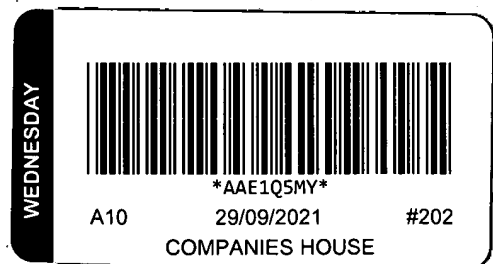


Company Registration No. 04622244

Hometrack Data Systems Limited

Annual report and financial statements

For the 15 month period ended 31 December 2020



Hometrack Data Systems Limited

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Hometrack Data Systems Limited

Officers and professional advisers

Directors

C Bryant
S Fletcher

Registered office

The Cooperage
5 Copper Row
London
SE1 2LH

Independent auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Hometrack Data Systems Limited

Strategic Report

The Company has changed its year end from 30 September to 31 December. The current reporting period of the financial statement is therefore the 15 months from 1 October 2019 to 31 December 2020 and it is not comparable.

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

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

Principal activities

The principal activity of the Company is the provision of residential property data, insight and analysis across four core product segments: valuation, risk analytics, market intelligence and platforms across the property ecosystem.

Business model and strategy

Hometrack Data Systems Limited (the "Company") is a specialist technology and analytic company, providing residential property data, insight and analysis to inform critical decision making across the residential property ecosystem.

During the period, the business performed well and saw a number of new customer wins and renewed contracts. The Company continues to grow revenue and operating profit and generate positive cash flow.

The Company is the UK market leader in the provision of residential property data, insight and analytics and operates across four core product segments: valuation, risk analytics, market intelligence and platforms. The Company's products are supplied to mortgage lenders, capital markets participants, house builders, local and central government, social landlords, estate agents and real estate investors through a combination of web-based software platforms, online sales, API links, specialist reports, bespoke consulting and scalable platforms.

Income is reinvested into continual product maintenance and development to ensure that the Company's product and service offering remains attractive to its current and potential customers.

On 21 December 2020, the Company purchased 100% of the issued share capital of EDM MLS Limited for a total consideration of £40.9 million. On 7 January 2021, EDM MLS Limited changed its name to Hometrack MLS Limited.

Strategy and objectives

The Company is an indirect subsidiary of Zephyr Holdco Limited (together "the Group") and supports the wider strategy of the Group in its mission to deliver efficiency to its partners, helping them operate their business more effectively and by providing data to improve transparency for its consumers to help them make smarter property and household decisions.

Financial performance

The Company generated revenue of £22.2 million for the 15 months ended 31 December 2020 (year ended 30 September 2019: £17.4 million), up 2% (comparing a 15-month period ended 31 December 2020 versus a 15 month period ended 31 December 2019) from new contracts and negotiations on renewals resulting in contract uplifts despite the impact of the pandemic.

Profit for the period was £12.6 million (year ended 30 September 2019: £11.7 million), decreased (comparing a 15-month period ended 31 December 2020 versus a 15 month period ended 31 December 2019) due primarily to acquisition costs associated with the EDM MLS acquisition in December 2020.

Hometrack Data Systems Limited

Strategic Report (continued)

Financial position

The Company's financial position remains strong at 31 December 2020 as the business remains cash positive at the end of the period. Net assets at 31 December 2020 were £38.5million (at 30 September 2019: £25.7million). The Company ended the period with £1.8 million of cash and cash equivalents (at 30 September 2019: £8.6 million).

Future developments

The Directors believe that Hometrack Data Systems Limited is a sustainable business that can build on its position as the UK's market leader, its strong brand in the residential property analytics space and its intellectual property to continue to grow and develop the business. The demand for information services to support operational risk decisions, asset evaluation and regulatory and investor transparency remains strong and the Company expects to be a beneficiary of this. The Directors will also focus on integration of the recently acquired Mortgage Lender Solutions ("MLS") business arm to capitalise on synergies and generate further growth.

Risk management, internal control and principal risks

The Company's activities expose it to a number of financial risks. Full details of the Group's risk management structure can be found in the Zephyr Midco 2 Limited Annual report and financial statements for the year ended 30 September 2020 and the 3 months ended 31 December 2020.

The Company'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 Company'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 Company to ensure that risks are identified across its range of operations, including recent acquisitions. The risks are then escalated in a manner which is consistent and aligned with the strategic goals.

The Company will continue to assess its risk management processes to ensure that they remain fit for purpose.

The Company 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 taken into account (the residual risk score). The difference between these scores allows Management and the Directors to gain an understanding of the level of control the Company 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 Company, including those that are not currently known to the Company or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business operations, results and/or financial condition.

