Yopa Property Limited

Annual report and financial statements

Registered number 09120252

31 December 2018

Contents

Directors' report

Principal activity

The principal activity of the company continued to be that of online property estate agent.

Business rcview

The business continued to grow and expand its market share and continued to improve upon the services provided.

Proposed dividend

The directors do not recommend the payment of a dividend *(2017: £nil).*

Strategic report

The principal activity of Yopa Property Limited (the "Company") is estate agency services. The company's objective is to drive long term shareholder value by growing the number of UK properties marketed and sold on behalf of customers while maintaining a lean and efficient operating model as the business scales. The strategy to achieve this is to deliver high quality estate agency services at fair fixed fees by combining the expertise of local estate agents, with centralised support staff and utilising market leading technology to provide customer transparency, support and economies of scale. The company will grow its business through a combination of marketing led customer acquisition and through referrals and recommendations from past customers.

2018 Financial performance and position of the business

2018 was a year of investment and strategic change for the business. The company launched a new pricing model, "No Sale, No Fee" in addition to its Pay Now pricing option which gave the company a key differentiation versus its main competitor and also provided it with a total market pricing solution as the majority of UK estate agency services are provided on a contingent fee basis. In addition, the company invested heavily in expanding its customer service offering by opening a new contact centre in Watford which included bringing in greater estate agency experience into our central operations to support our customers. The company also launched new financial services and conveyancing partnerships to increase its product offering for customers and drive ancillary revenues.
As a result of the investments made and the deferral of revenue with the launch of the No Sale, No Fee product, the company made a loss before tax of £30,365,369 (2017: £18,332,269) for the year ended 31 December 2018.

Future Developments

After a year of investment in 2018 the Company has since turned its attention as a primary objective to driving operational efficiencies and improved financial performance. The strategic decisions made in 2018 and the first half of 2019 are already starting to bear fruit and the company will see a significantly improved financial performance in the second half of 2019 and more fully in 2020.

Principal risks and uncertainties

Like most estate agents in the UK, the level of residential housing market transactions and the ability to capture a greater share of those transactions are key areas of uncertainty for the business going forward. The level of residential housing market transactions is affected by a large number of factors including the UK's economic outlook, consumer sentiment, interest rates, mortgage lending appetite from financial institutions and government policies on taxation among many other factors. Given the political and economic uncertainty around Brexit and the recent appointment of a new prime minister there is a significant level of uncertainty in the market which has seen a year on year decline in housing market transactions. However there remains sufficient opportunity for the business to grow and capture market share given its value proposition relative to many high street estate agents, therefore the growth of the business will only be partly subdued by these external economic factors.
The company has raised sufficient capital to cover its financial needs for the next 12 months and beyond taking a prudent approach to its forecasts given market uncertainties. The company has a mix of fixed and variable costs which it can adjust to ensure it retains sufficient cash resources for its needs over that time period should there be a deterioration in trading.

Directors' Report *(continued)*

Other risks to the business include the ability to recruit, train and retain staff and local agents licensees as well as the continued operation of its technology platform the Yopa hub. The company continues to invest in both these areas of the business to mitigate the associated risks.

KPI's

The Directors meet monthly to discuss and monitor the following business KPIs:

	2018	2017	Change %
Revenue	6,857,065	4,287,421	60%
Gross profit	2,684,809	2,034,581	32%
Overheads	(33,050,375)	(20,366,932)	-62%
Profit / (Loss)	(30,365,369)	(18,332,269)	-66%
Net Cash inflow / (outflow)	(9,964,654)	12,241,398	-181%

Political contributions

The Company made no political contributions during the year *(2017: £nil).*

Directors

The directors who held office during the year and up to the date of this report were as follows:

D Attia (Resigned 19th August 2019)

A J Barclay

A D Barclay (Resigned 16th May 2019)

I D Crabb (Appointed 20th August 2018, Resigned 20th August 2019)

M L De Carvalho (Appointed 20th August 2018)

B J A Poynter (Appointed 20th August 2018)

G Turner (Appointed 20th June 2019)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

KPMG LLP were appointed as auditors of the company during the year. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office..

