



OnTheMarket plc Annual Report and
Consolidated Financial Statements
for the year ended 31 January 2018



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At a glance:

year ended 31 January 2018

OnTheMarket plc (“OTM” or the “Company”) is the parent company of Agents’ Mutual Limited (“Agents’ Mutual”), which owns and operates the UK online residential property portal OnTheMarket.com.

Agents’ Mutual was formed in January 2013 by several leading estate and lettings agents to create a new residential property portal as a challenger to the two existing major portal groups, Rightmove plc and ZPG plc.

Agents’ Mutual was born from widespread agent dissatisfaction with the growing imbalance of power between agents and the two existing major portal groups. Both groups were felt to be using their strong positions relative to their agent customers to impose significant price increases for their portal services.

The Agents’ Mutual proposition, for a portal owned by agents which would offer a premier search service to property-seeking consumers whilst charging fair prices to agents, quickly found support among a very wide group of leading independent agents across the UK. These agent firms were prepared to fund the venture by way of loan note subscriptions and to commit to list with the portal once it went live.

The portal launched in January 2015 as the first major new market entrant since 2008, with the properties of 4,600 estate agent branches.

Agents provide the majority of income for the property portals and also supply their essential and most valuable content - the property listings. As a portal with significant agent support, the Directors believe OnTheMarket.com is uniquely positioned to create an alternative to the leading incumbent portals. The Directors believe that with their invaluable database of active property vendors and property-seekers, agents are able to proactively support the portal and create valuable competitive advantage for it.

The Company’s senior management has significant industry experience and expertise. Led by Ian Springett, Chief Executive Officer, it includes the team responsible for founding and, until 2008 following its sale to Daily Mail & General Trust plc, managing PrimeLocation. In addition, many of the Group’s¹ employees have previously worked for other UK property portals.

Admission to AIM

The ordinary share capital of OTM was successfully admitted to the Alternative Investment Market of the London Stock Exchange (“AIM”) on 9 February 2018 (“Admission”). Through a placing to investors, £30m (gross) of new equity capital was raised on Admission to fund the further growth of the OnTheMarket.com portal.

At Admission agents owned approximately 70 per cent. of the issued share capital.

OTM is incorporated in England & Wales and has its registered office in the UK.

1) The Group is OTM and its subsidiary undertakings as set out in note 15 to these financial statements.



Overview:

year ended 31 January 2018

Financial highlights and KPIs

- Group revenue £16.0m² (2017: £17.8m).
- Adjusted operating profit³ £3.9m (2017: £2.3m).
- Operating loss of £10.8m (2017: £1.2m) which includes £14.7m (2017: £3.5m) of exceptional items.
- Loss after tax attributable to shareholders £12.1m (2017: £4.0m).
- Cash of £3.2m as at 31 January 2018 (£2.3m at 31 January 2017).
- ARPA⁴ £235 (2017: £235), average branch numbers listed at OnTheMarket.com 5,694 (2017: 6,306), visits⁵ 77.3m (2017: 85.0m).

Operational and strategic highlights

- In February 2017, the hearing of Agents' Mutual and Gascoigne Halman Limited took place before the Competition Appeal Tribunal (see page 6).
- In July 2017, the Competition Appeal Tribunal ruled in favour of Agents' Mutual against Gascoigne Halman Limited on all competition issues:
 - the One Other Portal rule⁶ was upheld as lawful and enforceable; and
 - Agents' Mutual was awarded £1.2m as an interim payment towards litigation costs.
- New Board members were appointed in preparation for admission to AIM alongside a capital raise.

Post period end highlights

- On 9 February 2018, OTM was admitted to trading on AIM and raised £30m of capital to support the launch of a transformational growth strategy.
- The majority of Agents' Mutual members committed to new 5-year listing agreements from Admission and to enter lock-in arrangements to retain the majority of their shares for 5 years.
- As of 25 May 2018, OTM had signed listing agreements with UK estate and letting agents with more than 8,500 offices – up by more than 54% since admission to AIM.
- Traffic to the portal in the current financial year to end May was 42.2m visits, compared with 21.9m in the same period in 2017.
- National TV advertising ran on prime time channels in May 2018.
- The Company rolled-out its first outdoor advertising campaign with over 1,500 sites in London in May 2018.
- By 31 May 2018 the field sales team had more than doubled to 32 since Admission and the IT team had grown from 21 to 40.
- Many agents are choosing to advertise their new-to-market listings at OnTheMarket.com before releasing them to other portals.

2) Revenues include an amount of £2.5m in respect of bad debts which are charged as an expense within administrative expenses (2017: £2.2m).

3) Adjusted operating profit is defined as operating profit before finance costs, taxation, share based payments and exceptional or non-recurring items. This is an alternative performance measure and should not be considered an alternative to IFRS measures, such as revenue or operating profit. Please see page 4 for a reconciliation of operating loss to adjusted operating profit.

4) Average revenue per property advertiser, being revenues due from property advertisers for a period divided by the average number of property

advertisers for that period. ARPA presented herein is the average of the monthly ARPAs for the year.

5) Visits comprise individual sessions on OnTheMarket.com's web based portal or mobile applications by users for the period indicated as measured by Google Analytics.

6) The One Other Portal rule is a provision included in Agents' Mutual's original listing agreements whereby agents committed to list their properties on OnTheMarket.com and contractually agreed to using a maximum of one other competing portal.

Chairman's Statement:

year ended 31 January 2018

I am pleased to be making my inaugural statement as Non-Executive Chairman following our successful AIM listing and fundraising on 9 February 2018.

During 2017 we completed our strategic review, concluding that a successful fund raise and listing on AIM would enable the Company to accelerate its growth and enhance its position as a serious challenger to the duopoly UK property portals Zoopla and Rightmove by offering a more responsive and better value option to agents and property-seeking consumers alike.

The Board is grateful for all the resolute support from Agents' Mutual's members, provided from launch and through the strategic review, including the conversion of all member interests and loan notes into shareholdings of the Company.

Our £30m AIM fundraising is already being put to good work by our team and is enabling us to achieve early success against our own internal key performance targets:

- agent offices under listing contracts up by more than 3,000 since Admission, with over 8,500 as at 25 May 2018;
- traffic to the portal in the current financial year to end May was 42.2m visits, compared with 21.9m in the same period in 2017; and
- key sales-force and IT recruitment ahead of plan, with team numbers increased since Admission from 15 to 32 and 21 to 40 respectively by 31 May 2018.

2017 was a year spent reviewing our strategic direction which resulted post year end in a successful fundraising and listing on AIM.

Consequently 2017 proved to be a year of consolidation and preparation in order to have a strong springboard to challenge the UK digital property portal market during 2018, enabling us to accelerate growth and positioning us to deliver shareholder value thereafter.

Current trading

Our start to the year following our listing, whilst covering a short period of time, has proven to be encouraging with agent customer recruitment, visits to our site and conversion of traffic to positive property leads for our agent customers being all ahead of our own internal expectations.

Our team of colleagues are highly focused to continue to build upon our strong start to life as a listed company.

I would also like to thank all of my colleagues, team members and shareholders for their continued hard work and support.

Christopher Bell – Non-Executive Chairman
6 June 2018

Strategic Report:

year ended 31 January 2018

Chief Executive Officer's Report

I am pleased to report on OTM's first year end results. The demutualisation of Agents' Mutual and the formation of OTM as its holding company represented a transformational step in the development of the OnTheMarket.com portal, preparing the Group for admission to AIM and securing new capital. A great deal of work had been done by Agents' Mutual in developing the portal and my thanks go to the Agents' Mutual directors who stood down after Admission for their dedication and support.

I am also grateful to the Agents' Mutual members who provided the funding and support to develop OnTheMarket.com from scratch and who also supported the new strategy for the next phase of the portal's development. Ongoing agent support for OnTheMarket.com remains a key pillar of our strategy. As well as voting overwhelmingly in support of the new strategy, including dropping the One Other Portal rule for new contracts, relaxing rules restricting the Group's target markets and converting the loan note holdings into equity on Admission, we are delighted to have had the majority of the members commit to entering new five year listing agreements and lock-in arrangements to retain the majority of their shares for five years. My fellow directors and I look forward to serving them as both customers and shareholders of the Group and greatly value their continued support.

The Group delivered revenue of £16.0m in the year ended 31 January 2018, reflecting a 10% decrease compared to 2017, and adjusted operating profit of £3.9m (2017: £2.3m), an increase of 67%. The reported operating loss of the Group was £10.8m (2017: £1.2m) and is further analysed as follows:

	2018	2017
	£'000	£'000
Reconciliation of operating loss to adjusted operating profit		
Operating loss	(10,839)	(1,182)
<i>Adjustments for:</i>		
Exceptional and non-recurring items (note 6)	1,436	3,506
Share based payment charge and related social security (note 22)	13,290	-
Adjusted operating profit	3,887	2,324

This reflected a busy corporate agenda and extremely limited resources. We ended the year with cash of £3.2m.

Strategy and current trading

The Group's growth strategy remains the same as that detailed in our Admission Document, namely to increase support for an agent-backed portal further through competitive pricing for property advertisers, a premier search experience for property-seeking consumers and the targeted use of equity incentivisation to recruit key agents as customers on long term contracts. In addition, the Directors believe that the funds raised will allow for significant marketing spend to raise brand awareness as well as team expansion to provide enhanced sales, sales support, customer engagement and IT development and support functions.

Following Admission, the Group no longer requires the One Other Portal rule in new listing agreements. The Directors believe that by offering listing agreements which do not include this rule the Group will be able to attract a number of agents who want to list on all three portals.

To diversify the Group's customer base, it will also expand the offering to the new home developer and online agent markets and commercial and overseas property advertisers. Additionally, it will look to develop and offer value added products to property advertisers and to target revenues from third party advertisers seeking to promote their goods and services to the property-seeking consumers viewing properties at OnTheMarket.com.

The Directors believe it is in the best interests of the Company, its shareholders and property-seekers that the Group seeks a broader coverage of the property market and benefits from these additional revenue streams by providing products our customers want.

Building the agency branch base

A key part of the Group's growth strategy involves the rapid building of its agency branch base. As of 25 May 2018, OTM has signed listing agreements with UK estate and letting agents with more than 8,500 offices, up by more than 54% since admission to AIM.

