

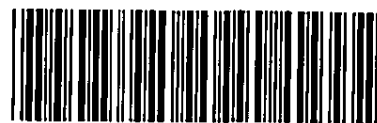
Company Registration Number
3936747

**Propertyfinder
Holdings
Limited**

**Annual Report and Financial
Statements**

30 June 2009

TUESDAY



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COMPANIES HOUSE

PROPERTYFINDER HOLDINGS LIMITED

Directors

A Chesterman
S Kain

Secretary

A Chesterman

Registered Office

2nd Floor
Union House
182-194 Union Street
London
SE1 0LH

Registered number

3936747 (England and Wales)

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC PLC
Oxford Circus Commercial Centre
196 Oxford Street
London
W1D 1NT

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Directors' report

For the year ended 30 June 2009

The Directors present their report on the affairs of Propertyfinder Holdings Limited ("the Company" registration number 3936747) together with the financial statements and auditors' report for the year ended 30 June 2009

Principal activity

The principal activities of the company have been to act as an investment holding company

Business review

A business review has not been completed for the Company because it is defined under the 2006 Companies Act as a small company

Principal risks and uncertainties facing the business

A summary of the principal risks and uncertainties facing the Company has not been completed because it is defined under the 2006 Companies Act as a small company

Results and dividends

The Company's loss for the financial year was £13,317,318 (2008 – £5,156,913)

No interim dividend was paid during the year (2008 - £Nil) The directors do not recommend the payment of a final dividend (2008 - £Nil)

Directors and their interests

The Directors of the Company who served during the year were as follows

M G Anderson	(appointed 18 August 2008 / resigned 13 July 2009)
S T Baker	(resigned 18 August 2008)
A Chesterman	(appointed 7 August 2009)
R Feldman	(appointed 22 April 2009 / resigned 7 August 2009)
S Kain	(appointed 7 August 2009)
A MacLeod	(resigned 7 August 2009)
C A Milner	(resigned 7 August 2008)
S L Panuccio	(appointed 18 August 2008 / resigned 7 August 2009)
G Chmiel	(appointed 18 August 2008 / resigned 7 August 2009)

Except as noted above, all Directors served throughout the year and are still Directors at the date of this report

The Articles of Association do not require the Directors to retire either by rotation or in the year of appointment

None of the Directors have any interests in the share capital of the Company

Zoopla Limited has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report

Charitable and political contributions

The Company has made no charitable or political contributions in the year (2008 - £Nil)

Auditors

The Directors have passed a resolution to dispense with the requirement to reappoint auditors annually Ernst & Young LLP are deemed to be reappointed as auditors in the absence of a notice that the appointment is to be terminated

Directors' report - continued

Directors' statement of disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Director's Report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- each Director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

Going concern

The financial statements are prepared on the going concern basis

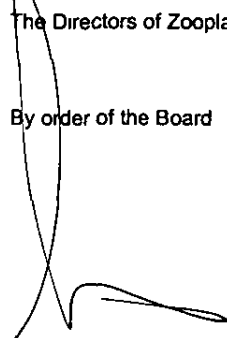
Zoopla Limited has confirmed its intention of providing continuing financial support to enable the Company to meet its liabilities as they fall due for the foreseeable future

Post balance sheet events

On 25 June 2009, REA Group Ltd (through its UK subsidiary REA Group Europe Limited) and News International Ltd entered into a heads of agreement to sell their jointly owned UK online businesses, which run the propertyfinder, hotproperty and UK propertyshop websites to Zoopla Limited. This purchase was concluded on 7 August 2009.

The Directors of Zoopla Limited (the Purchaser) have confirmed their intention to support the business going forward

By order of the Board



A Chesterman
Director & Secretary

182-194 Union St
London
SE1 0LH

25 March 2010

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records which 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.

Independent Auditor's report

To the members of Propertyfinder Holdings Limited

We have audited the financial statements of Propertyfinder Holdings Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

Ernst & Young LLP

Tony McCartney (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
Date

30/3/2010.