On behalf of the board

G Turner
Director

22 Arlington Street
London
SW1A 1RD
27 September 2019

Company registered number: 09120252

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report to the members of Yopa Property Limited

Opinion

We have audited the financial statements of Yopa Property Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements which indicates that to continue as a going concern, the Company must generate sufficient operating cash flow to fund its capital and operating requirements or secure new funding. These events and conditions, along with the other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

Independent auditor's report to the members of Yopa Property Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities..

The purpose of our audit work and to whom we owe our responsibilities

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.

Chrissy Douka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
30 September 2019

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 December 2018

	Note	**Year Ended 31 December 2018 £**	Year Ended 31 December 2017 £
Turnover	*2*	**6,857,065**	4,287,421
Cost of sales		**(4,172,256)**	(2,252,840)
Gross profit		**2,684,809**	2,034,581
Administrative expenses	*3*	**(33,050,375)**	(20,366,932)
Operating loss		**(30,365,566)**	(18,332,351)
Interest receivable and similar income	*6*	**197**	82
Loss on ordinary activities before taxation		**(30,365,369)**	(18,332,269)
Tax on loss on ordinary activities	*7*	**-**	-
Loss for the financial year		**(30,365,369)**	(18,332,269)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(30,365,369)**	(18,332,269)

All amounts relate to continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

Balance Sheet
at 31 December 2018

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Intangible assets	*9*		**308,096**		278,149
Tangible assets	*8*		**1,217,943**		595,387
Investments	*12*		**404**		404
			1,526,443		873,940
Current assets					
Debtors	*10*	**2,693,563**		1,742,186	
Cash at bank and in hand		**9,868,221**		19,832,875	
		12,561,784		21,575,061	
Creditors: amounts falling due within one year	*11*	**(2,041,925)**		(1,075,931)	
Net current assets			**10,519,859**		20,499,130
Total assets less current liabilities			**12,046,302**		21,373,070
Net assets			**12,046,302**		21,373,070
Capital and reserves					
Called up share capital	*13*		**8,857,723**		7,541,522
Share premium account	*13*		**64,455,859**		45,686,006
Share options reserve	*14*		**403,877**		396,328
Profit and loss account	*13*		**(61,671,157)**		(32,250,786)
Shareholders' funds			**12,046,302**		21,373,070

The notes on pages 10 to 21 form part of these financial statements.

These financial statements were approved by the board of directors on 27/09/19 and were signed on its behalf by:

G Turner
Director

Company registered number: 09120252

Statement of Changes in Equity

	Called up share capital	Share premium account	Profit and loss account	Share options reserve	Total equity
	£	£	£	£	£
Balance at 1 January 2017	4,973,946	17,589,858	(14,250,560)	575,310	8,888,554
Shares issued	2,567,576	28,096,148			30,663,724
Equity-settled share based payment transactions			332,043	(340,354)	(8,311)
Options Granted				161,372	161,372
Total comprehensive loss for the period					
Loss for the period	-	-	(18,332,269)	-	(18,332,269)
Balance at 31 December 2017	**7,541,522**	**45,686,006**	**(32,250,786)**	**396,328**	**21,373,070**

	Called up Share capital	Share premium account	Profit and loss account	Share options reserve	Total equity
	£	£	£	£	£
Balance at 1 January 2018	7,541,522	45,686,006	(32,250,786)	396,328	21,373,070
Shares issued	1,316,201	18,769,853			20,086,054
Equity-settled share based payment transactions			944,998	7,549	952,547
Total comprehensive loss for the period					
Loss for the period	-	-	(30,365,369)	-	(30,365,369)
Balance at 31 December 2018	**8,857,723**	**64,455,859**	**(61,671,157)**	**403,877**	**12,046,302**

The notes on pages 10 to 21 form part of these financial statements.