The growth in our agency branch base to date has been predominantly from offering free listings under short term introductory trial offers, with a view to converting these to full tariff contracts when the value of our offering has been demonstrated. Hereafter, the Group intends to use more equity incentivisation to encourage agents to join as shareholders in return for committing to long term paying contracts. At Admission, OTM had authority to issue 36.3 million shares for this purpose, of which substantially all remain available to deploy.

Increasing the marketing spend

With the capital raised at Admission, the Group has been able to deploy significant funds to marketing.

In addition to spend on digital marketing channels, the Group has been able to conduct its heaviest national TV advertising in May 2018 since the launch period in 2015. A trial of out of home poster advertising in London was also initiated. A key theme of these advertising campaigns is the "New & exclusive" properties, whereby many agents choose to list their new instructions on OnTheMarket.com in advance of listing on other portals. The Directors believe this gives OTM a competitive advantage as this has been shown to hold a significant appeal to active property-seeking consumers, who are the key target group as they in turn provide listing agents with high quality leads.

Building the team

The greater resources available to the Group have also been deployed in expanding the team, in particular the sales and customer relations team and the IT team.

At admission on 9 February 2018, the field sales team numbered 15 employees. As at 31 May 2018 this had been increased to 32. This significant expansion in sales and customer relations support enables us to rapidly and effectively recruit new agents whilst implementing and maintaining the expected levels of service for existing customer agents during the period of rapid growth.

Likewise, as at 31 May 2018, the IT team had been increased from 21 to 40. The enlarged team is initially focused on technical support for on-boarding agents and property data, specifying and delivering new products for consumers and customers and the continuous improvement of existing products.

Market developments

The Directors believe that the UK agency market is under pressure from a number of factors. Reduced transaction volumes and slower house price growth, whilst not leading to a noticeable reduction in agent office numbers, has, the Directors believe, led to a reduction in agent commissions.

This has been exacerbated by the growth in online agents operating an upfront fixed fee business model which has had a detrimental impact on commissions as well as market share for traditional agents.

Against this backdrop, independent agents' portal costs have continued to rise significantly. Some portals are competing with their agent customers for cross-sell revenues. The Directors believe that these market developments provide a strong rationale for agents to support OnTheMarket.com, which provides a competitively priced service and increasing value as we deliver on our strategy, including increasing website traffic amongst the property-seeking public and growing the volume of quality enquiries from these property-seekers to the agents listing at OnTheMarket.com.

Litigation

In July 2017, judgment was handed down by the Competition Appeal Tribunal in favour of Agents' Mutual and against Gascoigne Halman Limited on all competition issues: the One Other Portal rule was upheld as lawful and enforceable and Agents' Mutual was awarded £1.2m as an interim payment towards its litigation costs.

In December 2017, having had an application to appeal to the Competition Appeal Tribunal refused, Gascoigne Halman Ltd was granted leave to appeal the judgment of the Competition Appeal Tribunal at the Court of Appeal. Should an appeal proceed, and having taken appropriate legal advice, the Directors remain confident that the judgment of the Competition Appeal Tribunal will be upheld.

In addition, during the year ended 31 January 2017 a further deposit of £450,000 was required to be made to court in respect of litigation between Agents' Mutual and Moginie James Ltd. Following the settlement of this case this deposit was repaid to Agents' Mutual in February 2017.

Outlook

The Group has benefitted from growing agent support since Admission and is well positioned to continue its growth in agent offices listing. The investment in marketing has led to a substantial increase in visitor traffic to OnTheMarket.com, generating greater value to our customers through more high quality leads. The investment in team expansion has provided the Group with a workforce with the capability, motivation and capacity to deliver a first class product and service to both property-advertising agent customers and property-seeking consumers. The Group's outlook is therefore positive with continued significant growth expected in agent offices under listing agreements and in traffic to OnTheMarket.com.

Finally, I thank my colleagues for all their hard work and commitment to date and I welcome all those new employees who have recently joined us.

Ian Springett – Chief Executive Officer

6 June 2018

Financial Review and Key Performance Indicators

During the year ended 31 January 2018 a number of factors meant that it was difficult to make progress prior to admission to AIM, which occurred post year end on 9 February 2018. These factors included:

- a lack of financial resources;
- a diversion of resource to the litigation with Gascoigne Halman Limited; and
- a focus on the Group restructuring and investment of time in planning for Admission.

These factors, and the publicity around them, meant the ability to recruit new agents effectively ceased until Admission and the associated capital raise, which together marked the beginning of a new chapter in the development of OnTheMarket.com.

As a result, throughout the year we saw a small decline in agents listing as those on shorter term contracts did not re-join, and new agents could not be recruited, pending Admission. Together with other market factors, this led to a reduction in revenues to £16.0m compared to the prior year (£17.8m).

Group operational KPIs were as follows:

- ARPA £235 (2017: £235);
- average branches listing 5,694 (2017: 6,306); and
- visits 77.3m (2017: 85.0m).

At 31 January the Group had cash of £3.2m (2017: £2.3m).

The Group's financial performance is presented in the Consolidated Income Statement on page 24. Adjusted operating profit for the year was £3.9m (2017: £2.3m). The loss for the year attributable to the owners of the Group was £12.1m (2017: £4.0m).

The Group has a number of customers who are not paying their contractually committed listing fees. The majority of these chose to breach the One Other Portal rule in their listing agreements and left the portal some time ago. In 2018 a bad debt expense of £2.5m (2017: £2.2m) was recognised and included within administrative expenses. It is the intention of the Company to engage with these customers in due course, to seek either payment of both fees outstanding and further fees as they fall due or to reach a compromise position such that historic debts are held in abeyance and potentially waived in the future in return for entering, and honouring, a new long term listing agreement with the Company. As at 31 January 2018, should all arrears have been recovered, this would have amounted to approximately £5.9m.

Administrative expenses in 2018 fell to £12.2m (2017: £15.5m), with a reduction in marketing spend due to limited resources the primary factor.

The loss for the year includes finance costs of £1.2m (2017: £1.4m). Finance expense arose from interest on loan notes issued by the Group. The loan notes were converted to ordinary shares in the Company post year end upon admission of the Company to AIM on 9 February 2018. Accrued interest owed to loan note holders was paid in full in cash immediately following Admission.

Exceptional costs of £1.4m (net of costs of £1.2m awarded) were incurred in the year (2017: £3.5m). These related to the litigation with Gascoigne Halman Limited, the demutualisation and the admission to AIM.

During the year there arose a non-cash charge of £13.3m in relation to share option awards made to employees. Under the terms of a management agreement with Agents' Mutual that was first established in 2013 and revised in 2016, the founding management team were entitled to 18% of the fully diluted share capital of the Company at the point of the restructuring in September 2017. This entitlement was fulfilled by the issue of 7,799,327 nil cost share options. A further 763,008 nil cost options were issued to other Group employees, of which 7,272 were forfeited in the period.

Strategic Report: continued

Financial Review and Key Performance Indicators (continued)

At the end of the year, the Statement of Financial Position showed total assets of £7.4m (2017: £9.6m) and total equity of £(9.7)m (2017: £(9.0)m). The negative reserves as at 31 January 2018 were extinguished post year end, on 9 February 2018, through a £30m capital raise by way of a placing of ordinary shares in the Company, together with the conversion of loan notes into ordinary shares in the Company, on Admission.

Group restructuring

On 27 July 2017, the Company was incorporated under the name On The Market (Europe) Limited. On 2 August 2017, the Company changed its name to On The Market Limited.

On 13 September 2017, the Group was restructured such that the Company became the holding company of Agents' Mutual, a company limited by guarantee, in exchange for 35,530,261 ordinary shares of £0.002 in the Company. The Company has accounted for this transaction using merger accounting, so these consolidated financial statements present the Group financial information for this reporting period and for the comparative reporting period as if the Group has always been in existence.

In December 2017, the Company re-registered as a public limited company under the name of OnTheMarket plc.

Risk Management and Principal Risks

The Board assumes responsibility for risk management and the effective and appropriate delegation of responsibilities in this regard. Risks and risk management are subject to regular review by the Board.

The key risks, other than financial risks discussed in note 19, that the Group is exposed to include:

Category	Risk	Description	Mitigation
Commercial	Competitive portal industry	The UK property portal market includes large, established and well-resourced competitors, as well as new and potential new entrants looking to disrupt the market with new and evolving business models. Competition from these, or the reversal in trends such as the move to online digital advertising, may impact the Group's ability to retain its customers or to win new customers.	<ul style="list-style-type: none"> Offering competitive pricing and value for money. Strengthening the brand and profile of OnTheMarket.com and increasing consumer traffic through marketing spend to provide increasing value to customers. Maintaining strong agent support through shareholdings, fair pricing and developing new and value added products and services.
	Recruitment of agents as shareholders	The Group's policy of issuing shares to estate agents in return for listing contracts to generate a significant and dispersed share owning estate agency paying customer base may not be successful or may give rise to greater than anticipated dilution.	<ul style="list-style-type: none"> Investment in marketing and growth in traffic to the OnTheMarket.com portal provides reassurance on value for money to paying customers. Growth in agents listing underpins the longer term success of OnTheMarket.com. Offering competitive pricing to provide an incentive for agents to support the Company's longer term success.
	Changes to the UK residential property market	The Group derives its revenues from the UK residential property market, and the Group's principal business is to derive revenues from customers, which include estate agents, letting agents and, in future, new home developers, who pay listing fees to market their property listings and services on the Group's online portal OnTheMarket.com. As such, the Group may be adversely affected by factors outside its control, which may reduce the advertising spend of its customers, and/or by changes in the United Kingdom's residential property market, which may cause a lower volume of property transactions and/or a lower number of estate agents, letting agents and new home developers seeking to use the Group's services.	<ul style="list-style-type: none"> Offering competitive pricing and value for money to provide a lower cost marketing channel to customers if their markets and revenues are weak. Adopting revenue models that do not depend directly on volumes or prices in the underlying customer markets. Strengthening the brand and profile of OnTheMarket.com and increasing consumer traffic through marketing spend to provide increasing value to customers.



