

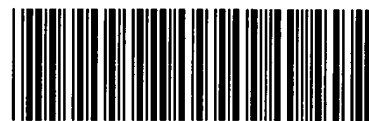
Company Registration No. 03612689

uSwitch Limited

Annual report and financial statements

For the year ended 30 September 2020

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uSwitch Limited

Report and financial statements for the year ended 30 September 2020

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uSwitch Limited

Officers and professional advisers

Directors

T Syed
D Chandler

Registered Office

The Cooperage
5 Copper Row
London
SE1 2LH

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3BF
United Kingdom

uSwitch Limited

Strategic report (continued)

Cautionary statement

The directors present their Strategic report of uSwitch Limited ("uSwitch" or "the Company") for the year ended 30 September 2020 ("2020"). The comparative period is for the year ended 30 September 2019 ("2019").

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

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

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 year ending 30 September 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 year ended 30 September 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.
- 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 weekly All-Employee Meetings with the CEO and SLT, fortnightly newsletters, virtual coffee 1:1s with colleagues 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.
- The Company launched an apprenticeship programme, to improve accessibility into the industry.

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 also has supported suppliers through the Covid-19 pandemic by continuing contracts which could otherwise have been terminated.

uSwitch Limited

Strategic report (continued)

Customers

- The Company aims for its customers, including providers of energy, communications and financial services products, to benefit from access to a highly engaged audience via the Company's market-leading comparison portals, 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

- Expert, authoritative content provided guidance and support to help consumers navigate this year's challenging personal finance landscape, and new Comparison TV creative encouraged them to 'get more of what matters' with the time and money saved by switching.
- The Company further simplified the switching process, making it even quicker and easier to save money.

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 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.
- The Company's 'Pay it Forward' programme, providing hands-on help to a range of causes close to the hearts of our employees, has gathered momentum over the year. The Company's involvement has included working with students from low socioeconomic backgrounds to prepare them for career success, volunteering on a free helpline for young people and sorting donations at local food banks.

Regulators / Industry bodies

The Company operates in a number of regulated environments. Certain revenue streams within the Comparison division are regulated by the FCA. The Company therefore needs to ensure that it engages with the regulators and professional bodies to comply 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 Company 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 Directors through the attendance of Board meetings provide information to shareholders.

Business overview

The principal activity of the Company in the year under review was that of a price comparison and switching service. The Company earns revenue from the suppliers of products and/or services it compares on its websites or via its contact centres ("Partners").

The Company's operations generate revenues through services described below:

- Energy, which represents revenue generated from energy switching services, business energy and boiler cover;
- Communications, which represents revenue generated from mobile, broadband, pay TV and home phone switching services; and
- Finance, which represents revenue generated from financial product switching services including loans and credit cards.

uSwitch Limited

Strategic report (continued)

The Company is a subsidiary of ZPG Comparison Services Holdings Limited and is part of the ZPG Group Companies, which comprises Zephyr Holdco Limited and its direct and indirect subsidiaries (the "Group").

Strategy and objectives

The Company supports the wider strategy of the Group in its mission to provide transparency to consumers to help them make smarter property and household decisions and deliver efficiency to the partners, helping them operate their business more effectively.

The Company has a leading position in the online energy and communications switching market and continues to develop its switching proposition in the money and insurance sectors (finance) to provide diversity and increased growth opportunities.

Financial performance

Overall, the Company's revenue increased by 4.8%, from £134.0 million in 2019, to £140.4 million in 2020. Profit for the year has increased by 25.3% of £65.4 million has increased from 2019 at £52.2 million. The main increase in revenue is predominantly due to the mobile switching performance. The mobile vertical was the least impacted by the covid-19, coupled with a market leading deal on the table for most of the fiscal year. Increased profit as a result of prior year tax adjustments.

Financial position

The Company's Statement of financial position remains strong at 30 September 2020 as the business continues to generate high levels of cash. Net assets at 30 September 2020 were £135.2 million (2019: £69.5 million).

No dividends were paid during the year to the Company's parent, ZPG Limited (2019: £15.5 million). The Company ended the year with £57.4 million of cash (2019: £14.3 million).

