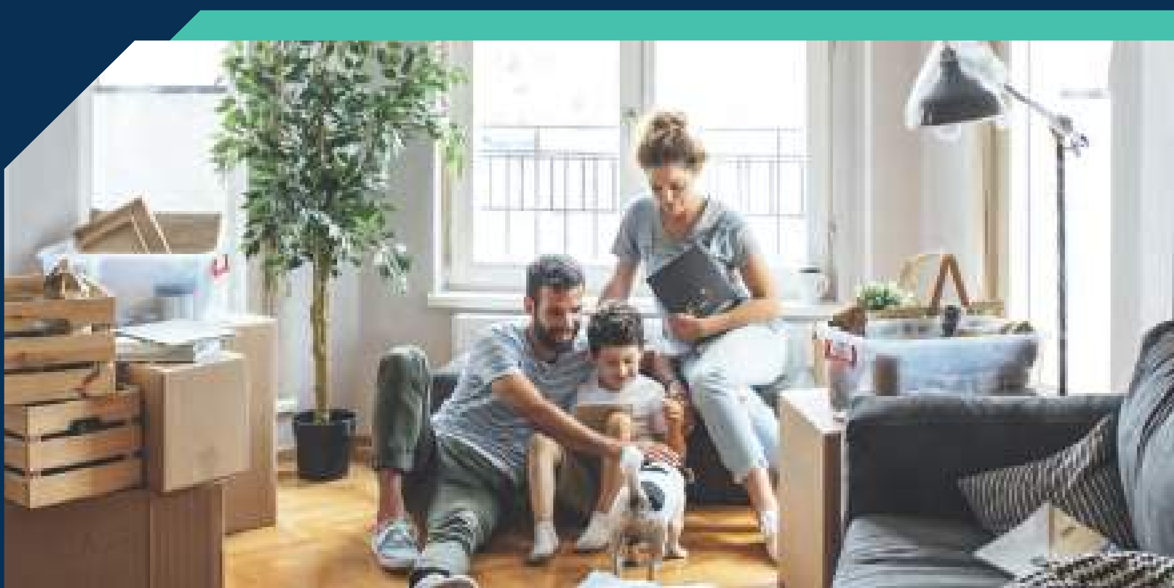
The Property Franchise Group PLC

A network built on Local expertise

Annual report and accounts 2024



We are the UK's largest multi-brand property franchisor, with a network of over 1,900 lettings and estate agency businesses and 300 mortgage advisers, delivering high-quality services to residential clients.

Our purpose

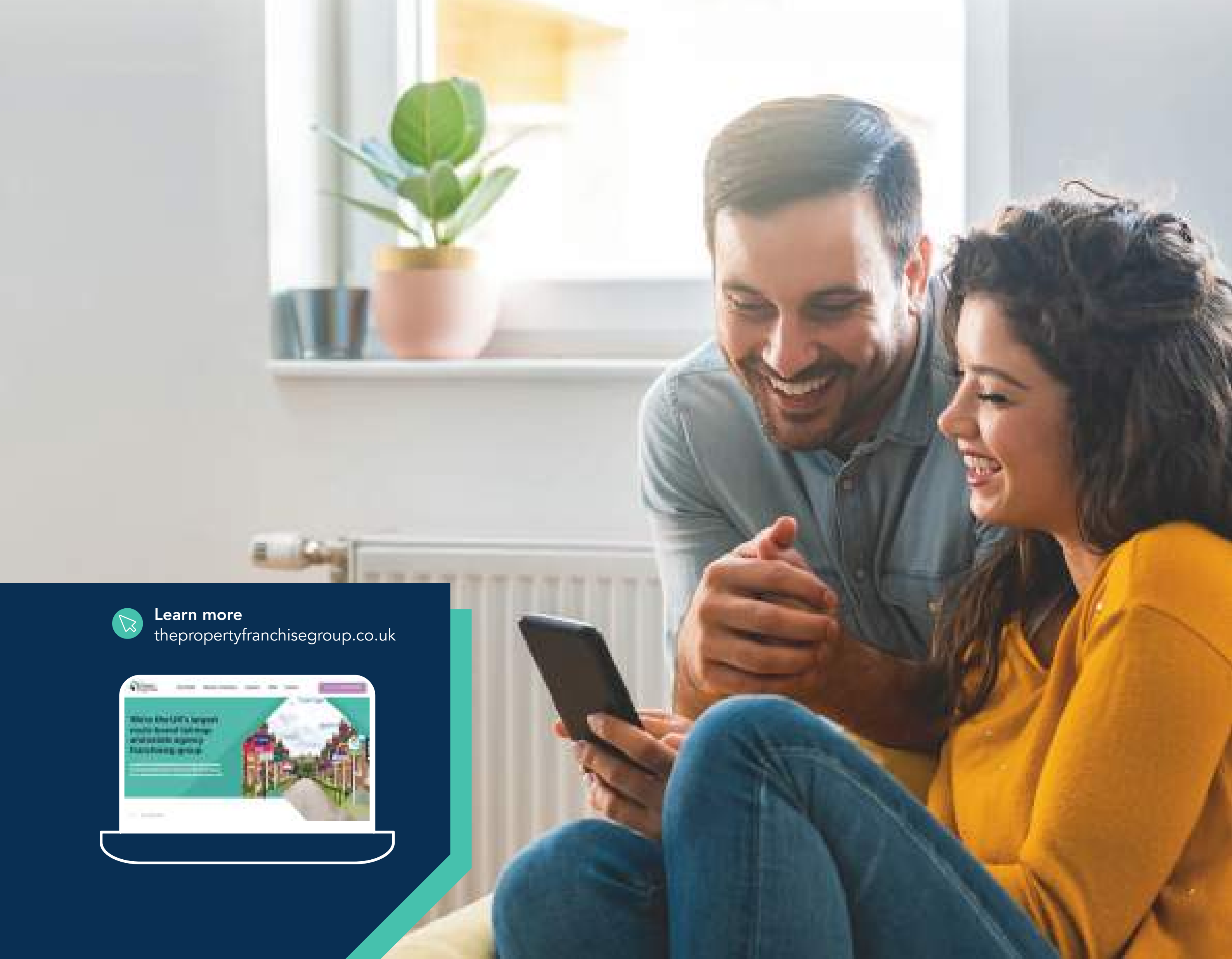
To build thriving property businesses within our multi-brand network and facilitate successful residential journeys.

Our vision

To achieve an increasing market share of lettings, estate agency and financial service transactions using a proven franchise model together with licensing and membership offerings, operating under multiple, and clearly differentiated, brands.

Our strategy

Developing both the depth and breadth of our network, supporting our franchisees, licensees and members to grow their local market share, and increasing our share of property-related financial services transactions, to generate increased value for investors.



Learn more
thepropertyfranchisegroup.co.uk

Our 2024 performance

A transformational year

Financial

Revenue
£67.3m

▲ +147%

Adjusted profit before tax* £22.3m

▲ +100%

Management Service Fees £28.3m

▲ +76%

Net cash generated from operations £14.7m

▲ +63%

Net debt
£9.1m

after borrowing £20m to fund acquisitions in 2024

Dividends
18p

▲ +29%

* Before exceptional items, share-based payment charges, amortisation of acquired intangibles, and unwinding of discounting on acquisition deferred consideration.

Operational

- Acquisition of AIM-listed Belvoir Group PLC in March 2024, a competitor property franchisor which also operates a multi-brand strategy and has a significant financial services division.
- Acquisition of GPEA Limited in May 2024, owner of The Guild of Property Professionals and Fine & Country brands, which operates under our new Licensing division.
- Moved from a UK-only business in 2023 to now having a presence in Europe, Africa, Asia, Australia and the Caribbean through the acquisition of Fine & Country.
- Strengthened senior leadership team and establishment of a new Operations Board.
- ESG Steering Group established with responsibility for setting the ESG strategy and driving ESG developments.

Strategic report

Corporate governance

Financial statements

Sustainability highlights
We have prioritised our ESG strategy and made excellent progress in the year.

Learn more on pages 26 to 31

A network of property businesses operating under our well-established brands

Providing responsive local residential sales, lettings and property-related financial services expertise across the UK, and more recently internationally, through our award-winning brands.

Our network

Our network expanded significantly in 2024 with the addition of the Belvoir Group brands, The Guild of Property Professionals ("The Guild") and Fine & Country. We now have a network of over 1,900 lettings and estate agents trading under our brands, operating across the UK and with around 65 businesses overseas. In addition, we have a network of 300 mortgage advisers brokering mortgage and life assurance products.

Our brands

We have a portfolio of 15 property franchise brands each retaining its own unique identity; our 5 national brands Martin & Co, Belvoir, Hunters, EweMove and Northwood are complemented by 10 regional brands. Our brands are multi-award winning and each is highly respected in its own right with long track records of success; 2 of our brands have been trading for over 100 years. The majority of our franchisees offer their services via traditional high street lettings and estate agency offices; we offer an alternative model through the EweMove and Mr and Mrs Clarke brands, which operate without the need for an office.

We own 2 brands in our newly formed Licensing division which are The Guild and Fine & Country.

Our core financial services business, Brook Financial Services, which was part of the Belvoir Group acquisition, operates as an appointed representative of Mortgage Advice Bureau, a brand owned by a third party. We own The Mortgage Genie financial services brand.

Our strengths

We are seen as a market leader in the residential lettings and sales industry which is partly driven by our scale but also due to our Board and senior leadership team including some very well-respected experts in the field. Our credible team is often asked to give its opinion on property matters. We are at the forefront of changes in legislation and have forged good relationships with key suppliers.

We are highly cash generative due to the business' capital light model and the recurring nature of a high proportion of our revenue.

5 continents
across which we are represented

10,000+
employees in our networks

Learn more
thepropertyfranchisegroup.co.uk

An increasing market share of lettings and estate agency transactions

1986
Martin & Co founded in Yeovil

1995
First
franchise launched

2007
100
franchised offices trading

2012
Launched sales service

2013
MartinCo PLC listed on AIM

2014
Acquired Xperience Franchising Ltd and Whitegates Estate Agency Ltd

2016
Acquisition of hybrid agent EweMove

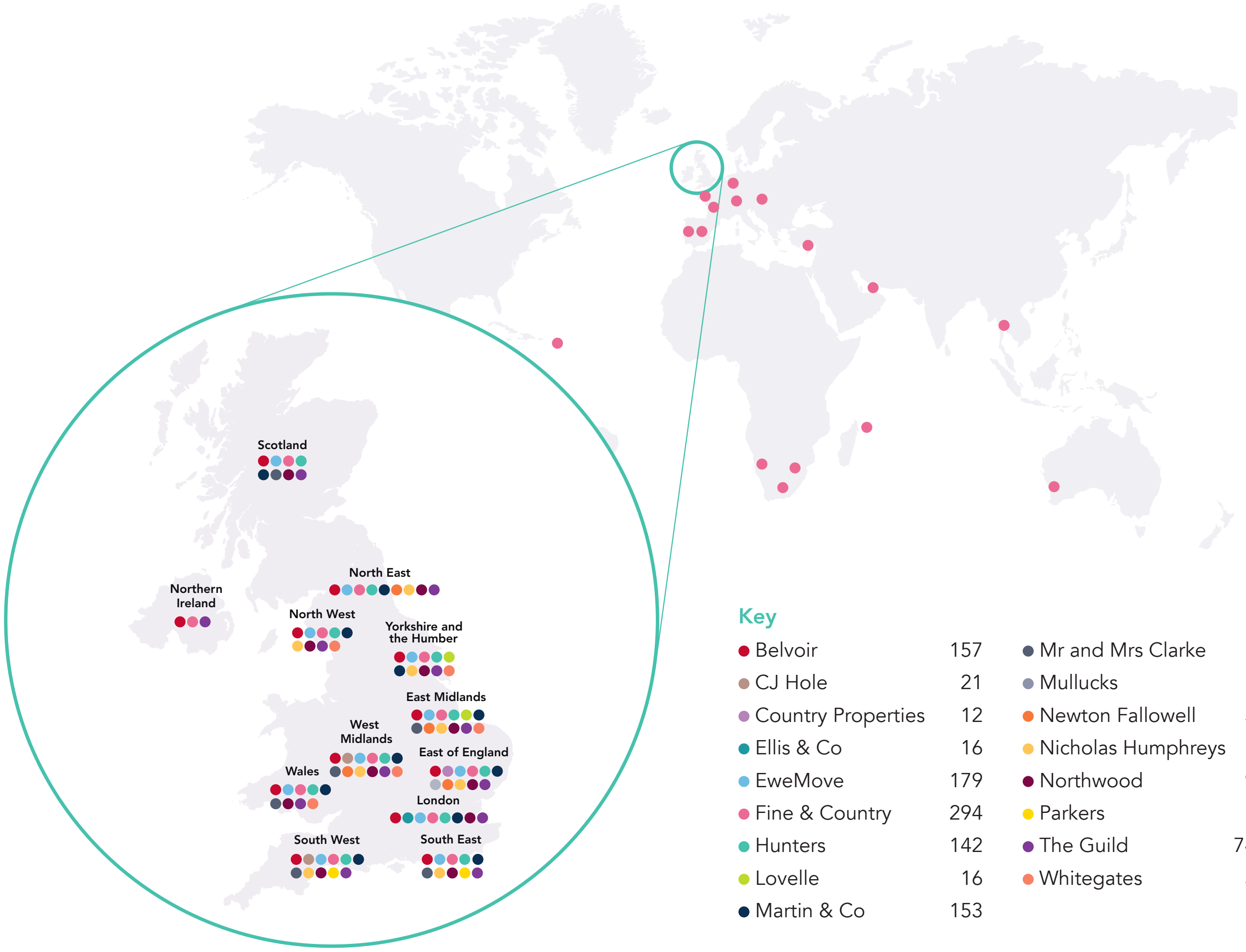
2017
Re-brand to The Property Franchise Group PLC

2019
58,000
managed properties

2020
Launched new Financial Services division

Expanding our reach beyond the UK

In May 2024 we acquired the Fine & Country brand which now gives us a presence internationally with over 65 offices in Europe, Africa, Asia, Australia and the Caribbean.