Strategic Report: continued

Risk Management and Principal Risks (continued)

Category	Risk	Description	Mitigation
Legal	Litigation	Agents' Mutual Ltd has been party to litigation with Gascoigne Halman Ltd, an estate agent in the North West of England, in relation to an agreement between the Company and Gascoigne Halman Ltd under which Gascoigne Halman Ltd agreed to become a member of Agents' Mutual Ltd and to list certain of its properties at OnTheMarket.com. Gascoigne Halman Ltd has been granted leave to appeal to the Appeal Court.	<ul style="list-style-type: none"> • The Competition Appeal Tribunal handed down judgment in the Group's favour. • The Company continues to take expert legal advice to defend its position in relation to the possible appeal hearing and any other potential litigation.
Reputational	Brand strength	A strong brand and reputation is vital to the Group's growth strategies. Brand strength and awareness is important to drive end user traffic on OnTheMarket.com which in turn should underpin the retention and recruitment of advertising customers. Any damage to the Group's brand might reduce traffic and deter customers from joining or from renewing contracts.	<ul style="list-style-type: none"> • Investment in brand development through marketing spend. • Regular risk review and oversight from the Board and senior management. • Instilling a culture based on ethical behaviour and commitment to the customer and website users throughout the workforce.
Human resources	Employees	The Group's operations are dependent on the experience, skills and knowledge of its executive officers and on its ability to attract and retain talented employees. Should key employees leave the Group, or should the Group be unable to recruit new staff with the required capabilities, it may be unable to deliver its strategy for growth.	<ul style="list-style-type: none"> • Instilling a strong team culture within the Group. • Management has significant experience in building teams and integrating new team members. • Providing competitive compensation packages, which vest over time to encourage retention.
IT/Data	Security breaches	The Group's information technology systems may be impacted by breaches of security or may fail, or the transmission of property listings data from agents may be disrupted or impaired, with material negative consequences for the Group.	<ul style="list-style-type: none"> • Maintenance of up to date security measures and regular review. • Regular security testing of IT systems. • Provision of appropriate staff training and access levels. • Testing of builds against the latest Open Web Application Security Project web app security risks.

Strategic Report: continued

Risk Management and Principal Risks (continued)

Category	Risk	Description	Mitigation
	Data	The Group processes personal data as part of its business. There is a risk that this data could become public if there were a security breach at the Group or third party service providers in respect of such data and the Group could face liability under data protection laws.	<ul style="list-style-type: none">• All infrastructure, devices and laptops that touch personal data are encrypted in transit and at rest.• The Company's email and document storage are encrypted in transit and at rest.• Personal information is anonymised and pseudonymised where reasonably needed.• Staff are trained on handling personal information.
	The General Data Protection Regulation ("GDPR")	GDPR came into force on 25 May 2018. Failure to comply with GDPR could result in the Group being liable under GDPR, including for fines.	<ul style="list-style-type: none">• OnTheMarket has policies, procedures, and security in place to protect personal data in accordance with applicable data protection laws including GDPR.• OnTheMarket has an ongoing programme of security by design.

On behalf of the Board

Ian Springett – Chief Executive Officer

6 June 2018



Board of Directors:

year ended 31 January 2018

Christopher Bell – Non-Executive Chairman

Christopher joined OnTheMarket as its Non-Executive Chairman in October 2017 as the Group prepared for its proposed placing and admission to AIM. Christopher has considerable listed board experience across a range of sectors. He has, since 2015, been Senior Independent Director for The Rank Group Plc, where he also serves on both the Audit Committee and the Nominations Committee.

He is Non-Executive Chairman of two AIM-listed companies, XL Media plc and TechFinancials, Inc, both of which he took to market and at both of which he serves on key governance committees. He is also a Non-Executive Director at AIM-listed Gaming Realms plc.

Christopher joined Ladbroke Group plc in 1991, becoming Managing Director of its Racing Division in 1995. In 2000, he became Chief Executive of Ladbrokes Worldwide and joined the Board of the rebranded Hilton Group plc, becoming Chief Executive of Ladbrokes plc, following the sale of the Hilton International Hotel division, until 2010. He has also served as Non-Executive Director at Spirit Pub Company plc (from 2011 to 2015) and as Senior Independent Director at Quintain Estates and Development plc (from 2010 to 2015). Prior to joining Ladbrokes plc (formerly Hilton Group plc and Ladbrokes Group plc), Christopher held senior marketing positions at Allied Lyons plc.

Ian Springett – Chief Executive Officer

Ian joined the business in April 2013 as founding CEO. After holding a number of senior banking roles over 15 years within NatWest Group, the last five years of which as Managing Director of Lombard Bank, Ian founded PrimeLocation.com in 2000 and, as Chief Executive, led its growth and ultimate sale to Daily Mail and General Trust plc in 2006. He remained with the business until 2008, when he left to pursue other interests.

From 2012, he worked with the agent founders of Agents' Mutual to develop its strategy and proposition and led the recruitment of the broader group of agents who provided funding for the venture in early 2014. Ian has driven the successful launch and growth of the OnTheMarket.com business and led its recent demutualisation in preparation for Admission to AIM and the associated capital raise.

Helen Whiteley – Commercial Director

Helen joined Agents' Mutual in August 2013, having previously been Sales & Marketing Director and part of the founding management team at PrimeLocation.com. Helen began her career at Citibank and later joined Lombard Bank, where, as Marketing Director, she developed the Lombard Direct brand with national TV, press and direct marketing campaigns to achieve a market-leading position. Helen has been central to the planning, development and growth of OnTheMarket.com, with responsibility for sales, member relations and marketing.

Clive Beattie – Chief Financial Officer

Clive joined the business in March 2017. Having qualified as a chartered accountant with PriceWaterhouse he spent 12 years working in investment banking with UBS before working six years at ThruVision, a security technology business, initially as CFO and then also as CEO. Clive then spent three years as CEO/CFO at Croft Associates, a business specialising in containers for the transport and disposal of radioactive materials.

Ian Francis – Non-Executive Director

Ian joined OnTheMarket as a Non-Executive Director in October 2017 as the Company prepared for its proposed placing and admission to AIM. Ian has extensive listed board experience both from his executive career as a senior audit partner with Ernst & Young and from his subsequent roles at Umeme Limited and at Paysafe Group plc. He was appointed to the board of Paysafe Group plc (previously Optimal Payments plc) in 2010 as a Non-Executive Director and served as Chairman of the Audit Committee until its acquisition in December 2017.

Prior to this, he was a senior audit partner with Ernst & Young London until 2009, specialising in FTSE-listed and multinational companies. He also served as a Non-Executive Director of Umeme Limited, the privatised national power distribution company of Uganda, from 2009 to 2014. Ian established and chaired Umeme's Audit Committee. Ian is also an active mentor at Board Mentoring, supporting executive and non-executive directors stepping into new situations and roles.

Directors' Report:

year ended 31 January 2018

The Directors present their report together with the financial statements for the year ended 31 January 2018.

Principal activities

The principal activity of OnTheMarket plc (the "Company") during the period was that of a holding company. The principal activity of the subsidiaries (which together with the Company form the "Group") in the year under review was that of providing online property portal services to businesses in the estate and lettings agency industry under the trading name of OnTheMarket.com. In operating the OnTheMarket.com website and associated apps, the Group seeks to provide the best online advertising environment for agents to showcase their clients' properties and the best property search experience for property-seeking consumers.

The Directors consider the principal place of business to be 2-6 Boundary Row, London, SE1 8HP.

Results and dividends

An analysis of the Group's performance is contained within the Strategic Report. The Group's income statement is set out on page 24 and shows the result for the year.

No dividends were proposed or paid (2017: £nil) to the holders of ordinary shares during the year.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Beattie	(appointed 27 July 2017)
I Springett	(appointed 27 July 2017)
H Whiteley	(appointed 27 July 2017)
C Bell	(appointed 24 October 2017)
I Francis	(appointed 24 October 2017)

Political and charitable donations

The Group made no charitable donations during the year (2017: £nil).

Directors' interests

The present membership of the Board, together with biographies on each, is set out on page 12.

All of these Directors served during the year. Directors' interests in shares in the Company are set out in the Directors' remuneration report.

Directors' third party indemnity provisions

The Group maintains appropriate insurance to cover directors' and officers' liability. The Group provides an indemnity in respect of all the Group's directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly.

Employees

The Group is an equal opportunities employer and no job applicant or employee receives less favourable treatment on the grounds of age, sex, marital status, sexual orientation, race, colour, religion or belief.

It is the policy of the Group that individuals with disabilities, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment whenever possible and will be given help with any rehabilitation and retraining.

Going concern

On 9 February 2018, the Company's entire issued share capital was admitted to trading on AIM at the London Stock Exchange. By way of a placing associated with admission to AIM, the Company raised £30m (gross) through the issue of 18,181,818 ordinary shares at £1.65 each. Additionally all outstanding loan notes issued by the Company were converted at that date into ordinary shares on a £ for £ basis.

In the light of this, the Directors consider the going concern basis to be appropriate to the preparation of these financial statements.

Future developments

The Directors have discussed the future developments for the business within the Strategic Report on page 6, in accordance with Section 414C of the Companies Act 2016.

Financial instruments

The Group's risk management policies in relation to financial instruments are set out in note 19 to these consolidated financial statements.

Independent auditors

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditor will be put to the shareholders at the annual general meeting.

Statement of disclosure to auditors

We, the Directors of the Company and Group, who held office at the date of the approval of these consolidated financial statements as set out above, each confirm so far as we are aware, that:

- there is no relevant audit information of which the Group's auditor is unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

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.

Corporate Governance Statement

Compliance

The Directors recognise the importance of sound corporate governance and have complied post-Admission with the Quoted Companies Alliance's Corporate Governance Guidelines, to the extent appropriate for a company of OTM's nature and size.

The Corporate Governance Guidelines were devised by the Quoted Companies Alliance ("QCA"), in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. An alternative code was proposed because the QCA considers the UK Corporate Governance Code to be inappropriate for many AIM companies.

The Corporate Governance Guidelines state that, "The purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term".

The Board of Directors meets regularly throughout the year to review the Group's strategy and oversee the Group's progress towards its goals. The Board has established an Audit Committee, a Remuneration Committee, a Nomination Committee and an Agent Recruitment Committee.

The Board

The Board comprises five directors, made up of three Executive Directors and two Non-Executive Directors, reflecting a blend of different experience and backgrounds. The Board also has the services of a Company Secretary.

The Board is responsible for the overall performance of the Group, which includes the broad strategic direction, performance and the framework of internal controls of the Group.

