyond those already in place, leading to a world where global warming exceeds 3°C by the end of the century. Physical risks are severe, but there is little regulatory or market pressure for decarbonisation.

The risk and opportunity scores are based upon a matrix of the combination of the perceived likelihood and the estimated financial impact that the risks and opportunities would have on the Group. Out of a maximum score of 25, a 'Low' score is less than 10, and a 'medium' score is between 10 and 19.

Risk Type – Acute Physical					
Description of Risk	**Potential Impact**	**Business Response**	**Risk Score**		
			Orderly	**Disorderly**	**Hot House**
Disruption of third party data centres due to extreme weather	Disruption to third-party data centres due to extreme weather could lead to partial or total website outages and/or the inability for customers to access the Group's services, affecting service delivery, customer satisfaction and the ability of consumers to complete transactions. Key risks include breaches of contracts, loss of revenue and reputational damage. Additionally, disruption to critical digital tools such as email and file storage systems could slow internal operations, leading to inefficiencies. As extreme weather	**Risk Management** We have implemented comprehensive Business Continuity, Crisis Management, and Disaster Recovery Plans to ensure preparedness for service disruptions. These plans are regularly updated to align with evolving risks. Contractual agreements with third-party providers include stringent Service Level Agreements ('SLAs') emphasising uptime and reliability. Mitigation efforts focus on enhancing resilience across our digital infrastructure.	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Medium

	events become more frequent, the risk to business operations and customer trust increases under insufficient climate mitigation scenarios.	**Potential Future Mitigation Strategies** Further developing the supplier due diligence roadmap to enable the collection of information on supplier's investments into their climate related environments and resilience, to provide insight for consideration during procurement activity, with the aim to minimise the impact of extreme weather on our operations and safeguard service continuity.			

Risk Type – Chronic Physical					
Description of Risk	**Potential Impact**	**Business Response**	**Risk Score**		
			Orderly	**Disorderly**	**Hot House**
Heatwaves increase cooling costs in offices and data centres	Heatwaves increase cooling demands, leading to higher operational costs for offices and data centres. Prolonged high temperatures can overburden cooling systems, risking hardware damage, data loss, and network disruptions. These impacts extend to third-party data centres, where rising cooling expenses may be passed on to the Group, affecting operational budgets. As global temperatures rise, cooling demands are expected to grow, with even minor cost increases compounding over time. Whilst these costs are currently classified as "minor", their cumulative effect and potential escalation under future climate scenarios could strain operational efficiency and profitability.	**Risk Management** Key initiatives include partnering with a leading third party to modernise HVAC (Heating, Ventilation, and Air Conditioning) systems in our primary office, reducing energy consumption and associated costs. Ongoing investments in system maintenance ensure these cooling systems operate effectively during extreme weather, safeguarding office functionality and data integrity. The Group also prioritises the transition from on-premise data centres to third-party infrastructure, aligning with sustainability goals while reducing operational costs. Procurement processes are designed to include considerations for energy efficiency and	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Low

Climate-Related Financial Disclosure (continued)

For the year ended 31 December 2024

		long-term supplier sustainability. **Potential Future Mitigation Strategies** Continuing to evolve our procurement processes and business priorities to develop partnerships with suppliers who share the Group's commitment to climate resilience and energy efficiency.			
Extreme weather impacts housing transactions	Extreme weather events, such as flooding and heatwaves, increasingly threaten the housing market, limiting land availability for new developments and reducing the desirability for resale properties in higher-risk areas. These trends could result in fewer homes being built, negatively impacting housing supply, affordability, and annual transaction volumes. Properties affected by extreme weather may become unmarketable, reducing listings and consequently diminishing agent revenues and their discretionary spend with the Group. Reduced transaction volumes and/or widespread falls in the value of residential property could also negatively impact the momentum and activity levels of the mortgage market, impacting revenue streams for the Data & Risk businesses where there is dependency on transactional volumes.	**Risk Management** The Group monitors climate risk exposure of mortgaged residential assets through its data partnerships with leading climate risk data providers and property energy efficiency through the EPC database. The business engages with customers on future impacts on market activity and possible outcomes as part of its engagement on strategy and advisory and this is also used internally. **Potential Future Mitigation Strategies** The Group has the industry positioning to advocate for climate-resilient housing by supporting initiatives like the Future Homes Standard and encouraging sustainable construction practices.	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Medium

Climate-Related Financial Disclosure (continued)

For the year ended 31 December 2024

Risk Type – Policy and Legal Transition					
Description of Risk	**Potential Impact**	**Business Response**	**Risk Score**		
			Orderly	**Disorderly**	**Hot House**
New environmental regulation affecting correlation between property energy efficiency and property value	New environmental regulations are strengthening the link between property energy efficiency and value, impacting the housing market. In the medium term, properties with poor energy performance ratings may lose value, impacting affordability and contributing to a decline in annual transactions. This could affect revenue streams, including subscription-based revenues and revenues triggered by home moving activities. Properties with higher energy efficiency ratings may experience increased demand and higher prices, exacerbating affordability challenges in a transitioning market. Over time, as homeowners make necessary upgrades, these disruptions are expected to stabilise, although market fluctuations could persist during periods of rapid policy implementation.	**Risk Management** The Group actively monitors new environmental regulations to anticipate market changes and help stakeholders adapt. The business provides educational resources for property owners, tenants, and buyers, offering insights into energy efficiency improvements and compliance with regulations. Detailed property listings now highlight key energy metrics, such as Energy Performance Certificates (EPCs), property carbon emission information is also being tested in certain consumer reports enabling informed decision-making. **Potential Future Mitigation Strategies** The Group has further opportunities to align its services with the evolving regulatory environment. Encouraging energy-efficient certifications via its property platform helping properties retain value in regulated markets. Collaborations with energy assessors could offer value-added services, potentially enabling buyers to identify efficiency improvements before purchasing. By partnering with financial institutions, the Group can highlight properties eligible for green loans or mortgages, addressing	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Low	Short Term - Low Medium Term - Low Long Term - Low

Climate-Related Financial Disclosure (continued)

For the year ended 31 December 2024

		affordability concerns for buyers. RVU businesses are also well placed to support consumers facing affordability challenges, providing consumer borrowing products and a digital mortgage broker.			

Opportunities				
Description of Risk	**Potential Impact**	**Business Impact**	**Metrics**	**Magnitude of Impact**
Providing guidance for consumers on greener choices	Strategic and Financial	Guiding consumers toward greener choices is a highly actionable opportunity for the Group. By addressing barriers such as cost perceptions and complexity, we can empower consumers to make sustainable decisions while aligning with government goals. This not only reinforces the Groups leadership in the green economy and increases brand trust but also creates new affiliate revenue streams. Uswitch holds a leading position in UK consumer energy, with an ability to influence consumers' energy consumption and usage habits, helping to increase their energy efficiency.	We are working on assigning our targets in this area	Short Term - Low Medium Term - Medium
Potential for new data services related to environmental property information	Strategic and Financial	Expanding the Group's service offerings to support any new environmental requirements on mortgage lenders, such as providing customers with essential information regarding the efficiency and climate risk of their mortgage portfolio.	We are working on assigning our quantitative targets in this area	Short Term - Medium Medium Term - Medium

Climate-Related Financial Disclosure (continued)

For the year ended 31 December 2024

4. Impacts of Climate-Related Risks and Opportunities on Business Model and Strategy

To ensure the resilience of our operations, climate-related risks and opportunities are considered within the Group's business model. The growing regulatory landscape and shifting market expectations push the Group to evolve its direct operations and product offerings. Physical risks influence decisions about direct and third-party facility locations, and energy efficiency remains a core focus. The increased costs associated with both compliance and adaptation are factored into the Group's long-term strategy, positioning the Group to mitigate potential impacts. The Group has determined that it is sufficiently resilient to the impacts of climate change through implementing its current and planned mitigations under the different climate scenarios presented.

5. Targets and Performance on Managing Climate-Related Risks and Opportunities

The Group has set ambitious targets to reduce greenhouse gas (GHG) emissions in line with net-zero objectives:

- 2030: Achieve a 42% reduction in Scope 1 and 2 emissions and a 25% reduction in Scope 3 emissions against the baseline year of 2022.

- 2040: Reach net zero for all Scope 1, 2, and 3 emissions.

The Group has committed to the SBTi. The Group's carbon reduction targets were validated in March 2025 for both its near-term and net-zero targets.

The Group will report annually on these targets, with performance reviews presented to the Audit Committee to ensure accountability and continuous improvement.

Independent auditor's report to the members of Zephyr Midco 2 Limited

For the year ended 31 December 2024

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Zephyr Midco 2 Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows;
- the statement of accounting policies; and
- the related notes 1 to 26 and parent company notes 1 to 7.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom adopted International Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for 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 Group and the parent 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 Group's and parent 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.

Independent auditor's report to the members of Zephyr Midco 2 Limited (continued)

For the year ended 31 December 2024

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.

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 Group's and the 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 the Directors 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 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 Group's industry and its control environment, and reviewed the Group'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. including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group 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 Group's ability to operate or to avoid a material penalty. These include General Data Protection Regulations ('GDPR'), Financial Conduct Authority regulations, health and safety, anti-bribery, and employment law regulations.

Independent auditor's report to the members of Zephyr Midco 2 Limited (continued)

For the year ended 31 December 2024

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 specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

Valuation and existence of accrued income of Uswitch including accuracy of resulting revenue:

- We have performed a retrospective review of management's estimation process by reviewing overs and unders, performing a stand back assessment on the appropriateness of drop-out rate, and reviewing aged accrued income items to evaluate that the estimation involved in the valuation of accrued income is reasonable; and
- For a statistical sample, we obtained and inspected relevant supporting documentation throughout the year from relevant third parties including commission reports, subsequent invoicing and/or confirmation from affiliates to assess the appropriateness of the valuation of accrued income as at the year-end.

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 and reviewing correspondence with HMRC.

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 Group and of the parent company and their 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 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 respect of these matters.