Statement of Cash Flows

	2018	2017
	£	£
Cashflow from operating activities		
Loss on ordinary activities after taxation	(30,365,569)	(18,332,351)
Adjustments for:		
Share Based payments	944,998	153,060
Depreciation	364,635	167,046
Amortisation	184,648	207,747
Increase in debtors	(951,377)	(223,329)
Decrease in creditors	965,994	346,550
Net cash outflow from operating activities	(28,856,672)	(17,681,277)
Cashflow from investing activities		
Purchase of fixed assets	(1,201,786)	(741,131)
Interest received	197	82
Net cashflow from investing activities	(1,201,589)	(741,049)
Cashflow from financing activities		
Proceeds from share issue	20,086,056	30,663,724
Issue of Share Options	7,549	-
Net cashflow from financing activities	**20,093,605**	**30,663,724**
Net (decrease) / increase in cash and cash equivalents	**(9,964,654)**	**12,241,398**
Cash and cash equivalents at the beginning of the year	19,832,875	7,591,477
Cash and cash equivalents at the end of the year	**9,868,221**	**19,832,875**

The notes on pages 10 to 21 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Yopa Property Limited (the "Company") is a private company limited by shares and incorporated and domiciled in England in the United Kingdom.

The Company is exempt by virtue of s405 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all 12 months presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

As the Company is still in an early growth phase, it is currently loss making. The Company has historically relied upon capital contributions provided by its shareholders to maintain an adequate level of cash and has recently received investment of £16million in August 2019.

To continue as a going concern, the Company must generate sufficient operating cash flow to fund its capital and operating requirements or secure new funding. Whilst the directors have instituted measures to preserve cash, there is uncertainty over future trading results and cash flows.

The political and economic uncertainty around Brexit has led to a year on year decline in housing market transactions however the scale of the decline has not materially impacted the growth of the Company. Going forward, if there was a sharp drop in the number of transactions, this could negatively impact the company's ability to generate substantial revenue growth, however we remain confident that we would be able to adjust our cost base accordingly to address the given environment. This will allow the Company to continue its operations on a going concern basis.

Current trading performance is in line with management's expectations in terms of profits and cash flow and the business continues to manage costs tightly to manage any fluctuations in month on month revenue performance.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, as there is no contractual guarantee of future funding from its shareholders, this represents a material uncertainty that may cast doubts upon the company's ability to continue as a going concern and, therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in respect of services provided relating to the sale of property, net of any trade or settlement discounts, volume rebates and any sales taxes.

Turnover is recognised on the basis of the performance obligations and to the extent that the right to consideration has been earned and the flow of economic resources is probable.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Intangible fixed assets other than goodwill

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Website development costs 3 years

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Leasehold improvements Straight line over live of the life of the lease
- Fixtures, fittings and equipment Straight line over live of the life of the lease

Leases are 3 - 5 years.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates 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. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial 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. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.9 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable in profit or loss using the effective interest method.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

Where the Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The basis of such allocation is disclosed in note 14.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

1.12 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2 Turnover

	2018	2017
	£	£
Instructions	**6,402,419**	4,009,078
Referrals	**454,646**	278,343
Total turnover	**6,857,065**	4,287,421

All revenue relates to property agency services rendered in the United Kingdom.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2018	2017
	£	£
Depreciation of tangible fixed assets	**364,635**	162,841

Auditor's remuneration:

	2018	2017
	£	£
Audit of these financial statements	**45,000**	35,400
Taxation compliance services	**8,500**	8,000

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2018	2017
Head Office staff	**64**	59
Contact Centre staff	**136**	38
	200	97

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£	£
Wages and salaries	**7,975,990**	4,301,929
Social security costs	**863,686**	461,475
Contributions to defined contribution plans	**80,098**	11,517
Share based payments (See note 14)	**952,547**	153,062
	9,872,321	4,927,983

5 Directors' remuneration

	2018	2017
	£	£
Directors' remuneration	**121,841**	116,667

The remuneration of the highest paid director was £63,508 *(2017: £116,667)*. There was £702 *(2017: £0)* payments made to a pension scheme on behalf of the directors.