The policies and strategies of the Group are formulated by the Board and the detailed considerations about the day-to-day operations are delegated to an executive team under the leadership of the Executive Directors.

The Board regularly monitors the implementation of strategy and policy decisions to ensure that the operation of the Group is at all times in line with the Group's objectives.

The Board has regular contact with its advisers to keep up to date with corporate governance matters. The Chief Financial Officer and the Company Secretary ensure that Board procedures are followed and that applicable rules and regulations are complied with. The Group purchases appropriate insurance cover in respect of legal action against its Directors.

The Chairman's main function is to manage the Board so that the Group is run in the best interests of its stakeholders. It is also the Chairman's responsibility to ensure the Board's integrity and effectiveness.

The Chief Executive Officer is responsible for the running of the Group's businesses. Each Executive Director has their own sphere of responsibility. Decisions relating to strategy, major contracts, acquisitions and certain internal controls, for example, are taken at Board level.

Non-Executive Directors/Board independence

The Company has two independent Non-Executive Directors, Christopher Bell (Non-Executive Chairman) and Ian Francis, who provide an important contribution to its strategic development. The Non-Executive Directors are both treated as independent, having regard to the guidance in the Quoted Companies Alliance's Corporate Governance.

The Non-Executive Chairman acquired 30,303 shares in the Company in the placing which occurred after the year end on 9 February 2018. However, due to the small size of this shareholding, the Directors do not consider that this impacts on the Chairman's independence.

Board committees

Remuneration Committee

The Remuneration Committee is chaired by Christopher Bell and its other member is Ian Francis. It will meet at least twice a year and is responsible for advising on the remuneration policy for Directors and senior management only.

The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors including pension payments and compensation rights. It is also responsible for making recommendations for grants of options to Directors and senior management under the Group's share based plans.

The remuneration of Non-Executive Directors is a matter for the Board. No Director may be involved in any discussions as to their own remuneration. Details of the level and composition of the Directors' remuneration are disclosed in the Directors' remuneration report.

Audit Committee

The Audit Committee has Ian Francis as chairman, and Christopher Bell is the other member. The Audit Committee will meet at least twice a year.

The Audit Committee has the primary responsibility for ensuring that the financial performance of the Group is properly measured, reported on and monitored. In this financial year, it discharged its responsibilities by reviewing:

- the Group's draft financial statements prior to Board approval and reviewing the external auditor's detailed reports thereon;
- the appropriateness of the Group's accounting policies;
- the potential impact on the Group's financial statements of certain events and risks;
- the external auditor's plan for the audit of the Group's accounts, which included key areas of audit focus, key risks and the proposed audit fee;
- the processes for identifying the risks to the business and managing those risks; and
- its terms of reference.

The Audit Committee makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor. In making the recommendation on the annual re-appointment of the external auditor, it monitors the relationship to assess independence, objectivity and cost effectiveness of the external auditor. It is responsible for ensuring that an appropriate relationship between the Group and the external auditors is maintained, including reviewing non-audit services and fees.

The Directors meet regularly with the external auditor for the purpose of discussing matters relating to the financial reporting and internal controls of the Group. Furthermore, the Audit Committee's chairman meets the external auditors to discuss matters relating to the Committee's remit and any issues arising from the audit.

Nomination Committee

The Nomination Committee has Christopher Bell as chairman and provides a formal, rigorous and transparent procedure for the appointment of new directors to the Board.

The Nomination Committee will meet at least once a year. Ian Francis and Ian Springett are the other members of the Nomination Committee.

Agent Recruitment Committee

The Board has also established an Agent Recruitment Committee, comprising of any one of the Non-Executive Directors and any two of the Executive Directors, in order to ensure that there is appropriate oversight of any future issues of Agent Recruitment Shares. Accordingly, any proposed issue of Agent Recruitment Shares to new agents will need to be approved by the Agent Recruitment Committee.

No meetings of the various Board committees were held during the year to 31 January 2018 as these were established for implementation post Admission of the Company to AIM.

Internal control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established clear operating procedures and responsibility structures. These procedures include:

- monthly financial reporting against budget and the prior year;
- day-to-day financial control of operations;
- annual budgeting and forecasting; and
- the monitoring and assessment of risk.

Relations with shareholders

The Board is committed to maintaining good communications with shareholders and provides a website at plc.onthemarket.com/investors for up-to-date information on the Group.

The AGM is an opportunity for the Group to meet and communicate with its investors and for them to raise with the Board any issues or concerns they may have. The Group dispatches the Notice of AGM at least 21 days before the meeting. Shareholders receive electronic communication unless they elect otherwise.

On behalf of the Board

Ian Springett – Chief Executive Officer

6 June 2018

Directors' Remuneration Report:

year ended 31 January 2018

As an AIM listed company, the Company is not required to comply with Schedule 8 of the Companies Act. However, in accordance with AIM notice 36 the Company has provided, in the Directors' remuneration report, the necessary disclosure of the Directors' remuneration earned in respect of the financial year by each Director of the Company acting in such a capacity during the financial year. The Directors also feel it is appropriate to provide the following information to shareholders.

Remuneration Committee

The remuneration of each Executive Director is determined by the Remuneration Committee. It is chaired by Christopher Bell and its other member is Ian Francis. The Remuneration Committee will meet at least twice a year.

The Committee seeks input from the Chief Executive Officer. The Committee refers to external evidence of pay and employment conditions in other companies and is free to seek advice from external advisers.

Policy on remuneration of Directors

The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of senior executives and specific remuneration packages for the Executive Directors including pension payments and compensation rights. It is also responsible for making recommendations for grants of options under Company share option plans.

The remuneration of Non-Executive Directors is a matter for the Board. It consists of fees for their services in connection with Board and Committee meetings. No Director may be involved in any discussions as to their own remuneration.

The remuneration policy is designed to shape the Company's remuneration strategy for the future, ensuring that the structure and levels of executive remuneration continue to remain appropriate for the Company. The policy aims to:

- pay competitive salaries to aid recruitment, retention and motivation being reflective of the executive's experience and importance to the Group;
- pay annual bonuses to incentivise the delivery of stretching short-term business targets whilst maintaining an element of variability allowing flexible control of the cost base and being able to respond to market conditions; and
- provide long-term share incentive plans designed to incentivise long-term value creation, reward execution of strategy, align Directors' interests with the long-term interests of investors and promote retention.

The main remuneration components are:

Basic salary or fees

Basic salary or fees for each Director are determined taking into account the performance of the individual and information from independent sources on the rates of salary and fees for similar posts. The salaries and fees paid to Directors by the Group were £535k (2017: £170k).

With effect from 1 February 2018, and based upon a review by the Remuneration Committee of performance and of rates for similar posts, Executive Directors' salaries were amended as follows:

Director	Previous Salary (£'000)	New Salary (£'000)
I Springett	170	250
H Whiteley	170	200
C Beattie	170	190

There were no changes to the rates of fees for Non-Executive Directors.

Bonus

The Company has a formal bonus scheme which was effective for the Executive Directors. Bonuses were paid to the Executive Directors by the Group of £81k (2017: £17k).

Pensions

Contributions made to Directors' pensions in the year were £1k (2017: £nil).

Share incentive

Under the terms of a management agreement with Agents' Mutual, that was first established in 2013 and revised in 2016, the founding management team were entitled to 18% of the fully diluted share capital of the Company at the point of the restructuring in September 2017. This entitlement was fulfilled by the issue of nil cost share options, of which 5,199,551 were issued to certain Executive Directors. A further 151,515 nil cost options were issued to Clive Beattie, the Chief Financial Officer.

No share options were exercised during the period.

Company policy on contracts of service

The Executive Directors of the Company do not have a notice period in excess of 12 months under the terms of their service contracts. Their service contracts contain no provisions for pre-determined compensation on termination which exceeds 12 months' salary and benefits in kind. Non-Executive Directors do not have service contracts with the Company, but have letters of appointment which can be terminated on 3 months' notice.

Company policy on external appointments

The Company recognises that its Directors are likely to be invited to become non-executive directors of other companies and that exposure to such non-executive duties can broaden their experience and knowledge, which will benefit the Group. Executive and Non-Executive Directors are therefore, subject to approval of the Company's Board, allowed to accept non-executive appointments, as long as these are not with competing companies and are not likely to lead to conflicts of interest. Executive and Non-Executive Directors are allowed to retain the fees paid.

Directors' emoluments

The figures below represent emoluments earned by Directors from the Group during the financial year:

	Salary & fees £'000	Bonus £'000	2018 Total £'000	2017 Total £'000
Executive Directors:				
C Beattie	149	13	162	–
I Springett	170	34	204	187
H Whiteley	170	34	204	–
	489	81	570	187
Non-Executive Directors:				
C Bell	32	–	32	–
I Francis	14	–	14	–
	46	–	46	–
Total remuneration before pension contributions	535	81	616	187
Pension contributions	1	–	1	–
Total remuneration	536	81	617	187

Changes to Board members

During the year, the Company, OnTheMarket plc, was incorporated and all the following Directors joined the Board during the year:

- C Beattie (appointed 27 July 2017)
- I Springett (appointed 27 July 2017)
- H Whiteley (appointed 27 July 2017)
- C Bell (appointed 24 October 2017)
- I Francis (appointed 24 October 2017)

Directors' interests

The interests of the Directors and their spouses in the shares of the Company were as follows:

	2018		2017	
	Shares No.	Options No.	Shares No.	Options No.
C Beattie	30,303	151,515	–	–
I Springett	96,969	3,466,367	–	–
H Whiteley	90,909	1,733,184	–	–
C Bell	30,303	–	–	–
I Francis	–	–	–	–
	248,484	5,351,066	–	–

No dividends were paid to the Directors during the year.

On behalf of the Board

Christopher Bell – Non-Executive Chairman

6 June 2018

Directors' Responsibilities Statement:

year ended 31 January 2018

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), and have elected to prepare the Company financial statements in accordance with UK Accounting Standards and applicable law – UK Generally Accepted Accounting Practice ("UK GAAP"), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law, the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period. In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the OnTheMarket plc website.

Independent Auditor's Report to the Members of OnTheMarket plc: year ended 31 January 2018

Opinion

We have audited the financial statements of OnTheMarket plc (the "parent company") and its subsidiaries (the "Group") for the year ended 31 January 2018 which comprise the consolidated income statement, the consolidated and parent company statement of financial position, the consolidated and parent company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 January 2018 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the

UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the 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 Group's or the parent 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.