Hometrack Data Systems Limited

Strategic Report (continued)

Key risk	Description and impact	Management and mitigation
<p>Macroeconomic conditions</p> <p>The Company derives all its material revenues from markets within the UK. The Company is therefore dependent on the macroeconomic conditions in the UK and macro factors within each of its key markets.</p>	<p>Changes in the UK economy could lead to changes in average property prices, the number of mortgage approvals and the volume of transactions in the UK housing market. Subsequently the marketing budgets of the Company's partners could decrease, which could reduce demand for the Company's services.</p> <p>Subsequently, the marketing purchasing budgets of the Company's partners could decrease, which could reduce demand for the Company's services.</p> <p>Specific considerations on withdrawal of UK from the European Union and Covid-19 have been outlined on page 6.</p> <p>Impact of Covid-19 could see lockdowns within the UK and lead to disruption in the housing market. There has been no change in the Company's business model, underlying operations or overall strategy as a result of Covid-19 and the Directors remain assured of the Company's strong financial position and prospects.</p>	<ul style="list-style-type: none"> • Regularly reviewing market conditions and indicators. • Analysis performed by Internal Controls Manager to understand the risks of Brexit and Covid-19 and the mitigating actions required. • Maintaining a flexible cost base that can respond to changing conditions. • Diversifying risk by maintaining a balance between different revenue streams in order to provide protection against volatility within markets.
<p>Competitive environment</p> <p>The Company operates in marketplaces which are highly competitive and often rely on few major customers.</p> <p>The Company is also subject to competition from emerging alternative information sources, including free sources of data.</p>	<p>The Company has a number of individually significant contracts, which increases the reliance on relationships with financial institutions. The Directors consider this an inherent risk to all participants in its existing marketplace and the success in renewing long term contracts is testament to the Company's robust relationships, market differentiation and the relative strength of the brand and intellectual property.</p> <p>The Directors are confident that it has the depth of customer relationships, the product differentiation and the brand competitive positioning to mitigate each of these.</p>	<ul style="list-style-type: none"> • Ensuring customers understand the unique value proposition that can be provided through our products and services. • Offering attractive and competitive pricing packages to customers. • Diversifying risk through multiple revenue streams. • There continues to be a demand for robust, reliable, 'bank standard' data and analysis which clearly separates the Company's products from other free or low-cost solutions available.
<p>IT systems and cyber security</p> <p>Various IT systems within the Company are interdependent and a failure in one system or a security breach may disrupt the efficiency and functioning of the Company's operations.</p> <p>The Company holds consumer and partner data which could be susceptible to loss or theft.</p>	<p>Any failure of the Company's IT infrastructure through error or attack could impair the operation of the Company's website and services, the processing and storage of data and the day-to-day management of the Company's business.</p> <p>In addition, any theft or misuse of data held within the Company's databases could have both reputational and financial implications for the Company.</p>	<ul style="list-style-type: none"> • Regularly testing the security of the IT systems and platforms, including penetration testing and testing of Distributed Denial of Service (DDoS) attack procedures. • Restricting access to data, systems and code and ensuring all systems are secure and up to date.

Hometrack Data Svstems Limited

Strategic Report (continued)

Key risk	Description and impact	Management and mitigation
<p>Data hacks and PII exposure</p> <p>The Company is susceptible to an external hack which could lead to a loss of data, including personally identifiable information (PII).</p>	<p>The Company holds PII data in various systems, therefore any loss of data through an external or internal hack could lead to a significant financial and/ or reputational damage.</p>	<ul style="list-style-type: none"> • Experienced Head of IT in place to review the security environment. • Voluntarily engaged independent experts to perform a data governance audit. • Training schemes being coordinated related to data hacks/ governance. • Business Continuity Plan being coordinated ensuring mitigation plans are formalised in the event of a data hack.
<p>Retention and recruitment</p> <p>Success depends on the continued retention and performance of the Company's valued employees. Skilled development, technical, operating, sales and marketing personnel are essential for the business to meet its strategic goals and the Company operates in markets with a high demand for high calibre personnel.</p>	<p>Competition for qualified talent is intense and an inability to attract highly skilled employees could adversely impact the Company's operations, financial condition or prospects.</p> <p>Similarly, an inability to motivate, develop and retain key team members could adversely impact the Company's operations, financial condition and prospects.</p>	<ul style="list-style-type: none"> • Reorganisation and expansion of the Talent team, including hiring of more senior talent members. • Terms have been amended for agencies to positively impact recruitment process. • Careers website running. • New schemes launched to define purpose and behaviours. • Share schemes in place to improve staff retention. • Regular and ongoing Learning & Development activities held across the Company.
<p>Data protection</p> <p>Non-compliance with various data protection related acts could lead to significant penalties for the organisation.</p>	<p>Data protection entails various elements such as ensuring compliance with GDPR. Cookie laws, and direct marketing.</p>	<ul style="list-style-type: none"> • Data protection officer ("DPO") position. • Privacy plan formalised by DPO. • Independent experts engaged to independently assess data governance structure. • Training for wider business being coordinated for data protection.
<p>Reputational and brand damage</p> <p>The Company operates an identifiable and respected brand which could be damaged by factors such as unethical or unlawful activity, poor customer service or negative press.</p>	<p>Damage to the Company's brand could lead to a fall in consumer confidence, reducing traffic and leads for the Company's partners and in turn impacting the Company's revenue.</p> <p>There is also a risk that the Company's partners may choose to terminate their existing relationship with the Company as a result of any reputational damage, which would directly impact the Company's revenues.</p>	<ul style="list-style-type: none"> • Embedding a culture of transparency, social awareness and ethical behaviour throughout the Company. • Regularly reviewing the Company's risks and reviewing and developing internal control frameworks to mitigate the risk of error or fraud. • Executing the Company's strategy, which has both consumers and the Company's partners at its core.
<p>Foreign exchange risk</p> <p>Potential Foreign Exchange volatility due to macroeconomic factors which impacts the business</p>	<p>Since the result of the Brexit referendum and Covid-19 situation, Sterling has devalued due to the uncertainty in the macroeconomic environment. This has significance as some supplier payments are made in USD.</p>	<ul style="list-style-type: none"> • Close monitoring of the USD v GBP currency exposure in Finance team. • Spot rate trading being put in place to minimise Sterling outflows on supplier payments. • Hedging strategy being implemented.