6 Other interest receivable and similar income

	2018	2017
	£	£
Bank interest	**197**	82
	197	82

Notes *(continued)*

7 Taxation

Total tax expense recognised in the profit and loss account

	2018 £	£	2017 £	£
Current tax				
Current tax on income for the period		-		-
UK corporation tax at 19.00%		-		-
Total current tax		-		-
Deferred tax				
Origination and reversal of timing differences	-		-	
Total deferred tax	-	-	-	-
Deferred tax (asset)/liability not recognised		(10,269,058)		-

Reconciliation of effective tax rate

	2018 £	2017 £
Loss for the year	(30,365,566)	(18,332,269)
Total tax expense	-	-
Profit excluding taxation	(30,365,566)	(18,332,269)
Tax on loss on ordinary activities at standard CT rate of 19.00% *(2017: 19.25%)*	(5,769,458)	(3,528,334)
Reduction in tax rate on deferred tax balances	-	-
Effects of:		
Fixed asset differences	60,866	577
Expenses not deductible for tax purposes	224,933	73,925
Adjustment to brought forward values	(5,476)	-
R&D expenditure credits	(7,834)	-
Deferred tax not recognised	4,895,782	3,050,680
Impact of tax rate changes	601,187	403,152
Total tax expense included in profit or loss	-	-

Factors that may affect future current and total tax charges

From 1 April 2015 the main rate of corporation tax in the UK was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantially enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. Any deferred tax at 31 December 2018 has been calculated based on the rate of 17% being the rate substantively enacted at the balance sheet date.

Notes *(continued)*

8 Tangible fixed assets

	Fixtures, fittings and equipment £	Leasehold Improvements £	Total £
Cost			
Balance at 1 January 2018	291,820	456,943	748,764
Acquisitions	292,775	694,416	987,191
Disposals	-	-	-
Balance at 31 December 2018	584,595	1,151,359	1,735,954
Depreciation and impairment			
Balance at 1 January 2018	83,723	69,653	153,376
Depreciation charge for the year	132,998	231,637	364,635
Disposals	-	-	-
Balance at 31 December 2018	216,721	301,290	518,011
Net book value			
At 31 December 2018	**367,874**	**850,069**	**1,217,943**
At 31 December 2017	208,097	387,290	595,387

9 Intangible fixed assets

	Website development costs £
Cost	
Balance at 1 January 2018	561,183
Acquisitions	214,595
Balance at 31 December 2018	775,778
Amortisation	
Balance at 1 January 2018	283,034
Charge for the year	184,648
Balance at 31 December 2018	467,682
Net book value	
At 31 December 2018	**308,096**
At 1 January 2018	278,149

Notes *(continued)*

10 Debtors

	2018	2017
	£	£
Trade debtors	**141,246**	87,529
Other debtors	**1,121,655**	121,645
Taxation and social security	**40,214**	357,739
Prepayments and accrued income	**1,390,448**	1,175,273
	2,693,563	1,742,186

All debtors are due within one year.

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	**788,681**	795,184
Other creditors	**36,180**	5,617
Accruals and deferred income	**1,217,064**	275,130
	2,041,925	1,075,931

12 Investments

	2018	2017
	£	£
Investments	**404**	404
	404	404

Movements in fixed asset investments	Shares in group undertakings
	£
Cost or valuation	
At 31 December 2017	404
Additions	-
At 31 December 2018	404
Carrying amount	
At 31 December 2017	404
At 31 December 2018	404

Notes *(continued)*

12 Investments *(continued)*

Company name	Registered Address	Principal Activity
Hillgate Financial Services Limited	22 Arlington Street, London, SW1A 1RD	Dormant
Scout Financial Services Limited	22 Arlington Street, London, SW1A 1RD	Dormant
Yopa Property Sales Limited	22 Arlington Street, London, SW1A 1RD	Dormant
Yopa Estate Agents Limited	22 Arlington Street, London, SW1A 1RD	Dormant
Yopa Investments Limited	22 Arlington Street, London, SW1A 1RD	Dormant
Yopa Lettings Limited	22 Arlington Street, London, SW1A 1RD	Dormant

13 Capital and reserves

Share capital

	2018	2017
	£	£
Ordinary share capital Issued and fully paid		
1,308,875 Ordinary D shares of £1 each	**1,308,875**	1,308,875
2,973,176 Ordinary F shares of £1 each	**2,973,176**	2,973,176
235,083 Ordinary I shares of £1 each	**235,083**	235,083
1,719,349 Ordinary S shares of £1 each	**1,719,349**	1,719,349
1,307,437 C-1 Preference Shares of £1 each	**1,307,437**	-
9,041 Ordinary E shares of £1 each	**9,041**	277
1,304,762 Ordinary L shares	**1,304,762**	1,304,762
	8,857,724	7,541,522

The holders of ordinary shares are entitled to receive dividends as declared from time to time. Ordinary D, F, S and L shares are entitled to one vote per share at meetings of the Company.