Other information

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

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Colin Roberts (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

6 June 2018

Consolidated Income Statement:

year ended 31 January 2018

	Notes	2018 £'000	2017 £'000
Revenue	4	16,046	17,831
Administrative expenses	5	(12,159)	(15,507)
Operating profit before non-recurring items		3,887	2,324
Exceptional and non-recurring items:			
Share-based management incentive	22	(13,290)	–
Professional fees	6	(1,436)	(3,506)
Operating loss	7	(10,839)	(1,182)
Finance income	9	2	2
Finance expense	10	(1,233)	(1,353)
Loss before income tax		(12,070)	(2,533)
Income tax	11	(22)	(1,486)
Loss and total comprehensive income for the year attributable to owners of the parent		(12,092)	(4,019)
Loss per share from continuing operations		Pence	Pence
Basic and diluted	12	(34.03)	(11.31)

The operating loss arises from the Group's continuing operations.

There is no recognised income or expense for the year other than the loss shown above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 30 to 53 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position:

at 31 January 2018

	Notes	2018 £'000	2017 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	18	45
Intangible assets	14	3,654	3,556
		3,672	3,601
Current assets			
Trade and other receivables	16	553	3,709
Cash and cash equivalents		3,174	2,263
		3,727	5,972
TOTAL ASSETS		7,399	9,573
LIABILITIES			
Current liabilities			
Trade and other payables	17	(2,957)	(5,937)
Borrowings	18	(1,217)	(1,379)
Provisions	21	(1,258)	–
Current tax		(22)	–
		(5,454)	(7,316)
Non-current liabilities			
Borrowings	18	(11,256)	(11,256)
Provisions	21	(354)	–
		(11,610)	(11,256)
TOTAL LIABILITIES		(17,064)	(18,572)
NET LIABILITIES		(9,665)	(8,999)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	23	71	71
Merger reserve		(71)	(71)
Other reserve		(252)	–
Retained earnings		(9,413)	(8,999)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		(9,665)	(8,999)

The notes on pages 30 to 53 are an integral part of these consolidated financial statements.

These consolidated financial statements are approved by the Board of Directors and authorised for issue on 6 June 2018 and are signed on its behalf by:

Clive Beattie – Chief Financial Officer

Company Statement of Financial Position:

at 31 January 2018

	Notes	2018 £'000
ASSETS		
Non-current assets		
Investments in subsidiaries	15	–
Current assets		
Trade and other receivables	16	23,389
TOTAL ASSETS		23,389
LIABILITIES		
Current liabilities		
Trade and other payables	17	(82)
Borrowings	18	(512)
Current tax		(22)
		(616)
Non-current liabilities		
Borrowings	18	(11,256)
TOTAL LIABILITIES		(11,872)
NET ASSETS		11,517
EQUITY		
Share capital	23	71
Other reserve		(252)
Retained earnings		11,698
TOTAL EQUITY		11,517

The Company's profit and total comprehensive income for the year was £91k (2017: £nil).

The notes on pages 30 to 53 are an integral part of these consolidated financial statements.

These consolidated financial statements are approved by the Board of Directors and authorised for issue on 6 June 2018 and are signed on its behalf by:

Clive Beattie – Chief Financial Officer

Consolidated Statement of Changes in Equity:

year ended 31 January 2018

	Share capital £'000	Share-based payment reserve £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 February 2016	71	–	(71)	–	(4,980)	(4,980)
Loss for the financial year		–	–	–	(4,019)	(4,019)
Total comprehensive expense for the year	–	–	–	–	(4,019)	(4,019)
Balance as at 31 January 2017	71	–	(71)	–	(8,999)	(8,999)
Loss for the financial year		–	–	–	(12,092)	(12,092)
Total comprehensive expense for the year	–	–	–	–	(12,092)	(12,092)
Transactions with owners:						
Share options issued	–	11,678	–	–	–	11,678
Transfer to retained earnings	–	(11,678)	–	–	11,678	–
Legal fees on after date share issue	–	–	–	(252)	–	(252)
Balance as at 31 January 2018	71	–	(71)	(252)	(9,413)	(9,665)

Share capital

Share capital represents the par value of ordinary shares issued by the Company.

Share-based payment reserve

Share-based payment reserve represents the cumulative share-based payment expense for the Group's share option schemes.

Merger reserve

Merger reserve represents the difference between the cost of the investment in a subsidiary undertaking and the equity of that subsidiary acquired, on consolidation.

Other reserve

Other reserve represents costs incurred for a share issue that took place after the year end (note 28). This reserve is expected to transfer to share premium on the after date share issue.

Retained earnings

Retained earnings represent the cumulative profit and loss net of distributions to owners.

The notes on pages 30 to 53 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity:

year ended 31 January 2018

	Share capital £'000	Share-based payment reserve £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 27 July 2017	–	–	–	–	–
Profit for the financial period	–	–	–	91	91
Total comprehensive income for the period	–	–	–	91	91
Transactions with owners:					
Issue of ordinary shares	71	–	–	–	71
Share options issued	–	11,678	–	–	11,678
Transfer to retained earnings	–	(11,678)	–	11,678	–
Legal fees on after date share issue	–	–	(252)	–	(252)
IAS 27 adjustment ¹	–	–	–	(71)	(71)
Balance as at 31 January 2018	71	–	(252)	11,698	11,517

¹ In the circumstances of a group reorganisation as has been undertaken in the period under review, IAS 27 requires that the newly formed parent company accounts for its interest in the original parent company at cost and it requires that cost to be measured at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation. Since the original parent, Agents' Mutual, had negative equity at the relevant date, the investment was valued at £nil. In order to record the shares issued to effect the reorganisation at their nominal value (£71k) an equal opposite debit entry is recognised against equity.

Share capital

Share capital represents the par value of ordinary shares issued by the Company.

Share-based payment reserve

Share-based payment reserve represents the cumulative share-based payment expense for the Group's share option schemes.

Other reserve

Other reserve represents costs incurred for a share issue that took place after the year end (note 28). This reserve is expected to transfer to share premium on the after date share issue.

Retained earnings

Retained earnings represent the cumulative profit and loss net of distributions to owners.

The notes on pages 30 to 53 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows:

year ended 31 January 2018

	2018 £'000	2017 £'000
Cash flows from operating activities		
Loss for the year after income tax	(12,092)	(4,019)
<i>Adjustments for:</i>		
Income tax	22	1,486
Finance income	(2)	(2)
Finance expense	1,233	1,353
Amortisation	1,440	939
Depreciation	27	29
Impairment of investment	–	1
Share based payment	11,678	–
<i>Operating cash flows before movements in working capital</i>	2,306	(213)
Decrease/(increase) in trade and other receivables	3,156	(3,071)
(Decrease)/increase in trade and other payables	(2,980)	3,029
Increase in provisions	1,612	–
<i>Net cash generated from/(used in) operating activities</i>	4,094	(255)
Cash flows from investing activities		
Acquisition of intangible assets	(1,538)	(1,621)
Acquisition of property, plant and equipment	(1)	(2)
Proceeds from disposal of property, plant and equipment	1	–
<i>Net cash used in investing activities</i>	(1,538)	(1,623)
Cash flows from financing activities		
Finance income received	2	2
Finance expense paid	(1,395)	(939)
Issue of loan notes	–	1,516
Expenses incurred for share listing	(252)	–
<i>Net cash (used in)/generated from financing activities</i>	(1,645)	579
Net movement in cash and cash equivalents	911	(1,299)
Cash and cash equivalents at the beginning of the year	2,263	3,562
Cash and cash equivalents at the end of the year	3,174	2,263

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand. This is consistent with the presentation in the Statement of Financial Position.

The notes on pages 30 to 53 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements:

year ended 31 January 2018

1. General information

The principal activity of the Company is that of a holding company. The principal activity for the Group continued to be that of providing online property portal services to businesses in the estate and lettings agency industry under the trading name of OnTheMarket.com.

The Company is a public company limited by shares and it is incorporated and domiciled in the UK. The address of its registered office is PO Box 450, 155-157 High Street, Aldershot, GU11 9FZ.

On 27 July 2017, the Company was incorporated under the name On The Market (Europe) Limited. On 2 August 2017, the Company changed its name to On The Market Limited. In December 2017, the Company re-registered as a public limited company under the name of OnTheMarket plc.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. They have, unless otherwise stated, been applied consistently to all periods presented.

2.1 Basis of preparation

These consolidated financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee interpretations ("IFRS IC") as adopted by the European Union and with the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements comprise an income statement, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes. Income and expenses, excluding the components of other comprehensive income, are recognised in the statement of profit or loss. Other comprehensive income is recognised in the statement of comprehensive income and comprises items of income and expenses (including reclassification adjustments) that are not recognised in the statement of profit or loss, as required or permitted by IFRS. Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

The Group presents the statement of profit or loss using the classification by function of expenses. The Group believes this method provides more useful information to the users of its financial statements as it better reflects the way operations are run from a business point of view. The statement of financial position format is based on a current /non-current distinction.

All of the consolidated comparative figures relate to the subsidiary only, because the holding company was not formed until 27 July 2017. This is because the financial statements have been prepared under the principles of merger accounting. The share capital shown in the comparative consolidated statement of financial position represents the share capital of the Company, even though the Company was not yet formed at 31 January 2017, because merger accounting assumes that the Group entities have been combined throughout the current and comparative periods.

Measurement bases

The consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 3.

2.2 Basis of consolidation

The consolidated financial statements incorporate those of OnTheMarket plc and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). These are adjusted, where appropriate, to conform to Group accounting policies.

The acquisition of Agents' Mutual Limited and On The Market (Europe) Limited (formerly On The Market Limited) (the "subsidiary undertakings") occurred as a group reconstruction on 13 September 2017. As this business combination is a combination of entities under common control, it therefore falls outside of the scope of IFRS 3. In this context, the Directors have elected to account for the acquisition using the approach to merger accounting set out in UK GAAP, FRS 102 Section 19.