Hometrack Data Systems Limited

Strategic Report (continued)

Macroeconomic conditions - Withdrawal from the European Union

The result of the UK's EU referendum in 2016 increased the level of macroeconomic uncertainty, increasing the likelihood of the impacts outlined under "macroeconomic conditions" above.

The UK formally exited the EU on 31 January 2020, however the new trade deal between the UK and the EU came into effect on 31 December 2020. The longer-term effects on the Company of the UK's withdrawal are still being quantified however, the Directors believe that the Company's multi-channel strategy, creates a diverse customer base which means it is well placed to mitigate any negative impacts resulting from the UK's withdrawal from the European Union. In particular:

- The demand for valuation services by the financial institutions is expected to continue in the event of economic downturn.
- There continues to be a demand for robust, reliable, 'bank standard' data and analysis.
- the customer base of the Company is UK centric and is therefore less impacted by the withdrawal from the European Union.

Covid-19 pandemic

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

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

The Company has utilised government business support schemes during the period including VAT deferral and Furlough schemes. Business continuity plans are in place, with measures to manage employee absences, the efficiency of the Company's operations and the ability for home working. Leadership teams and working groups led by senior managers are in place to support operational resilience and taking common-sense precautions with a view to ensuring the wellbeing of colleagues.

There has been no change in the Company's business model, underlying operations or overall strategy as a result of Covid-19 and the Directors remain assured of the Company's strong financial position and prospects. The potential impacts of the Covid-19 pandemic crisis are set out in more detail in the Going concern section of the Director's report.

Corporate and social responsibility

The Company's corporate and social responsibility policies can be found in the Zephyr Midco 2 Limited Annual report and financial statements for the year ended 30 September 2020 and the 3 months ended 31 December 2020.

Hometrack Data Systems Limited

Strategic Report (continued)

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors have considered the financial projections of the parent company, Zephyr Midco 2 Limited, and its subsidiaries (together 'the Group'), which covers a period of 12 months from the date of signing the financial statements.

The Coronavirus crisis is likely to have a continuing impact on the Group's operations over the next 12 months. Therefore, 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 in relation to the current situation for the 12 months following the date of the signing of these accounts. This 12-month cash flow forecast shows an increase in the Group's cash reserves from current levels and a continued increase in cash throughout the remainder of the forecast period. Through the forecast period, the Group has the ability to deliver cost savings to offset any short-term revenue downturns, consistent with what was achieved in the current year.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements. The Director's consideration of uncertainties that the business will face in the next 12 months are captured within the principal risks disclosed in the Strategic report. As at the reporting date, the Company has a positive cash balance of £1.8m and net current liability of £3.6m. The cash position remains positive on the signing date. Although the Company is in a net current liability position, should the Company require, the Group will support the obligations and liabilities of the Company by utilising cash from other group companies as and when they fall due.

Section s172(1) statement

The Directors of the Company consider, in the context of a constitution of a Board, that they have acted in good faith, to promote the success of the Company for the benefit of its members with specific reference to Companies Act 2006 S172 (1a – 1f), in the decisions taken during the period ending 31 December 2020 including:

Shareholders

- The Directors were (and continue to be) able to perform their duty under section 172 (1) with unique and direct access to the perspectives and interests of its shareholders, who themselves fully endorse and support the importance of the Board having due regard to a broad range of matters including those referred to in section 172(1) (a) to (f)
- The Directors are committed to openly engaging with its shareholders through attendance of Board meetings, so that shareholders understand the strategy and objectives of the Company.
- The Company provides regular reports and maintains regular dialogue with shareholders to ensure their involvement in the Company's decision-making.
- As per previous year the Directors approve an annual budget, prepared by senior management. The Directors are then able to monitor performance against annual budget and plan through the period ended 31 December 2020.