Independent auditor's report to the members of Zephyr Midco 2 Limited (continued)

For the year ended 31 December 2024

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 (Mar 28, 2025 18:07 GMT)

Rachel Argyle
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 March 2025

Consolidated statement of comprehensive income

For the year ended 31 December 2024

Continuing operations	Notes	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
Revenue	2	**527,711**	**451,523**
Administrative expenses		(529,013)	(474,868)
Operating loss	3	**(1,302)**	**(23,345)**
Finance and other income	4	2,898	18,098
Finance costs	4	(108,511)	(127,245)
Realised and unrealised foreign exchange gain		15,560	6,673
Fair value gain / (loss) arising on derivative financial instruments	11	724	(9,159)
Loss before tax for the year		**(90,631)**	**(134,978)**
Income tax credit	8	20,335	28,869
Loss for the year from continuing operations		**(70,296)**	**(106,109)**
Discontinued operations			
Gain for the year from discontinued operations	9	**-**	**59,813**
Loss for the year from continuing and discontinued operations		**(70,296)**	**(46,296)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Fair value gain – Investments in unlisted securities	14	2,181	-
Currency translation differences on translation of overseas subsidiaries		44	745
Total comprehensive loss for the year		**(68,071)**	**(45,551)**
Total comprehensive loss for the year			
From continued operations		(68,071)	(105,364)
From discontinued operations		-	59,813
Total comprehensive loss for the year		**(68,071)**	**(45,551)**

Consolidated statement of financial position

As at 31 December 2024

	Notes	As at 31 December 2024 £000	As at 31 December 2023 £000
Assets			
Non-current assets			
Intangible assets	12	2,217,334	2,318,533
Property, plant and equipment	13	18,308	20,086
Investments held in unlisted securities	14	9,090	6,909
Investments held in associates		-	116
Non-current receivables	15	4,026	4,022
Total non-current assets		**2,248,758**	**2,349,666**
Current assets			
Trade and other receivables	15	87,029	78,647
Derivative financial instruments	11	-	1,255
Cash and cash equivalents		59,588	45,236
Total current assets		**146,617**	**125,138**
Total assets		**2,395,375**	**2,474,804**
Liabilities			
Current liabilities			
Trade and other payables	16	102,848	93,483
Current tax liabilities		8,324	6,642
Derivative financial instruments	11	399	-
Deferred and contingent consideration	17	-	-
Current lease liabilities	19	5,988	5,309
Provisions	18	258	-
Total current liabilities		**117,817**	**105,434**
Total assets less current liabilities		**2,277,558**	**2,369,370**
Non-current liabilities			
Loans and borrowings	19	915,047	924,960
Non-current lease liabilities	19	16,284	18,791
Provisions	18	1,737	1,737
Deferred tax liabilities	20	231,132	257,360
Derivative financial instruments	11	1,074	3,452
Total non-current liabilities		**1,165,274**	**1,206,300**
Total liabilities		**1,283,091**	**1,311,734**
Net assets		**1,112,284**	**1,163,070**
Equity attributable to owners of the parent			
Share capital	21	1,926,800	1,926,800
Share premium	21	254,200	254,200
Share-based payment reserve	22	45,647	28,362
Cumulative translation reserve		580	536
Other reserves		2,964	783
Retained earnings		(1,117,907)	(1,047,611)
Total equity		**1,112,284**	**1,163,070**

The consolidated financial statements of Zephyr Midco 2 Limited were approved by the Board of Directors on 28 March 2025 and were signed on its behalf by:

Charles Bryant (Mar 28, 2025 18:01 GMT)

Charles Bryant
Director

Consolidated statement of cash flows

For the year ended 31 December 2024

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Cash flows from operating activities		
Loss before tax for continuing and discontinuing operations	**(90,631)**	**(74,168)**
Adjustments for:		
Depreciation and impairment of property, plant and equipment (see note 13)	3,680	4,025
Amortisation and impairment of intangible assets (see note 12)	123,967	139,900
Finance income	(2,898)	(18,098)
Finance costs	108,511	127,254
Realised and unrealised foreign exchange gain	(15,560)	(6,713)
Share-based payments (see note 3)	17,612	12,109
Contingent consideration fair value movement	(750)	(96)
Changes in fair value on financial instruments	(724)	9,159
Gain on sale of RVU International	-	(59,506)
Increase / (decrease) in provisions	258	(1,358)
Operating cash flows before changes in working capital	**143,465**	**132,508**
Increase in trade and other receivables	(8,430)	(10,173)
Increase in trade and other payables	19,866	13,241
Cash generated from operating activities	**154,901**	**135,576**
Income tax (paid) / received	(3,748)	9,018
Net cash flows from operating activities	**151,153**	**144,594**
Cash flows (used in) / from investing activities		
Proceeds from disposal of RVU International, net of cash disposed	-	122,397
Acquisition of subsidiaries, net of cash acquired (see note 17)	(1,155)	-
Interest received	2,319	18,098
Acquisition of property, plant and equipment	(1,869)	(1,126)
Acquisition and development of intangible assets	(20,970)	(19,845)
Sale of property, plant and equipment	700	-
Net cash flows (used in) / from investing activities	**(20,975)**	**119,524**
Cash flows used in financing activities		
Payments on finance leases	(3,473)	(4,464)
Repayment of borrowings (see note 19)	-	(237,000)
Interest paid	(110,091)	(99,142)
Capitalised transaction costs related to loans and borrowings	(1,438)	(27,527)
Early loan repayment fee	(700)	-
Cash settlement of share-based payments	-	(23,829)
Issue of share capital and premium (see note 21)	-	130,000
Net cash flows used in financing activities	**(115,702)**	**(261,962)**
Net increase in cash and cash equivalents	**14,476**	**2,156**
Foreign exchange loss on cash and cash equivalents	**(124)**	**(91)**
Cash and cash equivalents at beginning of the year	**45,236**	**43,171**
Cash and cash equivalents at end of the year	**59,588**	**45,236**

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Note	Share capital £000	Share premium £000	Share based payment reserve £000	Cumulative translation reserve £000	Other reserves £000	Retained earnings £'000	**Total equity £000**
At 1 January 2024		1,926,800	254,200	28,362	536	783	(1,047,611)	1,163,070
Loss for the period		-	-	-	-	-	(70,296)	(70,296)
Other comprehensive income:								
Fair value movements	14	-	-	-	-	2,181	-	2,181
Cumulative translation reserve		-	-	-	44	-	-	44
Transactions with owners recorded directly in equity:								
Share-based payments charges	22	-	-	17,285	-	-	-	17,285
At 31 December 2024		**1,926,800**	**254,200**	**45,647**	**580**	**2,964**	**(1,117,907)**	**1,112,284**

Consolidated statement of changes in equity (continued)

For the year ended 31 December 2024

	Note	Share capital £000	Share premium £000	Share based payment reserve £000	Cumulative translation reserve £000	Other reserves £000	Retained earnings £'000	**Total equity £000**
At 1 January 2023		1,926,800	124,200	40,211	(209)	783	(1,001,368)	1,090,417
Loss for the period		-	-	-	-	-	(46,296)	(46,296)
Other comprehensive income:								
Cumulative translation reserve		-	-	-	745	-	-	745
Transactions with owners recorded directly in equity:								
Issue of share capital and share premium	21	-	130,000	-	-	-	-	130,000
Share-based payments charges	22	-	-	12,109	-	-	-	12,109
Warrant settlements	22	-	-	(23,829)	-	-	-	(23,829)
Other		-	-	(129)		-	53	(76)
At 31 December 2023		**1,926,800**	**254,200**	**28,362**	**536**	**783**	**(1,047,611)**	**1,163,070**

Notes to the consolidated financial statements
For the year ended 31 December 2024

1. Accounting policies

Zephyr Midco 2 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 consolidated financial statements incorporate the accounts of the Company and entities controlled by the Company ("its subsidiaries") (together "the Group").

The Group's principal activities and the nature of its operations are listed within the Strategic report on page 1.

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below for the period from 1 January 2024 to 31 December 2024 as well as the comparative period from 1 January 2023 to 31 December 2023.

Compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and IFRIC Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the United Kingdom ("adopted IFRS"), and in conformity with the requirements of the Companies Act 2006. 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The preparation of consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in applying the Group's accounting policies.

Presentational currency

The presentational currency of the financial statements is Pound Sterling (£). Amounts included in the consolidated financial statements are shown in round thousands unless otherwise indicated.

1.2 New standards and interpretations not yet adopted

The following amendments were effective from the period beginning 1 January 2024:

Amendments to IAS 7	Statement of Cash Flows
Amendments to IFRS 7	Financial Instruments: Disclosures titled Supplier Finance Arrangements
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Leases – Lease Liability in a Sale and Leaseback

None of these amendments had a material impact on the Group.

Notes to the consolidated financial statements

For the year ended 31 December 2024

1.2 New standards and interpretations not yet adopted (continued)

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendment to IAS 21	The Effects of Changes in Foreign Exchange Rates
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 18	Presentation and Disclosure in Financial Statements
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, apart from the Amendment to IFRS 18 which may have a material impact on the presentation of the financial statements.

1.3 Basis of consolidation

The consolidated financial statements incorporate the accounts of Zephyr Midco 2 Limited and entities controlled by the Company. Control is achieved where the Company:

- has the power over the entity;
- is exposed, or has rights, to variable return from its involvement with the entity; and
- has the ability to use its power to affect its returns.

The results of subsidiaries are included in the consolidated financial statements from the date control commences. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

On consolidation, intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, adjustments are made to the financial reporting from subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Foreign subsidiaries

At the year end, the Company had a trading subsidiary that used a functional currency which is different to the presentational currency of the Group (GBP). The functional currency is the Euro as it is the currency of the primary economic environment in which it operates (the Netherlands).

Assets and liabilities for these entities are translated into Pound Sterling using the exchange rate at the statement of financial position date and the consolidated statement of comprehensive income statement translated using the average exchange rate for the year. Exchange differences on translation into the presentational currency are recognised within other comprehensive income. The principal exchange rates for the Euro against Pound Sterling used in these consolidated financial statements are: average: 0.8 EUR:GBP and closing: 0.829 EUR:GBP.

1.4 Going concern

The Group consolidated statement of financial position shows a positive net current asset position of £28.8 million with significant cash resources and the Group continues to generate positive net cash flows from operating activities of £151.2 million in 2024. Given the positive net cash inflow and the net current asset position, the Directors believe that the Group is well placed to manage its business and financial risks successfully going forward. Net cash inflow for the year was £14.5 million before foreign exchange movements. The year-end cash position was £59.6 million. The Group has a Revolving Credit Facility ('RCF') of £146.5 million, which is undrawn at 31 December 2024.

In order to gain comfort over the Group's ability to continue as a going concern, the Directors have modelled the Group's cash flow position for the 12 months following the date of the signing of these accounts. The Group is subject to covenants under its year-end debt structure and throughout the cash flow forecast period there is sufficient headroom on the financial covenants.

1.4 Going concern (continued)

The Directors have a reasonable expectation that the Group (and Company) has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors' consideration of uncertainties that the business will face in the next 12 months are captured within the principal risks disclosed in the Strategic report.