The consolidated financial statements merge the financial statements of the subsidiary undertakings as if they had been combined throughout the current and comparative accounting period. Assets and liabilities have not been fair valued on acquisition and the difference between the nominal value of the new shares issued by the Company for the acquisition of Agents' Mutual Limited has been reflected in the merger reserve in the consolidated financial statements. Where necessary, adjustments have been made to the accounting policies of Agents' Mutual Limited in order to achieve uniformity of accounting policies in the combining entities.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.3 Reduced disclosures

The figures presented in relation to the Company's solus financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101").

In accordance with FRS 101 the following exemptions from the requirements of IFRS have been applied in the preparation of the Company financial statements and, where relevant, equivalent disclosures have been made in the consolidated financial statements of the Company:

- presentation of a Company Cash Flow Statement and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- inclusion of an explicit and unreserved statement of compliance with IFRS;
- disclosure of Company key management compensation;
- disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments;
- related party disclosures in respect of two or more wholly owned members of the Group; and
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.

The financial statements of the Company are consolidated within these financial statements which will be publicly available from Companies House, Crown Way, Cardiff, CF14 3OZ following their approval by shareholders.

2.4 Company statement of comprehensive income

As permitted by s408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's profit and total comprehensive income for the period from incorporation on 27 July 2017 to 31 January 2018 was £91k.

2.5 Going concern

The Group made a loss after tax for the year of £12,092k (2017: £4,019k), and as at 31 January 2018 the Group had a net cash balance of £3,174k (2017: £2,263k).

On 9 February 2018, the Company's entire issued share capital was admitted to trading on AIM at the London Stock Exchange. By way of a placing associated with Admission to AIM, the Company raised £30m (gross) through the issue of 18,181,818 ordinary shares of £0.002 at £1.65 each.

In the light of this, the Directors consider the going concern basis to be appropriate to the preparation on these financial statements.

2.6 Adoption of new and revised standards and interpretations

Application of new and amended standards

For the preparation of these consolidated financial statements, the following new or amended standards are mandatory for the first time for the financial year beginning 1 January 2017.

Amendments to IAS 7, "Disclosure Initiative" (issued in January 2016) - The amendments require entities to provide information that enables users of financial statements to evaluate changes in liabilities arising from the entity's financing activities. The effect of the amendments on the Group's consolidated financial statements has been the inclusion of additional disclosures in note 18.

New standards, amendments and interpretations not yet adopted

- IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 is effective for accounting periods beginning on or after 1 January 2018. An expected credit losses model replaces the incurred loss impairment model used in IAS 39. The Directors anticipate that this will not impact on the bad debt provision in the year to 31 January 2018, but it is not yet possible to quantify the financial impact for future periods. The Group is working towards the implementation of IFRS 9 for the year ended 31 January 2019. It anticipates that the classification and measurement basis for its financial assets and liabilities will be largely unchanged by adoption of IFRS 9.
- IFRS 15, "Revenue from contracts with customers", deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard is effective for annual periods beginning on or after 1 January 2018. The Group is working towards the implementation of IFRS 15 for the year ended 31 January 2019. As this work is ongoing the Directors are not able to quantify yet the impact of any changes to revenue recognition that may be necessary. The profile of cash receipts is not affected by this standard.

- IFRS 16, “Leases”, addresses the definition of a lease, recognition and measurement of leases, and it establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that almost all operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17, “Leases”, and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019, and earlier application is permitted, subject to the entity adopting IFRS 15, ‘Revenue from contracts with customers’, at the same time. The Directors are in the process of reviewing contracts to identify any additional lease arrangements that would need to be recognised under IFRS 16, however, they have not yet calculated the financial impact of the standard.

2.7 Functional and presentation currency

The consolidated financial statements are presented in ‘Pounds Sterling’, rounded to the nearest thousand (£’000), which is also the Group’s functional currency.

2.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using an appropriate method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Fixtures, fittings and equipment Straight line 4 years

2.9 Intangible assets

In accordance with IAS 38, “Intangible Assets”, expenditure incurred on research and development is distinguished as relating to a research phase or to a development phase.

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

An internally generated intangible asset arising from the development and enhancement of the online platform, OnTheMarket.com, and associated applications is recognised when the development has been deemed technically feasible, that the Group has the intention to complete the development, that probable future economic benefits will occur, that the Group has the required funds to complete the development and has the ability to measure the expenditure on the development reliably.

The amount initially recognised for internally generated intangible assets is the sum of the directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria defined above.

Capitalisation ceases when the asset is brought into use. Where no internally generated asset can be recognised, development expenditure is recognised in the income statement in the period in which it is incurred.

Subsequent to initial recognition, internally generated assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over 4 years from when the asset is first brought into use. The current intangible assets will be fully amortised in the next 2-4 years.

2.10 Impairment of property, plant and equipment and intangible assets

At each year end date, the carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

2.10 Impairment of property, plant and equipment and intangible assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately as profit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Investments in subsidiaries

The investment in the Company's subsidiary undertakings is stated at cost less any impairment. Where management identify uncertainty over these investments, the investment is impaired to an estimate of its net realisable value.

2.12 Financial instruments

Recognition, initial measurement and de-recognition

The Group recognises a financial asset or a financial liability in the consolidated statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, the Group recognises all financial assets and financial liabilities at fair value. The fair value of a financial asset / liability on initial recognition is normally represented by the transaction price. The transaction price for financial assets / liabilities other than those classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition / issue of the financial instrument. Transaction costs incurred on acquisition of a financial asset and issue of a financial liability classified at fair value through profit or loss are expensed immediately.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- loans and receivables; and
- financial assets at fair value through profit or loss.

For the years that ended on 31 January 2018 and 2017, the Group did not classify any financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that the Group intends to sell immediately or in the near term cannot be classified in this category. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectability.

Typically trade and other receivables, bank balances and cash are classified in this category.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Classification and subsequent measurement of financial liabilities

Subsequent measurement of financial liabilities depends on how they have been categorised on initial recognition. The Group classifies financial liabilities under the following category:

Other financial liabilities

The Group's liabilities fall into this category. These liabilities are carried at amortised cost using the effective interest method.

Typically, trade and other payables and borrowings are classified in this category. Items classified within trade and other payables are not usually remeasured, as the obligation is known with a high degree of certainty and settlement is short-term.

Derecognition of financial liabilities

A financial liability is removed from the Group's statement of financial position only when the liability is discharged, cancelled or expired (i.e. extinguished). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

2.13 Impairment of financial assets

Financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is evidence that they are impaired. A financial asset is impaired if there is evidence that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Income taxes

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax base, with the exception of temporary differences arising from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax assets are recognised only to the extent that the Group considers that it is probable (ie more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

Since the Group is able to control the timing of the reversal of the temporary difference associated with interests in subsidiaries, associates and joint arrangements, a deferred tax liability is recognised only when it is probable that the temporary difference will reverse in the foreseeable future mainly because of a dividend distribution.

2.16 Employee benefits

Defined contribution plans

The Group pays fixed percentage contributions into independent entities in relation to plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed percentage contributions, which are recognised as an expense in the period that related employee services are received.

Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.17 Share-based payments

The Group operates equity-settled share-based remuneration plans for its employees. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding increase to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself and the charge will be treated as a cash-settled transaction.

2.18 Provisions

Where, at the reporting date, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation. Changes in estimates are reflected in profit or loss in the period they arise. Provisions for social security on share options granted are measured using the fair value of the expected number of share options to be exercised at the applicable tax rate in use at the measurement date.

2.19 Revenue

Revenue represents income for the sales of services, net of discounts and rebates, to external customers at invoice value less value added tax. Revenue represents listing fees in respect of the property portal OnTheMarket.com. Revenue is recognised evenly over the life of the contract. Amounts are billed monthly in advance and released to the income statement as the services are provided and the risks and rewards of listing have been transferred to the customer.

2.20 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material, either because of their size or their nature, or that are non-recurring, and are presented within the line items to which they best relate.

2.21 Leased assets

Operating leases – Group as lessee

All leases are operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions concerning the future which impact the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The accounting estimates resulting from these judgements and assumptions seldom equal the actual results but are based on historical experiences and future expectations.

Bad debt provisions

Provisions are made relating to all overdue receivable balances save for those which from experience are expected to be recovered in the short term. The overdue receivables that the Company provides for arise primarily from agent customers under contract but in arrears.

Share based payment charge

In relation to equity-settled remuneration schemes, employee services received, and the corresponding increase in liabilities, are measured by reference to the fair value of the liability at the date of grant. Where there are vesting conditions that require ongoing service as an employee the charge is apportioned over the vesting period. The fair value of share options is estimated by using appropriate valuation models on the date of grant, which are based on certain assumptions. For options awarded with an exercise price of £nil, the fair value is deemed to be the share price at the date of grant. In the absence of a publicly quoted market price at the date of grant, this value is based upon the Directors' judgement of the appropriate share price, taking into account relevant factors both at, and arising after, the grant date (note 22).

4. Revenue and segmental information

The Group has determined that the Chief Executive Officer ("CEO") is the chief operating decision maker. Monthly management numbers are reported and issued to the CEO, which are used to assess the performance of the business.

The Group has determined it has only one reportable segment, namely the provision of access to its online portal OnTheMarket.com (listing fees).

All revenue is generated in the UK for this service.

5. Expenses by nature

Expenses are comprised of:

	2018 £'000	2017 £'000
Depreciation	27	29
Amortisation	1,440	939
Staff costs (note 8)	3,416	3,264
Operating lease expense – property	397	392
Operating lease expense – other	113	118
Bad debt expense	2,492	2,219
Other administrative expenses	4,274	8,546
	12,159	15,507

6. Exceptional costs

	2018 £'000	2017 £'000
Professional fees	2,679	3,506
Compensation	(1,243)	–
	1,436	3,506

Professional fees incurred during the current and prior years were in relation to the Group's restructuring and preparation for admission to AIM and the capital raise by way of an associated placing, as well as to ongoing litigation. Compensation received during the current year was in respect of ongoing litigation. These costs relate to one off events that are not expected to be recurring, they have therefore been classified as exceptional.

7. Operating loss

	2018 £'000	2017 £'000
Operating loss is stated after charging:		
Depreciation of property, plant and equipment	27	29
Amortisation of intangible assets	1,440	939
Operating lease expense – property	397	392
Operating lease expense – other	113	118
Share based payment expense (note 22)	11,678	–
Foreign exchange (gains)/losses	(2)	11
Audit fees payable to the Company's auditor:		
– audit of Group financial statements	55	49
Other fees payables to the Company's auditor:		
– taxation compliance services	58	31
– all other services not covered above	68	25

In addition to the above fees paid to the Company's auditor there is a further £46k for other services (2017: £nil) which is disclosed within other reserves.