Employees

- The Company is passionate about attracting, engaging, developing and retaining the best talent in the industry. The Company is always open to feedback and seeks to provide as many opportunities for discussion as possible.
- The Company engages through Peakon, an employee survey tool, to regularly measure employee net promoter score (eNPS) and key engagement drivers. We also have an Employee Engagement Manager who formalises and leads engagement and internal communications strategy.

Hometrack Data Systems Limited

Strategic Report (continued)

Employees (continued)

- The Company has a strong focus on its employees' wellbeing and has introduced numerous schemes in the year which focus on improving mental health and specifically, to help employees adapt to new working practices caused by the Covid-19 pandemic. The Company has introduced Group-wide weekly calls with the CEO, weekly HR support calls and a working from home budget for every employee.
- As part of the Company's commitment to creating an inclusive and diverse workforce, Employee Resource Groups have been set up, providing employees with a community and a safe space to meet and support one another.

Suppliers

- The Company is committed to working with suppliers who share the Company's values. Before commencing a business relationship with a supplier, the Company will review the supplier's labour practices. The Company is committed to The Prompt Payment Code and has supported suppliers through the Covid-19 pandemic by continuing contracts which could otherwise have been terminated (such as some facilities contracts).

Customers

- The Company aims for its customers, lenders to benefit from access to the Company's market-leading products, generating additional revenues and delivering better service by using the Company's software and data insights. The Company has a dedicated Product and Tech team who are committed to innovating these products so that our customers have a data driven platform which will help their businesses succeed.

Consumers

- The Company aims for consumers to be able to access market data with real-time alerts to make the most informed decisions about everything related to finding, moving or managing their homes.

Social Responsibility

- The Company recognises the impact it may have on the environment as a business and as individuals, particularly and most currently, the wasteful behaviour across the globe surrounding disposable, single use plastics.
- The Company is collaborating with Clean Up Britain, City to Sea and Surfers Against Sewage to help put a stop to further plastic pollution.
- The Company encourages positive behaviour and attitudes from within the business by providing long life, refillable and reusable options to employees and eliminating the purchase of single use plastic within the offices. Informative tools and advice are provided to all employees on how to prevent further unnecessary waste ending up in the environment and damaging ecosystems.

This Strategic report was approved by the Board and signed on its behalf by:



S.Fletcher (Sep 27, 2021 15:42 GMT+1)

S Fletcher

Director

27 September 2021

Hometrack Data Systems Limited

Directors' report

Directors

The Directors who served during the period, except as noted, and since the year end were as follows:

C Bryant
N Edwards (appointed 4 June 2019, resigned 6 March 2020)
D Saÿer (appointed 6 March 2020, resigned 26 October 2020)
S Glenister (appointed 26 October 2020, resigned 20 May 2021)
D Ross (Appointed on 20 May 2021, resigned on 30 July 2021)
S Fletcher (Appointed on 2 August 2021)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report. The Company's parent has also arranged Directors' and officers' insurance cover in respect of legal action against the Directors of the Group. The policy includes cover for the Directors of Hometrack Limited. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently.

Charitable and political donations

During the period, the Company made charitable donations of £1,153 (for the year ended 30 September 2019: £1,400).

No political donations were made during the period to 31 December 2020 (for the year ended 30 September 2019: £nil).

Results and dividends

The results of the Company are included in the financial statements from page 15 onwards. The Company paid no dividends during the period (for the year ended 30 September 2019: £nil).

The Directors do not recommend a final dividend in respect of the period ended 31 December 2020.

The Company will continue to innovate and actively improve current products and develop new products to further improve the consumer and partner experience. The Directors look forward to launching more innovative products and services in the year ahead.

Employees

The Company 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 and lifestyle and competitive salaries and market-leading benefits, which the Company continually monitors, reviews and evolves in response to industry changes, benchmarking exercises and employee feedback.

The Company 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 Peakon, an employee survey tool, to help the Company regularly measure employee net promoter score (eNPS) and key engagement drivers. Then, there is an Employee Engagement Manager who helps to formalise and lead engagement and internal communications strategy.

The Company is focused on keeping up to date with current best practice when it comes to self-development. This is achieved by having a dedicated learning and development facility that offers a wide selection of opportunities for employees to truly optimise their potential. This includes a range of interactive soft skills workshops where employees can sign up and learn with other colleagues in a "Meet Up" style fashion as well as a large selection of self-learning materials.

Hometrack Data Systems Limited

Directors' report (continued)

Employees (continued)

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 of the Company's employment policies and practices, including recruitment, selection, training, promotion, salary reviews and flexible working

The Company's equal opportunities policy is contained in employee handbook which is available to all employees. This sets out that it is the Company's policy to select the most qualified person for each position within the organisation and it is the Company's intent and resolve to comply with the requirements and spirit of all laws in the implementation of all facets of equal opportunity. This policy applies 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 Company's employees who are, or become, disabled.