1.5 Finance income and costs

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

Finance costs represent interest charges and certain fees charged on the Group's external borrowings and revolving credit facility. This includes the amortisation of upfront establishment fees paid on the Group's debt. In adhering to the leasing standard IFRS 16 there is cost relating to the unwind of the discount provision on all identified lease liabilities also included within finance costs.

Foreign exchange gains and losses are recognised annually based on the translation of assets and liabilities held in foreign currencies to Pound Sterling and realised gains and losses on transactions recorded in the period. The Group's principal exposure is to the Euro, through its European subsidiary and a tranche of its external borrowings which is denominated in Euro.

1.6 Property, plant and equipment

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

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

Fixtures and fittings	–	over 2 to 5 years
Computer equipment	–	over 2 to 5 years
Leasehold improvements	–	over the lease term
Freehold property	–	over 50 years

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

1.7 Business combinations and disposals

The acquisition of subsidiaries and businesses is accounted for using the acquisition method in accordance with IFRS 3. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree or assumed, and equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs, other than those associated with the issue of debt or equity securities, are recognised in the consolidated statement of comprehensive income as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Gains or losses on disposals of businesses are recognised within administrative expenses where the consideration received is higher or lower than the carrying value of the net assets disposed of. Prior to disposal an asset or disposal group is classified as held for sale and is measured at the lower of carrying amount and fair value less costs to sell where the disposal group is available for immediate sale in its present condition and the sale is highly probable. Following classification as held for sale non-current assets in the disposal group are not depreciated.

1.8 Non-current assets held for sale and discontinued operations

The results of operations held for sale are included in the consolidated statement of comprehensive income up to the date of disposal. Where a disposal represents an independent cash generating unit or material component of the Group the disposal will be considered a discontinued operation for the purposes of reporting its financial performance for the period.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

A discontinued operation is a component of the business that has been disposed of or is classified as held for sale and represents a separate major line of business or is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately in the Statement of Comprehensive Income. The result comprises the profit or loss after tax from discontinued operations and other comprehensive income attributable to discontinued operations.

1.9 Goodwill

Goodwill is initially recognised and measured as set out above in note 1.7.

Goodwill is not amortised but is reviewed for impairment at least annually, and whenever the Directors have an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.10 Intangible assets

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

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

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

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

Research and Development tax credit claims made in the UK are recognised as a credit to administrative expenses in the financial year relevant to the claim. Research and Development tax credits in the Netherlands are recognised in accordance with local legislation and are accounted for as a deduction to the relevant tax expense.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets as follows:

Brand	–	5 to 25 years
Customer relationships	–	14 to 22 years
Listing relationships	–	9 to 10 years
Non-compete agreements	–	2 years
Technology and software	–	3 to 8 years

1.11 Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

1.12 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Full details of financial instruments are included in Note 24. Financial instruments are not used for speculative purposes.

IFRS 9 "Financial Instruments" prescribes the rules for recognition and measurement of financial instruments. The standard requires the use of an expected credit loss model when determining an appropriate provision related to trade receivables. The Group has applied this model and uses both historical analysis and macroeconomic factors in determining the resulting provisions against trade receivables. There has been no significant increase (2022: no significant increase) in credit risk in the year and credit risk under IFRS 9 is discussed further in Note 24. Expected credit losses are provided for utilising the simplified approach to trade receivables by recording lifetime expected credit losses for the financial instrument.

Investments in unlisted securities not meeting the definition of associates, joint ventures or subsidiaries are classified as financial assets at fair value through other comprehensive income through an irrevocable election and are initially recorded at fair value plus transaction costs. The investments are then remeasured at each subsequent reporting date to fair value. Changes in the fair value of the unlisted securities are recognised in other comprehensive income, including any impairment losses. Income from the short-term investments is recognised through the statement of comprehensive income.

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

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

Trade and other payables are 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.

1.12 Financial instruments (continued)

Loans and borrowings are measured at amortised cost, net of direct costs. Direct costs are released through the consolidated statement of comprehensive income under the effective interest method, along with interest charged, over the life of the instrument.

Deferred and contingent consideration is recognised as financial liabilities carried at fair value and gains or losses arising from changes in fair value are recognised in the statement of comprehensive income.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Company's Ordinary Shares are classified as equity instruments and are recognised at the proceeds received, net of any direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Short-term investments in the prior period were the term deposit held by the Company and measured at amortised cost. The interest income from the short-term investments are recognised through the statement of comprehensive income.

The Group's cash and cash equivalents are held in in the Group's current accounts and are available for immediate use.

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities that are measured subsequent to initial recognition at fair value:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Details of the type of fair value input used is included within the relevant note.

Derivative financial instruments

The Group enters into foreign exchange derivatives to manage its exposure to foreign exchange rate risks arising from its euro debt and interest rate swaps to manage interest rate risk arising from fluctuations in SONIA and EURIBOR.

Further details of derivative financial instruments are disclosed in note 11.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised through the statement of comprehensive income.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting is not adopted by the Group.

1.13 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1.14 Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

1.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

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

1.16 Employee benefits: defined contribution benefit scheme

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

1.17 Share-based payments

Share-based payments to employees:

The Group provides share-based incentive plans whereby ZPG Property Services Holdings Limited and ZPG Comparison Services Holdings Limited (subsidiaries of the Group) and a parent company of the Group (Zephyr Holdco Limited) grants sweet shares at unrestricted market value or a cash incentive based on the underlying value of the relevant shares to its employees of its subsidiaries for their employment services. Share-based payments to employees are measured at the fair value of the underlying equity instruments at the grant date. The fair value for employee-based schemes is measured using either a Black-Scholes valuation model or a Monte Carlo valuation model and is charged to the consolidated statement of comprehensive income over the vesting period on a straight-line basis.

1.17 Share-based payments (continued)

Details regarding the determination of the fair value of share-based payment transactions are set out in Note 22.

Warrants to third parties:

The Group issues warrants over shares in ZPG Property Services Holdings Limited, a subsidiary of the Group, to a number of third parties. At the grant date, the Group determined the fair value of the services received in exchange for the issuance of the warrants using a discounted-cash flow model. The charge is recognised over the contractual term of the warrants in a manner in which the Group receives the benefit of the service provided.

1.18 Revenue recognition

The Group recognises revenue from the following major sources:

Houseful	RVU
- Homes: monthly subscription revenue from UK domestic, overseas and commercial estate agents to list on the Group's Property portals and revenue from 3rd party advertisers - Software: Provision of software licensing and installations to predominantly UK domestic estate agents - Data & Risk: Provision of property data services to financial and other institutions	- Comparison services: provision of a service that allows users to compare prices among different services providers in energy, telecom, financial services and insurance sectors - B2B services: provision of data and white label services to third party organisations - Broker intermediary services: delivering short term motor insurance policy recommendations through website & app platforms - Mortgage broker intermediary services: delivering personalised mortgage recommendations through a hybrid of smart tech and human mortgage experts

Houseful:

Homes:

Performance obligations are satisfied, and revenue recognised, from the point that a customer has access to the platform to allow them to list their properties. Subscription revenue is spread over the life of the contract. Customers have the option to enhance their property listings and presence on property websites through purchasing additional advertising products. For products that provide enhanced brand or property exposure across a period, revenue is recognised over the life of the product from the point the customer gains access to the product. For products which are one-off use, revenue is recognised when the benefit is received by the customer at a point in time.

Where contracts include different prices throughout the life of the contract, the total contract price is calculated and spread over the contract period. Where contracts are modified during their initial term, Management have concluded that the services satisfy the criteria in IFRS 15 paragraph 22 (b) for the services to be accounted for as a series of distinct services that should be accounted for as a single performance obligation.

Software:

Performance obligations are satisfied, and revenue recognised, from the point where the customer can use the software. Total expected revenue from each contract, including the initial fees charged for the installation of the software, is spread over the life of the contract. Other software revenues where the services are provided at a point in time (such as onboarding, training fees and partner revenue) are recognised when the performance obligations are met.

1.18 Revenue recognition (continued)

Data & Risk:

The Data services provided are determined to be a series of distinct services that are homogenous and have the same pattern of transfer to the customer, and therefore represent one performance obligation that is recognised in a straight-line basis over the life of the contract. Revenue that is tied to the delivery of separable and identifiable obligations such as portfolio valuations is recognised when the obligations are met, and the piece of work has been delivered.

Customers pay for the data services in advance on a monthly, quarterly or annual basis. Therefore, deferred income is recognised when payment is received and unwound as the service is being delivered to the customer. For project based work where customers are billed in arrears, accrued income is recognised over the period during which the performance obligations are met.

RVU:

Comparison services:

Revenue is recognised at the point where the performance obligations identified in the contract has been fulfilled and where revenue can be reliably estimated. The performance obligation is satisfied at different points for different products. For Energy and Telecoms, the performance obligation is determined to be satisfied at when a lead is generated; for insurance products this is more commonly the point at which a policy is sold.

Revenue is recognised at the fair value of the consideration received or receivable for which the transaction price is fixed in accordance with the terms of the contracts in place, net of an estimate of cancellations or uncompleted switches. Where revenue is accrued, this is estimated based on underlying metrics of customer interactions and is subsequently validated through sales data submissions made by the Group’s partners.

B2B (Business to business) services:

These services provided are determined to be a series of distinct services that are homogenous and have the same pattern of transfer to the customer, and therefore represent one performance obligation that is recognised in a straight-line basis over the life of the contract.

Customers pay for the services on a monthly basis and revenue is recognised in the month of the fulfilment of the performance obligation. The revenue is measured as the fair value of consideration received or receivable, excluding discounts and any sales taxes.

Temporary broker intermediary services:

Revenue is recognised at the point of sale of the related short term insurance policy, and is measured as the fair value of the consideration received excluding discounts, rebates, VAT and other sales taxes.

Mortgage broker intermediary services:

Revenue is recognised at the point where the performance obligations identified in the contract has been fulfilled and where revenue can be reliably estimated. For mortgage revenue, this point has been identified as the point of submission of a mortgage application (i.e. executed by all counterparties). The revenue is measured as the fair value of consideration received or receivable, excluding discounts and any sales taxes.

1.19 Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Group has the right of direct use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - The Group has the right to operate the asset; or
    - The Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

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

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

Lease payments include in the measurement of the lease liability comprise the following:

- Fixed payments, including in substances fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value of guarantee; and
- The exercise price is under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

1.19 Leases (continued)

Short-term and leases of low value assets

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

1.20 Sources of estimation uncertainty

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

Impairment of goodwill and intangibles

The Group holds goodwill and intangibles on the statement of financial position in respect of business acquisitions made and internally developed assets. Acquired intangibles include acquired goodwill, brands, customer relationships, listing relationships, technology and software. In total £2,217 million has been recognised as at 31 December 2024 as the carrying value of the intangibles. Determining whether goodwill and intangible assets are impaired requires an estimation of the recoverable value of the relevant cash-generating unit, which represents the higher of fair value less costs to sell and value in use. The value in use calculation requires an estimation of future cash flows expected to arise from the cash-generating unit, discounted using a suitable discount rate to determine if any impairment has occurred. Details of the impairment analysis, including key estimates and assumptions, and sensitivity over the estimates used, are included in Note 12.