Future developments

The directors believe that uSwitch Limited is a sustainable business that can build on its market leading position in Energy and Communications switching and further develop its switching proposition in the money and insurance sectors to drive continued future growth and improving its marketing campaigns across all existing and emerging channels. The Company experienced a short term impact in the financial results resulting from the Covid-19 pandemic. The Company reacted immediately and implemented cost saving activities detailed in the Going concern section below.

In regards to the current market uncertainty in relation to Covid-19, the Directors consider sufficient mitigating actions are in place and the Company continues to maintain its market position. Detailed analysis in response to Covid-19 are set out in the going concern section in the Strategic report.

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 period ended 30 September 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.

uSwitch Limited

Strategic report (continued)

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.

Key risk	Description and impact	Management and mitigation
Macroeconomic conditions 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.	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. The Company is exposed to changes in consumer and partner behaviour and pricing driven by fluctuations within the energy, communication and banking markets, which could impact demand for the Company's services. Specific considerations on withdrawal of UK from the European Union have been outlined on page 5. 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.	<ul style="list-style-type: none"> • Regularly reviewing market conditions and indicators. • Analysis performed by FD and Internal Controls Manager to understand the risks of Brexit and Covid-19 and the mitigating actions required. • Building consumer and partner brand loyalty. • 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. • Promoting the benefit and potential savings for consumers of home services switching.
Competitive environment The Company operates in marketplaces which are highly competitive. The actions of the Company's competitors, and/or our own inaction, can have a significant and adverse impact on the Company.	If new or existing competitors can provide, or are perceived to provide, an enhanced partner or consumer service then there is a risk to the Company's forecasted revenue. The Company invests significantly in marketing to build brand awareness and drive traffic to its website. Increased digital marketing expenditure by competitors, or general price increases, may cause the Company to incur additional marketing spend to ensure that it can continue to compete effectively.	<ul style="list-style-type: none"> • Ensuring partners understand the unique value proposition that is provided through our websites. • Developing & maintaining strong consumer brands through PR / Brand advertising investment. • Diversifying risk through multiple revenue streams.
IT systems and cyber security 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. The Company holds consumer and partner data which could be susceptible to loss or theft.	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. In addition, any theft or misuse of data held within the Company's databases could have both reputational and financial implications for the Company.	<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. • Maintaining separate platforms for portals, and websites. • Restricting access to data, systems and code and ensuring all systems are secure and up to date.

Strategic report (continued)

Key risk	Description and impact	Management and mitigation
Data Hacks and PII exposure The company is susceptible to an external hack which could lead to a loss of data, including personally identifiable information (PII).	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.	<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.
Retention and recruitment 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>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> <p>The Company 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.</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. • Share schemes in place to encourage staff retention. • Regular and ongoing Learning & Development activities held across the Company.
Data Protection Non-compliance with various data protection related acts could lead to significant penalties for the organisation.	Data protection entails various elements such as ensuring compliance with GDPR. Cookie laws, and direct marketing.	<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 the business coordinated for data protection.
Regulatory Environment Certain revenue streams within the Company are regulated by the FCA. The Company also voluntarily complies with the Consumer Finance Association	There is a risk that changes to the regulatory environment could force the Company to revise its strategy, operations or business model. Changes in regulation may also impact the Company's profitability via increased compliance costs or a fall in revenues as a result of subsequent changes in consumer or partner behaviour.	<ul style="list-style-type: none"> • Maintaining regular open and constructive dialogue with all significant regulatory bodies. • Implementing processes to ensure compliance with all mandatory reporting obligations. • Employment of a dedicated Regulation and Compliance Office. • Diversification of products to prevent over reliance on a single product area that may be subject to change due to change in regulation.
Reputational and brand damage 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>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. • Continually investing in the Company's brands.

uSwitch Limited

Strategic report (continued)

Key risk	Description and impact	Management and mitigation
Foreign exchange risk Potential Foreign Exchange volatility due to macroeconomic factors which impacts the business.	Since the result of the Brexit referendum, Sterling has devalued due to the uncertainty in the macroeconomic environment. This has significance as some supplier payments are made in foreign currencies.	<ul style="list-style-type: none">• Close monitoring of the USD/EUR v GBP currency exposure in Finance team.• Spot rate trading being put in place to minimise Sterling outflows on supplier payments.