8. Employees and Directors

Group	2018 £'000	2017 £'000
Staff costs (including Directors) comprise:		
Wages and salaries	3,999	3,889
Social security costs	497	464
Pension	11	–
	4,507	4,353

The amounts above include £1,092k (2017: £1,089k) of staff costs that have been capitalised to intangible assets.

Company	2018 £'000	2017 £'000
Staff costs (including Directors) comprise:		
Wages and salaries	46	–

Group	2018 Number	2017 Number
The average monthly number of persons employed by the Group during the year was:		
Non-Executive Directors	1	–
Marketing, sales and administration	40	42
IT	20	22
	61	64

The only employees of the Company during the period were the Directors.

Directors' remuneration Group	2018 £'000	2017 £'000
Aggregate emoluments	616	187
Pension contributions	1	–
Share based payments	7,724	–
	8,341	187

Highest paid Director Group and Company	2018 £'000	2017 £'000
Aggregate emoluments	204	187

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. In the prior year, with the board of Agents' Mutual comprising representatives from certain members as non-executive directors save for Ian Springett, who was appointed to the board as an executive director during the year, the key management was deemed to include certain senior managers also. Following the appointment of the Executive and Non-Executive Directors to the Board of OTM, the Group considers the Directors to be the only key management personnel.

9. Finance income

	2018 £'000	2017 £'000
Finance income:		
Other interest receivable	2	2

10. Finance expense

	2018 £'000	2017 £'000
Interest arising on:		
Interest payable on loan notes	1,230	1,349
Other interest payable	3	4
	1,233	1,353

11. Income tax

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on income for year	22	–
Total current tax	22	–
Deferred tax:		
Origination and reversal of timing difference	–	1,486
Total deferred tax	–	1,486
Income tax charge	22	1,486

Factors affecting tax charge for the year

The tax assessed for the year is different to the effective rate of corporation tax as explained below:

	2018 £'000	2017 £'000
Loss before taxation	(12,070)	(2,533)
Loss before taxation multiplied by the effective rate of corporation tax 19.18% (2017: 20%)	(2,315)	(507)
Effects of:		
Expenses not deductible for tax purposes	539	5
Share based payment not deductible for tax purposes	2,549	–
Deferred tax not recognised	(1,032)	477
Capital allowances in excess of depreciation	281	25
Write down of deferred tax asset	–	1,486
Tax expense	22	1,486

The Finance Act 2016 was enacted during the period. The Finance Act 2016 includes provisions to reduce the main rate of corporation tax to 17% from 1 April 2020. Deferred tax is measured at 17% (2017: 17%) as this is the materially correct rate at which deferred tax assets and liabilities are expected to unwind. The subsidiary, Agents' Mutual, has trading losses available for carry forward of £8,798k (2017: £11,031k) for which no deferred tax asset has been recognised.

The Group has been developing new strategic plans for the long term development of the business. These plans envisage a period of strong growth in the future, underpinned by significant initial investment. As a result of the change to the Group's strategic plans, circumstances with respect to recoverability of the deferred tax asset in relation to losses carried forwards in the foreseeable future remain uncertain. Consequently no deferred tax asset has been recognised. The Group has also not recognised a deferred tax asset arising on the share based payment charge of £2,426k (2017: £nil).

The Group has not recognised a deferred tax liability arising on non-current asset timing differences of £560k (2017: £805k) due to the availability of tax losses to extinguish this liability.

12. Earnings per share

	2018 £'000	2017 £'000
Numerators: Earnings attributable to equity		
Loss for the year from continuing operations attributable to owners of the Company	(12,092)	(4,019)
Total basic earnings and diluted earnings	(12,092)	(4,019)
	No.	No.
Denominators: Weighted average number of equity shares		
Basic and diluted	35,530,263	35,530,263

As the Group made a loss for the year there is no dilutive effect.

13. Property, plant and equipment

Group	Fixtures, fittings and equipment £'000
Cost:	
At 1 February 2016	114
Additions	2
At 31 January 2017	116
Depreciation:	
At 1 February 2016	42
Charge for the year	29
At 31 January 2017	71
Net book value:	
At 31 January 2017	45
Cost:	
At 1 February 2017	116
Additions	1
Disposals	(1)
At 31 January 2018	116
Depreciation:	
At 1 February 2017	71
Charge for the year	27
At 31 January 2018	98
Net book value:	
At 31 January 2018	18

Depreciation is included within administrative expenses in the income statement.

14. Intangible assets

Group	Development costs £'000
Cost:	
At 1 February 2016	3,441
Additions – internally developed	1,621
At 31 January 2017	5,062
Amortisation:	
At 1 February 2016	567
Charge for the year	939
At 31 January 2017	1,506
Net book value:	
At 31 January 2017	3,556
Cost:	
At 1 February 2017	5,062
Additions – internally developed	1,538
At 31 January 2018	6,600
Amortisation:	
At 1 February 2017	1,506
Charge for the year	1,440
At 31 January 2018	2,946
Net book value:	
At 31 January 2018	3,654

Amortisation is included within administrative expenses in the income statement.

The development costs relate to those costs incurred in relation to the development of the Group's online property portal, OnTheMarket.com. The development costs capitalised above are amortised over a period of 4 years which represents the period over which the Directors expect the Group to consume the asset's future economic benefits. The development costs are amortised from the point at which the asset is ready for use within the business.

15. Investments in subsidiaries

Company	Subsidiary undertakings £'000
At 27 July 2017	–
Additions	–
At 31 January 2018	–

Notes to the Consolidated Financial Statements: continued

The Company has the following investments in subsidiary undertakings:

	Class of shares held ¹	Principal activity	Ownership 2018
Agents' Mutual Limited	Member	Online property portal services	100%
On The Market (Europe) Limited	Ordinary	Dormant	100%

¹ Agents' Mutual Limited is a company limited by guarantee and has no shares. The Company owns the only member interest in Agents' Mutual Limited.

All the above subsidiary undertakings share the same registered office as the Company.

On The Market (Europe) Limited is a subsidiary of Agents' Mutual Limited.

On 13 September 2017, the Company acquired 100% of Agents' Mutual Limited by becoming the sole member of this company limited by guarantee. Shares in OnTheMarket plc were issued in consideration for this acquisition.

16. Trade and other receivables

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Trade receivables	433	–	408	–
Amounts due from Group undertakings	–	23,366	–	–
Other receivables	59	–	3,257	–
Prepayments and accrued income	61	23	44	–
	553	23,389	3,709	–

The Group trade receivables are stated after deductions of provisions for bad and doubtful debts amounting to £1,616k (2017: £1,500k).

The aged analysis of trade receivables is shown in note 19.

17. Trade and other payables

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Current liabilities				
Trade payables	317	1	972	–
Social security and other taxes	637	5	292	–
Other payables	–	–	–	–
Accruals and deferred income	2,003	76	4,673	–
	2,957	82	5,937	–



18. Borrowings

	Group 2018 £'000	Company 2018 £'000	Group 2017 £'000	Company 2017 £'000
Current borrowings				
Accrued loan interest	1,217	512	1,379	–
Non-current borrowings				
Loan notes	11,256	11,256	11,256	–
	12,473	11,768	12,635	–

The fair value of the Group and Company's borrowings is the same as their book value stated above. The loan is initially accounted for at fair value, but is thereafter shown at amortised cost.

The Group and Company re-issued a loan note instrument during the year of £10,000k of which £7,947k (2017: £7,947k) was drawn at the year end and which bears interest at 15% with a 30 June 2020 maturity date. The re-issue took place as part of a group reconstruction and extinguished a loan note in the subsidiary, Agents' Mutual Limited, in exchange for a loan note with the same conditions in OnTheMarket plc. Interest does not accrue on loan notes in default.

The Group and Company re-issued a loan note instrument during the year of £10,000k of which £2,511k (2017: £2,511k) was drawn at the year end and which bears interest at 10% with a 30 June 2020 maturity date. The re-issue took place as part of a group reconstruction and extinguished a loan note in the subsidiary, Agents' Mutual Limited, in exchange for a loan note with the same conditions in OnTheMarket plc. Interest does not accrue on loan notes in default.

The Group and Company re-issued a loan note instrument during the year of £10,000k of which £798k (2017: £798k) was drawn at the year end and which bears interest at 7% with a 30 June 2020 maturity date. The re-issue took place as part of a group reconstruction and extinguished a loan note in the subsidiary, Agents' Mutual Limited, in exchange for a loan note with the same conditions in OnTheMarket plc. Interest does not accrue on loan notes in default.

There are provisions in the loan note agreements that allow for early repayment in certain circumstances and provisions whereby the loan notes must be converted to shares at par in the event of the Company listing. The loan notes were extinguished after the year end by way of such a share issue (see note 28).

The Directors have assessed that all loans are held at fair value. These interest rates are fixed and the Company and Group are therefore not exposed to changes in interest rates in respect of these liabilities.

Reconciliation of liabilities arising from financing activities:

	31 January 2017 £'000	Cash flows £'000	Non-cash flows £'000	31 January 2018 £'000
Accrued loan interest	1,379	(1,392)	1,230	1,217
Loan notes	11,256	–	–	11,256
	12,635	(1,392)	1,230	12,473

19. Financial instruments and financial risks

Financial risks

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the CEO. The Board receives monthly reports from the finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

The Group is exposed through its operations to the following financial risks:

- credit risk;
- liquidity risk; and
- interest rate risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them from previous periods unless otherwise stated in this note.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk primarily on its trade receivables, which are spread over a range of customers. There are no specific concentrations of credit risk. The maximum credit risk exposure relating to financial assets is represented by their carrying value at the statement of financial position date.

The Group assesses the risk associated with its customers based on its own experience with the customer before entering into binding contracts and, where considered necessary, the use of independent credit rating agency reports. The risk is mitigated further by requesting advance payment from customers. Each customer account is reviewed on an on-going basis based on available information and payment history.

The credit risk on liquid funds is limited as the funds are held at banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group monitors forecast cash inflows and outflows on a monthly basis.