1.21 Key accounting judgements

Accounting for warrants

The Group has historically entered into agreements with certain third parties whereby the Group offers warrants over its own shares or its subsidiaries' shares. In the period to 30 September 2019, the Group signed new warrant agreements with third parties and judgement is required to determine the appropriate accounting treatment. With the assistance of independent third-party experts Management has performed an extensive exercise to demonstrate that the service provided under the warrant agreements is both distinct from the obligations under the existing commercial service agreements and that the agreements have a reliably measurable fair value. Consequently, the Directors have concluded that the warrant agreements should be accounted for under IFRS 2, as a share-based payments charge, and not as a deduction to revenue under IFRS 15.

During the period to 31 December 2020, the Group modified the warrants agreement with a strategic counterparty; the fair value of the agreement was increased, and term of the contract extended. As there is no specific guidance within IFRS 2 for the modification of contract measured in reference to the services provided, the Group used the principles under IAS 8:10 to develop an accounting policy that accurately reflects the facts and circumstances of the modification. Based on the analysis performed, the Group considers that there are two options for accounting for the modification – prospectively or through a cumulative catch-up approach. As the modification was made due to new information and was forward-looking in nature, the Group has determined that accounting for the modification prospectively more accurately reflects the commercial substance of the arrangement.

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2. Revenue

The Group's revenue is derived from the territories in which the Group operates as listed in the table below.

Continuing operations:	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
UK	509,371	436,869
Netherlands	18,340	14,654
Total	**527,711**	**451,523**

3. Operating loss

Continuing operations:	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
Operating loss is stated after charging/(crediting):		
Depreciation of property, plant and equipment (Note 13)	3,680	3,851
Impairment of property, plant and equipment and other assets (note 13)	-	127
Amortisation of intangible assets (Note 12)	117,281	127,535
Impairment of intangible assets (Note 12)	6,686	11,745
Share-based payments (Note 22)	17,612	12,109
Acquisition related costs	156	-
Disposal related costs	-	757
Restructuring costs	1,947	2,964
Contingent consideration fair value movement	(750)	(94)

4. Finance and other income and finance costs

Finance and other income

Continuing operations:	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
Interest income on derivative financial instruments	2,120	17,826
Interest income	200	272
Gain on sale of freehold property	578	-
Total finance and other income	**2,898**	**18,098**

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4. Finance and other income and finance costs (continued)

Finance costs

Continuing operations:	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
Interest expense on bank loans and overdraft	94,235	96,384
Amortisation of capitalised fees	5,999	4,807
Write-down of capitalised fees	1,153	7,991
Early loan repayment fees	700	-
Other finance costs	420	485
Other interest	2,123	1,429
Interest expense on leases	1,379	1,433
Interest costs on derivative financial instruments	2,502	14,716
Total finance costs	**108,511**	**127,245**

The write-down of capitalised fees of £1.2 million relates to the repayment of the Second Lien in November 2024 (2023: As part of the amend and extend on the Group’s external debt, the £8.0m balance of capitalised transaction fees from previous refinancing agreements was written off).

5. Auditor’s remuneration

	Year ended 31 December 2024 £000	**Year ended 31 December 2023 £000**
Fees payable to the Group’s auditor and its associates:		
– for the audit of Zephyr Midco 2 Limited and the consolidated financial statements	306	321
– for the audit of subsidiaries of Zephyr Midco 2 Limited	564	455
Total audit fees	**870**	**776**
Fees payable to the Group’s auditor and its associates for other services to the Group:		
– Audit related assurance services	10	10
– Other services	540	978
Total non-audit fees	**550**	**988**

Included within other services are the tax compliance and advisory works performed.

Notes to the consolidated financial statements

For the year ended 31 December 2024

6. Employee costs

Continuing operations:	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
Staff costs (including Directors) comprise:		
Wages and salaries	86,194	74,331
Social security costs	10,530	9,162
Defined contribution pension costs	4,145	3,726
Share-based payments (Note 22)	9,936	4,433
	110,805	**91,652**

Total employee costs from discontinued operations were £nil (2023: £0.7 million).

The average monthly number of Directors and employees during the year was:

Continuing operations:	**Year ended 31 December 2024 Number**	**Year ended 31 December 2023 Number**
Administration	1,364	1,288
Directors	2	2
	1,366	**1,290**

Total employee numbers from discontinued operations were nil (2023: 31).

7. Remuneration of key management personnel

	Year ended 31 December 2024 £000	**Year ended 31 December 2023 £000**
Salary, benefits and bonus	1,557	757
Defined contribution pension	78	51
	1,635	**808**

Key management personnel during the period comprise the Directors and the Chief Executive Officers of Houseful Limited and RVU Limited.

The highest paid Director received remuneration including pension contributions of £0.7 million (2023: £0.4 million). The number of Directors to whom retirement benefits are accruing under the defined contribution scheme was 2 (2023: 2).

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8. Income tax

Continuing operations:	**Year ended 31 December 2024 £000**	**Year ended 31 December 2023 £000**
Current tax		
Current period	4,347	2,558
Adjustment in respect of prior periods	1,538	1,704
Total current tax expense	**5,885**	**4,262**
Deferred tax		
Origination and reversal of temporary differences	(23,884)	(31,098)
Adjustment in respect of prior periods	(2,336)	(1,668)
Effect of tax rate change on opening balance	-	(365)
Total deferred tax	**(26,220)**	**(33,131)**
Total income tax	**(20,335)**	**(28,869)**

Corporation tax is calculated at the rate of 25% (2023: 23.52%) of the taxable loss for the period. The charge for the period from continuing operations can be reconciled to the loss in the statement of comprehensive income as follows:

	Year ended 31 December 2024 £000	**Year ended 31 December 2023 £000**
Loss before tax	**(90,631)**	**(134,978)**
Current corporation tax rate of 25% (2023: 23.52%)	(22,658)	(31,747)
Expenses not deductible for tax purposes	3,908	6,480
Income not taxable for tax purposes	(781)	(1,731)
Effects of overseas tax rates	50	135
Adjustments in respect of prior periods – current tax	1,538	1,704
Adjustments in respect of prior periods – deferred tax	(2,336)	(1,668)
Impact of deferred tax rate changes	-	(365)
Deferred tax not recognised	(53)	(1,782)
Foreign tax relief	(3)	-
Other movements	-	105
Total income tax	**(20,335)**	**(28,869)**

The Finance Act 2021, which was substantively enacted on 24 May 2021, included an increase in the main rate of UK corporation tax to 25% from 1 April 2023 from 19% as seen within the comparative period.

The Group's effective tax rate for the year ended 31 December 2024 is a 22.4% credit (2023: a 21.4% credit). This is lower than the statutory UK corporation tax rate primarily due the following reason:

- The Group recorded a loss before tax in 2024, but this loss contains certain non-tax-deductible expenses within the income statement, so these are deducted for the reconciliation.

9. Discontinued operations

There are no results from discontinued operations in the current year ended 31 December 2024. This disclosure is included to provide details of the discontinued operations presented in the comparative year ended 31 December 2023.

On 28 August 2022, the Group entered into a sale agreement with Gruppo Mutuionline S.P.A. to dispose of Preminen Price Comparison Holdings limited and its subsidiaries, Rastreator.com Limited and its subsidiary and LeLynx SAS, which carries out its operations in Spain, France and Mexico (known as 'RVU International'). Concurrently, a Group subsidiary, Inspop.com Limited, entered into a Business Transfer Agreement for its Indian Branch, which was transferred to Rastreator and no longer be part of the Group. The disposal was effected as a strategic decision to focus on the UK businesses. The SPA with Gruppo Mutuionline S.P.A. to sell RVU International completed on 1 February 2023. The BTA to transfer all the assets and liabilities in the Inspop.com Limited Indian Branch to the Rastreator India branch completed on 2 February 2023.

These operations have been classified as a disposal group and a discontinued operation in the comparative year of 2023. The post-tax gain on disposal of the discontinued operation in February 2023 were determined as follows:

	2023 £'000
Cash consideration received	136,007
Cash disposed	(13,610)
Net cash inflow on discontinued operation	**122,397**
Goodwill and intangible assets	72,822
Investments in associates	45
Property, plant and equipment	2,655
Trade and other receivables	16,378
Deferred tax assets	417
Trade and other payables	(10,227)
Amounts due to fellow Group undertakings	(7,796)
Deferred tax liabilities	(4,934)
Lease liabilities	(2,133)
Provisions	(410)
Net assets disposed (excluding cash)	**66,817**
	55,580
Deferred consideration receivable	3,926
Gain on disposal of discontinued operation	**59,506**

The deferred consideration receivable relates to restricted net cash ring fenced in relation to guarantees issued in Rastreator Comparador Correduria de Seguros S.L.U. This is in relation to €5.6 million with an estimated recovery date of five years subsequent to the disposal (being 1 February 2028). This amount has been discounted using a rate of 4.63% and translated to GBP at the SPA transaction date (1 February 2023) of 0.882 Euro: GBP. This was revalued at 31 December 2023 to £4.0 million and it remains at £4.0 million as at 31 December 2024 after unwinding the discounting and revaluing this Euro denominated asset – see note 15 for more information.

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9. Discontinued operations (continued)

The results of the discontinued operation, which have been included in the loss for the comparative year, excluding costs of disposal, were as follows:

	Year ended 31 December 2023
	£000
Revenue	**5,052**
Administrative expenses	(3,780)
Operating profit	**1,272**
Finance income	32
Gain on disposal of discontinued operation	59,506
Profit before tax for the year	**60,810**
Income tax charge	(997)
Profit for the year	**59,813**

Costs incurred of £nil (2023: £0.7 million) in relation to the disposal of the discontinued operation have been recognised within the statement of comprehensive income within administrative expenses within continuing operations.

10. Investment in subsidiaries, joint ventures and associates

Details of the Company's direct and indirect subsidiaries and joint ventures as at 31 December 2024 are shown below. All of the entities listed are consolidated in the consolidated accounts of Zephyr Midco 2 Limited apart from associates which are accounted for under IAS 28 – Investments in Associates using the equity accounting method.

The percentage of Ordinary Share capital of each subsidiary listed is owned entirely by the direct parent indicated.