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.

Consistent with 2019 the directors believe that the Company's strategy creates a diverse revenue base which means it is well placed to mitigate any negative impacts resulting from the UK's withdrawal from the European Union. In particular:

- continuously monitoring and reviewing the wider market conditions and potential impacts on the Company including any changes to regulation of the financial services sector;
- an economic downturn increases the propensity for consumers to search for the best deals to save money on their household expenses; and a weaker Pound may lead to higher price inflation in areas such as energy bills, which may benefit the Company.

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. The Directors' considered view is that 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 were 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 year that being the VAT deferral scheme. Business continuity plans are in place, with measure 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 Director's 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

As part of the Group the Company's and the Group's corporate and social responsibility policies can be found in the Zephyr Midco 2 Limited Annual report and financial statements for the period ended 30 September 2020.

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

uSwitch Limited

Strategic report (continued)

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 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 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 £57.4m and net current asset of £135m. The cash position and net current asset position remain positive on the signing date. In addition, to manage liquidity, should the Company require, it could utilise cash from other group companies to meet its current obligations.

In addition, to manage liquidity, should the Company require, the Group will support the obligations and liabilities of the Company as and when they fall due in the twelve months following the date of signing.

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



D Chandler
Director
Feb 4, 2021

uSwitch Limited

Directors' report

The directors present their report of uSwitch Limited ("uSwitch" or "the Company") for the year ended 30 September 2020 ("2020"). The comparative period is for the year ended 30 September 2019 ("2019").

Certain disclosure requirements for inclusion in this report have been incorporated by way of cross reference to the Strategic report and should be read in conjunction with this report. The following also form part of this report:

- Strategy and objectives, including likely future developments in the business on pages 2-3; and
- Use of financial instruments in Note 1.10.

Principal activities

The principal activity of the Company is that of a price comparison and switching service. The Company earns revenue from the suppliers of products and/or services it compares on its website or via its contact centre.

Directors

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

T Syed	Appointed 16 October 2018
D Chandler	Appointed 11 March 2019

Directors' indemnities and insurance

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 the Company. Neither the indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Results and dividends

The results of the Company are included in the financial statements from page 15 onwards. No dividends were declared during the period (2019: £15.5 million).

The directors do not recommend a final dividend in respect of the year ended 30 September 2020.

Charitable contributions

During the year the Company made charitable donations of £5,194 (2019: £5,852).

Employees

The Company keeps employees informed on matters relevant to them through regular meetings and newsletters. The Company is committed to ensuring that there are equal opportunities and diversity in the employment policies and practices, including, but not limited to, recruitment, selection, training, promotion, pay rates, discipline and dismissal. The Company believe that recruiting, incentivising and retaining the best talent is key to success and that this involves treating everyone equally regardless of their age, sexual orientation, parental responsibilities, disability, race, nationality, ethnic origin, membership of a trade union, religion, belief or gender. 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.

uSwitch Limited

Directors' report (continued)

Subsequent events

Details of significant subsequent events since the statement of financial position date are included in Note 15 to the financial statements.

Auditor

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

- so far as that director is aware, there is no relevant audit information of which the group's and the Company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the group's and the Company's auditor in connection with preparing its report and to establish that the group's and the Company's auditor is 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 4);
- Future developments (Page 4); and
- Going concern (Page 7).

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



D Chandler
Director

Feb 4, 2021
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uSwitch 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.

uSwitch Limited

Independent auditor's report to the members of uSwitch Limited For the year ended 30 September 2020

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Uswitch Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes to the financial statements 1 to 16.

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.

uSwitch Limited

Independent auditor's report to the members of uSwitch Limited For the year ended 30 September 2020

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.

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.

uSwitch Limited

Independent auditor's report to the members of uSwitch Limited For the year ended 30 September 2020

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

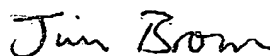
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 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.