Key

Belvoir	157	Mr and Mrs Clarke	2
CJ Hole	21	Mullucks	3
Country Properties	12	Newton Fallowell	39
Ellis & Co	16	Nicholas Humphreys	19
EweMove	179	Northwood	90
Fine & Country	294	Parkers	17
Hunters	142	The Guild	749
Lovelle	16	Whitegates	32
Martin & Co	153		

2021
Acquisition of Hunters Property PLC, an AIM-listed property franchisor with 3 brands, strategic partnership with LSL

HUNTERS HERE TO GET you THERE
country properties
Mullucks

September 2021
Acquired 80% holding in The Mortgage Genie

the mortgage genie

March 2024
Acquisition of Belvoir Group PLC, an AIM-listed property franchisor with 6 franchise brands and a significant financial services division

BELVOIR! Property is personal
Nicholas Humphreys
northwood
lovelle
NEWTON FALLOWELL
Clarke.

May 2024
Acquisition of GPEA Limited, the owner of The Guild of Property Professionals and Fine & Country

This business operates a licensing and membership model, and marked the start of our Licensing division

FINE & COUNTRY
THE GUILD PROPERTY PROFESSIONALS

2024
153,000
managed properties

2024
1,941
lettings and estate agency businesses in our network

The business is split into 3 distinct divisions: Franchising, Financial Services and Licensing

Our business began its life as a franchisor and continues to be dominated by Franchising, which made up 61% of its revenue in 2024 (2023: 94%). Starting out with a single brand (Martin & Co), it has expanded through acquisition to become the UK's largest multi-brand property franchisor.

We launched our Financial Services division almost 5 years ago and built up a very small financial services offering; this was completely transformed in 2024 through the Belvoir Group acquisition, with Financial Services representing 28% of our revenue in 2024 (2023: 6%).

The acquisition of The Guild and Fine & Country in 2024 brought with it a new revenue stream and we took the decision to form a new Licensing division to encompass these businesses; in 2024 Licensing represented 11% of our revenue (2023: nil).

Learn more
thepropertyfranchisegroup.co.uk

- Franchising has enabled us to expand to a network of over 900 franchised lettings and estate businesses across the UK
- We strive to enhance the earnings of our franchisees because the Management Service Fees we receive are directly related to their income
- Financial Services is a complementary business offering mortgages and life protection products; we have a network of 300 advisers
- The newly established Licensing division has further extended our footprint, adding over 1,000 outlets, and has given us an international presence
- We are trusted industry experts and lead the way in times of legislative change

Franchising

We enable independent business owners to deliver an exceptional service to residential clients within their allocated territory through the use of our lettings and estate agency brands, systems, training and support services.

Franchisees offer lettings, sales and financial services to their clients. Lettings is the solid foundation on which our business was built, with property management providing a reliable, recurring revenue stream. The introduction of sales and financial services ensured we benefit from all aspects of residential property transactions.

We earn Management Service Fees which are directly linked to each business' income, so we have a vested interest in ensuring our franchisees' success.

£41m (61%)

revenue generated in 2024

Financial Services

Our Financial Services division comprises 2 businesses: Brook Financial Services ("Brook") which was acquired as part of the Belvoir Group, and The Mortgage Genie. Brook operates a network of 300 mortgage, protection and financial services advisers trading as the largest appointed representative of the Mortgage Advice Bureau (MAB), one of the UK's leading networks for mortgage intermediaries. The Mortgage Genie is an appointed representative of Primis Mortgage Network.

We earn commissions directly from mortgage and insurance providers from the sale of financial services products.

£19m (28%)

revenue generated in 2024

Licensing

Our newest division, Licensing, was established in 2024 as a result of the acquisition of The Guild of Property Professionals ("The Guild") and Fine & Country.

The Guild is a membership organisation offered on an exclusive basis to estate agents which trade under their own brands but use The Guild membership to elevate their offering and also benefit from support, services and being part of a national network of members.

Fine & Country is a prestigious estate agency brand which targets the sale of luxury housing. It operates a licensing model and has offices trading under its brand across the UK and overseas.

We receive regular recurring monthly membership and licence fees from the agreements we have in place. In addition The Guild members and Fine & Country licensees have the opportunity to purchase additional services from us for an extra fee, for example print and digital marketing materials and IT services.

£7m (11%)

revenue generated in 2024

A truly transformational year

"I am delighted to report on what has been a truly transformational year for The Property Franchise Group following both the acquisition of Belvoir Group PLC and The Guild and Fine & Country. This has created the UK's largest multi-brand property franchisor."

Group income statement highlights

	2024 £'000	2023 £'000
Revenue	**67,310**	27,278
Gross profit	**44,971**	21,878
Adjusted PBT	**22,319**	11,153
Earnings after tax	**10,132**	7,370

Overview of performance

The execution of 2 strategic acquisitions contributed significantly to the Group's performance, adding material scale across 3 divisions: the largest property franchise business in the UK; a substantially strengthened Financial Services division; and a new Licensing division. Our diverse portfolio of 18 brands operating throughout the UK and now internationally, have 153,000 rental properties under management and completed over 30,000 sales, reinforcing our leading position.

Integration of the Belvoir Group and GPEA has been a key focus in order to fully capitalise on the synergies available and the Group saw notable progress on realising these synergies towards the end of 2024. The Board approached these acquisitions with a clear strategy and structured integration plan. Significant progress has already been made in aligning our operational framework and enhancing governance structures to ensure they are right-sized for the company that The Property Franchise Group is today, and for the continued delivery of long-term value for our shareholders.

Significant growth with strong recurring revenue

Group revenue increased 147% to £67.3m reflecting both organic and acquisitive growth. Recurring revenue continued to be a material contributor and represented 52% (£35m) of revenue, providing us with good visibility on future earnings.

The Group continued to be highly cash generative in the period. The Group borrowed £20.0m to fund the acquisition of GPEA, however at 31 December 2024 this has reduced to a net debt position of £9.1m, representing leverage of 0.4 times. Looking ahead, net debt is anticipated to materially reduce in the current year.

While the focus of the Board is to continue integrating the new businesses into the Group so as to fully realise the synergies of the 2 acquired businesses, our cash generative profile gives us the ability to consider pursuing acquisition opportunities which would further enhance the portfolio of the business.

Strengthened Board

The expanded Board reflects the growing scale and complexity of the business, with 3 Executive Directors and 5 Non-Executive Directors. In the year, the Board was delighted to welcome Michelle Brook as an Executive Director, Jon Di-Stefano as our Senior Independent Director and Paul George as an independent Non-Executive Director. Post period end, on 2 January 2025, we were delighted to announce the formal appointment of Ben Dodds to the Board as Chief Financial Officer. The experience of the Board members matches the needs of the business, bringing valuable expertise in franchising, estate agency, housebuilding, construction and financial services, as well as added depth to the Board's corporate governance experience.

I would like to take this opportunity to express the Board's gratitude to David Raggett, who stepped down as Chief Financial Officer following a successful transition period with Ben. David played a key role in the Group's substantial growth over the past 12 years, and we are pleased that he will continue to support the business on a number of ongoing projects. On behalf of the Board, I would like to thank David for his commitment and contributions and wish him the very best for the future.

Throughout the year the contributions of our Board members have been instrumental in ensuring the ongoing execution of our strategic objectives as well as ensuring high standards of corporate governance. With the right balance of skills and experience, the Board is well positioned to guide the business through its next phase of growth.

Our cash generative profile gives us the ability to consider pursuing opportunities which would further enhance the portfolio of the business.”

Three distinct divisions and an evolved growth strategy

Following the acquisitions, the Group is now segmented into three distinct divisions:

Franchising: Core to the Group, operating 15 brands managing 153,000 rental properties and achieving over 30,000 sales during 2024, making it the biggest property franchise business in the UK.

Financial Services: The integration of Brook Financial Services, an authorised representative of the Mortgage Advice Bureau, has substantially strengthened the Financial Services division. In 2024, the team facilitated over 23,000 mortgages valued at over £4bn.

Licensing: Comprises Fine & Country, where both UK and international licensees pay a fixed fee to trade under the brand whilst receiving marketing and regulatory support, and The Guild of Property Professionals, which offers its 749 members a well-established brand that provides access to group buying power and regulatory guidance in return for an annual fee.

Each division is well positioned for growth and ongoing execution against our growth strategy, focused on 6 key growth pillars: Lettings, Sales, Financial services, Group acquisitions, Recruitment and Digital Marketing and Artificial Intelligence, further detail is available on pages 18 and 19.

Dividends

The Board remains committed to its progressive dividend policy whilst maintaining strong dividend cover as part of its overall capital allocation policy.

The Board is pleased to recommend a 29% increase in our total dividend to 18p per share (2023: 14p), reflecting the strength of our performance and ongoing cash generation. The proposed final dividend will be paid on 2 June 2025, subject to shareholder approval, continuing our track record of delivering value to our investors.

Environmental, social and governance (“ESG”)

2024 was a pivotal year for The Property Franchise Group in terms of our approach to ESG. The ambitious building blocks that were put in place in 2023 with the ESG Committee at Board level, as well as the ESG Steering Group at an operational level (both chaired by Claire Noyce, Non-Executive Director), delivered some outstanding results in 2024. The ESG Steering Group was one of the first initiatives to bring together best practice across the enlarged brand portfolio.

2024 is the second year in which ESG specialists Inspired ESG carried out an assessment of the Group. Pleasingly, significant progress was delivered across all categories. The highest performer was social, showcasing the Group’s commitment to employees and communities, while significant improvements were recorded across the environmental section.

Calculation of our SECR energy consumption and GHG emissions was completed by an independent third party, Orbis Advisory, who are helping us to do our part to fight climate change.

As would be expected, the Board is delighted to have adopted the 2023 edition of the QCA Corporate Governance Code with effect from 1 January 2025.

Further detail is available on pages 26 and 27 which also sets out our ESG targets for 2025, which are aspiring and match the determined enthusiasm across the Group in the way in which we are engaging with each other, the wider community and all of our stakeholders.

Outlook

Looking ahead, the focus is on realising the full benefits of last year’s acquisitions and continuing to drive organic growth. The evolving legislative and economic landscape, including the Renters’ Rights Bill and anticipated interest rate reductions, presents both challenges and opportunities. With scale, expertise and deep market knowledge, The Property Franchise Group is well equipped to support landlords and franchisees in navigating regulatory changes which our CEO, Gareth Samples, talks more about in his statement.

With strong progress made in 2024 and a clear strategic vision for 2025 and beyond, the Board remains confident in the opportunity ahead. The strength of our leadership team, the resilience of our business model, and the dedication of our franchisees, licensees, financial advisers and employees provide confidence in our ability to sustain our momentum and continue delivering value for our shareholders.

Paul Latham
Non-Executive Chair
7 April 2025

A stronger business delivering increased value across our divisions

"I am delighted to be reporting record results in what has been an exciting and transformational year where revenue has more than doubled through the acquisitions of Belvoir Group and GPEA."

Overview

2024 is marked by the transformational acquisition of Belvoir Group PLC and the acquisition of The Guild of Property Professionals and Fine & Country, underpinned by robust organic growth. Completing the 2 acquisitions in the year has resulted in the significant scaling of the Group as a whole and has materially accelerated our growth journey.

Since my appointment in April 2020, The Property Franchise Group has grown from a market cap of £42m to c.£270m today, which I am delighted has moved the Group into the FTSE AIM 100 Index. This achievement is testament to the success of the Group's strategic execution over recent years, consistently delivering record results, increasing market share and capitalising on opportunities.

Following the corporate activity in the first half of 2024, there has been a clear focus on integrating the newly acquired businesses. We have made considerable headway in realising the synergies from the 2 deals, leveraging our new scale to drive increased value back to our franchisees and licensees. We are at the forefront of digital marketing and AI, delivering value across the Group through increased efficiencies and enhanced products and services, including several new initiatives planned for 2025.