Zephyr Bidco Limited is the only direct subsidiary of Zephyr Midco 2 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.
- Tempcover Holdings Limited, Temporary Cover limited and Tempcover limited which are registered at Second Floor, Admiral House, Harlington Way, Fleet, Hampshire, England, GU51 4BB.

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

Notes to the consolidated financial statements

For the year ended 31 December 2024

Name	*Direct parent*	*Country of incorporation*	*Ownership of Ordinary Shares and voting interest* 2024	*Ownership of Ordinary Shares and voting interest* 2023
Active				
Zephyr Bidco Limited*	Zephyr Midco 2 Limited	United Kingdom	**100%**	100%
ZPG Limited*	Zephyr Bidco Limited	United Kingdom	**100%**	100%
ZPG Property Services Holdings Limited	ZPG Limited	Cayman Islands	**100%**	100%
Houseful Limited*	ZPG Property Services Holdings Limited	United Kingdom	**100%**	100%
ZPG Comparison Services Holdings Limited	ZPG Limited	Cayman Islands	**100%**	100%
RVU Limited*	ZPG Comparison Services Holdings Limited	United Kingdom	**100%**	100%
Zoopla Limited	Houseful Limited	United Kingdom	**100%**	100%
Yourkeys Technology Limited*	Zoopla Limited	United Kingdom	**100%**	100%
Zoopla Printing Services Limited*	Zoopla Limited	United Kingdom	**100%**	100%
W New Holdings Limited*~	Vebra Solutions Limited	United Kingdom	**100%**	100%
Websky Limited*~	Vebra Solutions Limited	United Kingdom	**100%**	100%
TechnicWeb Limited*~	Vebra Solutions Limited	United Kingdom	**100%**	100%
Uswitch Limited	RVU Limited	United Kingdom	**100%**	100%
Property Software Holdings Limited*	Houseful Limited	United Kingdom	**100%**	100%
Jupix Limited*	Property Software Holdings Limited	United Kingdom	**100%**	100%
Property Software Limited*	Property Software Holdings Limited	United Kingdom	**100%**	100%
Core Estates Limited*#	Vebra Solutions Limited	United Kingdom	**100%**	100%
CFP Software Limited*#	Vebra Solutions Limited	United Kingdom	**100%**	100%
Vebra Investments Limited*	Property Software Limited	United Kingdom	**100%**	100%
Vebra Limited*	Vebra Investments Limited	United Kingdom	**100%**	100%
Vebra Solutions Limited*	Vebra Limited	United Kingdom	**100%**	100%
Hometrack.co.uk Limited*	Houseful Limited	United Kingdom	**100%**	100%
Hometrack Data Systems Limited	Hometrack.co.uk Limited	United Kingdom	**100%**	100%
Hometrack MLS Limited*	Hometrack Data Systems Limited	United Kingdom	**100%**	100%
ZPG Property Services Limited*	Houseful Limited	United Kingdom	**100%**	100%
Calcasa B.V.	ZPG Property Services Limited	Netherlands	**100%**	100%
Penguin Portals Limited*	RVU Limited	United Kingdom	**100%**	100%
Rastreator.com Limited*	Penguin Portals Limited	United Kingdom	**100%**	100%
Inspop.com Limited	Penguin Portals Limited	United Kingdom	**100%**	100%
Dot Zinc Holdings Limited*	RVU Limited	United Kingdom	**100%**	100%
Dot Zinc Limited*	Dot Zinc Holdings Limited	United Kingdom	**100%**	100%
Life’s Great Group Limited*	RVU Limited	United Kingdom	**100%**	100%

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For the year ended 31 December 2024

Name	Direct parent	Country of incorporation	Ownership of Ordinary Shares and voting interest 2024	Ownership of Ordinary Shares and voting interest 2023
Life's Great Limited*	Life's Great Group Limited	United Kingdom	**100%**	100%
Life's Great Tech Limited*	Life's Great Group Limited	United Kingdom	**100%**	100%
Tempcover Holdings Limited*	Penguin Portals Limited	United Kingdom	**100%**	100%
Temporary Cover Limited*	Tempcover Holdings Limited	United Kingdom	**100%**	100%
Tempcover Limited*	Temporary Cover Limited	United Kingdom	**100%**	100%
RVU Services Limited*	RVU Limited	United Kingdom	**100%**	100%
Salesseek Limited^*	Zoopla Limited	United Kingdom	**100%**	N/A
Dormant				
PSG Web Services Limited*	Vebra Limited	United Kingdom	**100%**	100%
Real Estate Technology Limited*	Vebra Limited	United Kingdom	**100%**	100%
Confused.com Limited	Inspop.com Limited	United Kingdom	**100%**	100%

* For the year to 31 December 2024 these entities were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members of these companies have not required them to obtain an audit of their financial statements for the year to 31 December 2024 and the Company has guaranteed the liabilities for these entities as at 31 December 2024.

^ On 5 April 2024, Zoopla Limited acquired Salesseek Limited. See note 17 for further details.

~ Following a restructuring in 2024, these entities changed ownership in the year and are now 100% owned by Vebra Solutions Limited (2023: Technicweb Limited and W New Holdings Limited were 100% owned by Zoopla Limited, and Websky Limited was 75% owned by W New Holdings Limited with Zoopla Limited owning the remaining 25%).

Following a restructuring in 2024, these entities changed ownership in the year and are now 100% owned by Vebra Solutions Limited (2023: 100% owned by Property Software Limited).

Notes to the consolidated financial statements

For the year ended 31 December 2024

11. Derivative financial instruments

Derivative financial assets	31 December 2024 £000	31 December 2023 £000
Cross-currency interest rate swap contracts	-	736
Interest rate swaps	-	696
	-	**1,432**

Derivative financial liabilities	31 December 2024 £000	31 December 2023 £000
Cross-currency interest rate swap contracts	-	(177)
Interest rate swaps	(399)	(3,452)
Foreign currency Collar	(1,074)	-
	(1,473)	**(3,629)**

Net Derivative financial (liabilities) / assets	31 December 2024 £000	31 December 2023 £000
Current	(399)	1,255
Non-current	(1,074)	(3,452)
	(1,473)	**(2,197)**

On 19 September 2024, the Group entered into a derivative instrument to hedge its exposure to fluctuations in the EUR:GBP exchange rate on the principle of its Euro denominated term loan. See note 24 for further details.

There was a £2.4 million fair value gain arising on interest rate swaps during the year (2023: £2.8 million loss) credited (2023: charged) to the consolidated statement of comprehensive income. In addition, there was a £1.1 million fair value loss arising on the foreign currency collar during the year (2023: £nil) charged to the consolidated statement of comprehensive income, and a £0.6 million fair value loss (2023: £6.4 million loss) on cross-currency interest rate swaps contracts charged to the consolidated statement of comprehensive income.

Notes to the consolidated financial statements
For the year ended 31 December 2024

12. Intangible assets

	Goodwill £000	Brand £000	Customer relationships £000	Listing relationships £000	Non-compete agreement £000	Technology and software £000	Other software £000	Total £000
Cost								
As 1 January 2023	1,746,679	843,682	569,492	65,378	2,200	193,928	203	3,421,562
Additions	-	-	-	-	-	19,845	-	19,845
Disposals	-	-	-	-	-	(712)	-	(712)
At 31 December 2023	1,746,679	843,682	569,492	65,378	2,200	213,061	203	3,440,695
Additions ^	-	-	-	-	-	22,970	-	22,970
Disposals	-	-	-	-	-	(325)	-	(325)
At 31 December 2024	**1,746,679**	**843,682**	**569,492**	**65,378**	**2,200**	**235,706**	**203**	**3,463,340**
Amortisation								
As 1 January 2023	567,826	158,097	147,992	10,961	458	97,174	129	982,637
Charge for the year	-	40,124	34,619	6,502	1,100	45,751	59	128,155
Impairment	10,648	-	-	-	-	1,097	-	11,745
Disposals	-	-	-	-	-	(375)	-	(375)
At 31 December 2023	**578,474**	**198,221**	**182,611**	**17,463**	**1,558**	**143,647**	**188**	**1,122,162**
Charge for the year	-	39,041	34,081	6,536	642	36,966	15	117,281
Impairment	-	-	569	-	-	6,117	-	6,686
Disposals	-	-	-	-	-	(123)	-	(123)
At 31 December 2024	578,474	237,262	217,261	23,999	2,200	186,607	203	1,246,006

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For the year ended 31 December 2024

12. Intangible assets (continued)

	Goodwill £000	Brand £000	Customer relationships £000	Listing relationships £000	Non-compete agreement £000	Technology and software £000	Other software £000	Total £000
Net book value								
At 31 December 2023	1,168,205	645,461	386,881	47,915	642	69,414	15	2,318,533
At 31 December 2024	**1,168,205**	**606,420**	**352,231**	**41,379**	**-**	**49,099**	**-**	**2,217,334**

The amortisation charge for the year includes £nil million (2023: £0.6 million) from discontinued operations.

^The Technology and Software additions includes £2.0 million in relation to the acquisition of Salesseek Limited - See note 17 for more information.

12. Intangible assets (continued)

Goodwill and intangibles are tested for impairment on an annual basis by comparing the carrying amount of the group of cash-generating units with its recoverable amount, which represents the higher of its estimated fair value less cost to sell and value in use. An impairment loss is recognised when the carrying value of the asset exceeds its recoverable amount.

The recoverable amounts of intangible assets and goodwill are based on their value in use, which is determined using cash flow projections for each cash generating unit ('CGU'). The projections are based on a five-year forecast (underpinned by a three year long range plan, extended to five years using extrapolation) that reflects the Directors expectation of revenue, cost, capital expenditure, working capital and operating cashflows. Cash flows beyond the five-year forecast have been extrapolated using a long-term growth rate.

For the purpose of goodwill monitoring and impairment testing, the CGUs are grouped into Business Units. The five (2023: six) identified business units are Homes, Property Software, Property Data, RVU (in 2023, RVU London and Insurance were separate business units. These have converged in 2024 due to the way that management monitors these groups of CGUs) and Mortgages.

Goodwill and intangibles are allocated to each business unit per the table below.

	Goodwill £000	Other intangibles £000	Total £000
Property Data	349,113	95,852	**444,965**
Homes	43,176	369,425	**412,601**
Property Software	169,764	49,022	**218,786**
RVU	592,534	529,253	**1,121,787**
Mortgages	13,618	5,505	**19,123**
At 31 December 2024	**1,168,205**	**1,049,057**	**2,217,262**

The key assumptions for the value in use calculations are discount rates, cash flow forecasts and the long-term growth rates. The key assumptions that are made in determining the Group's budget and long range plan vary between CGUs. However, they typically include assumptions about the macro-economic environment, the Group's ability to monetise new products and win new business and the Group's ability to control its fixed cost base. The pre-tax adjusted discount rate is derived from the weighted average cost of capital ("WACC"). The Group has used the Capital Asset Pricing Model ("CAPM") approach to estimate the WACC for each business unit.