Subsequent events

There are no reportable subsequent events.

Auditor

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that ought to have been taken as Directors in order to be aware of any information needed by the Company's auditors in connection with preparing its report and to establish that the Company's auditors are aware of that information.

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.

Other disclosures

The following disclosures required for inclusion in this report have been incorporated by way of cross-reference and form part of this report:

- Strategy and objectives (Page 2);
- Future developments (Page 3); and
- Going concern (Page 7).

This report was approved by the Board and signed on its behalf by:


S.Fletcher (Sep 27, 2021 15:42 GMT+1)

S Fletcher
Director
27 September 2021

Hometrack Data Systems Limited

Directors' responsibilities statement

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- make an assessment of the Company'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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Hometrack Data Systems Limited

Independent auditor's report to the members of Hometrack Data Systems Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hometrack Data Systems Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies (detailed in note 1 of the related notes); and
- the related notes 2 to 14.

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

Basis 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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Hometrack Data Systems Limited

Independent auditor's report to the members of Hometrack Data Systems Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Hometrack Data Systems Limited

Independent auditor's report to the members of Hometrack Data Systems Limited (continued)

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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 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.

Jim Brown
Jim Brown (Sep 28, 2021 12:16 GMT+1)

Jim Brown (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27 September 2021

Hometrack Data Systems Limited

Statement of comprehensive income For the period ended 31 December 2020

	Notes	15 months to December 2020 £000	Year to September 2019 £000
Revenue		22,208	17,367
Administrative expenses		(9,596)	(5,282)
Operating profit	2	12,612	12,085
Finance income		-	1
Finance costs		(2)	(5)
Profit before tax		12,610	12,081
Income / (expense) tax	6	8	(346)
Profit for the period		12,618	11,735
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the period		12,618	11,735
Attributable to:			
Parent Company		12,618	11,735

Hometrack Data Systems Limited

Statement of financial position As at 31 December 2020

	Notes	31 December 2020 £000	30 September 2019 £000
Assets			
Non-current assets			
Intangible assets	8	1,268	180
Investment in subsidiaries	7	40,854	-
Deferred tax assets	11	-	39
		42,122	219
Current assets			
Trade and other receivables	9	36,597	19,063
Cash and cash equivalents		1,843	8,571
Current tax asset		3,902	1,477
		42,342	29,111
Total assets		84,464	29,330
Liabilities			
Non-current liabilities			
Deferred tax liabilities	11	13	-
		13	-
Current liabilities			
Trade and other payables	10	45,932	3,593
		45,932	3,593
Total liabilities		45,945	3,593
Net assets		38,519	25,737
Equity			
Share capital	12	-	-
Share premium reserve		26	26
Retained earnings		38,493	25,711
Total equity		38,519	25,737

The financial statements of Hometrack Data Systems Limited (Company number 04622244) were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

S. Fletcher

S.Fletcher (Sep 27, 2021 15:42 GMT+1)

S Fletcher
Director
27 September 2021

Hometrack Data Systems Limited

Statement of changes in equity For the period ended 31 December 2020

	Share capital £000	Share premium reserve £000	Retained earnings £000	Total equity £000
Balance at 1 October 2019	-	26	25,711	25,737
Total profit for the 15 month period to December 2020	-	-	12,618	12,618
<i>Transactions with owners recorded directly in equity:</i>				
Share based payments	-	-	164	164
At 31 December 2020	-	26	38,493	38,519

	Share capital £000	Share premium reserve £000	Retained earnings £000	Total equity £000
Balance at 1 October 2018	-	26	13,941	13,967
Total profit for the year	-	-	11,735	11,735
<i>Transactions with owners recorded directly in equity:</i>				
Share based payments	-	-	35	35
At 30 September 2019	-	26	25,711	25,737

Hometrack Data Systems Limited

Notes to the financial statements For the period ended 31 December 2020

1. Accounting policies

Hometrack Data Systems Limited is a private Company limited by shares domiciled and incorporated in the United Kingdom. The address of the registered office is The Cooperage, 5 Copper Row, London, SE1 2LH.

1.1 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below for the period ended 31 December 2020 and the year ended 30 September 2019. The policies have been consistently applied to all the periods presented, unless otherwise stated.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

Summary of disclosure exemptions:

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS101:

- IFRS 2: Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7: Complete exemption from all of the disclosure requirements of IFRS 7, Financial Instruments, other than those instruments where these disclosures are still required to comply with the law.
- IFRS 13: 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- IFRS 15: 'Revenue from contracts with customers' (disclosure of disaggregation of revenue and allowance for expected credit losses reconciliations).
- IAS 1: Exemptions from comparative information requirements in respect of 'Property, plant and equipment' and 'Intangible assets'.
- The following paragraphs of IAS 1, 'Presentation of financial statements': – 10(d) (statement of cash flows); – 16 (statement of compliance with all IFRS); – 38A (requirement for minimum of two primary statements, including cash flow statements); – 38B–D (additional comparative information); – 111 (cash flow statement information); and – 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'. Complete exemption from preparing a Statement of cash flows and related notes.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- IAS24: Exemption from disclosure of related party transactions entered into between two or more members of a group, provided that an subsidiary party to the transaction is wholly owned by such a member.
- IAS24: Exemption from disclosure of compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services.