Franchising delivers exceptional growth in both scale and market reach

Franchising remains the largest division within the Group, with lettings at its core. Franchisees are now able to avail themselves of our increased scale and improved capabilities, providing greater value and enhanced recruitment.

Lettings Management Service Fees ("MSF") delivered a notable year of growth, with revenue up 93% to £19.0m, building on the solid performances of previous years and significantly bolstered by the acquisition of Belvoir. The Group now manages over 153,000 rental properties (2023: c.78,000). Our newly combined scale was maintained despite challenging market conditions. The Group minimised landlord attrition on account of the value placed on the enhanced services our franchisees are able to offer to landlords from being part of our Group, coupled with strong relationships with their local landlord base. This is enabling us to offset the risk of landlords wanting to exit the market.

Sales MSF performed better than anticipated in the year, growing 48% to £9.3m (2023: £6.3m). The Bank of England lowering interest rates in August, together with more market certainty following the election result in July, led to a particularly strong second half of the year which has continued into 2025. Meanwhile, we continue to expand our sales offering across our historically lettings-biased franchise network.

Total MSF on a like-for-like basis (excluding acquisitions) increased 11%, demonstrating continued organic growth within the original core business.

EweMove, the Group's market disruptor brand, continues to grow, attracting a further 36 new franchisees to join its brand in the year (2023: 31), with total revenue increasing 17% year on year to £5.7m.

Financial Services division significantly strengthened

The acquisition of Belvoir substantially increased the scale of our Financial Services division, with the addition of Brook Financial Services, an authorised representative of the Mortgage Advice Bureau ("MAB"). Our expanded Financial Services division principally earns commission through advisers selling mortgage and protection products via our status as an appointed representative of both the MAB and Primis mortgage networks.

The division performed well in the year, delivering £19.2m of income. Over 2024, the division delivered 23,000 mortgages with a combined value of over £4bn. There was an uptick in mortgage volumes in the second half of 2024 due to improved productivity of our advisers and the decrease in Bank of England base rate, with lenders expecting further decreases during the course of 2025.

The acquisition of Belvoir added c.300 financial consultants to the Group, we see an opportunity to grow revenue by increasing lead generations through our investments in AI and digital marketing.

The continued diversification of income is improving the resilience of our network."

Licensing – complementary and recurring new revenue stream

Licensing is a new revenue stream for the Group from the acquisition of GPEA. This includes:

- Fine & Country, where income is generated from the licence fees paid by UK and international licensees, in addition to fees from property-related services, such as marketing and regulatory support; and
- The Guild of Property Professionals, which supports its network of 749 members, who pay annual membership for support and access to marketing and industry training in addition to group buying power and regulatory guidance.

Total revenue from Licensing for 2024, since the acquisition completed on 31 May 2024, was £7.2m, of which £5.2m is recurring. Since the acquisition, Fine & Country has continued to grow its business, with the addition of 20 new UK licensees and 4 new international offices.

We see growth from this division in the near term in 2 main respects: firstly, providing enhanced products and services to members by leveraging the Group's wider portfolio thereby, increasing revenue in line with the higher quality of our offering; and secondly, growing our core Franchising division by selling into the newly acquired licensed territories.

Changeable market dynamics but a proven ability to win

In 2024, the Group accounted for 10% of sales and 7% of managed lettings in the UK; whilst considerable, there is still significant opportunity to expand the Group's market share, utilising our greater scale to generate increased revenue, develop new products and capitalise upon the market opportunity.

2025 is expected to be a challenging year for the property market, particularly with the introduction of new government legislation expected to impact the sales and lettings markets. That said, as a result of the Group's valuable expertise in the market, this also presents an opportunity, as we are at the forefront of industry developments and have the capability to help franchisees navigate any challenges.

Growth strategy

The Group's franchise model provides a solid foundation for growth, which is now complemented by the new opportunities in our enlarged Financial Services division and the newly acquired Licensing division.

Integration continues to be a key focus from which the Group will benefit from the opportunities our greater scale now affords us combined with the synergies achieved through integration, of which £0.4m has been achieved in 2024, with more to come in 2025.

With 6 key growth pillars across Lettings, Sales, Financial Services, Group Acquisitions, Recruitment and Digital Marketing and Artificial Intelligence strategy, we see increasing opportunity as we continue to implement synergies and further leverage our scale and capabilities.

We expect to drive lettings growth using our market position to develop products and services to provide enhanced support and income opportunities to franchisees, such as our Rent Guarantee product launching in 2025, and we will continue to explore and promote managed property acquisitions.

With a focus on support around sales activity, we continue to unlock franchisees' potential across the existing network by upskilling and providing highly effective tools, including a blockchain network to provide digital property data.

Our Financial Services division is launching new financial services programmes across our expanded brand network and benefiting from the cross-divisional lead generation with our franchisees and licensees. We are also focused on growing through expanding our network of advisers and improving adviser productivity.

We will continue with our Group acquisition strategy, exploring strategic consolidations and alliances within the property sector and identifying alternative property-related income streams that complement the Group. Within Financial Services, we will pursue a Buy & Build strategy to grow our adviser numbers and expand our market reach.

To accelerate growth across our divisions, we will continue to drive recruitment and develop our AI and digital marketing strategy to deliver greater financial value internally and to our franchisees and members. Central to this is our growing number of secure data records, enabling new digital marketing initiatives.

A confident outlook and clear focus on realising value

The key focus for 2025 is completing the full integration of the newly acquired businesses into the Group and delivering on the synergies and opportunities anticipated from the increased scale and capabilities, which are augmenting as we grow from our new enlarged position.

While 2025 sees incoming government legislation, opportunities exist for lettings and sales businesses to continue to grow in 2025, as more landlords are converted to the managed property model to benefit from the value we can provide. We also entered 2025 with strong demand for our Financial Services business, with more favourable mortgage rates and a robust sales pipeline.

The strength of the Group's franchise model and diversified revenue streams, along with its enhanced leadership team, provides an excellent platform from which to grow and the Board is confident in realising the full potential of the enlarged Group.

Gareth Samples
Chief Executive Officer
7 April 2025

Delivering a sustainable investment

Gareth Samples
Chief Executive Officer

As the global business landscape continues to evolve, TPFG continues to position itself to deliver strong investment, sustainably. In this Q&A, Gareth Samples, CEO, offers his perspective on how TPFG is driving meaningful impact and creating sustainable value for investors.

Q:

How is the senior leadership team structured to provide maximum value?

We have a best-in-class senior leadership team in place, having added additional expertise and bandwidth to deliver on the opportunities within each of our businesses.

We have 4 Group Managing Directors in place to manage the 15 franchise brands within the Franchising division, Michelle Brook leading the Financial Services division, and Iain McKenzie in control of the Licensing division. All 6 Directors are responsible for delivering operational effectiveness and implementing key strategic initiatives that drive growth in their businesses.

Group wide, in addition to our high-calibre Board, our Group Commercial Director, Adam Noonan, and Group Operations Director, Grace Milham, oversee the Group as a whole to ensure operational efficiency and collective execution.

See more from members of our senior leadership team on pages 15 and 20 to 22

Q:

How is TPFG leveraging technology to enhance operational efficiency?

We have a number of ongoing initiatives but with a particular focus on implementing AI to increase productivity, reduce costs and provide additional revenue opportunities across the Group and our networks.

Find out more about our Digital marketing and AI strategy on pages 18 and 19

Q:

How is the Group preparing for the Renters' Rights Bill?

The Renters' Rights Bill will impose tougher compliance requirements on landlords, which we see as an opportunity to provide support to an increasing number of landlords who will find the legislation challenging and as a result expect to convert more landlords to the managed properties model for support. Moreover, in response to the changes in legislation, the Group is developing a new product for landlords, expected to launch later this year. This delivers additional income and demonstrates how the Group can now utilise its increased scale to deliver revenue synergies and provide greater value.

Find out more about the Renters' Rights Bill on page 15

Q:

Are you happy as CEO with the Board structure and performance?

Our Board reflects the size and scale of business that we have become as a result of the acquisitions and now includes a broad range of industry, financial and regulatory experience that provides excellent guidance and oversight to ensure we steer the business in the best interests of all stakeholders. We completed a Board effectiveness evaluation within the year and I felt that the positive assessment was reflective of our performance.

Find out more about the Board and our review on pages 40,41 and 45.

Q:

How has stakeholder engagement evolved throughout the year?

The acquisitions in the year have resulted in a variety of new stakeholders across our networks, employee base, communities, shareholders, regulators and suppliers. We have actively looked to increase our engagement efforts to ensure all parties understand our business and the strategic direction with more to do in 2025.

Find out more on pages 24 and 25

Why invest?

The Property Franchise Group has a proven track record of delivering growth underpinned by its resilient business model of supporting networks of entrepreneurial business owners and a strong bias towards lettings, providing a reliable recurring revenue stream.

Successful acquisition strategy

7

acquisitions since 2013

Successful consolidation of 3 AIM-listed property franchise groups

See our strategy on **pages 18 and 19**

Proven multi-brand franchise model

15

franchise brands

Harnessing entrepreneurial self-motivated franchisees coupled with specialist central support

See our brands on **pages 2 and 3**

High degree of recurring revenue

52%

of total revenues from lettings or licensing

Highly cash generative and underpinned by recurring revenues from lettings

See our risks on **pages 38 and 39**

History of strong financial growth

+15%

compound annual growth rate in adjusted diluted EPS since 2014

See our performance on **pages 34 to 36**

Progressive dividend policy

+16%

compound annual growth rate in dividends since 2014

See our performance on **pages 34 to 36**

Strong free cash flow generation

+£14.5m

71% of EBITDA converting to cash from operations

See our performance on **pages 34 to 36**

International opportunity

18 countries

that we operate across

See our locations on **pages 2 and 3**

Long-serving, experienced leadership team

25 years'

average industry experience

See our leadership on **pages 44 and 45**

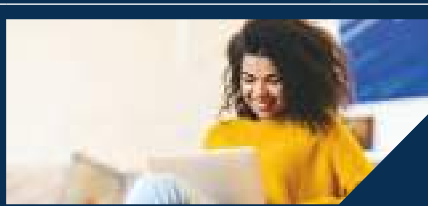
The drivers of the residential property market

Residential property has established itself as an investment asset class and the economic need for residential lettings and estate agency remains as strong as ever.

Markets

People will always need somewhere to live

The vast majority of businesses in our network operate in both sales and lettings so are well placed to service this need.

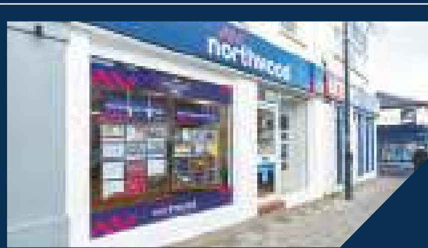


Population growth and increasing life expectancy mean more UK households in the future

As housebuilding is ramped up in response to the expanding population and lack of supply, there will be more demand for lettings and estate agencies to service the increased number of properties.

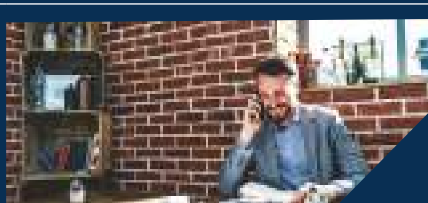
Social housing provision has declined significantly over the last 30 years leading to more reliance on the private rented sector

This has led to more demand for private rental properties and thus more demand for the services of residential lettings agencies.



Residential property remains a key investment class

The growth in house prices over the long term, as well as recent substantial increases in rental income, has meant residential property continues to be a high-performing investment asset.



The accessibility and affordability of mortgage products impact the ability to buy property

Our Financial Services division has access to best in market mortgages.

Economic environment and affordability

Our UK-wide network provides rental and properties for sale suitable for all budgets and access to mortgage and insurance products tailored to a range of personal circumstances.

Key

1 Lettings growth

2 Develop sales activity in the high street-led brands

3 Financial services growth

4 Group acquisitions

5 Recruitment

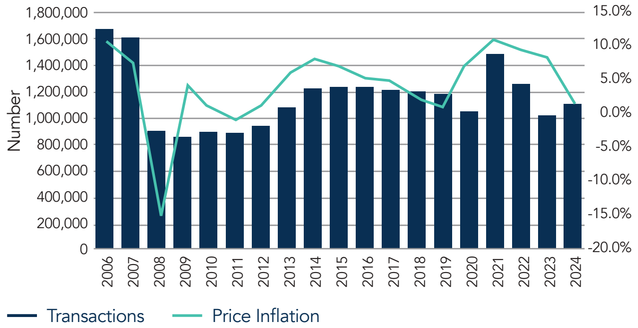
6 Digital marketing and Artificial Intelligence

Key factors – Sales

UK residential sales

The sales market in 2024 was stronger than the prior year with 1.1m transactions, which is on par with the long-term average of 1.1m, but 10% higher than 2023. House prices rose by 2.0%.