.....
Jim Brown (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

4 February 2021

uSwitch Limited

**Statement of comprehensive income
For the year ended 30 September 2020**

	Notes	2020 £000	2019 £000
Revenue		140,356	133,986
Administrative expenses		(75,312)	(75,092)
Operating profit	2	65,044	58,894
Finance income		107	106
Profit before tax		65,151	59,000
Income tax credit/(expense)	5	270	(6,765)
Profit after tax		65,421	52,235
Other comprehensive income		-	-
Total comprehensive income		65,421	52,235

uSwitch Limited

Statement of financial position As at 30 September 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment	7	3	4
Intangible assets	8	2,857	2,108
		2,860	2,112
Current assets			
Trade and other receivables	9	82,990	68,529
Current tax asset		6,539	-
Other short term investments	10	10,000	-
Cash and cash equivalents		57,375	14,282
		156,904	82,811
Total assets		159,764	84,923
Current liabilities			
Trade and other payables	11	24,143	13,810
Current tax liabilities		-	1,320
		24,143	15,130
Non-current liabilities			
Deferred tax liabilities	12	396	267
Total liabilities		24,539	15,397
Net assets		135,225	69,526
Equity			
Share capital	13	100	100
Retained earnings		134,847	69,426
Share based payment reserve	1	278	-
Total equity		135,225	69,526

The financial statements of uSwitch Limited (Company number 03612689) were approved and authorised for issue by the Board of directors and were signed on its behalf by:



D Chandler

Director

Feb 4, 2021

.....

Notes to the financial statements

1. Accounting policies

uSwitch 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 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).
- 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
- IFRS 15: Exemption from disclosure of disaggregation of revenue; qualitative and quantitative information related to changes in contract assets and contract liabilities; and information about an entity's performance obligations, transaction prices and any significant judgements.

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

uSwitch Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.1 Basis of preparation (continued)

The Company is a wholly-owned subsidiary of ZPG Comparison Services Holdings Limited and is included in the consolidated accounts of Zephyr Holdco Limited, comprising ZPG Comparison Services Holdings 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 New standards, amendments and IFRIC interpretations

No new standards have been adopted by the Company for the year ending 30 September 2020.

1.3 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 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 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 £57.4m and net current asset of £135m. The cash position and net current asset position remain positive on the signing date. In addition, to manage liquidity, should the Company require, it could utilise cash from other group companies to meet its current obligations.

In addition, to manage liquidity, should the Company require, the Group will support the obligations and liabilities of the Company as and when they fall due in the twelve months following the date of signing.

1.4 Revenue

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

The main sources of revenue are fees received for the comparison of gas and electricity services ("Energy revenue") and mobile, broadband, pay TV and home phone services ("Communications revenue"). The directors have assessed that the point at which a lead is generated to an energy or communications provider is when the performance obligation for these services are met. Revenue and accrued income is recognised at that point based on the historical conversion of such leads into completed switches, representing the Company's right to consideration at that point in time. Revenue from other comparison services ("Other Comparison revenue") is recognised at a point in time when the service is provided.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet. The Company has maintained the use of 'accrued income' and 'deferred revenue' to describe such balances.

All revenue is generated within the United Kingdom.

Notes to the financial statements (continued)

1. Accounting policies (continued)

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 and certain fees charged on bank overdraft balances as well as losses recognised on foreign currency transactions. Finance costs are recognised on an accrual basis using the effective interest method.

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:

Computer equipment	-	over 2 to 5 years
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The directors review the residual values and useful economic lives of assets on an annual basis.

1.7 Intangible assets

Intangible assets with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. Computer software includes capitalised development costs for internally developed products and websites. Development costs are capitalised in line with accounting policy in note 1.9. 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:

Computer software	-	over 3 years
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1.8 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 consolidated 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 to the extent 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 consolidated statement of comprehensive income.

uSwitch Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.9 Research and development

The Company incurs expenditure on research and development in order to develop new products and enhance the existing websites. Research expenditure is expensed in the period 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 website or 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 website enhancement or product is available for use, subsequent expenditure to maintain the website or product, or on small enhancements to the website or 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

1.10 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.

The Company performed historical analysis on accrued income and trade receivable and concluded there is minimal historical losses. Further, the macroeconomic impact on the expected credit losses is immaterial given the short term nature of the accrued income and trade receivables. The Company has therefore concluded that the expected credit loss per the IFRS 9 simplified provision matrix approach on accrued income and trade receivables is negligible and not therefore no provision is recognised in these financial statements.