Fair value interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the Group. All borrowing is approved by the Board to ensure that it is conducted at the most competitive rates available to it at fixed rates where possible to reduce unknown exposure.

The Directors have not prepared sensitivity analysis in relation to interest rates as all interest rates are currently defined and not subject to change. Interest rates are fixed and movements in market interest rates may make this policy advantageous or disadvantageous. After the year end, the loan notes were extinguished by a share issue (note 28).

The financial assets and liabilities of the Group are as follows:

	2018 £'000	2017 £'000
Loans and receivables		
Current assets		
Trade and other receivables	492	3,665
Cash and cash equivalents	3,174	2,263
Total financial assets	3,666	5,928
	2018 £'000	2017 £'000
Other liabilities held at amortised cost		
Current liabilities		
Trade and other payables	1,278	4,504
Borrowings – accrued interest	1,217	1,379
Non-current liabilities		
Borrowings	11,256	11,256
Total financial liabilities	13,751	17,139

Capital risk management

Management considers capital to be the carrying amount of equity. The Group manages its capital to ensure its obligations are adequately provided for, while maximising the return to shareholders through the effective management of its resources and to ensure that loan notes are repaid when due.

The Group's objective when managing capital is to safeguard its ability to continue as a going concern. The Group meets its objective by aiming to achieve growth which will generate regular and increasing returns to its shareholders.

Financial assets

Details of financial assets are included in note 16, but financial assets exclude prepayments and statutory taxes receivable.

Cash at bank, included in cash and cash equivalents, is with institutions with credit ratings of A or better.

Notes to the Consolidated Financial Statements: continued

The following table shows an aged analysis of trade receivables for the Group.

	2018 £'000	2018 %	2017 £'000	2017 %
0 – 30 days	146	34%	150	36%
31 – 60 days	49	11%	48	12%
61 – 90 days	45	11%	48	12%
91 – 120 days	49	11%	44	11%
Over 120 days	144	33%	118	29%
	433		408	

The Group reviews trade receivables balances on a routine basis and makes provision for any amounts where it believes the receivable is likely to be uncollectable. In 2018, bad debt expense was £2,492k (2017: £2,219k) and the year-end bad debt provision was £1,616k (2017: £1,500k).

The following table shows a reconciliation of the bad debt provision for the Group:

	2018 £'000	2017 £'000
Bad debts provision at 1 February	1,500	868
Debts recovered so no longer requiring provision	(477)	(444)
Decrease in existing provision due to write off	(2,376)	(1,587)
Additional provision recognised for new bad debts	2,969	2,663
Bad debts provision at 31 January	1,616	1,500

The total value of debts past due but not impaired is £433k (2017: £408k). All overdue debt has been provided for subject to an estimated recovery amount, based on historical trends and knowledge of the customer.

Financial liabilities

The following is an analysis of the maturities of the financial liabilities in the Statement of Financial Position, excluding amounts owed in relation to statutory taxes:

	Carrying amount £'000	6 months or less £'000	6-12 months £'000	1 year or more £'000
2018				
Trade and other payables	1,278	1,278	–	–
Accrued loan interest	1,217	1,217	–	–
Borrowings	11,256	–	–	11,256
	13,751	2,495	–	11,256

	Carrying amount £'000	6 months or less £'000	6-12 months £'000	1 year or more £'000
2017				
Trade and other payables	4,504	4,504	–	–
Accrued loan interest	1,379	1,379	–	–
Borrowings	11,256	–	–	11,256
	17,139	5,883	–	11,256

All financial liabilities are denominated in Sterling.

The borrowings consist of loan notes which are long term in nature, however these were extinguished after the year end by way of a share issue (note 28).

Fair values of financial assets and liabilities

The fair value of the Group's financial assets and liabilities are not materially different from their book values and therefore the Directors consider no hierarchical analysis is necessary.

20. Deferred income tax – Group and Company

	2018 £'000	2017 £'000
Asset		
At 1 February	–	1,486
Charge to income statement	–	(1,486)
At 31 January	–	–

21. Provisions

Social security on share options granted	£'000	
At 1 February 2017		–
Grant of share options		1,612
At 31 January 2018		1,612
	2018 £'000	2017 £'000
Disclosed as:		
Current liability	1,258	–
Non-current liability	354	–
	1,612	–

The provision for social security on share options granted relates to the social security charges that will be incurred by the Group when the share options are exercised.

22. Share based payments

The Group operates management and employee equity settled share schemes under which nil cost options over its shares were awarded to employees.

The Company generally considers the Black-Scholes method to value share options when issued. However, the options issued during the year were issued at a nil strike price. As a result, the Black-Scholes model is not appropriate. Accordingly, these options were fair valued by reference to the closing share price of the shares on the day of admission to AIM, which took place after the year end (note 28). The fair value is charged to the profit and loss account over the vesting period related to ongoing employment. Where there is no such vesting period the charge is recognised in full on grant.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the relevant period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity, unless an agreement has been made for the subsidiary undertaking to reimburse the Company for the fair value of options granted.

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 at the period end after deducting the exercise price of the share option, adjusted to account for any vesting period related to ongoing employment.

The Company has granted share options under its Management Incentive Plan and its employee share scheme. The unexercised options at the end of the year are stated below:

Grant date of option	Expiry	Option exercise price per share £	2018 Number	2017 Number
Granted 15 September 2017	2027	nil	7,950,842	–
Granted 19 September 2017	2027	nil	526,043	–
Granted 10 October 2017	2027	nil	78,178	–
Outstanding at 31 January			8,555,063	–

The estimated fair values of these share options is £1.48 per share. The value of employee services provided of £11,678k (2017: £nil) has been charged to the income statement.

Management Incentive Plan

Further details of the management incentive share option plan are as follows:

	2018 Number	Weighted average exercise price £
Granted in the period and outstanding at 31 January	7,799,327	nil
Exercisable at 31 January	6,066,143	nil

These share options expire 10 years after the date of grant. Share options granted under this scheme have a nil exercise price. 1,733,184 options are exercisable as to 10% after the first anniversary of Admission (as described in note 28), a further 10% after the second anniversary and the remainder after the fifth anniversary. The remaining 6,066,143 options are exercisable immediately, however any shares arising from exercise are subject to a restriction on sale such that shares deriving from up to 10% of the options are available to be sold after the first anniversary of the Admission, a further 10% after the second anniversary and the remainder after the fifth anniversary. The fair value of all these options is charged to the profit and loss account in full this year.

Employee share scheme

Further details of the employee share option plan are as follows:

	2018 Number	Weighted average exercise price £
Granted in the period	763,008	nil
Forfeited in the period	7,272	nil
Outstanding at 31 January	755,736	nil
Exercisable at 31 January	–	–

These share options expire 10 years after the date of grant. Share options granted under this scheme have a nil exercise price and vest 3 years after the date of grant. The fair value of these share options is charged to the profit and loss account over the vesting period. The share options are forfeit should the employee leave.

National Insurance Contributions

National insurance contributions are payable by the Group in respect of share based payment schemes. A provision has been recognised at 13.8% for a total expense of £1,612k (2017: £nil) (note 21).

The following have been expensed to the consolidated income statement:

	2018 £'000	2017 £'000
Share based payment charge	11,678	–
Employer's social security on share options	1,612	–
	13,290	–

23. Share capital

Share capital issued and fully paid	2018 No.	2017 No.
Ordinary shares of £0.002 each	35,530,263	35,530,263

	2018 £'000	2017 £'000
Ordinary shares of £0.002 each	71	71

On incorporation, the Company issued 2 ordinary shares of £0.002 each at par.

In September 2017, the Company issued 35,530,261 ordinary shares of £0.002 each at par. This issue was in exchange for the member interests in the subsidiary undertaking, Agents' Mutual, as part of a group reconstruction.

Share option scheme

At the year end, there were a total of 8,555,063 (2017: nil) share options under the Company's share option plans (note 22), which on exercise can be settled either by the issue of ordinary shares or by market purchases of existing shares.

24. Leases

Operating leases

At year end, the Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 £'000	2017 £'000
<i>Land and buildings:</i>		
Not later than one year	432	423
Later than one year and not later than five years	–	70
	432	493
<i>Other:</i>		
Not later than one year	11	
Later than one year and not later than five years	–	11
	11	60
	443	553

25. Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The cost charged represents contributions payable by the Group to the funds. At the balance sheet date contributions of £nil (2017: £nil) were outstanding.

	2018 £'000	2017 £'000
Contributions payable by the Group for the year	11	–

26. Controlling parties

The Directors do not consider there to be a single immediate or ultimate controlling party.

27. Related party relationships and transactions

Some directors of Agents' Mutual during the year were also directors or partners of estate agency firms who are shareholders and also subscribe for services supplied by the Group. Listing fee income of £1,417k was received from such shareholders in the year (2017: £1,452k). None of these shareholders received preferential rates in the year. At the year end, £5,194k (2017: £5,128k) of the Group's loan note instruments were held by such shareholders and these instruments had interest due of £650k (2017: £789k).

In the ordinary course of business the Group has entered into transactions with Whiteleys Chartered Certified Accountants, a company controlled by a direct relation of Helen Whiteley, an Executive Director of the Group. Whiteleys Chartered Certified Accountants provides an outsourced finance function to the Group. During the year, the Group purchased services amounting to £478k (2017: £401k) and at the year end the Group owed £56k (2017: £49k).

28. Post balance sheet events

On 9 February 2018, the Company's entire issued share capital was admitted to trading on AIM at the London Stock Exchange.

By way of a placing associated with admission to AIM, the Company raised £30m (gross) through the issue of 18,181,818 ordinary shares at £1.65 each.

In addition, effective on Admission, the Company issued 6,821,237 ordinary shares of £0.002 each at £1.65 per share to the loan note holders on a £ for £ basis equivalent to their loan note holdings. The loan notes were extinguished by this issue.

Accrued loan interest was settled in cash from the placing proceeds immediately following Admission.

Company Information

Directors	C Beattie I Springett H Whiteley C Bell I Francis	(appointed 27 July 2017) (appointed 27 July 2017) (appointed 27 July 2017) (appointed 24 October 2017) (appointed 24 October 2017)
Company Secretary	R Almond	(appointed 27 December 2017)
Company number	10887621	
Registered office	PO Box 450 155-157 High Street Aldershot England GU11 9FZ	
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