Number of UK residential transactions and house price inflation



Source: HMRC and Zoopla House Price Index, January 2025.

Our response

Our franchised offices outperformed the market with sales MSF up 15% vs. 2023 on a like-for-like basis.

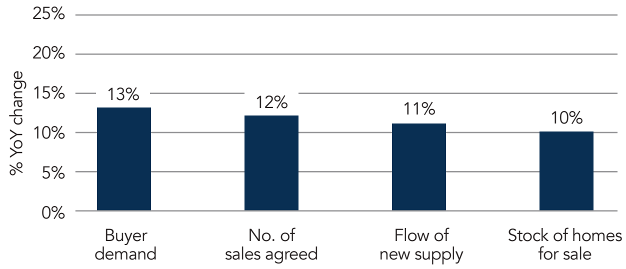
Link to strategy

2 3

Sales market activity

The momentum in sales market activity over 2024 has spilled over into 2025 despite concerns over mortgage rates drifting higher and some softening in consumer confidence over the economic outlook.

% change in residential sale activity



% change – 4 weeks to 24 January 2025 compared to same period in 2024.

Source: Zoopla.

Our response

Our franchised offices benefited from the upturn in the sales market and had pipelines going into 2025 which were 45% higher than a year ago.

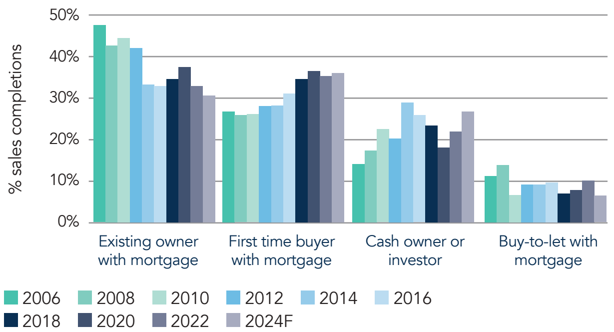
Link to strategy

2 3

Demographic of home buyers

The proportion of sales to first time buyers has increased markedly since 2006 to 36%, with sales to existing owners down at its lowest rate of 31%.

Home sales by type of buyer 2006–2024



Source: Zoopla Research calculations based on HMRC and UK Finance.

Our response

The demographic range of home buyers is widening. We are ensuring our marketing and communications styles are tailored to the relevant audiences to maximise engagement.

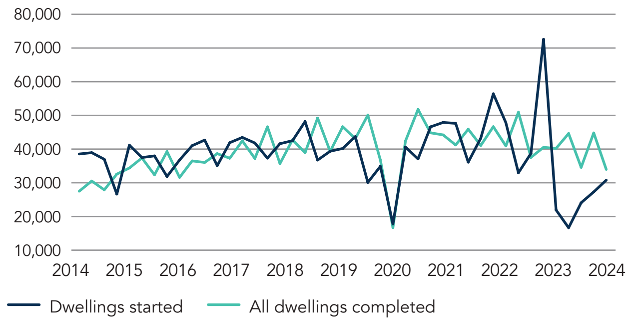
Link to strategy

1 2 3

House building

The government aims to build 1.5m new homes in the next 5 years and has set annual housing targets for each local authority in England.

Dwellings started and completed by quarter



Source: Office for National Statistics.

Our response

The number of houses built in 2024, as well as the average since 2017, demonstrates that the government's target will not be achieved easily and as such house price and rental inflation is likely to remain prevalent for years to come.

Link to strategy

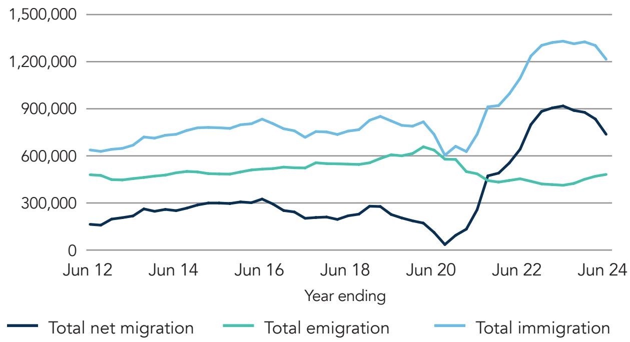
1 2 3

Key factors – Lettings

Net migration

Long-term net migration continues to play a significant part in the demand for rental properties. Provisional net migration in the year to June 2024 was 728,000, a decrease of 20% from 906,000 in the year to June 2023, but still exceeding the longer-term average of 350,000.

UK emigration and immigration



Source: ONS Long term international migration June 2025.

Our response

With net migration still considerably higher than the long-term average and housing supply being insufficient to service the current population, this is likely to continue to drive a level of rental inflation.

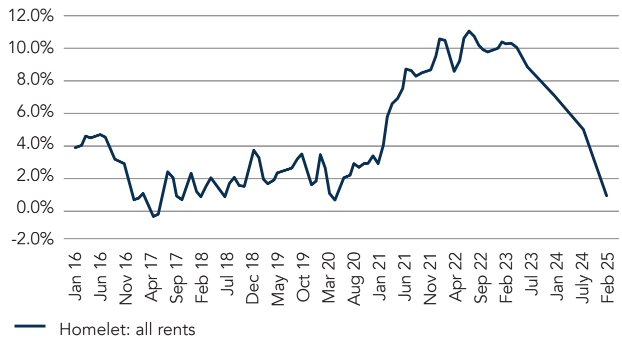
Link to strategy

1 2 3

Rental inflation

Annual rent increases have historically tracked inflation, but the rent charged on new lets saw increases of over 10% in 2022 and 8% in 2023. This has reduced to much lower levels in 2024 with rental inflation reported at 1% for the UK in February 2025. Zoopla forecast rental inflation to be 3-4% for 2025.

UK average % rent increases



Source: Homelet.

Our response

Our franchised offices outperformed the more challenging rental market with lettings MSF increasing by 8% vs. 2023 on a like-for-like basis.

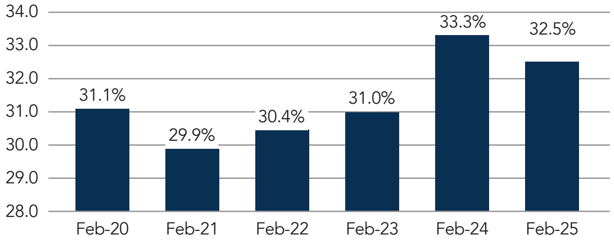
Link to strategy

1 2 3

Affordability

The percentage of household income spent on rent has decreased in the last year after the considerable rise in 2023. Rent for new tenancies represented 32.5% of household income, down from 33.3% a year ago.

Rent as a % of household's gross income for new tenancies



Source: Homelet Rental Index Report Feb 25.

Our response

The decrease vs. the prior year demonstrates that as rental growth has slowed affordability has improved as wage inflation has caught up. This indicates that a level of rental inflation is likely to remain within affordability limits.

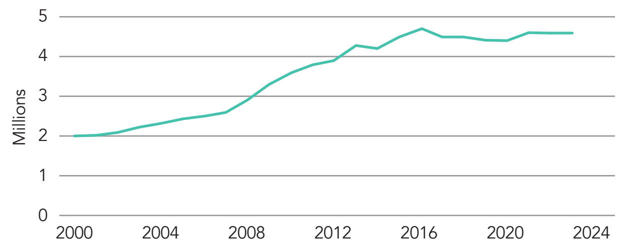
Link to strategy

1 2 3

Homes in the private rented sector

The number of private rented homes in Britain has remained flat at 4.5–4.7m between 2015–2024 changing very little. The challenges of the current tax regime and the upcoming Renters' Rights Bill are holding back growth.

Number of homes (million)



Source: English Housing Survey 2024.

Our response

Despite the financial and regulatory challenges currently and in recent years, landlords remain resilient. Where we have seen landlords looking to exit the market, they have typically sold to other landlords, keeping the properties within the sector.

Link to strategy

1 2 3

Key

1 Lettings growth
2 Develop sales activity in the high street-led brands
3 Financial services growth
4 Group acquisitions
5 Recruitment
6 Digital marketing and Artificial Intelligence

Renters' Rights Bill

The Renters' Rights Bill is the biggest change in legislation in the private rented sector in England since the 1980s; the Bill looks at ending fixed-term tenancies, removing the no fault eviction notice and raising standards. Landlords are at risk of hefty fines for non-compliance.

Where is the Bill now?

At the time of writing, the Bill has been passed through the House of Commons and now sits with the House of Lords. We expect it to be enacted in late Spring/early Summer with an implementation date in Autumn 2025. The Bill is expected to apply to all tenancies from day 1 but there will be regulations required for a number of elements including the Landlord Ombudsman and Decent Homes Standard which are likely to come into force at a later date.

What are we doing to prepare?

In many ways we have had a long lead into this Bill as it is in its second iteration after the Conservative government's Renters' Reform Bill. We have lobbied for years to ensure the unintended consequences of the Bill to both landlords and tenants are minimised and we continue to do so alongside Propertymark, the Lettings Industry Council and other working groups. We have prepared offices for changes to their fee structure to mitigate the financial impact, our Training Academy has delivered specific courses on the Bill and we have the resource ready to update processes and documents once the details are finalised. We have leveraged the size of the Group to launch new initiatives to streamline compliance, save time in offices and safeguard landlords and their income.

Being part of a franchise gives offices vital support in times of change like this, enabling them to continue to focus on delivering a great service to landlords and tenants. As we know, with change comes opportunity. It will take a huge amount of homework for landlords trying to navigate this new work alone, coupled with the risk and serious consequences of getting it wrong. So marketing to these self-managing landlords and showing them how we can help, presents a significant opportunity.

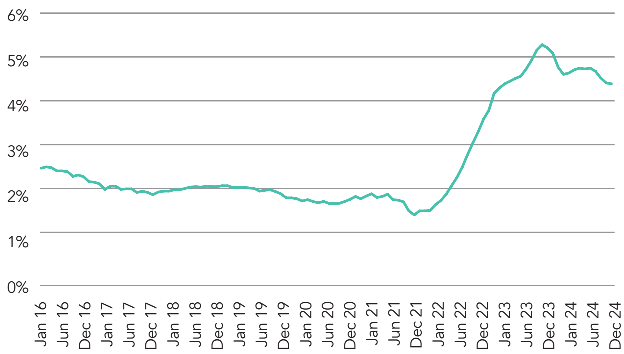
Grace Milham
Group Operations Director

Key factors – Financial services

Mortgage rates

Mortgage rates had been pricing in base rates decreases as early as Q1 2024, but the execution of this in August and subsequent decreases in December and February have helped to continue the trajectory.

Monthly average mortgage rates



Average fixed mortgage rates.

Source: Bank of England.

Our response

As appointed representatives of Mortgage Advice Bureau and Primis, we are able to offer competitive rates on mortgages. Improved affordability supported the delivery of 23,000 mortgages in 2024 by the Group.

Link to strategy

1 2 3

Lending volumes

The value of gross mortgage advances has increased to £69.8bn in Q4 2024, 30% higher than compared to 2023. New mortgage commitments (lending agreed to be advanced in the coming months) has increased by 51% to £69.3bn.

Gross advances and new commitments

Source: Financial Conduct Authority.

Our response

The annual growth in both advances and commitments demonstrates the increased market activity since mortgage rates started to decrease in Q1 2024 and provides a positive outlook for Q1 2025.

Link to strategy

1 2 3

A proven track record of delivering value

Our franchise business model, established almost 30 years ago, provides a solid foundation onto which we have built our Licensing and Financial Services divisions. We provide guidance and support to a network of entrepreneurs who possess the drive and local knowledge to deliver success.

What we do

Franchising
- Lettings
- Sales
- Financial services

Financial Services
- Mortgages
- Protection
- Other financial services

Licensing
- Sales
- Memberships

Read more about our divisions on **pages 4 and 5**

How we add value

Brand equity
Our brands are highly regarded and respected for their core values of professionalism and customer service. We invest continually in our brands to ensure that messaging remains fresh and relevant to our markets.

Expertise and scale
Whilst historically a franchisor specialising in lettings, we have greatly strengthened our expertise in selling homes and providing financial services through our acquisitions of multiple businesses. We attract the best talent in the industry to our senior leadership team.

Central support
The support we give our franchisees, licensees and members is constantly evolving to ensure they stay ahead of change. Alongside support delivered by the Operations Board, we continue to invest in our central support through IT, marketing, assisted acquisitions, compliance and business advice.

Harnessing technology
Engagement with new technologies by our franchisees, licensees and members is critical to their successful growth. Lead generation is enhanced by improved websites and CRM, and increased activity in areas such as social media, live chat, online viewings and online appointments. We are on a journey to embrace the opportunities that AI presents to us and our stakeholders.

Training
In addition to the comprehensive induction training, we deliver a continual programme of professional training and development which is conducted centrally, regionally and online.

Networking
We facilitate a culture of learning from each other and sharing experiences through annual conferences, regular regional business meetings and other events.