Profit and loss account

For the year ended 30 June 2009

	Notes	2009 £	2008 £
Income from investments		-	73,759
Operating expenses	2	(128,657)	(50,000)
Exceptional item	3	(13,187,071)	(5,182,262)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(13,315,728)	(5,158,503)
Tax on loss on ordinary activities	5	(1,590)	1,590
		<hr/>	<hr/>
Loss for the financial year	9	(13,317,318)	(5,156,913)
		<hr/>	<hr/>

There are no recognised gains and losses other than the loss attributable to shareholders of the Company of £13,317,318 in the year ended 30 June 2009 (2008 – 5,156,913)

Details of movements in reserves are shown in note 9

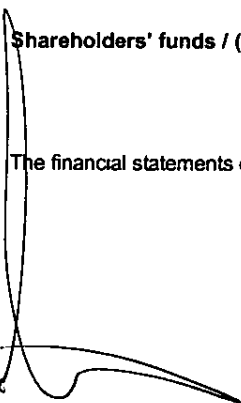
The notes to the financial statements are an integral part of this profit and loss account

Balance sheet

As at 30 June 2009

	Notes	2009 £	2008 £
Fixed assets			
Investments	6	1,900,000	1,900,000
Current assets			
Debtors	7	4,698,735	12,058,052
Creditors Amounts falling due within one year	8	(385,692)	(14,370,377)
Net current assets / (liabilities)		4,313,043	(2,312,325)
Total assets less current liabilities		6,213,043	(412,325)
Net assets / (liabilities)		6,213,043	(412,325)
Equity capital and reserves			
Called-up share capital	9	53,673,272	33,730,586
Share premium	9	4,565,311	4,565,311
Profit and loss account	9	(52,025,540)	(38,708,222)
Shareholders' funds / (deficit)		6,213,043	(412,325)

The financial statements on pages 5 to 12 were approved by the Board of Directors on 25 March 2010 and signed on its behalf by



A Chesterman
Director & Secretary

25 March 2010

The notes to the financial statements are an integral part of this balance sheet

Notes to the financial statements

30 June 2009

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles

The principal accounting policies have been applied consistently throughout the year

Going Concern

The financial statements are prepared on the going concern basis because a fellow group undertaking has committed to provide financial support to the Company to enable it to meet its liabilities as they fall due for the foreseeable future

Consolidated financial statements

Under the Companies Act 2006 the Company is exempt from the requirement to prepare group financial statements since it heads a small group which contains no other factors which require the preparation of consolidated financial statements

Cash flow statement

The Company is exempt from the requirement of FRS 1 'Cash Flow Statement' to include a cash flow statement as part of its financial statements because at the year-end it was wholly owned subsidiary undertaking of News Corporation which prepares consolidated financial statements which are publicly available, in which a consolidated cash flow statement is included

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

Taxation

Current tax, including UK corporation tax and foreign tax, 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 balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, a right to pay less or a right to receive more tax

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Related party transactions

As, at the year end, a wholly owned subsidiary undertaking of News Corporation whose financial statements are publicly available, the Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' not to disclose transactions with other members of the group headed by News Corporation

Investments

Investments are stated at cost or valuation less provision for impairment

2 Operating expenses

The Directors of the Company received no remuneration for their services to the Company during the year (2008 - £Nil). The Directors received emoluments for their services provided to other group undertakings as disclosed in the financial statements of those companies

The Company has no employees (2008 - None)

3 Exceptional item

During the year an impairment review was performed by the Directors and based on the results of this review the investments in subsidiaries have been impaired

Notes to the financial statements – continued

4 Auditor's remuneration

Remuneration of the auditors is further analysed as follows	2009	2008
	£	£
Audit of the financial statements	1,500	3,000

Auditor's remuneration, including amounts in respect of non-audit services, is borne by another group undertaking