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. The Group receives interest income on certain amounts held in escrow.

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.

Short term investments are the term deposit held at the Company and measured at amortised costs. The interest income from the short term investments are recognised through the profit and loss account.

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

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.11 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.

1.12 Deferred tax

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

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

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

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

1.13 Employee benefits: defined contribution scheme

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

Company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

1.14 Share-based payments

The Company provides equity-settled share-based incentive plans whereby its indirect parent company ZPG Comparison 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 Midco 2 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 income statement 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.

uSwitch Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.15 Source of estimation uncertainty

Management make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within future periods are discussed below.

Revenue and accrued income

Revenue is recognised at the point at which a transaction or interaction on the Company's website is completed and a lead is generated. A Management estimate is required in calculating a revenue accrual to estimate the number of successful switches based upon leads provided for each partner in the period

between the last date of billing and the latest partner data being made available. The accrued income is estimated by considering the volume of leads that have passed from the Company's website to the partner, the historical conversion of such leads into completed switches and contracted revenue per switch. The carrying amount of accrued income as at 30 September 2020 is £20.6m (2019: £21.4m).

1.16 Key Sources of estimation uncertainty and judgements

There are no material sources of estimation uncertainty or accounting judgements.

2. Operating profit

	2020 £000	2019 £000
Operating profit is stated after charging:		
Depreciation of Property, Plant and Equipment	1	-
Amortisation of intangible assets	236	268
Share based payments charge	278	152
Research and development tax credits	(216)	(210)

The total gross value of research and development expenditure in the period was £0.9 million (2019: £1.2 million). Research and development expenditure relate to staff costs incurred in the development of new products and features.

3. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and their associates for the audit of the Company's financial statements	104	56
Total audit fees	104	56

There were no non-audit fees payable to the Company's auditor in either period.

Notes to the financial statements (continued)

4. Employee costs

	2020	2019
	£000	£000
Wages and salaries	10,641	10,888
Social security cost	1,151	1,214
Defined contribution pension cost	335	393
Share based payments	278	152
	12,425	12,647

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

	2020	2019
	Number	Number
Administration	190	148
Management	1	1
	191	149

Directors' remuneration

	2020	2019
	£000	£000
Salary, benefits and bonus	152	53
Defined contribution pension cost	9	4
	161	57

In respect of the highest paid Director:

Salary, benefits and bonus	152	53
Defined contribution pension cost	9	4
	161	57

5. Income tax

	2020	2019
	£000	£000
Current tax:		
Current period	2,465	6,717
Prior year adjustment	(2,864)	(98)
Total current Tax	(399)	6,619
Deferred Tax:		
Origin of temporary differences	98	158
Prior year adjustment	-	(12)
Effect of tax rate change on opening balance	31	-
Total deferred tax	129	146
Total income tax expense	(270)	6,765

Corporation tax is calculated at 19.0% (2019: 19.0%) of the taxable profit for the period. The charge for the period can be reconciled to the profit in the statement of comprehensive income as follows:

uSwitch Limited

Notes to the financial statements (continued)

5. Income tax (continued)

	2020 £000	2019 £000
Profit before tax	65,151	59,000
Taxable profit	65,151	59,000
Current corporation tax rate of 19.0% (2019: 19.0%)	12,379	11,210
Adjustments in respect of prior period	(2,864)	(103)
Group relief	(9,897)	(4,330)
Research & Development Credits	-	(12)
Expenses not deductible for tax	81	-
Re-measurement of deferred tax for changes in tax rates	31	-
Total income tax (credit)/ expense	(270)	6,765

The effective tax rate for the year to 30 September 2020 was -0.5% (2019: 11.5%), reducing as a result of prior year adjustments and group relief received from other Group companies.

6. Dividends paid

	2020 £000	2019 £000
Dividend of 155 pence per share declared on 1 November 2018	-	15,486
Total dividends paid in the period	-	15,486

The directors do not recommend a final dividend in respect of the year ended 30 September 2020 (2019 nil).