Delivering value

Network
- Leading edge technology and digital marketing to increase market share
- Central expertise to maximise growth opportunities

1,941
lettings and estate agency businesses in our network

300
financial advisers in our network

Employees
- Recognition of the need to attract, retain and develop the very best talent
- Access to high-quality training and career development opportunities

10,000+
employees in our networks

Shareholders
- A stable annuity-like earnings stream underpinned by a substantial portfolio of managed properties
- A growing dividend through strong financial performance, successful acquisitions and income diversification

52%
recurring revenue in 2024

Consumers
- Local expertise able to help landlords, tenants, buyers and sellers achieve their property aspirations
- Second largest branch network of residential sales and managed properties

Strategy for growth

Developing both the depth and breadth of our network, supporting our franchisees, licensees and members to grow their local market share, and increasing our share of property-related financial services transactions, to generate increased value for investors.

1 Lettings growth

Link to division

- Franchising

Increasing the market share of existing franchise territories through franchisee assisted acquisitions and improved attraction and retention of landlords.

Milestones of 2024

- Added c.75,000 managed properties through the acquisition of Belvoir Group.
- Added 2,982 managed properties under the assisted acquisitions programme.
- Delivered a programme of landlord engagement events educating on the upcoming Renters' Rights Bill to win new business and retain existing and win back lost landlords.

Focus for future

- Roll out a new Group deal that provides better access to a higher quantum of affordable lending to support franchisee acquisition aspirations.
- Roll out a highly competitive Rent Guarantee product to protect landlords from risks within the upcoming Renters' Rights Bill, providing an income opportunity whilst also attracting new business, and retaining landlords that may have otherwise exited the sector.
- Actively explore managed property acquisitions within our owned offices.

Links to KPIs

1 2 3 4 5 6
7 8 9 10 11 12

Links to risks

A B C
D E F

2 Develop sales activity in the high street-led brands

Link to division

- Franchising

Expanding the offering of sales through our franchise network to those offices that have remained primarily focused on lettings.

Milestones of 2024

- Sales MSF outperformed expectations.
- Launched a service with a property blockchain network to provide digital property data packs and smart forms to speed up the sales process.
- Created additional opportunity by working with partners on a range of property-related services offered throughout our network.

Focus for future

- The acquisition of Belvoir provides a brand new scope of offices where sales has not been offered previously.
- Continue on our upskilling journey through our network wide training portal.

Links to KPIs

1 2 3 4 5 6
7 8 9 10 11 12

Links to risks

A B C
D E F

3 Financial services growth

Link to division

- Franchising
- Financial Services
- Licensing

Building a financial services business that serves customers both within and outside of our brands and drives financial services income through our property network as well as providing an additional pipeline of new customers to our franchisees and licensees.

Milestones of 2024

- The acquisition of Belvoir Group in March 2024 resulted in the addition of the large, well-established financial services division Brook Financial Services.
- Launched FS programmes with EweMove and The Guild leveraging the capability of Brook Financial Services.

Focus for future

- Launch FS programmes across the remainder of our brands, encouraging collaboration between franchisees, licensees and advisers to maximise conversion of mortgage leads.
- Continue to extend our financial services network of advisers across the UK.
- Work internally and with our network to improve processes to drive adviser productivity.

Links to KPIs

1 2 3 4 5 6
7 8 9 10 11 12

Links to risks

A B C
D E F

Links to KPIs

1. Revenue
2. Adjusted profit before tax
3. Net cash generated from operations
4. Adjusted operating margin
5. Profit before tax
6. Adjusted diluted EPS
7. Number of managed properties
8. Financial services advisers
9. Licensees/members
10. Properties sold in the year
11. MSF per franchise
12. Average monthly fee – licensing division

Links to risks

- A Failure to achieve our growth ambition
- B Legislative changes and government policy
- C Growth in portfolio of managed properties
- D Finding and recruiting new entrants and retaining and developing our current network
- E Reputational risk to our brands
- F Cyber threats

Learn more about how we manage risk on **page 37**

4 Group acquisitions

Link to division

- Franchising
- Financial Services
- Licensing

Accelerating business growth through the acquisition and effective assimilation of complementary property network brands, financial services businesses and property-related services companies.

Milestones of 2024

- Successful acquisition and assimilation of Belvoir Group PLC adding significant scale and opportunities to the Group.
- Successful acquisition and assimilation of GPEA Limited, operating the Fine & Country and The Guild of Property Professionals brands, which adds a complementary revenue stream to the Group as well as additional scale.
- Funding agreed with Barclays to support GPEA Limited deal and further opportunities as they arise.

Focus for future

- Position the Group to take advantage of further strategic consolidation and alliances within the property sector.
- Drive a Buy & Build strategy within Financial Services division.
- Identify alternative property-related income streams that fit with the strategy of the Group.

Links to KPIs: 1 2 3 4 5 6

Links to risks: A

5 Recruitment

Link to division

- Franchising
- Financial Services
- Licensing

Attracting new franchisees, licensees and financial advisers to increase UK and international coverage and provide significant cross-Group resale and referral opportunities.

Milestones of 2024

- 36 new franchise owners recruited to our hybrid model EweMove franchise.
- 42 new advisers recruited into our Financial Services division.
- 24 new Fine & Country licensees, with 20 in the UK and 4 internationally expanding into Ireland, Dubai and the Caribbean.

Focus for future

- Continue to attract new franchise and licensee owners to the Group by revitalising our go to market strategy on the Group's value proposition.
- Facilitate the resale of existing property franchise territories to re-energise or rescue failing businesses.
- Continue to attract new advisers and business partners into our Financial Services division. Continue to attract new licensees across our 2 brands, but primarily focusing on the international opportunities.

Links to KPIs: 1 2 3 4 5 6 8 9

Links to risks: A D

6 Digital Marketing and Artificial Intelligence

Link to division

- Franchising
- Financial Services
- Licensing

Using advancing technology solutions to provide an intuitive, effective and engaging customer journey, whilst also providing opportunities to drive operational efficiency across all divisions.

Milestones of 2024

- Rollout of a new franchisee hub to give franchisees access to a wealth of information and improve efficiency.
- Rollout of powerful new digital marketing tools that track lead generation and life cycle.

Focus for future

- Utilise the data from digital marketing tools to drive strategic and tactical marketing strategy across the Group.
- Pilot the use of artificial intelligence to provide an automated lead responder and nurture programme for inbound leads.
- Implement artificial intelligence on low-value activities both within the Company operations and our networks to improve efficiency and enable increased attention on revenue generation opportunities.

Links to KPIs: 1 2 3 4 5 6

Links to risks: A E F

Belvoir Group

Acquisition of Belvoir Group PLC

Effective on 7 March 2024, The Property Franchise Group PLC ("TPFG") completed an all-share merger of TPFG and Belvoir Group, a leading UK property, mortgage and franchise group operating through 2 divisions, property franchise and financial services.

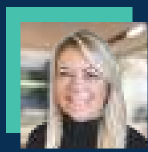
Franchising

The acquisition added a nationwide network of 330 offices across 6 brands specialising in residential lettings, property management and residential sales. The brands comprise Belvoir, Northwood, Newton Fallowell, Lovelle and Nicholas Humphreys, all operating from high street offices, and Mr and Mrs Clarke, which operates a home-based personal agent model.

Ellie Hall was appointed as Group Managing Director of the Belvoir brands in August 2024. Ellie has worked in senior positions both in TPFG and Belvoir and was best placed to leverage the opportunities available.

Financial performance for 2024 (full year)

2024 saw a strong performance year on year with total MSF of £12.3m compared to £11.5m in 2023, an increase of 8%. Lettings MSF growth remained strong increasing by 6% to £9.9m (2023: £9.4m). This is despite managed let volumes remaining broadly consistent as new acquisitions were offset by landlord attrition as a result of market apprehension of the upcoming Renters' Rights Bill. Sales MSF grew by 15% to £2.4m (2023: £2.1m), against a nationwide increase in transactions of 10% in 2024 compared to 2023. This performance reflects the steps already taken to develop sales activity in the predominantly lettings focused business.



Ellie Hall
Group Managing Director, Belvoir

"Belvoir adds significant scale to the TPFG franchise business that unlocks additional opportunities not available to either business previously. Belvoir, whilst a strong business in its own right, can leverage key strengths in TPFG's operating model to deliver more for its franchisees, driving additional financial benefit for all stakeholders."

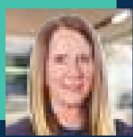
Financial Services

The acquisition added a significant financial services business that had been started within Belvoir in 2017 on the acquisition of Brook Financial Services. This trades as the largest appointed representative of the Mortgage Advice Bureau, one of the UK's leading networks for mortgage intermediaries. This was further extended through organic growth and a number of subsequent acquisitions. This business has been added to our Mortgage Genie business to create a substantial Financial Services division that now comprises a network of 300 advisers that wrote 23,000 mortgages in 2024 at a value of over £4bn.

Michelle Brook is an Executive Director of The Property Franchise Group, and is responsible for the Financial Services division, having been the original founder of Brook Financial Services.

Financial Services performance for 2024

The Belvoir financial services business performed well in a mixed market during 2024. Closely linked to the sales market, it benefited from the increase in sales transactions in the second half of the year. Total revenue for 2024 increased by 11% to £21.9m (2023: £19.7m) which includes gross fees of which a large portion are then paid through to advisers. Net financial service commissions, which is commissions received on financial services less commission payable to advisers, increased by 9% to £5.8m (2023: £5.3m).



Michelle Brook
Financial Services Director

The acquisition by TPFG offers a significant opportunity to leverage the strength of the financial services business against the substantial network size of the Group's Franchising and Licensing divisions to drive lead generation and revenue growth."

Financial performance of Belvoir Group for 2024 (full year)

Financial KPIs	Post acquisition 2024 £'000	Full year 2024 £'000	Full year 2023 £'000	% movement
Franchising revenue	13,481	15,992	15,544	3%
Franchising aPBT	6,980	8,297	7,578	9%
Financial Services revenue	19,092	21,914	19,547	12%
Financial Services aPBT	3,146	3,561	3,290	8%

Non-financial KPIs	Post acquisition 2024	Full year 2024	Full year 2023	% movement
Advisers	298	283	293	(3%)
Offices	323	323	331	(2%)
No. of managed properties	75,213	73,234	74,176	(1%)
Sales pipeline	£8.2m	£8.2m	—	—

Acquisition of GPEA Limited

GPEA Limited operates both Fine & Country, a premium licensed brand with an international footprint, and The Guild of Property Professionals, a membership organisation of around 800 independent estate agents across the UK.

Licensing

Background to and rationale for the acquisition

The acquisition of The Guild and Fine & Country from Nurtur.Group Limited was an opportunity to further accelerate growth through additional recurring network income. With the initial consideration of £15m payable in cash funded from the Group's debt facility, and a further £5m payable in May 2025, the acquisition was expected to be earnings accretive.

The acquisition broadened TPFG's existing network of 910 outlets, increasing the combined network to over 1,941 outlets, and brought highly complementary expertise to the Group. The acquisition immediately strengthened TPFG's reach and marketing and, for the first time, added an international footprint.

The Guild is a well-known and longstanding brand, established some 30 years ago, which supports its network of 749 outlets with a range of services and benefits. These include marketing, compliance and training. Fine & Country supports its licensees with the technologies, market insight and marketing capabilities of a global brand and operates in 229 locations across the UK and a further 65 across Europe, Africa, America, Asia and Australia.

Financial performance for 2024 (full year)

Revenue performance in the Licensing division is primarily driven by volume of licensees and price charged, which is different to that of franchising which is linked to the performance of the franchisee. As a result of a small reduction in licensee numbers combined with an increased average fee per licensee, total revenue in the Licensing division for 2024 was £12.23m (2023: £12.15m), an increase of 1%.

“

Iain McKenzie
Group Managing Director,
The Guild and Fine & Country

Through its brands and complementary network divisions, TPFG's platform will allow Fine & Country and The Guild access to additional benefits and services that will further improve the value proposition, attracting more licensees.”

KPIs	Post acquisition 2024	Full year 2024	Full year 2023	% movement
Revenue (£'000)	**7,214**	**12,230**	12,154	1%
Gross profit (£'000)	**4,615**	**7,780**	7,858	-1%
No. of licensees/ members #	**1,050**	**1,043**	1,059	-2%
Average fee per licensee/member	**£688**	**£688**	£668	3%

Building strong partnerships

The relationships built with our stakeholders contribute to our long-term success.

Our stakeholder engagement sets the context for the strategy set out on pages 18 and 19. In particular, our engagement with shareholders has influenced our acquisition, capital structure and dividend policies. Our engagement with our franchisees has influenced our assisted acquisitions programme, our diversification into financial services and the rollout of new technology. Our employees are fundamental to the execution of our strategy.

We aim to be a responsible employer, providing a fair package of pay and benefits including opportunities for personal development and sharing in the financial success of the Group.