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

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

1. Accounting policies (continued)

The Company is a wholly-owned subsidiary of Hometrack.co.uk and is included in the consolidated accounts of Zephyr Midco 2 Limited, comprising ZPG Property Services Holdings UK Limited and its subsidiaries (the "Group"). Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

1.2 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors have considered the financial projections of the parent company, Zephyr Midco 2 Limited, and its subsidiary (together 'the Group'), which covers a period of 12 months from the date of signing the financial statements.

The Coronavirus crisis is likely to have a continuing impact on the Group's operations over the next 12 months. Therefore, 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 in relation to the current situation for the 12 months following the date of the signing of these accounts. This 12-month cash flow forecast shows an increase in the Group's cash reserves from current levels and a continued increase in cash throughout the remainder of 2021. Through the forecast period, the Group has the ability to deliver cost savings to offset any short-term revenue downturns, consistent with what was achieved in the current year.

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements. The Director's consideration of uncertainties that the business will face in the next 12 months are captured within the principal risks disclosed in the Strategic report. As at the reporting date, the Company has a positive cash balance of £1.8m and net current liability of £3.6m. The cash position remains positive on the signing date. Although the company is in a net current liability position, should the Company require, the Group will support the obligations and liabilities of the Company by utilising cash from other group companies as and when they fall due in the twelve months following the date of signing.

1.3 Revenue recognition

Revenue represents amounts due for services provided during the period, net of Value Added Tax ("VAT"), with the VAT liability being recognised at the date of invoice.

The main sources of revenue derive principally from the provision of residential property data, insight and analysis across four core product segments: valuation, risk analytics, market intelligence and platforms. Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales taxes or duty. Revenue from the provision of services is recognised by reference to stage of completion which is measured by reference to the time period elapsed or the proportion of the service contract completed. Requests for one-off or individual valuations and other products are recognised when the service is provided. All revenue is generated in the United Kingdom.

1.4 Finance income and costs

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

Finance costs represent interest charged on bank loans and overdraft balances. Finance costs are recognised on an accruals basis using the effective interest method.

Foreign exchange gains and losses are recognised monthly based on the translation of assets and liabilities held in foreign currencies to Pound Sterling and realised gains and losses on transactions recorded in the year. The Company has some exposure to the foreign exchange risk related to the US Dollar, through agreements with a few suppliers based in the United States. The Directors are comfortable that any sensitivity to fluctuations in exchange rates would not have a material impact on the results of the Company.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

1. Accounting policies (continued)

1.5 Investments

Investments in subsidiaries are carried at the fair value of consideration payable for the entity less any impairment. Consideration includes initial consideration and where applicable any deferred consideration as outlined in Note 7.

Investments are not subject to amortisation but are tested for impairment annually and whenever the Directors have an indication that it might be impaired.

1.6 Intangible assets

Intangible assets with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. Development costs have been capitalised in line with accounting policy in note 1.8. Amortisation is charged to the Statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets as follows:

Domain Names	– over 5 years
Database	– over 3 to 10 years
Customer relationships	– over 5 to 10 years
Website development and computer software	– over 3 to 5 years

1.7 Impairment of tangible and intangible assets

At each Statement of financial position date, the Directors review the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets are impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Any impairment loss is recognised immediately in the Statement of comprehensive income.

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

1.8 Research and development

The Company incurs expenditure on research and development in order to develop new products. Research expenditure is expensed in the year in which it is incurred. Development costs are expensed when incurred unless they meet certain criteria for capitalisation. Development costs whereby research findings are applied to creating a substantially enhanced new product are only capitalised once the technical feasibility and the commercial viability of the project has been demonstrated and they can be reliably measured. Capitalised development costs are amortised on a straight-line basis over their expected useful economic life.

Once the new product is complete, subsequent expenditure to maintain the product, or on small enhancements to the product, is recognised as an expense when it is incurred.

Research and Development tax credit claims made are recognised as a credit to administrative expenses in the financial year relevant to the claim.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

1. Accounting policies (continued)

1.9 Financial instruments

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

IFRS 9 "Financial Instruments" prescribes the rules for recognition and measurement of financial instruments. The impact of the new standard on the Company is limited to the measurement of provisions raised in relation to revenue received by the Company. The standard requires the use of an expected loss model when determining an appropriate provision related to trade receivables. The Company has applied this model and uses both historical analysis and macroeconomic factors in determining the resulting provisions against trade receivables.

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

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

Trade and other payables are 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.

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

Financial instruments are not used for speculative purposes.

The Company's cash and cash equivalents represent amounts held in the Company's current accounts and overnight deposits that are immediately available.