D Shares

The 1,308,875 ordinary shares of £1 each have full voting, dividend and capital distribution (including on winding up) rights; pre-exemption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

E Shares

The 9041 ordinary shares of £1 each shall not be entitled to any voting rights (except at class meeting where a variation class rights is proposed), they are entitled to receive dividends and capital distribution (including on winding up) rights in proportion to their holding; pre-emption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

F Shares

The 2,973,176 ordinary shares of £1 each have full voting, dividend and capital distribution (including on winding up) rights; pre-emption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

I Shares

The 235,083 ordinary shares of £1 each shall not be entitled to any voting rights (except at class meeting where a variation of class rights is proposed), they are entitled to receive dividends and capital distribution (including on winding up) rights in proportion to their holding; pre-emption rights on allotment and on transfer of shares, directors may decline transfers, they do not confer any rights of redemption.

Notes *(continued)*

13 Capital and reserves *(continued)*

L Shares

The 1,304,762 ordinary shares of £1 each have full voting, dividend and capital distribution (including on winding up) rights, pari passu with other holders of ordinary shares; pre-emption rights apply on transfer of shares' they do not confer any rights of redemption.

S Shares

The 1,719,349 ordinary shares of £1 each have attached to them full voting, dividend and capital distribution (including on winding up) rights, transfer notice and pre-emption rights on transfer of shares; they do not confer any rights of redemption.

C1 Preference Shares

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; rights entitling the holder to payment of the amount equal to the subscription price paid for the C-1 preference share on a return of capital in preference to receipt of any proceeds by the ordinary shareholders transfer notice and pre-emption rights on transfer of shares. This type of share was issued in 2018.

14 Employee Benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £80,098 (2017: £11,517).

Share Based Payments

The terms and conditions of the grants are as follows:

Grant date	Scheme No	Type of scheme	Employees entitled	Number of options outstanding	Performance conditions	Exercise Price	Earliest exercise date	Expiry date
09/05/2016	1	EMI	1	6,354	Length of service	£ 1.00	31/01/2017	09/05/2026
13/05/2016	2	EMI	1	10,152	Length of service	£ 1.00	31/05/2016	13/05/2026
17/05/2016	3	EMI	3	31,603	Length of service	£ 1.00	31/05/2016	17/05/2026
18/05/2016	4	EMI	1	72,520	Length of service	£ 1.00	31/05/2016	18/05/2026
29/06/2016	5	EMI	1	342	Length of service	£ 5.98	30/06/2017	29/06/2026
02/08/2016	6	EMI	1	342	Length of service	£ 5.98	30/06/2017	02/08/2026
09/08/2016	7	EMI	1	342	Length of service	£ 5.98	30/06/2017	09/08/2026
10/08/2016	8	EMI	2	428	Length of service	£ 5.98	30/06/2017	10/08/2026
14/09/2016	9	EMI	6	1,849	Length of service	£ 5.98	30/06/2017	14/09/2026
10/05/2017	10	EMI	2	9,500	Length of service	£ 10.06	10/05/2017	10/05/2027
11/05/2017	11	EMI	1	17,175	Length of service	£ 10.06	11/05/2017	11/05/2027
12/05/2017	12	EMI	1	2,000	Length of service	£ 10.06	12/05/2017	12/05/2027
15/05/2017	13	EMI	1	12,000	Length of service	£ 10.06	15/05/2017	15/05/2027
19/05/2017	14	EMI	1	4,000	Length of service	£ 10.06	19/05/2017	19/05/2027
22/05/2017	15	EMI	1	2,000	Length of service	£ 10.06	22/05/2017	22/05/2027
23/05/2017	16	EMI	3	2,100	Length of service	£ 10.06	23/05/2017	23/05/2027