Directors' Section 172 Statement

As required by Section 172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In so doing, the director must have regard amongst other matters to the:

- likely consequences of any decision in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's actions on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

Key decisions in 2024

We have considered the decisions taken by the Board which will have an impact on the longer-term performance and prospects for our Group. In 2024 the following key decision was taken:

- Acquisition of GPEA Limited, the owner of The Guild and Fine & Country brands.

This acquisition led to the creation of the new Licensing division and expansion internationally. The Board has identified potential cost synergies resulting from the buying power of the Group and also opportunities to leverage new revenue streams. Fine & Country continues to expand internationally.

Stakeholder engagement

Network

Why are they important?
Our network of franchisees, licensees, members and advisers uses our brands and support to deliver services to the end consumer.

Our priorities
- Ongoing compliance and regulatory updates, training and development
- Leveraging new revenue streams
- Engagement with digital marketing

Our engagement
- Dedicated regional team providing day-to-day support
- Annual conferences and regular regional meetings
- Regular newsletters highlighting any changes in the law, processes, services, training events and new offerings

Outcomes
- Lettings continues to be a key focus with an increasing appetite to explore acquisition opportunities
- High level of success with many of our network winning industry awards
- Positive feedback received regarding our plans to embrace AI

Links to KPIs

1 2 3 4 5 6 7 8 9 10 11 12

Links to risks

A B C D E F

Employees

Why are they important?
People are at the heart of everything that we do, so attracting and retaining talented individuals to support our network is key.

Our priorities
- Recruitment, retention and career development
- Staff training and wellbeing to develop effective teams
- Listening to our employees

Our engagement
- Personal development reviews and regular meetings with line managers
- Business briefings by CEO and CFO
- Employee recognition events
- Staff survey carried out in Q4 2024, including employees from the businesses acquired in the year

Outcomes
- New Operations Board recruited from internal candidates
- Several employees successfully completed recognised qualifications in the year
- A number of employees with 10+ years' service

Links to KPIs

1 2 3 4 5 6 7 8 9 10 11 12

Links to risks

A B C D E F

Communities

Why are they important?
Our network services the needs of its local communities and its knowledge and engagement at a local level is an important factor to its success.

Our priorities
- Providing employment opportunities to local people
- Encouraging an ethos of charitable giving and volunteering
- Promoting investment in local businesses

Our engagement
- Participation in fundraising events across the Group
- Sponsorship of local community groups
- Instigating a culture of volunteering to benefit our local communities

Outcomes
- The Fine & Country Foundation, a charity dedicated to fighting homelessness, raised £136k in 2024, reaching the £1m milestone since its inception 10 years ago
- Central teams have been involved in volunteering in their local communities and taking part in charitable activities

Links to KPIs

1 2 3 4 5 6 7 8 9 10 11 12

Links to risks

A B C D E F

Links to KPIs

1 Revenue
2 Adjusted profit before tax
3 Net cash generated from operations
4 Adjusted operating margin
5 Profit before tax
6 Adjusted diluted EPS
7 Number of managed properties
8 Financial services advisers
9 Licensees/members
10 Properties sold in the year
11 MSF per franchise
12 Average monthly fee – licensing division

Links to risks

A Failure to achieve our growth ambition
B Legislative changes and government policy
C Growth in portfolio of managed properties
D Finding and recruiting new entrants and retaining and developing our current network
E Reputational risk to our brands
F Cyber threats

Learn more about our key decisions on **page 23**

Learn more about our KPIs on **pages 32 and 33**

Learn more about how we manage risk on **page 37**

Shareholders

Why are they important?

As owners of The Property Franchise Group, our shareholders need to understand and have confidence in our business strategy and we value their support and opinions.

Our priorities

- Transparency of our business operations to investors
- Aligning Group strategy with the interests of shareholders
- Making the Group an attractive and reliable investment proposition

Our engagement

- Regular in-person and virtual investor presentations and one-to-one meetings providing institutional and private investors direct access to our CEO and CFO
- Trading and relevant business updates between results roadshows via RNS market announcements
- Clear guidance to shareholders and well-articulated growth strategy

Outcomes

- 54% of total shares are owned by retail investors
- 3 of our 4 largest institutional investors at IPO remain investors today
- 75% of shareholders voted on the Belvoir merger, of which 99.9% were in favour, showing their support for our growth strategy

Links to KPIs

1 2 3 4 5 6 7 8 9 10 11 12

Links to risks

A B C D E F

Regulators

Why are they important?

The regulators are responsible for setting industry standards that give customers confidence in our sector.

Our priorities

- Adhering to industry standards as a minimum
- Encouraging property-related qualifications across all network staff
- Meaningful engagement with the regulators and other government bodies

Our engagement

- Regular dialogue with trade bodies
- Participation in discussions on key industry legislative changes and regulatory reforms, including the Renters' Rights Bill
- Working with qualification setters to develop appropriate training courses

Outcomes

- Encourages use of accredited, trained and fully insured property professionals
- Ensures all consumers are treated fairly
- Improves standards across the sector

Links to KPIs

1 2 3 4 5 6 7 8 9 10 11 12

Links to risks

A B C D E F

Suppliers

Why are they important?

Suppliers play a part in facilitating our network to deliver high-quality services to the end consumer.

Our priorities

- Establishing and maintaining good relationships with trusted suppliers with common values which share our desire to deliver a high-quality service
- Using our scale to negotiate Group-wide deals that benefit our network and help it be more competitive

Our engagement

- Regular updates with key suppliers to our network which include monitoring their performance and exploring new offerings
- Identification of new suppliers
- Attendance at our network annual conferences

Outcomes

- Negotiation of Group-wide deals with a number of key suppliers, encompassing the newly acquired businesses, Belvoir Group and GPEA
- Our network is offered new products before they are launched to their competitors

Links to KPIs

1 2 3 4 5 6 7 8 9 10 11 12

Links to risks

A B C D E F

Understanding our social, environmental, and economic impacts

The Property Franchise Group ("TPFG") is firmly committed to expanding upon its growing progress in environmental, social and governance ("ESG") principles.

Growing our ESG knowledge

For the second consecutive year, TPFG has worked with Inspired ESG to conduct an ESG assessment, and to assess our performance against ESG indicators based on internationally recognised frameworks. The materiality assessment showed significant year-on-year progress, from a score of 21% for 2023, which demonstrated compliance with ESG regulation and a growing basic understanding as we began that journey in 2023, to a score of 50% for 2024 as we have implemented various initiatives to integrate ESG across all levels of the Group, demonstrating greater awareness as we develop formal ESG strategies and policies at a management and Board level. Looking ahead, we will continue to build on these foundations, formalising processes, setting measurable targets where appropriate, and maintaining transparent communication with our stakeholders.

Recognising the rapidly evolving ESG landscape, TPFG is committed to continuous learning at all levels. Our Board and our ESG Steering Group have enhanced their ESG expertise through workshops and ESG training to allow for informed and appropriate decision making on ESG matters. These initiatives have strengthened our ability to integrate ESG considerations into our strategy and reporting, positioning us to create long-term value for stakeholders while remaining responsive to industry developments.

Highlights

Our ESG journey now reaches its second year. In 2023 we established our strategy and have worked to expand and embed this across the Group. We have completed our second internal ESG assessment, completed with Inspired ESG, which has highlighted our high-impact areas. Our progress is outlined below:

Reducing our environmental impact

Our progress is most significantly evident in the environmental category in our reporting on and ongoing commitment to report on Scope 1, 2 and 3 emissions, part of which is contained in our Streamlined Energy and Carbon Report ("SECR"). The Board is currently focused on setting clear energy reduction targets and strategies to reduce our carbon footprint. We have completed an updated materiality assessment to determine the significance of different ESG categories. Indicators relating to 'climate' and 'environmental interactions' have risen in importance, reflecting our growth and proactive approach to environmental management. This year we will continue to collect accurate data to drive initiatives as we develop our carbon reduction roadmap.

Scope 1 and 2 emissions reduction

10%

Energy savings

8%

Looking after our people

Our strongest category in the ESG assessment was the social elements, marked by success in employee development and wellbeing initiatives, including an extensive employee survey and wider local community engagement. The interconnection between employees and communities has gained prominence and recognition in the boardroom. We have shown a commitment to generating new jobs and developing skills within the local communities we serve and among our employees, such as in our upskilling and guidance in our Apprenticeship Scheme. In 2025, we will continue this work along with wider supplier engagement including environmental, governance and social dialogue to ascertain that we are working with suppliers which share our values across the ESG framework. We have listened to our employees in the survey at the end of 2024 and have an action plan set for implementation in 2025.

Good governance is key

Our corporate governance has been strengthened through the integration of ESG factors into decision making. The Board, ESG Committee and ESG Steering Group have all undertaken ESG training in the period under review. Governance continued to be our top priority and the Board has both responsibility and oversight for ESG matters. Business objectives and long-term goals are reviewed in each Board meeting alongside a dedicated ESG agenda item to ensure alignment with corporate values. Our policies on Anti-Corruption and Bribery, Modern Slavery, Whistleblowing, and Conflicts of Interest are embedded across the firm and we intend to ensure our suppliers all subscribe to the same levels of operational resilience, governance, integrity and zero tolerance for anything other than responsible business conduct and the respect of human rights.

Reducing our environmental impact

Establishing and maintaining good environmental practices is important to us.

Streamlined Energy and Carbon Reporting ("SECR")

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the government's policy on SECR. TPFG meets the mandatory reporting criteria for SECR legislation. Orbis Advisory Ltd has worked with us to provide a comprehensive SECR compliance service, covering the financial years 2023 and 2024 from 1 January to 31 December.

SECR statement

Reporting has been conducted in accordance with the methodology set out in the Greenhouse Gas ("GHG") Protocol Corporate Standard, and using the Department for Energy Security and Net Zero's ("DESNZ") emissions factors and the EPA emission factors to calculate emissions. Calculation of our SECR energy consumption and GHG emissions was completed by an independent third party, Orbis Advisory, which is helping us to do our part to fight climate change.

For the 2023 and 2024 carbon calculations, primary data was used wherever possible. For 2024, data was provided for January to September and extrapolated to calculate emissions for a 12-month period. The table below presents our Scope 1, Scope 2 and relevant Scope 3 emissions related to fuel and energy consumption for the financial period from 1 January to 31 December for 2024 with a comparison against the previous financial year. Our Scope 1 and 2 emissions came from electricity and gas consumption in our UK offices and cars owned by the Company. In 2023 and 2024, TPFG also had indirect (Scope 3) emissions from the fuel consumption of employee-owned and rental cars used for business purposes as well as business travel via flights, taxis and trains. Emissions from employee-owned cars used for business purposes were calculated using the mileage expenses submitted by employees to the Company.

The table below shows the results; it must be noted that there have been significant changes to the way the business operates in the last year, as a result of the expansion and integration of the newly acquired businesses, which have meant 2023 and 2024 are not directly comparable. We will use 2024 as a benchmark and endeavour to make improvements in 2025 to the scores.

From 2023 to 2024, TPFG's emissions trends varied across activities. Emissions from natural gas fell by approximately 26% due to reduced office heating, while Company vehicle emissions dropped by nearly a third with the adoption of lower-emission vehicles. Electricity emissions increased by approximately 15%, driven by higher consumption, though renewable tariffs in some offices mitigated further increases.

Carbon and energy efficiency measures

In the past year, we have taken significant steps to enhance our carbon and energy efficiency. We have prioritised the increase of renewable energy tariffs across our offices since 2024, reducing our reliance on fossil fuels and lowering our overall carbon footprint. Additionally, we have substantially reduced our paper waste volume by increasing the digitisation of our processes. We have implemented a waste management system in our offices, ensuring the segregation of materials for responsible disposal and contributing to a more sustainable, circular economy. Within the next year, we intend to fully assess our Scope 3 emissions and set out strategic initiatives to increase energy efficiency and reduce carbon emissions across our operations and value chain.

Reduction in Scope 1 emissions

26%

Item	Previous reporting year* (1 January 2023– 31 December 2023)	**Current reporting year (1 January 2024– 31 December 2024)**
Scope 1 emissions (tCO_2e)	175.44	**130.02**
Scope 2 emissions (location based) (tCO_2e)	82.58	**103.46**
Scope 3 emissions from employee-owned vehicles on business use (tCO_2e)	126.90	**241.71**
Total gross organisational emissions (tCO_2e)	384.92	**475.20**
Total energy consumption used to calculate carbon emissions (location based) (kWh)	1,326,159.29	**1,214,762.72**
Carbon intensity ratio – carbon emissions per employee (location based) (tCO_2e/employee)	1.13	**1.42**
Scope 2 emissions (market based) (tCO_2e)	82.58	**95.48**
Total emissions related to Scope 3 business travel (tCO_2e)	39.50	**79.86**
Total organisational emissions (market based) (tCO_2e)	384.92	**467.21**
Carbon intensity ratio – carbon emissions per full-time employee (market based) (tCO_2e/employee)	1.13	**1.39**

* This is not a direct comparison due to the operational changes in 2024.