1.10 Current tax

Current income tax comprises UK income tax and is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Current tax is recognised in the Statement of comprehensive income except to the extent that it is required to be recognised directly in equity.

1.11 Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the Statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. Deferred tax is recognised in the Statement of comprehensive income except to the extent that it is required to be recognised directly in equity.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax assets are recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle balances on a net basis.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

1. Accounting policies (continued)

1.12 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at Management's best estimate of the expenditure required to settle the obligation at the Statement of financial position date and are discounted to present value where the impact is material. The unwinding of any discount is recognised in finance costs.

1.13 Employee benefits: defined contribution benefit scheme

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

1.14 Share-based payments

The Company provides equity-settled share-based incentive plans whereby the parent company ZPG Property Services Holdings Limited grants shares or nil-cost options over its shares to employees of the Company for their employment services.

Equity-settled share-based payments to employees and partners are measured at the fair value of the equity instruments at the grant date. The fair value is measured using a suitable valuation model, including the Black-Scholes and Monte-Carlo valuation models where appropriate, and is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to meet a market vesting condition. Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in Zephyr Holdco Limited consolidated financial statements.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is charged to the Statement of comprehensive income over the remaining vesting period.

Employer's National Insurance Contributions are accrued, where applicable, at a rate of 13.8%. The amount accrued is based on the market value of the shares after deducting the exercise price of the share option.

1.15 Sources of estimation uncertainty

There are no material sources of estimation uncertainty.

1.16 Key accounting judgements

Capitalisation of development time

Time spent by the Company's employees in software development is capitalised as an internally generated intangible asset when the requirements of IAS 38 and of Group policy are both met. A management judgement is applied in the assessment of the project against the development criteria of IAS 38.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

2. Operating profit

	15 months to December 2020	Year ended September 2019
	£000	£000
Operating profit is stated after charging / (crediting):		
Amortisation on intangible assets (note 8)	194	-
Share-based payment charge	164	35
Research and development tax credits	(53)	(20)

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

The total gross value of research and development expenditure in the period ended 31 December 2020 was £0.9 million (for the year ended 30 September 2019: £0.2 million). Research and development expenditure relates to staff costs incurred in the development of new products and features.

3. Auditor's remuneration

	15 months to December 2020	Year ended September 2019
	£000	£000
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	42	26
Total audit fees	42	26

No other fees were payable to the Company's auditor or their associates.

4. Employee costs

	15 months to December 2020	Year ended September 2019
	£000	£000
Staff costs (including Directors) comprise:		
Wages and salaries	3,912	2,806
Social security costs	491	363
Defined contribution pension cost	196	109
Share-based payments charge	164	91
Total employee costs	4,763	3,369

The Directors were paid no fees or emoluments by the Company during the period and prior year as they were remunerated by a fellow group subsidiary.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

5. Employee numbers

The average monthly number of employees in administration and management during the year was:

	15 months to December 2020 No.	Year ended September 2019 No.
Administration	40	34
Management	2	2
	42	36

6. Income tax

	15 months to December 2020 £000	Year ended September 2019 £000
Current tax:		
Current period	53	243
Adjustment in respect of prior periods	(113)	(65)
Total current tax	(60)	178
Deferred tax:		
Origination and reversal of temporary differences	39	157
Adjustment in respect of prior periods	17	11
Effect of tax rate change on opening balance	(4)	-
Total deferred tax	52	168
Total (income) / expense tax	(8)	346

Corporation tax is calculated at 19% (2019: 19%) of the taxable profit for the year.

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will not occur and the Corporation Tax Rate will be held at 19%. As the UK tax rate remains at 19%, the Company's deferred tax liabilities recorded in the United Kingdom have been revalued at the higher 19% rate.

Finance Act 2021, which was substantively enacted on 24 May, includes a further increase in the main rate of UK corporation tax to 25% from 1 April 2023. This rate has not been substantively enacted at the balance sheet date and as a result deferred tax balances as at 31 December 2021 continue to be measured at 19%. If all of the UK deferred tax was to reverse at the amended 25% rate the impact on the closing deferred tax position would be to increase the deferred tax liability by £4,100.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

6. Income tax (continued)

The charge for the period can be reconciled to the profit in the Statement of comprehensive income as follows:

	15 months to December 2020 £000	Year ended September 2019 £000
Profit before tax	12,610	12,081
Current corporation tax rate of 19% (2019: 19%)	2,396	2,295
Adjustments in respect of prior periods	(113)	-
Adjustments in respect of prior periods (deferred tax)	31	(54)
Remeasurement of deferred tax for changes in tax rates	(1)	-
Origination and reversal of timing differences	-	(65)
Non-taxable income	-	(37)
Non-deductible expenditure	367	1
Group relief	(2,688)	(1,794)
Total (income) / expense tax	(8)	346

The Company's effective tax rate for the period ended 31 December 2020 is 0.1% (for the year ended 30 September 2019: 3%) reducing as a result of group relief received from other Group companies.