5 Tax on (loss) on ordinary activities

a) The tax credit/(charge) is made up as follows

	2009	2008
	£	£
Total current tax (note 5(b))	-	-
<i>Deferred tax</i>		
Current year movement at 28% (2008 – 29.5%)	(1,590)	(522)
Rate differential at 0% (2008 – 1.5%)	-	26
Adjustment in respect of prior years	-	2,086
Total deferred tax	(1,590)	1,590
Total tax credit/(charge)	(1,590)	1,590

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is £nil (2008 - £nil). The enacted UK tax rate applicable from 1 April 2008 reduced to 28% from 30%. The difference between the tax assessed and the standard rate of corporation tax of 28% (2008 – 29.5%) is explained below

	2009	2008
	£	£
(Loss) / profit on ordinary activities before tax	(13,315,728)	(5,158,503)
Corporation tax at 28% (2008 – 29.5%)	(3,728,404)	(1,521,758)
Accelerated capital allowances	(318)	(522)
Dividends received from UK investment not subject to tax	-	(21,759)
Expenses not deductible for tax purposes	36,024	-
UK-UK Transfer pricing adjustment	40,790	-
Group relief (claimed)/surrendered	(40,472)	15,272
Impairment of investment	3,692,380	1,528,767
Tax assessed on the profit on ordinary activities for the year	-	-
Total current tax	-	-

Notes to the financial statements – continued

5 Tax on (loss) on ordinary activities – cont.

c) Deferred tax

The deferred tax asset included in the balance sheet is as follows

	2009 £	2008 £
Included in debtors (note7)	-	1,590

The movement in deferred taxation during the current year is as follows

	£
Beginning of the year	1,590
<i>Credit/(Debit) to profit and loss account</i>	
Current year movement	(1,590)
End of the year	-

Deferred taxation is unprovided at 28% (2008 - 28%) as follows

	2009 £	2008 £
Accelerated capital allowances	1,272	-
	<u>1,272</u>	<u>-</u>

A deferred tax asset has not been recognised as the Directors are of the opinion that the level of future taxable profits and deferred tax liabilities within the company will not be sufficient to utilise the deferred tax asset being recognised

Deferred taxation is provided at 28% (2008 - 28%) as follows

	2009 £	2008 £
Accelerated capital allowances	-	1,590
	<u>-</u>	<u>1,590</u>

6 Fixed asset investments

	Total £
Cost	
Beginning of the year	39,042,063
Additions	13,629,344
Transfer to other group entity	(442,273)
End of the year	<u>52,229,134</u>
Provision for impairment	
Beginning of the year	37,142,063
Current year impairment charge	13,187,071
	<u>50,329,134</u>
Net book value	
Beginning and end of the year	<u>1,900,000</u>

Notes to the financial statements - continued

6 Fixed asset investments – cont.

The company has investments in the following subsidiary undertakings

Name	Country of Incorporation	Principle activity	Holding %
Asserta Home Limited	Great Britain	Property Portal (ceased trading)	100
Propertyfinder co uk Limited	Great Britain	Holding Company	100
Asserta Business Limited	Great Britain	Payroll Services (ceased trading)	100
Sherlock Publications Limited	Great Britain	Property Portal/Publications	92.5
UK Property Shop	Great Britain	Property Portal	100

On the 4th of July 2008 the Company acquired the following investment for a total consideration of £579,344

Name	Country of Incorporation	Principle activity	Holding %	Class of share
UK Property Shop	Great Britain	Property Portal	100	Ordinary

On the 1st of July 2008 the Company sold part of its holding in Sherlock Publications Limited to Propertyfinder Publications Limited, a wholly owned subsidiary of the Company's parent entity Propertyfinder Group Limited (formerly REA UK Limited), for a total consideration of £442,273

7 Debtors

	2009 £	2008 £
Amounts falling due within one year		
Amount due from group undertakings	4,698,735	12,056,462
Deferred tax	-	1,590
	4,698,735	12,058,052