Decarbonisation plan and Net Zero readiness

As part of our commitment to understanding and managing our environmental impact, we have been actively assessing our greenhouse gas ("GHG") emissions and identifying opportunities for reduction. In collaboration with external specialists, the Company has evaluated its carbon footprint for 2023 and 2024, pinpointing key emission hotspots and developing targeted recommendations. A dedicated workshop was conducted to explore the feasibility of these measures, ensuring that reduction strategies are both achievable and impactful. To support long-term planning, we have also undertaken a decarbonisation modelling exercise to estimate the emission reduction potential of the actions we could take as a Group to make an informed decision. These efforts position the Group to enhance its sustainability performance and prepare for the evolving expectations around carbon reduction and Net Zero readiness.

Beyond emissions reduction, we are strengthening our readiness for evolving ESG regulations and broader sustainability expectations. To enhance leadership engagement, the Group has undertaken Board-level training on the strategic importance of ESG, emphasising how proactive management of environmental and governance factors can drive business growth while minimising its footprint. These efforts position the Group to navigate the shifting ESG landscape with confidence and prepare for the next steps in our sustainability journey.

Estimated number of trees saved as part of the Shredding & Recycling programme in 2024

68

Environmental stewardship

We have successfully implemented several initiatives to strengthen our environmental stewardship, including dedicated litter picking efforts. These actions have tangible ecological benefits, including healthier ecosystems, support for biodiversity by creating cleaner environments where plants and wildlife can thrive and cultivating a culture of positive environmental responsibility across the Group.

Waste reduction

As part of our waste reduction initiatives, we committed to Green Plan-It and earned a certificate of environmental accomplishment for participating in its Shredding & Recycling programme in 2024, saving an estimated 68 trees. We have also made an effort to reduce our waste by decreasing our printing activities within the Group and making an active effort to go digital where possible.

> **"Calculation of our SECR energy consumption and GHG emissions was completed by an independent third party, Orbis Advisory, which is helping us to do our part to fight climate change."**

Our people

Employee engagement

Motivated and dedicated employees are key to our success as a group. In Autumn 2024, we rolled out an employee survey to all employees across the Group, including the businesses acquired in the year, to help us to assess any areas which needed our focus. Overall the results were extremely pleasing, with a large proportion of employees taking the time to provide their feedback. The next stage will involve ongoing focus groups where employees will be invited to be part of the journey.

We encourage participation by employees across the Group in the development of the strategy and direction of the business. In 2024, we established an Operations Board consisting of members of senior management, with all employees across the Group ultimately reporting into one of the members. In addition we have the ESG Steering Group, which includes some non-managerial team members, across as many of our brands as possible, giving a wider voice to the ESG strategy.

We encourage open communication and welcome employees to raise any issues and foster a culture of listening; in addition, should the need arise, we also have a Whistleblowing Policy, and our employees are all trained on this policy.

Health and wellbeing

The health and wellbeing of our employees in the workplace is of utmost importance to us. We are committed to enhancing the wellbeing of our employees through a range of benefits designed to support their overall health and happiness. We recognise that we are stronger together, and believe that a rewarding environment inspires, motivates and encourages an open and supportive culture that shares successes. To add to our employee wellbeing, we offer a comprehensive Employee Assistance Programme ("EAP") and a range of other benefits such as a cycle-to-work scheme, birthday day off, discounted gym memberships and social events for employees, to name just a few.

We are very proud of our Employee Recognition Scheme where employees can nominate each other to the scheme as a thank you, building a culture that recognises and appreciates hard work. This scheme was introduced in 2024 and is available to employees across the entire Group, with the most recent winners having an invaluable day out together which was a great opportunity for colleagues from different parts of the organisation to come together.

Health and safety at work is an important consideration. We engage an external consultant to undertake assessments of our premises on our behalf. In addition to this, as an organisation, we ensure that we have first aiders and fire marshals in all offices at all times in line with the Group's commitment to a target of zero incidents. There have been no health and safety incidents in the year; and the Group is committed to a target of zero harm. The Group ensures that employees undertake health and safety training where applicable and the First Aid Policy is reviewed annually.

Training and education

Employee development is a core priority for us. Through one-on-one meetings and regular performance reviews, we provide personalised support to help our employees reach their full potential. In addition to mandatory training for all our employees across diversity and inclusion and annual health and safety training, we also offer specialised training where applicable in areas such as finance and project management, equipping employees with the skills to succeed and contribute to the Group's growth. We are committed to upskilling our employees and will support those who want to take on additional training. We offer apprenticeships to transition young people into full-time employment.

We have an in-house training platform available to all head office staff and also franchisees and their employees. We have seen engagement in the platform increase by 300% in the past year. We are in the process of rolling this out to the newly acquired businesses.

Diversity and inclusion in recruitment

The Group has a Diversity and Inclusion Policy and is committed to this in its recruitment. Training on diversity and inclusion is mandatory for all employees.

A member of our Operations Board is on the board of the independent organisation Women in Estate Agency, an organisation which is championing the inclusion of more women in an industry that still is predominantly male dominated at a senior level. As at 31 December 2024, our employee breakdown was 36% male and 64% female.

The Group has a Modern Slavery Statement and is committed to respecting human rights and managing any risks with respect to child labour and forced or compulsory labour. The Group undertakes discrimination training, has zero tolerance of discrimination of any kind and works to promote awareness across the Group.

Community work

We are committed to making a positive impact in our local communities and in the areas where we operate. We actively collaborate with these communities through charity initiatives and have engaged with the community every day in 2024, as part of a scheme called the 365 Days initiative and events like Do It For Dom, meeting our target to donate an entire year to charity. Our volunteer efforts include restoring old bridges, cleaning park equipment and litter picking at local parks. We have proudly sponsored local football teams and raised money for charities through fun runs, charity matches and bake sales. We also support our employees in their charitable endeavours.

Enhancing transparency with corporate governance

Governance

We uphold a governance framework that ensures strategic oversight, regulatory compliance and enhanced accountability. By adhering to the widely recognised QCA Corporate Governance Code, now in its second version, we continuously refine our approach to corporate governance and risk management to align with best practices and our stakeholder expectations. We have undertaken governance training in the year and implemented the QCA Corporate Governance Code (version 2023) which came into effect from 1 January 2025.

This year we have reinforced our governance mechanisms, integrating ESG considerations into decision making, operational strategies and processes such as our supplier on-boarding process. Our ESG Steering Group, established in 2023 and composed of a Board member and representatives across various departments, such as senior leadership members, finance, marketing, legal, facilities management and HR, meets regularly and has played a key role in our ESG strategy. In 2025, we also welcome our CFO, Ben Dodds, to the ESG Steering Group demonstrating his passion for aligning our wider strategy with our ESG principles and commitments. The progress of the ESG Steering Group is reported to the ESG Board Committee and the wider Board regularly. This year, the ESG Steering Group formalised its structure and expanded its members to include representatives across our new acquisitions and advanced the operational strength and prominence of our ESG strategies and oversight in the boardroom and across our senior leadership team.

The Group is currently reviewing its supplier agreements against various environmental, governance and social criteria, and is taking steps to create supply chain resilience.

The Group has an Anti-Bribery and Corruption Policy and has zero tolerance for corruption and bribery. There were no bribery or corruption reports during the last financial year.

The Board considers macroeconomic factors for the strategy of the business and is developing this further in 2025 with the Board considering recommendations from the ESG Steering Group on formalising a Local Hiring Strategy, conducting a Community Impact Assessment and thinking about how our wider economic value generated is distributed, and in a proportional manner is considering any potential impact of climate change on the Group.

ESG organisational structure

Our ESG structure begins in the boardroom where ESG is discussed at every Board meeting. The Board-level ESG Committee is comprised of our CFO, Ben Dodds, and chaired by one of our Non-Executive Directors, Claire Noyce, along with our Senior Independent Director, Jon Di-Stefano. The Committee identifies and assesses ESG-related risks and opportunities and develops strategies to mitigate or capitalise on them. It tracks and reports to the Board on the Company's ESG performance, ensuring accountability and transparency. The ESG Committee ensures that all matters environmental, social and governance are given equal regard. Beneath this ESG Committee, there is an ESG Steering Group reporting to both executive leadership and the ESG Committee to ensure ESG integration and accountability, from the boardroom and across the organisation.

Our ESG Steering Group is chaired by Claire Noyce to provide a continuum of governance from the Board to other diverse stakeholders, and to ensure buy-in and influence at the highest levels.

An employee within the Company serves on the ESG Steering Group as Deputy Chair to Claire Noyce, to manage the day-to-day operations of the ESG Committee, ensuring smooth functioning and communication. The diverse members of the Group include representatives from various departments and functions, such as operations, finance, IT, marketing, legal, HR, facilities, and the senior leadership team. The Steering Group plays a key role in developing and implementing the Company's ESG strategy, which is formulated by the ESG Committee and mandated by the Board. The Steering Group engages with a range of interested parties, including investors, customers, employees and communities, to understand their expectations and concerns in this area.

There is emphasis on a bottom-up, as well as a top-down, approach to this structure, which ensures that ESG is a top priority for our Board, as well as an important part of our culture within the Group and amongst our wider stakeholder groups.

Measuring our performance

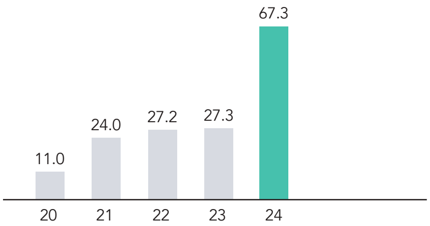
The Group tracks a series of financial and non-financial metrics that demonstrate the progress it is making. These have been discussed in further detail throughout the Strategic Report.

Financial KPIs

Revenue (£m)

£67.3m

+147%



Definition

Income net of VAT from the provision of franchising, financial services, licensing and membership activities.

Comment

In 2024 we significantly expanded our Financial Services division and created a new Licensing division, as a result of the 2 acquisitions.

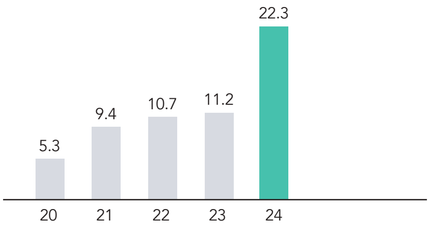
Link to strategy

1 2 3 4 5 6

Adjusted profit before tax (£m)

£22.3m

+100%



Definition

Profit before tax to which is added back amortisation arising on consolidation, exceptional costs, gain and losses from investments and share-based payment charge. All add backs are disclosed in note 13 to the financial statements.

Comment

This is a more accurate measure of the Group performance because it removes the impact of share-based payment charges and exceptional items.

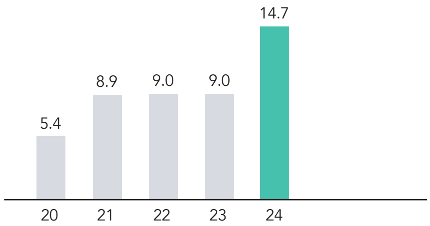
Link to strategy

1 2 3 4 5 6

Net cash generated from operations (£m)

£14.7m

+63%



Definition

Cash generated from the day-to-day trading activities of the business less taxes and loan interest paid.

Comment

The business continues to be highly cash generative.

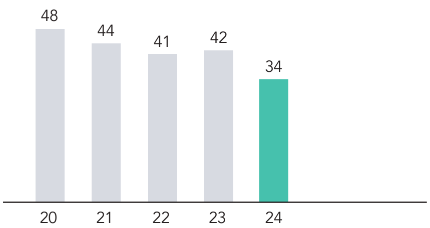
Link to strategy

1 2 3 4 5 6

Adjusted operating margin (%)

34%

-8%



Definition

Operating profit to which is added back amortisation arising on consolidation, exceptional costs, unwinding of discounting on acquisition deferred consideration and share-based payment charge expressed as a percentage of revenue.

Comment

The recently expanded Financial Services division operates with a lower margin.

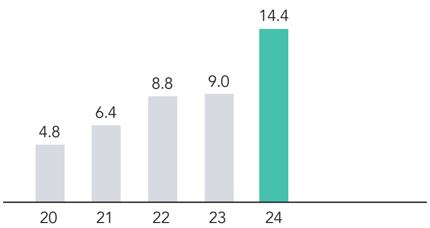
Link to strategy

1 2 3 4 5 6

Profit before tax (£m)

£14.4m

+60%



Definition

Total revenue minus total costs, before the deduction of corporation tax.

Comment

Profit is stated after exceptional costs of £2.7m in the year.

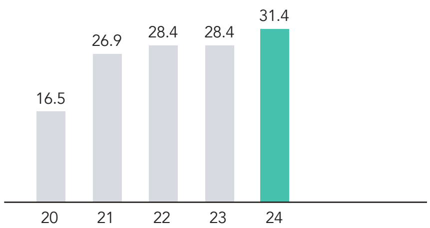
Link to strategy

1 2 3 4 5 6

Adjusted diluted EPS (p)

31.4p

+11%



Definition

Adjusted profit for the year divided by the weighted average number of shares in issue, including the dilutive effect of share options. See note 13 in the financial statements.