The terminal growth rate after the five-year period has been determined with reference to the long-term growth for each business unit, alongside long-term growth rates in the technology industry and other relevant data points to each business unit.

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

	WACC 2024	WACC 2023	Terminal growth 2024	Terminal growth 2023
Property Data	13.5%	12.4%	5.1%	6.0%
Homes	13.7%	12.7%	4.0%	4.0%
Property Software	12.5%	12.6%	5.3%	5.3%
RVU*	13.9%	*	4.3%	*
Mortgages	13.9%	13.1%	4.3%	4.3%

*The RVU business unit converges the two formerly separate business units of RVU London and Insurance. For 2023, the WACC rates for these two business units were 13.1% and the terminal growth rates were 4.2% and 4.3%, respectively.

The WACC rates increased for the majority of business units in 2024, the product of a higher equity risk free rate compared to 2023, which is based on the 20-Year UK Government bond yields as at 31 December 2024.

12. Intangible assets (continued)

Sensitivity analysis on the key assumptions indicates that a 1% increase in the Property Data WACC rate would reduce headroom for this business unit to £nil. Otherwise, a reasonably possible change in assumptions, whilst reducing headroom, does not give rise to any impairment of Goodwill.

The Group additionally reviewed its other intangible assets for any indicators of impairment. Impairment of £6.7 million (2023: £1.1 million) was recognised across three business units (2023: four) business units in relation to a shift in strategic priorities.

13. Property, plant and equipment

	Fixtures and fittings £000	Freehold property £000	Computer equipment £000	Leasehold improvements £000	Right-of-use assets £000	Total £000
Cost						
As at 1 January 2023	1,847	383	4,621	6,814	35,151	48,816
Additions	32	-	620	474	860	1,986
Disposals	(222)	-	(68)	(54)	(3,289)	(3,633)
Foreign exchange impact	-	-	-	-	12	12
At 31 December 2023	1,657	383	5,173	7,234	32,734	47,181
Additions	103	-	1,571	195	297	2,166
Disposals	(256)	(383)	(965)	(89)	(144)	(1,837)
Foreign exchange impact	-	-	-	-	(18)	(18)
At 31 December 2024	**1,504**	**-**	**5,779**	**7,340**	**32,869**	**47,492**
Accumulated depreciation						
As at 1 January 2023	1,445	245	4,202	3,173	16,723	25,788
Charge for the year	198	9	747	423	2,521	3,898
Impairment	-	-	-	-	127	127
Disposals	(209)	-	(48)	(53)	(2,425)	(2,735)
Foreign exchange impact	-	-	-	-	17	17
At 31 December 2023	1,434	254	4,901	3,543	16,963	27,095
Charge for the year	125	8	808	457	2,282	3,680
Disposals	(254)	(262)	(855)	(89)	(144)	(1,604)
Reclassification	-	-	(574)	574	-	-
Foreign exchange impact	-	-	-	-	13	13
At 31 December 2024	**1,305**	**-**	**4,280**	**4,485**	**19,114**	**29,184**
Net book value						
At 31 December 2023	223	129	272	3,691	15,771	20,086
At 31 December 2024	**199**	**-**	**1,499**	**2,855**	**13,755**	**18,308**

The carrying value of vehicle and property right-of-use assets at 31 December 2024 are £0.1 million (2023: £0.1 million) and £13.7 million (2023: £15.7 million) respectively.

The depreciation charge for the year includes £nil million (2023: £0.047 million) from discontinued operations.

14. Investments held in unlisted securities

	31 December 2024 £000	31 December 2023 £000
At the beginning of the year	6,909	6,909
Fair value movements	2,181	-
At the end of the year	**9,090**	**6,909**

Investments held in unlisted securities represent the Group's strategic partnerships with a number of UK Proptech and Fintech companies and other equity investments which do not give the Group significant influence over that entity.

15. Trade and other receivables

	31 December 2024 £000	31 December 2023 £000
Trade receivables	32,303	33,216
Accrued income	44,287	37,800
Prepayments	10,080	7,037
Deposits	-	359
Other receivables	359	235
	87,029	**78,647**
Non-current receivables	**4,026**	**4,022**

Non-current receivables relates to deferred consideration receivable in connection with the sale of RVU International.

All other trade and other receivables are classified as current assets. Details of the Group's exposure to credit risk are given in Note 24.

16. Trade and other payables

	31 December 2024 £000	31 December 2023 £000
Trade payables	32,409	23,194
Accruals	39,780	30,736
Other taxation and social security payments	19,026	17,498
Deferred income	3,422	3,496
Other payables	8,211	18,559
	102,848	**93,483**

Included in other payables is £5.0 million (2023: £16.0 million) of accrued interest payable on the Group's external debt.

Included in accruals is £3.9 million (2023: £0.7 million) of accrued related party services.

All deferred income as at 31 December 2023 was recognised as revenue in the year-ended 2024.

The Directors consider that the carrying value of trade and other payables is approximate to their fair value. Details of the Group's exposure to liquidity risk are given in Note 24. All trade and other payables are considered current liabilities.

17. Deferred and contingent consideration

On 5 April 2024, Zoopla Limited, an indirect subsidiary of the Company, acquired 100% of Salesseek Limited ("Salesseek") for £1.25 million initial consideration and a total £0.75 million of potential contingent consideration.

Salesseek is a UK-based technology company focused on providing software CRM solutions used by housebuilders, plus some historic non-property related customers.

The change in fair value relates to a decrease in the contingent consideration liability estimate as at 31 December 2024.

Cash acquired as part of the acquisition was £0.1 million, therefore the net cash outflow for 2024 in relation to the acquisition was £1.15 million. The difference between the net liability value of Salesseek (£22k) and the consideration for the acquisition was fully allocated to the Technology and Software intangible assets category – see note 12 for more information.

	Contingent consideration £000
At 1 January 2024	-
Additions	750
Changes in fair value	(750)
At 31 December 2024	**-**

18. Provisions

The movement in provisions can be analysed as follows:

	Dilapidation provisions £000	Other £000	Total £000
At 1 January 2024	1,737	-	1,737
Recognised in the period	-	561	561
Utilised in the period	-	(303)	(303)
At 31 December 2024	**1,737**	**258**	**1,995**
Current	**-**	**258**	**258**
Non-current	**1,737**	**-**	**1,737**

	Dilapidation provisions £000	Other £000	Total £000
At 1 January 2023	1,778	540	2,318
Recognised in the period	204	-	204
Utilised in the period	(245)	(424)	(669)
Reclassified as liabilities directly associated with assets held for sale	-	(116)	(116)
At 31 December 2023	**1,737**	**-**	**1,737**
Current	**-**	**-**	**-**
Non-current	**1,737**	**-**	**1,737**

The Dilapidation provisions relate to Management's best estimate of costs to make good the Group's leasehold properties at the end of the lease term. Other provisions relate primarily to a restructuring provision.

19. Loans and borrowings

In May 2024, the Group launched a debt transaction to reduce the margin on its EUR and GBP term loans. The margin on the GBP term loan was reduced from 6.0% to 5.5% and the margin on the EUR term loan was reduced from 5.0% to 4.25%.

In October 2024, the Group launched another debt transaction to restructure its existing debt stack and further reduce the margin on its EUR term loan. The Group raised an €84 million (£70.3 million) add-on to its EUR term loan and repaid its existing Second Lien facility of £70 million. The margin on the EUR term loan was reduced from 4.25% to 3.75%.

The loans taken out by the Group as at 31 December 2024 are made up of the following;

- Multicurrency revolving credit facility capped at £146.5 million available to be drawn until December 2027 and maturing in January 2028. The facility is undrawn as at 31 December 2024 (2023: undrawn);
- Term loans denominated in GBP totalling £534.5 million maturing in July 2028 at SONIA + 5.5% (2023: totalling £604.5 million, with £534.5 million maturing in July 2028 at SONIA + 6.0% and £70 million maturing in July 2029 at SONIA + 8.5%); and
- Term loans denominated in Euro totalling €484 million maturing in July 2028 at the Euro Interbank Offer Rate (EURIBOR) + 3.75% (2023: €400m maturing in July 2028 at the EURIBOR + 5.0%).

	31 December 2024 £000	31 December 2023 £000
Opening gross borrowings	951,536	1,195,272
Issuance of borrowings	70,258	-
Repayment of Revolving Credit Facility	-	(127,000)
Repayment of Second Lien term loan	(70,000)	(110,000)
Unrealised foreign exchange translation gain on external borrowings	(15,884)	(6,736)
Gross borrowings	**935,910**	**951,536**
Capitalised arrangement fees	**(20,863)**	**(26,576)**
Total loans and borrowings	**915,047**	**924,960**

The Group's borrowings are guaranteed by certain subsidiaries of the Company and secured by shares of the guarantors. In addition, each guarantor grants a debenture over all of its assets.

The Group has no other loans or borrowings. Further detail on borrowings is provided in Note 24.

Analysis of Net Debt

	As at 1 Jan 2024 £000	Cash flows £000	Exchange differences £000	Other non-cash flows £000	As at 31 Dec 2024 £000
Cash and cash equivalents	45,236	14,476	(124)	-	59,588
Lease liabilities	(24,100)	3,473	4	(1,649)	(22,272)
Debt	(924,960)	-	15,626	(5,713)	(915,047)
	(903,824)	**17,949**	**15,506**	**(7,362)**	**(877,731)**

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19. Loans and borrowings (continued)

Other non-cash flows primarily relate to the increase in capitalised arrangement fees, as a result of the refinancing in the year, net against amortisation of capitalised fees.

Reconciliation of net cash flow to movement in net debt

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Increase in cash in the year	14,476	2,156
Repayment of borrowings	-	237,000
Decrease in net debt resulting from cash flows	14,476	239,156
Exchange differences on loans	15,626	6,736
Exchange differences on cash and cash equivalents	(124)	(91)
Exchange differences on lease liabilities	4	(5)
Movement in capitalised debt issue costs	(5,713)	14,728
Movement in lease liabilities	1,824	5,143
Total non-cash flow movements	11,617	26,511
Movement in net debt in the financial year	26,093	265,667
Net debt at the beginning of the year	(903,824)	(1,169,491)
Net debt at the end of the year	**(877,731)**	**(903,824)**

Leases

As at 31 December 2024 the statement of financial position contains the following amounts that relate to assets leased by the Group.