8 Creditors: Amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	385,692	292,377
Amounts owed to parent undertakings	-	13,428,000
Accruals and deferred income	-	650,000
	385,692	14,370,377

Notes to the financial statements - continued

9 Equity capital and reserves

a) Called-up equity share capital

	2009 £	2008 £
Authorised		
57,792,686 ordinary "A" shares of £1 each (2008 40,000,000 ordinary "A" shares of £1 each)	57,792,686	40,000,000
2,000,000,000 ordinary "B" shares of £0.01p each	20,000,000	20,000,000
7,500,000 "C" redeemable ordinary shares of £0.01p each	75,000	75,000
	77,867,686	60,075,000
Allotted, called up and fully-paid		
53,342,686 ordinary "A" shares of £1 each (2008 33,400,000 ordinary "A" shares of £1 each)	53,342,686	33,400,000
32,545,351 ordinary "B" shares of £0.01p each	325,453	325,453
513,315 "C" redeemable ordinary shares of £0.01p each (2008 3,567,039)	5,133	5,133
	53,673,272	33,730,586

'A' shares and 'B' shares rank par passu in all respects including voting rights, distributions of profit and distribution of capital on winding up

On a proposed transfer of either class of share, the shares must be offered pro rata to other shareholders of the same class of shares

The 'C' redeemable ordinary shares are non-transferable and carry no voting rights, save on a resolution on the winding up of the Company. The holders are entitled to participate in any distribution of profits and will rank par passu with all other shareholders on the distribution of capital on winding up

The C Redeemable Ordinary Shares may be redeemed (but are not required to be) by Propertyfinder Holdings Limited or required to be sold to a purchaser nominated by Propertyfinder Holdings Limited at its option

(a) at any time after 31 December 2005 where the holder of the C Redeemable Ordinary Shares is not or ceases to be a customer of Propertyfinder Holdings Limited or its subsidiaries, at nominal value of 1p per C Redeemable Ordinary Share, and

(b) at any time after a Qualifying Sale at the same price per share as the shares sold in the Qualifying Sale or, if more than one has occurred, the last such Qualifying Sale to occur

In the event the holder of C Redeemable Ordinary Shares is not or has ceased to be a customer and a Qualifying Sale has occurred at the time of redemption or sale, the price shall be the nominal value of 1p per C Redeemable Ordinary Share

During the year the authorised share capital of the company was increased, and shares were issued at par consideration

	Issued Ordinary A Shares	Issued Ordinary A Shares
Date	Number of Shares	£
4 February 2009	17,684,000	17,684,000
27 May 2009	1,850,000	1,850,000
25 June 2009	408,686	408,686
	19,942,686	19,942,686

Notes to the financial statements - continued

9 Equity capital and reserves– (cont.)

b) Reserves

	Share premium 2009 £	Profit and loss account 2009 £
Beginning of the year	4,565,311	(38,708,222)
Retained loss for the financial year	-	(13,317,318)
End of the year	4,565,311	(52,025,540)

c) Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss) / profit for the financial year	(13,317,318)	(5,156,913)
C-Class share redemption	-	(590,574)
Issue of shares	19,942,686	-
Movement in equity shareholders' funds	6,625,368	(5,747,487)
Opening shareholders' funds	(412,325)	5,335,162
Closing shareholders' funds	6,213,043	(412,325)

10 Ultimate parent company

The Company's immediate parent company is Propertyfinder Group UK Limited (formerly REA UK Limited), a company incorporated in England and Wales

The ultimate parent company is Zoopla Limited, a company incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from 182-194 Union Street, London, SE1 0LH

11 Post balance sheet events

On 25 June 2009, REA Group Ltd (through its UK subsidiary REA Group Europe Limited) and News International Ltd entered into a heads of agreement to sell their jointly owned UK online businesses, which run the propertyfinder, hotproperty and UK propertyshop websites Zoopla Limited. This purchase was concluded on 7 August 2009.

The Directors of Zoopla Limited (the Purchaser) have confirmed their intention to support the business going forward.