Notes *(continued)*

14 Employee Benefits *(continued)*

Grant date	Scheme No	Type of scheme	Employees entitled	Number of options outstanding	Performance conditions	Exercise Price	Earliest exercise date	Expiry date
27/05/2017	17	EMI	1	600	Length of service	£ 10.06	27/05/2017	27/05/2027
30/05/2017	18	EMI	1	600	Length of service	£ 10.06	30/05/2017	30/05/2027
12/06/2017	19	EMI	2	4,600	Length of service	£ 10.06	12/06/2017	12/06/2027
13/06/2017	20	EMI	1	600	Length of service	£ 10.06	13/06/2017	13/06/2027
15/06/2017	21	EMI	1	500	Length of service	£ 10.06	15/06/2017	15/06/2027
07/08/2017	22	EMI	1	22,365	Length of service	£ 10.06	23/05/2017	07/08/2027
06/04/2018	23	EMI	32	27,920	Length of service	£ 15.33	06/04/2019	06/04/2028
27/04/2018	24	EMI	1	79,731	Length of service	£ 10.06	27/04/2018	27/04/2028
27/04/2018	25	EMI	2	228,068	Length of service	£ 1.00	27/04/2018	27/04/2028
03/05/2018	26	EMI	1	16,500	Length of service	£ 10.06	31/12/2018	03/05/2028
18/06/2018	27	EMI	1	4,188	Length of service	£ 1.00	18/06/2018	18/06/2028

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2018	**Number of options 2018**	Weighted average exercise price 2017	Number of options 2017
Outstanding at the beginning of the year	**4.72**	**210,407**	1.25	194,741
Granted during the year	**4.57**	**356,407**	10.06	82,123
Exercised during the year	**-**	**-**	1.00	(58,305)
Lapsed during the year	**7.95**	**(8,435)**	2.17	(8,152)
Outstanding at the end of the year	**4.58**	**558,379**	4.72	210,407
Exercisable at the end of the year	**4.37**	**228,823**	4.05	150,717

The fair value of services received in return for share options granted are measured by reference to the fair value of goods or services received or reference to the fair value of share options granted. The estimate of fair value is measured using the Black-Scholes model.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

The total expenses recognised for the year and the total liabilities recognised at the end of the year arising from share-based payments are as follows:

	2018 £	2017 £
Total share based payment expense	**952,547**	153,062
Total carrying amount of liabilities	**403,877**	396,328

Notes *(continued)*

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	**508,603**	295,231
Between two and five years	**1,256,864**	652,503
	1,765,467	947,734

During the year £448,855 was recognised as an expense in respect of operating leases (2017: £212,558).

16 Related parties

Related party transactions

During the financial year ended 31 December 2018 the value of lease transactions recognised payable to Ritz Hotel (London) Limited, was £271,628 (*2017: £148,878*).

As at 31 December 2018 included within the creditors total were amounts owed to Property Pathways Limited £5,328 *(2017: £7,914)* which was under the common control of a director, Mr D Attia during part of 2018. Total number of transactions of £112,734 (*2017: £172,015*) were recognised during the year for valuation lead generation.

As at 31 December 2018 included within the creditors total were amounts owed to Rent My Studio Limited (T/A Great Minds Design) of £nil (*2017: £nil*), which was under the common control of a Company shareholder. Consultancy service fees of £126,063 (2017: £92,602) were recognised during the year.

During the period, the Company entered into a contract with Embrace Financial Services. Embrace Financial Services is part of the LSL Group, a Shareholder of the Company. Total number of transactions of £46,418 (*2017: £nil*) were recognised during the year for mortgage lead referrals. The balance owed by Embrace Financial Services to the Company as at 31 December 2018 was £6,622 *(2017: £nil)*.

During the period, the Company received a credit line from Daily Mail Group (DMGT), a Shareholder of the Company. The total balance of £1,000,000 (*2017: £nil*) included in Other Debtors in the Balance Sheet is to be used for services provided.

All transactions are conducted at arm's length.

17 Subsequent events

On 20th of August 2019, the Company raised £16m from existing shareholders by way of an equity issue.