	31 December 2024 £000	31 December 2023 £000
Right-of-use assets		
Buildings	13,698	15,673
Vehicles	57	98
	13,755	**15,771**
Lease liabilities		
Current	5,988	5,309
Non-current	16,284	18,791
	22,272	**24,100**

The cost and the depreciation charge of the right-of-use assets is presented in Note 13. The interest expense of the lease liabilities and contractual maturity of the forecast interest payments are presented in Note 4 and Note 24, respectively.

During the year, £3.5 million (2023: £4.5 million) in financial liabilities were paid and £1.4 million (2023: £1.4 million) of interest was charged to the income statement.

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20. Deferred tax

	Fixed assets £000	Intangible assets £000	Losses £000	Other temporary differences £000	Total £000
Deferred tax liability at 1 January 2024	(37)	(281,298)	12,600	11,375	(257,360)
Adjustment in respect of prior years	(85)	(711)	(3,672)	6,804	2,336
Credit to income statement – timing differences	(201)	26,528	(2,945)	502	23,884
Other movements	-	-	-	8	8
Deferred tax liability at 31 December 2024	**(323)**	**(255,481)**	**5,983**	**18,689**	**(231,132)**
Deferred tax liability at 1 January 2023	298	(297,264)	5,834	638	(290,494)
Adjustment in respect of prior years	(223)	(11,282)	5,808	7,365	1,668
Credit to income statement – timing differences	(108)	27,070	972	3,164	31,098
Effect of change in tax rates	(7)	178	(14)	208	365
Other movements	3	-	-	-	3
Deferred tax liability at 31 December 2023	**(37)**	**(281,298)**	**12,600**	**11,375**	**(257,360)**

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax assets have been recognised in respect of all temporary differences giving rise to income tax assets because it is probable that these assets will be recoverable.

The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	31 December 2024 £000	31 December 2023 £000
Deferred tax liabilities	(231,132)	(257,360)
Deferred tax assets	-	-
Net deferred tax liabilities	**(231,132)**	(257,360)

Deferred tax assets have been offset against deferred tax liabilities to the extent that the tax is levied by the same tax authority on the same taxable entity.

21. Equity

Share capital

	31 December 2024 £000	31 December 2023 £000
Shares classified as capital		
Authorised 192,680,000,100 shares of £0.01 each (2023: 192,680,000,100 shares of £0.01 each)	**1,926,800**	**1,926,800**
Called-up share capital – allotted and fully paid 192,680,000,100 shares of £0.01 each (2023: 192,680,000,100 shares of £0.01 each)	**1,926,800**	**1,926,800**

21. Equity (continued)

Ordinary shares

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

Share premium reserve
Share premium reserve represents the amount subscribed for share capital in excess of nominal value.

Share-based payment reserve
Share-based payment reserve relates to warrants and share-based payments which are detailed further in note 22.

Cumulative translation reserve
Cumulative translation reserve relates to gains or losses on retranslating the net assets of overseas subsidiaries.

Other reserves
Other reserves relates to the gains or losses arising on financial assets classified as fair value through other comprehensive income.

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

22. Warrants and Employee share schemes

The Group operates a number of share-based incentive schemes for both its employees and certain third parties.

The Group recognised a total share-based payment charge of £17.6 million (2023: £12.1 million) in the year, with £9.9 million (2023: £4.4 million) in relation to employee share schemes.

Employee share schemes

Management Equity Plan: Selected management are invited to subscribe in cash to sweet shares in ZPG Property Holdings Limited and ZPG Comparison Holdings Limited. The subscription price is based on an unrestricted market value calculated on a quarterly basis by an independent expert. Subscription to these shares was on a cash or employee loan basis.

Value Incentive Plan: Selected employees are invited to subscribe to the Value Incentive Plan to sweet shares in ZPG Property Holdings Limited and ZPG Comparison Holdings Limited. Subscription for entrants to this scheme is funded via a non-recourse loan. The subscription price is based on an unrestricted market value calculated on a quarterly basis by an independent expert.

Hard Equity Plan: A number of employees were invited to subscribe to shares in Zephyr Holdco Limited, the parent of the Group. Subscription to these shares was on a cash basis.

Cash Incentive Plan: During the year, selected management were invited to participate in an incentive scheme which offers a cash incentive based on the underlying shares of certain subsidiaries in the Group. There was no subscription price associated with this scheme.

22. Warrants and Employee share schemes (continued)

The share-based payment charges for the Management Equity Plan, the Value Incentive Plan and the Hard Equity Plan are calculated using the Black Scholes model and the charge is spread straight line over a five-year period. The inputs are as follows.

Houseful Metrics					**RVU Metrics**				
Grant Date	**Jan to Mar 24**	**Apr to Jun 24**	**Jul to Sept 24**	**Oct to Dec 24**	**Grant Date**	**Jan to Mar 24**	**Apr to Jun 24**	**Jul to Sept 24**	**Oct to Dec 24**
Risk free rate	4.4%	4.6%	4.5%	5.1%	Risk free rate	4.4%	4.6%	4.5%	5.1%
Volatility	32.6%	32.6%	32.6%	32.6%	Volatility	32.6%	32.6%	32.6%	32.6%
Dividend yield	-	-	-	-	Dividend yield	-	-	-	-
Stock price	14.31	13.79	13.05	9.77	Stock price	6.70	7.20	7.61	6.99
Exercise price	0.72	0.74	0.76	0.35	Exercise price	1.28	1.41	1.44	0.76
Term	1.75	1.50	1.25	1.00	Term	1.75	1.50	1.25	1.00

The Group has the right to repurchase the shares in the event of a participant leaving the employment of the Group.

	Management Equity Plan		**Value Incentive Plan**		**Hard Equity Plan**	
	Number ’000	**Weighted average exercise price £**	**Number ’000**	**Weighted average exercise price £**	**Number ’000**	**Weighted average exercise price £**
Outstanding at the beginning of the period	**1,982**	**1.73**	**102**	**3.28**	**215,233**	**0.01**
Granted	1,421	0.83	10	1.14	-	-
Forfeited during the period	(283)	1.29	(15)	2.83	-	-
Outstanding options at the end of the period	**3,120**	**1.36**	**97**	**3.13**	**215,233**	**0.01**

The share-based payment charges for the cash incentive plan are calculated using the Monte Carlo model and the charge is spread straight line over the remaining term.

Volatility used in both the Black Scholes and Monte Carlo models is based on volatility in the shares of comparable listed companies.

Warrants

The charge for the year amounted to £7.7 million (2023: £7.7 million). The Group has granted nil warrants to third parties during the year ended 31 December 2024 (2023: Nil). During the year, the Group paid £nil million (2023: £23.8 million) for vested warrants to a counterparty.

23. Related party transactions

Key management personnel

The following were considered to be key management personnel of the Group during the period: The Chairman, the Directors, and the Chief Executive Officers of Houseful and RVU.

Other Group companies

Details of transactions with subsidiaries are outlined in the Company's financial statements. Transactions with other consolidated entities have been eliminated on consolidation.

Other related parties

During the period the Group settled invoices for services provided from Silver Lake Management Company and Red Ventures Limited who are all are related parties, for the provision of staff and commercial services in the period during and following the acquisition. The total of these invoices was £9.4 million (2023: £15.7 million) excluding VAT. There was an accrual of £3.9 million in respect of these services at 31 December 2024 (2023: £0.7 million).

There were no material transactions with any other related party in the period.

24. Financial instruments

Carrying amount and fair value of financial assets and liabilities

The Group has shareholdings and commercial arrangements with a number of other entities. Where these holdings do not give the Group significant influence over the entity the holdings are classified as financial assets at fair value through other comprehensive income. Details for financial assets at fair value through other comprehensive income are included in Note 14. The valuation of financial assets at fair value through other comprehensive income are based on level 3 inputs. The Group uses the latest available financial information to determine the fair value of its shareholding and any warrants held. The fair value of these assets is equal to their carrying value.

All other financial assets, including cash and cash equivalents, are designated as "Loans and receivables" and are held at amortised cost. All financial liabilities are classified as other liabilities and are measured at amortised cost except for deferred and contingent consideration which have been classified as financial liabilities carried at fair value. The Directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements are approximate to their fair values.

Financial risk management

The Group is exposed to the following risks from financial instruments:

- credit risk;
- market risk; and
- liquidity risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or bank ("counterparty") fails to meet its contractual obligations. The Group's maximum exposure to credit risk at the end of each period was equal to the carrying amount of financial assets recorded in the consolidated financial statements. The exposure to credit risk is influenced by the individual characteristics of each counterparty. When calculating the expected credit loss, the Group has considered forward looking and macroeconomic factors such as potential UK and European recessions, and other geopolitical uncertainty such as the current situation from Eastern Europe with Ukraine and Russia.

The potential for customer default varies between the Group's two divisions. The customer base of the Houseful division is large, so there is no significant concentration of credit risk. The RVU division operates over a broad base of customers primarily in the UK and Europe and customers within this market are often large energy and telecommunications organisations with high credit ratings and access to significant funds, which overall reduces credit concentration. The Group's largest customer contributed 3% of the Group's trade receivables balance as at period end date.

24. Financial instruments (continued)

The Group manages counterparty risk on its trade receivables and accrued income through strict credit control quality measures and regular aged debt monitoring procedures. The Group reserves the right to charge interest on overdue receivables, although it does not hold collateral over any trade receivable balances. Overdue amounts are regularly reviewed, and impairment provisions are created where necessary. This provision is reviewed regularly in conjunction with a detailed analysis of ageing profile, historical payment profiles and past default experience, as well as forward looking information in relation to the macro-economic environment, as required by IFRS 9. The Group has long-standing relationships with its key customers and extremely low historical levels of customer credit defaults.

The ageing of trade receivables at the period end is as follows:

	31 December 2024		
	Expected credit loss rate	**Estimated total gross carrying amount at default £000**	**Lifetime ECL £000**
0–30 days	**3.01%**	**23,661**	**(713)**
31–60 days	**0.81%**	**5,686**	**(46)**
61–90 days	**1.10%**	**3,365**	**(37)**
91+ days	**62.17%**	**1,023**	**(636)**
Total		**33,735**	**(1,432)**

	31 December 2023		
	Expected credit loss rate	**Estimated total gross carrying amount at default £000**	**Lifetime ECL £000**
0–30 days	**1.30%**	**25,794**	**(336)**
31–60 days	**1.71%**	**4,964**	**(85)**
61–90 days	**14.56%**	**735**	**(107)**
91+ days	**21.79%**	**2,878**	**(627)**
Total		**34,371**	**(1,155)**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was granted up to the period end date.