7. Property, plant and equipment

	Computer Equipment £000
Cost	
At 1 October 2019	4
Additions	-
At 30 September 2020	4
Accumulated depreciation	
At 1 October 2019	-
Charge for the year	(1)
At 30 September 2020	(1)
Net book value	
At 30 September 2020	3
At 30 September 2019	4

uSwitch Limited

Notes to the financial statements (continued)

8. Intangible assets

	Computer Software £000
Cost	
At 1 October 2019	2,730
Additions	986
At 30 September 2020	3,716
Accumulated amortisation	
At 1 October 2019	(622)
Charge for the year	(237)
At 30 September 2020	(859)
Net book value	
At 30 September 2020	2,857
At 30 September 2019	2,108

9. Trade and other receivables

	2020 £000	2019 £000
Trade receivables	7,874	6,780
Prepayments	844	786
Accrued income	20,642	21,371
Amounts due from other group companies	53,617	39,557
Other receivables	13	35
	82,990	68,529

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 group companies do not accrue interest and are repayable on demand. Given the profitability of the group companies, directors consider the amount fully recoverable.

10. Other short term investments

	2020 £000	2019 £000
Other short term investments	10,000	-
	10,000	-

Short term investments are the term deposit of £10m held at the Company and measured at amortised costs. The interest income from the short term investments are recognised through the profit and loss account.

uSwitch Limited

Notes to the financial statements (continued)

11. Trade and other payables

	2020 £000	2019 £000
Trade payables	9,897	4,096
Accruals	3,503	2,722
Deferred income	72	72
Other taxation and social security payments	10,040	2,915
Amounts due to other group companies	239	3,693
Other payables	392	312
	24,143	13,810

The directors consider that the carrying value of trade and other payables is approximate to their fair value and will be settled within the next twelve months.

Included in other taxation and social security payments is the VAT deferral of £8m.

Amounts due to group companies do not accrue interest and are repayable on demand. Given the profitability of the Company, directors consider the amount fully recoverable.

12. Deferred tax

	Property, plant and equipment £000	Short- term temporary differences £000	Total £000
Deferred tax (liability)/asset at 1 October 2019	(329)	62	(267)
(Charge)/credit to profit or loss	(118)	(11)	(129)
Deferred tax (liability)/asset at 30 September 2020	(447)	51	(396)

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:

	2020 £000	2019 £000
Deferred tax assets	51	62
Deferred tax liabilities	(447)	(329)
	(396)	(267)

Notes to the financial statements (continued)

13. Equity

Share capital

	2020	2019
	£000	£000
Shares classified as capital		
Authorised:		
20,000 Ordinary Shares of £5.00 each	100	100
Allotted, called up and fully paid:		
20,000 Ordinary Shares of £5.00 each	100	100

Rights and restrictions attaching to shares

Ordinary Shares

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

There were no share transactions for the period ended 30 September 2020 (2019: none).

Share based payment reserve

Share based payment reserve include shared based payment charge in year of £0.3m. Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in Midco 2 Limited consolidated financial statements.

14. Related party transactions

In the ordinary course of business, the Company has traded with other subsidiaries of its parent company, Zephyr Midco 2 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 12 and 13 of these financial statements.

15. Subsequent events

In August 2020, a Group parent company, Zephyr Holdco 2, Ltd sought to amend an existing investors agreement dated July 2018. The updated New Investors Agreement, would provide a related party with an additional 10% interest (after restructuring the Group for tax purposes) in ZPG business in return for providing additional expertise and guidance over the property side of the ZPG business being operated by ZPG Limited.

The ultimate controlling party of the Company is still deemed to be Silver Lake (Offshore) AIV GP V Ltd. Additionally, the Company is changing the year end from September to December.

16. Ultimate parent company and controlling party

The largest and smallest group of which the Company is a member and for which group accounts are drawn up for the year ended 30 September 2020 is Zephyr Midco 2 Limited, the smallest group is Zephyr Midco 2 Limited, both 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 Zephyr Holdco Limited, The Cooperage, 5 Copper Row, London SE1 2LH.

The ultimate controlling party of the Company is Silver Lake (Offshore) AIV GP V Ltd, an entity incorporated in the Cayman Islands.