7. Investments in subsidiaries

	Subsidiary undertaking £000	Total £000
At 1 October 2019	-	-
Additions	40,854	40,854
At 31 December 2020	40,854	40,854

In the period to 31 December 2020 the Company acquired 100% of the issued share capital of EDM MLS Limited for a total of £40.9million. Subsequent to the acquisition the company name has changed to Hometrack MLS Limited.

Details of the Company's direct and indirect subsidiaries at 31 December 2020 are shown below. All of the entities listed are consolidated in the consolidated financial statements of Zephyr Midco 2 Limited. Investments in subsidiaries are valued at cost less any provision for impairment.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

7. Investments in subsidiaries (continued)

Name	Country of incorporation	Class of shares	Holding	Principal activity
Subsidiary undertakings				
Hometrack MLS Limited	UK	Ordinary	100%	Lending, risk & valuation services in respect of property
Other investments				
HLIX Limited	UK	Ordinary	25%	Agent for sale and purchase of residential mortgage loans

The carrying value of Hlix Limited as at 31 December 2020 being £nil, remains unchanged from the year ended 30 September 2019. The accumulated impairment related to Hlix limited was £3,000.

8. Intangible assets

	Software
	£000
Cost	
At 1 October 2019	180
Additions	1,282
At 31 December 2020	1,462
Accumulated amortisation	
At 1 October 2019	-
Charge for the year	194
At 31 December 2020	194
Net book value	
At 31 December 2020	1,268
At 30 September 2019	180

The intangible assets balance relates to the development of software.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

9. Trade and other receivables

	15 months to December 2020 £000	Year ended September 2019 £000
Trade receivables	2,732	3,815
Prepayments	150	183
Accrued income	456	49
Amounts due from parent company	8,473	8,473
Amounts due from other Group companies	24,786	6,541
Other receivables	-	2
	36,597	19,063

The Directors consider that the carrying value of trade and other receivables is approximate to their fair value. The carrying value also represents the maximum credit exposure.

Amounts due from the parent company do not accrue interest and are repayable on demand. Given the profitability of the counter party companies, Directors consider the amount fully recoverable. Amounts due from other group companies includes intercompany cash transfers made to other entities in the group.

10. Trade and other payables

	15 months to December 2020 £000	Year ended September 2019 £000
Trade payables	42	24
Accruals	922	576
Deferred income	1,482	2,525
Other taxation and social security payments	1,986	461
Amounts due to other Group companies	41,500	7
	45,932	3,593

The Directors consider that the carrying value of trade and other payables is approximate to their fair value.

The amounts due to other Group companies includes £40.9 million intercompany transfer to cover the acquisition of MLS and its associated costs.

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

11. Deferred tax

	Property, plant and equipment and computer software £000	Share- based payments £000	Other intangible assets £000	Total £000
Deferred tax asset at 1 October 2019	(15)	15	39	39
Prior year adjustments	-	-	(17)	(17)
(Charge) / Credit to profit or loss	(24)	(17)	2	(39)
Effect of tax rate change on opening balance	(2)	2	4	4
Deferred tax (liability) / asset at 31 Dec 2020	(41)	-	28	(13)

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. Management believe that the Company will generate sufficient future profits in order to support the recognition of the deferred tax asset.

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

	15 months to December 2020 £000	Year ended September 2019 £000
Deferred tax assets	28	54
Deferred tax liabilities	(41)	(15)
	(13)	39

12. Equity

Share Capital

	15 months to December 2020 £	Year ended September 2019 £
Shares classified as capital		
Authorised, allotted, called up and fully paid:		
108,600 'A' Ordinary Shares of 0.01p each	10	10
3,560 'B' Ordinary Shares of 0.01p each	1	1
	11	11
Authorised, allotted, called up and fully paid:		
4,973 Preference Shares of 1p each	50	50

Hometrack Data Systems Limited

Notes to the financial statements (continued) For the period ended 31 December 2020

12. Equity (continued)

Rights and restrictions attaching to shares

Ordinary Shares

The Ordinary Shares carry one vote per share and rights to dividends.

Preference Shares

The Preference Shares rank pari passu with the A & B shares and do not carry any voting rights. They do carry rights to dividends.

13. Related party transactions

In the ordinary course of business, the Company has traded with other subsidiaries of its parent company, Zephyr Holdco Limited. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 9 and 10 of these financial statements.

14. Ultimate parent company and controlling party

The largest group of which the Company is a member and for which group accounts are drawn up for the year ended 30 September 2020 and 3 months ended 31 December 2020 is that of Zephyr Luxco S.a.r.l. The smallest group of which the Company is a member and for which group accounts are drawn up for the year ended 30 September 2020 and 3 months ended 31 December 2020 is that of Zephyr Midco 2 Limited. Both entities are incorporated in the United Kingdom and registered in England and Wales at the address below. Copies of the report and accounts are available from The Cooperage, 5 Copper Row, London SE1 2LH.

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