Receivables written off during the period to 31 December 2024 totalled £0.7 million (2023: £0.8 million). As at 31 December 2024, receivables of £3.7 million (2023: £2.9 million) were past due but not impaired.

The credit risk associated with bank and deposit balances is mitigated by the use of banks with good credit ratings.

24. Financial instruments (continued)

Market risk

Market risk is the risk that changes in foreign exchange and interest rates will affect the income and financial management of the Group. The Group is exposed to foreign exchange risk as a result of the €484 million (2023: €400 million) term debt it holds as well as the functional currency of its Netherlands subsidiary (being Euro denominated), which are translated to GBP for these financial statements.

The Group is exposed to fluctuations in the SONIA and EURIBOR on its external debt.

	31 December 2024	31 December 2023
	Impact on post-tax profit £000	Impact on post-tax profit £000
GBP/EUR exchange rate – increase 10%	**(39,269)**	**(34,023)**
GBP/EUR exchange rate – decrease 10%	**39,269**	**34,023**
Interest rate – increase 1%	**(9,359)**	**(9,515)**
Interest rate – decrease 1%	**9,359**	**9,515**

As at 31 December 2024 the Group's borrowings are detailed in Note 19.

Liquidity risk

Liquidity risk refers to the ability of the Group to meet the obligations associated with its financial liabilities that are settled in cash as they fall due. Management regularly reviews performance against budgets and forecasts to ensure sufficient cash funds are available to meet its contractual obligations.

The Group's activities are cash generative allowing it to effectively service working capital requirements and meet its interest payments. As at 31 December 2024 the Group held total cash and cash equivalents of £59.6 million and total debt of £915.0 million, including access to a £146.5m RCF facility of which none was drawn as at 31 December 2024.

The following tables detail the Group's remaining contractual maturities for undiscounted financial liabilities, including interest. The contractual maturity is based on the earliest date on which the Group may be required to settle.

	Effective interest rate	Within 1 year £000	1 to 2 years £000	2 to 5 years £000	More than 5 years £000	Total contractual amount £000
At 31 December 2024						
Trade payables		32,409	-	-	-	32,409
Lease liabilities		5,794	3,997	11,599	4,722	26,112
Borrowings	8.85%	80,993	80,993	1,064,168	-	1,226,154
Derivative financial instruments		742	827	-	-	1,569
Total		**119,938**	**85,817**	**1,075,767**	**4,722**	**1,286,244**

24. Financial instruments (continued)

	Effective interest rate	Within 1 year £000	1 to 2 years £000	2 to 5 years £000	More than 5 years £000	Total contractual amount £000
At 31 December 2023						
Trade payables		23,194	-	-	-	23,194
Lease liabilities		4,188	4,188	12,137	8,499	29,012
Borrowings	10.82%	100,068	97,864	1,138,607	75,617	1,412,156
Total		**127,450**	**102,052**	**1,150,744**	**84,116**	**1,464,362**

Treasury and capital risk management

The Group's policy is to actively manage its cash and capital structure to ensure that it complies with its loan agreements and minimises the Group's interest payments by paying down its debt where possible. Management will consider the use of excess cash, including the payment of special dividends to shareholders and merger and acquisition activity, based on the risks and opportunities of the Group at that time. The Directors believe that the current debt to equity ratio remains appropriate but continue to monitor the efficiency of the capital structure on an ongoing basis.

The Group capital structure is as follows:

	31 December 2024 £m	31 December 2023 £m
Equity attributable to owners of the parent	**1,110**	**1,163**
Loans and borrowings	**(915)**	**(925)**
Lease liabilities	**(22)**	**(24)**
Cash and cash equivalents and other short-term investments	**60**	**45**

Hedging instruments

The Group enters into a number of derivative financial instruments to hedge its exposure to foreign exchange and interest rate works. To hedge its interest rate exposure, the Group uses interest rate swaps to manage interest rate risk arising from fluctuations in SONIA and EURIBOR.

On 19 September 2024, the Group entered into a foreign currency hedge, zero cost extendible collar. The total notional amount hedged is €200million. The first portion of €66.7 million is guaranteed. At 6 and 12 month extendibility dates, the second and third portions of €66.7 million each will automatically accumulate if the exchange rate is below the extendibility rate (0.848).

At the maturity date, if EUR/GBP ends at or above the upper strike price, ZPG will buy the accumulated notional amount of Euros (either €66.7 million, €133.3 million or €200 million) at this rate. If EUR/ GBP ends below the lower strike price, ZPG will buy the accumulated notional amount of Euros at this rate. If EUR/GBP is between the lower and upper strike price, the Group is effectively unhedged and will exchange at the prevailing market spot rate.

The guaranteed trade amount and the remaining notional amount are both fair valued as at 31 December 2024.

The following tables detail the swaps and foreign currency collar at the end of the reporting period. The derivative contract assets and liabilities are presented in the line 'Derivative financial instruments' (either as asset or as liabilities) within the statement of financial position; the measurement of these swaps are based on level 3 inputs in the fair value hierarchy:

24. Financial instruments (continued)

Cross-currency interest rate swaps

On 18 January 2024, three of the Group's cross-currency interest rate swaps (with maturity dates of 23 January 2024) were cash settled for £1.4 million.

Interest rate swaps

Interest swaps	Hedged	Effective date	Interest rate	Floating rate	Maturity date	Fair value of the derivative instrument Asset / (Liability)
	'000					**£'000**
At 31 December 2024						
Swap 9	GBP 160,000	23 Jan 2024	5.700%	GBP - SONIA	23 Jan 2025	**(134)**
Swap 10	EUR 400,000	23 Jan 2024	3.567%	EUR - EURIBOR	23 Jan 2025	**(220)**
Swap 11	GBP 220,000	23 Jan 2024	4.558%	GBP - SONIA	23 Jul 2025	**(44)**

Foreign currency Collar	Initial notional amount	Remaining notional amount	Extendibility rate	Lower strike price	Upper strike price	Fair value of the derivative instrument Asset / (Liability)
	'000					**£'000**
At 31 December 2024						
Extendible collar – guaranteed trade	EUR 66,667	-	-	0.8424	0.8664	**6**
Extendible collar – remaining notional	-	EUR 133,333	0.848	0.8424	0.8664	**(1,080)**

The maturity date of the foreign currency Collar is 19 March 2026. The remaining notional amount has extendibility dates of 20 March 2025 and 19 September 2025 (EUR 66,667,000 at each date).

25. Subsequent events

On 20 March 2025, the Group accumulated a further €66.7m under its foreign currency hedge, bringing the total guaranteed amount under this instrument to €133.3m (see note 24 for further details of this hedging instrument).

Notes to the consolidated financial statements

For the year ended 31 December 2024

26. Ultimate controlling party

The direct parent of the Company is Zephyr Midco 1 Limited which is a company registered in England and Wales at The Cooperage, 5 Copper Row, London. The smallest and largest consolidated group financial statements of which Zephyr Midco 2 Limited is a part are Zephyr Luxco S.a.r.l. The consolidated financial statement of Zephyr Luxco S.a.r.l can be obtained from 2, rue Edward Steichen,L-2540 Luxembourg. The ultimate controlling party of the Company is Silver Lake (Offshore) AIV GP V Ltd.

Company statement of financial position

For the year ended 31 December 2024

		31 December 2024	31 December 2023
		£000	£000
Assets			
Non-current assets			
Investments in subsidiaries	4	2,181,000	2,181,000
Total assets		**2,181,000**	**2,181,000**
Net assets		**2,181,000**	**2,181,000**
Equity			
Share capital	5	1,926,800	1,926,800
Share premium		254,200	254,200
Retained earnings		-	-
Total equity		**2,181,000**	**2,181,000**

The Company reported a profit for the year ended 31 December 2024 of £Nil (2023: £Nil).

The financial statements of Zephyr Midco 2 Limited (company number 11346641) were approved and authorised for issue by the Board of Directors on 28 March 2025 and were signed on its behalf by:

Charles Bryant (Mar 28, 2025 18:01 GMT)

Charles Bryant
Director

Company statement of changes in equity

For the year ended 31 December 2024

	Share capital £000	Share premium £’000	Retained earnings £000	Total equity £000
At 1 January 2024	1,926,800	254,200	-	2,181,000
Total comprehensive income	-	-	-	-
At 31 December 2024	**1,926,800**	**254,200**	**-**	**2,181,000**

	Share capital £000	Share premium £’000	Retained earnings £000	Total equity £000
At 1 January 2023	1,926,800	124,200	-	2,051,000
Total comprehensive income	-	-	-	-
Share capital and premium issued	-	130,000	-	130,000
At 31 December 2023	**1,926,800**	**254,200**	**-**	**2,181,000**

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

Notes to the Company financial statements

For the year ended 31 December 2024

1. Accounting policies and basis of accounting

The financial statements of Zephyr Midco 2 Limited (the Company) have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on the Company information towards the front of this report.

The Company's principal activity is to act as an investment holding company that provides management services to its subsidiaries.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, presentation of a cash flow statement, standards not yet effective, and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

2. Critical accounting judgements and key sources of estimation uncertainty

Sources of 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 period this estimation uncertainty is heightened due to the current macro-economic environment and rising interest rates, and the impact these have on the future cash flows and discount rate. No impairment has been recognised in the current year.

Critical accounting judgements

The Company had no critical accounting judgements in 2023 or 2024.

3. Profit for the year

As permitted by s408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The profit attributable to the Company is disclosed in the footnote to the Company's statement of financial position.

The auditor's remuneration for audit and other services is disclosed in note 5 to the consolidated financial statements.

The Company had no employees during the year (2023: no employees).

4. Investments in subsidiaries

Investments in subsidiaries are valued at cost less any provision for impairment. Further information about subsidiaries, is provided in note 10 to the consolidated financial statements.

Notes to the Company financial statements

For the year ended 31 December 2024

5. Share capital

The movements on these items are disclosed in note 21 to the consolidated financial statements.

6. Subsequent events

The company does not have subsequent events to disclose. Refer to note 25 of the consolidated financial statements for the Group subsequent events.

7. Ultimate controlling party

The direct parent of the Company is Zephyr Midco 1 Limited which is a company registered in England and Wales at The Cooperage, 5 Copper Row, London. The smallest and largest consolidated group financial statements of which Zephyr Midco 2 is a part are Zephyr Luxco S.a.r.l. The consolidated financial statement of Zephyr Luxco S.a.r.l can be obtained from 2, rue Edward Steichen,L-2540 Luxembourg. The ultimate controlling party of the Company is Silver Lake (Offshore) AIV GP V Ltd.