Comment

Earnings increased significantly year on year but the number of shares also increased.

Link to strategy

1 2 3 4 5 6

Links to strategy

1 Lettings growth
2 Develop sales activity in the high street-led brands
3 Financial services growth
4 Group acquisitions
5 Recruitment
6 Digital marketing and Artificial Intelligence

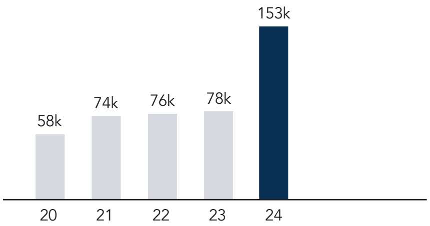
Learn more about our strategy on **pages 18 and 19**

Non-financial KPIs

Number of managed properties (#)

153,000

+96%



Definition
Total number of rental properties being fully managed by our network.

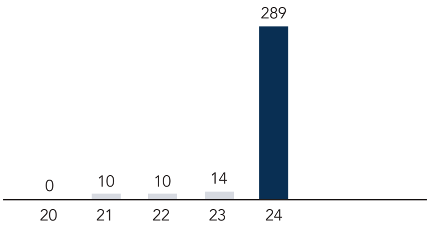
Comment
Revenue from managed properties is a reliable income stream as the landlord is charged a % fee based on the rent paid each month.

Link to strategy
1 2 3 4 5 6

Financial services advisers (#)

289

+1,964%



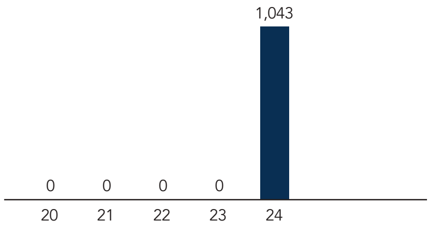
Definition
Number of mortgage and insurance advisers working in our Financial Services division businesses.

Comment
The acquisition of Belvoir Group PLC in March 2024 transformed the Financial Services division.

Link to strategy
1 2 3 4 5 6

Licensees/members (#)

1,043



Definition
Number of Fine & Country licensees and Guild members at the year end.

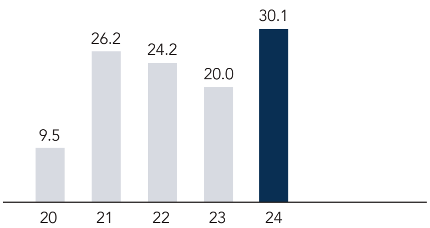
Comment
This division was established in 2024 with the acquisition of GPEA Limited.

Link to strategy
1 2 3 4 5 6

Properties sold in the year (#)

30.1k

+51%



Definition
Total number of property sales completed by our network in the year.

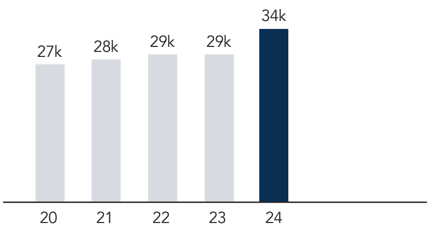
Comment
Our network continues to outperform the market.

Link to strategy
1 2 3 4 5 6

MSF per franchise – all brands (£k)

£34k

+19%



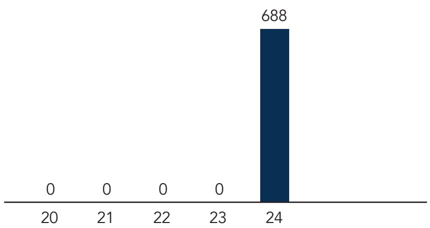
Definition
Total Management Service Fees ("MSF") for all brands for the year divided by the total number of franchised trading territories at the end of the year.

Comment
The average MSF per franchise has increased by 19%.

Link to strategy
1 2 3 4 5 6

Average monthly fee – Licensing division (£)

£688



Definition
Total licence fees and membership fees in December divided by the number of licensees and members in the month.

Comment
Licensees also purchase additional services from us.

Link to strategy
1 2 3 4 5 6

Acquisitions transform results

"2024 includes the results of Belvoir Group and GPEA for the period post-acquisition; we will see the full impact of these transformational acquisitions in 2025."

Adjusted PBT*
£22.3m

▲ +100%

Dividend paid
18p

▲ +29%

"Our primary focus has been on integrating the acquired businesses and delivering the cost synergies, where we have made strong progress."

	Percentage change	2024	2023
Revenue	147%	**£67.3m**	£27.3m
Management Service Fees	76%	**£28.3m**	£16.1m
Cost of sales	314%	**£22.3m**	£5.4m
Administrative expenses	122%	**£26.2m**	£11.8m
Exceptional costs		**£2.7m**	—
Adjusted operating profit*	101%	**£23.1m**	£11.5m
Operating profit	64%	**£15.2m**	£9.3m
Adjusted profit before tax*	100%	**£22.3m**	£11.2m
Profit before tax	59%	**£14.3m**	£9.0m
Adjusted EBITDA*	100%	**£24.1m**	£12.1m
Dividend	29%	**18.0p**	14.0p
Diluted EPS	(20%)	**17.6p**	22.0p
Adjusted diluted EPS*	11%	**31.4p**	28.4p

* Before exceptional costs, amortisation of acquired intangibles, share-based payment charges and unwinding of discounting on deferred consideration.

Summary

I am pleased to report on an evolutionary year for the Group which has translated into a transformed set of accounts with revenue, profit, cash flow and the balance sheet changing demonstrably in absolute terms compared to 2023 as a result of the 2 acquisitions. We have subsequently structured the business into 3 key divisions to improve transparency on performance and this will continued to be refined over time.

Our key measures of performance of lettings income and sales income have increased in both absolute terms and on a like for like basis, resulting from continuing rental inflation, a boost in sales activity from improved mortgage affordability and of course the acquisitions themselves. In addition to these measures, financial services commissions and licensing revenue have become much more important as a proportion of total revenue and have both delivered in line with expectations since the acquisitions.

In 2024, our primary focus was on integrating the acquired businesses and working towards realising the anticipated cost synergies, where we have made strong progress.

We have once again increased dividends to shareholders, reflecting our strong performance and cash generation, and demonstrating our commitment to a progressive dividend policy.

Looking ahead to 2025, we will continue maximising value from our acquisitions, completing the final stages of restructuring, and leveraging our expanded scale to unlock new revenue opportunities.

Acquisitions

During the year the Group completed 2 major acquisitions.

The first the acquisition of Belvoir Group PLC which was announced on 10 January 2024. The transaction was recommended by the boards of both companies on the basis of creating a leading property franchise business, benefiting from increased scale. Post acquisition, TPFG shareholders owned 51.75% and Belvoir shareholders 48.25% of the enlarged Group. Each Belvoir share was valued at approximately 277.4p, comprising an equity value of Belvoir's entire issued ordinary share capital of approximately £103.5m and TPFG's entire issued ordinary share capital of approximately £111.0m. In addition there was £3.7m of cash paid bringing the total consideration to £107.2m.

The second was an acquisition of the entire issued share capital of GPEA Limited, trading as The Guild of Property Professionals ("The Guild") and Fine & Country, for a total consideration of approximately £20m, the consideration having been split with £15m payable on completion and a further £5m payable in cash 12 months after completion in May 2025.

Both acquisitions fit within the Group's strategy to acquire accretive businesses with complementary and recurring revenue streams which deliver network expansion and extend geographic reach.

Revenue

Group revenue for the financial year ended 31 December 2024 was £67.3m (2023: £27.2m), an increase of £40.1m over the prior year. This includes the addition of revenue from Belvoir of £31.3m, and GPEA of £7.2m. Total revenue on a like-for-like basis was £28.7m reflecting the continued organic growth of the original business.

Within our Franchising division, Management Service Fees ("MSF"), our key underlying revenue stream, increased 76% to £28.3m (2023: £16.1m), of which £10.4m has come through from the Belvoir business since acquisition. Lettings MSF continues to be dominant making up 67% of total MSF in 2024 with sales MSF at 33%. On a like-for-like basis MSF grew by 11% demonstrating continued growth within the original business.

Revenue within our Financial Services division rose significantly to £19.2m (2023: £1.5m) as a result of the addition of the Brook Financial Services business, being part of the Belvoir acquisition. This made Financial Services a much greater proportion of total revenue at 29% (2023: 5%).

The acquisition of GPEA in May 2024 added a new Licensing division to the Group which delivered £7.2m of revenue in the subsequent 7 months of trading.

Operating profit

Headline operating profit increased by 64% to £15.2m (2023: £9.3m) with an operating margin of 23% (2023: 34%). Adjusted operating profit before exceptional items, amortisation of acquired intangibles, share-based payment charges and unwinding of discounting on acquisition deferred consideration increased by 101% to £23.1m (2023: £11.5m) with an adjusted operating margin of 34% (2023: 42%). Operating profit on a like-for-like basis was £11.0m.

Operating margins have decreased as a result of the higher proportion of revenue being derived from Financial Services. Adjusted Operating margin in Financial Services was 14%, in line with expectations, compared to Franchising of 56%.

Cost synergies anticipated as part of the acquisitions have been partly realised during the year with £0.4m of savings realised in 2024, with further savings to be achieved through both annualisation and further operational changes planned for H1 2025. An assessment of the share-based payment charges was made on 31 December 2024 resulting in £0.9m being charged to the profit and loss account (2023: £0.8m). Further details can be found in notes 4, 5 and 30 to the consolidated financial statements.

Adjusted EBITDA

Adjusted EBITDA for 2024 was £24.1m (2023: £12.1m), an increase of £12.0m (99%) over the prior year.

Profit before tax

Profit before tax increased to £14.3m (2023: £9.0m). Adjusted profit before tax increased by 100% from £11.2m to £22.3m having removed exceptional items of £2.7m (2023: £nil), amortisation of acquired intangibles of £4.3m (2023: £1.4m), share-based payment charges of £0.9m (2023: £0.8m) and unwinding of discounting on acquisition deferred consideration of £0.2m (2023: £nil). Adjusted profit before tax on a like-for-like basis was £13.0m.

Taxation

The effective rate of corporation tax for the year was 29% (2023: 18%). The total tax charge for 2024 was £4.2m (2023: £1.6m). The increase compared to 2023 is as a result of both disallowable exceptional costs from the acquisition, and a full financial year at the revised corporation tax rate of 25%.

Earnings per share

Under the terms of the acquisition of Belvoir, each Belvoir share was entitled to receive 0.806377 new TPFG shares. This resulted in the issuance of 30.1m new shares being the primary reason for the considerable change in share capital from 32,255,007 at December 2023 to 63,752,008 at December 2024.

Earnings per share continued

Basic earnings per share ("EPS") for the year was 17.7p (2023: 23.0p), a decrease driven primarily by exceptional costs resulting from the acquisitions and based on the average number of shares in issue for the period of 54,477,151 (2023: 32,142,942).

Diluted EPS for the year was 17.6p (2023: 22.0p), a decrease of 19% based on the average number of shares in issue for the period plus an estimate for the dilutive effect of option grants vesting, being 57,897,032 (2023: 33,561,469).

Adjusted basic EPS for the year was 31.7p (2023: 29.7p), an increase of 7% and adjusted diluted EPS for the year was 31.4p (2023: 28.4p), an increase of 11%.

The profit attributable to owners increased by 36% to £10.1m (2023: £7.4m).

Cash flow

The Group is very cash generative. The net cash inflow from operating activities in 2024 was £14.7m (2023: £9.0m). Cash conversion against earnings was 145% in 2024 (2023: 122%).

The net cash outflow from investing activities was £15.8m (2023: £0.4m). Of the £15.8m, £14.3m related to the purchase of GPEA Limited net of cash acquired.

The Group borrowed £20.0m from Barclays to fund the acquisition of GPEA in May 2024. This was made up of a revolving credit facility ("RCF") of £6.0m and a term loan of £14.0m repayable over 3 years. The RCF was fully repaid during 2024, and £0.8m of the term loan was repaid, leaving the Group with £13.2m of bank debt.

Capital allocation

Our capital allocation strategy remains unchanged. Our first priority is continuing to make investments that support profitable organic growth within the business, whether this be new product initiatives or additional operational efficiencies (such as our AI programme). Our second priority is to consider the appropriate timing of repaying the bank debt taken last year to acquire GPEA, to minimise interest costs and maximise earnings per share. Our third priority is our commitment to return capital to shareholders through a progressive dividend policy. Finally, we will continue to consider accretive acquisition opportunities within both core and complementary areas.

Dividends

The Board remains committed to its progressive dividend policy whilst maintaining strong dividend cover as part of its overall capital allocation policy. It has considered the trade off between debt repayment and returning shareholder value and concluded that with moderate leverage of 0.4x and acquisition debt anticipated to be fully repaid in 2026, a progressive dividend that reflects the increased performance and cash generation of the Group was appropriate.

As a result, the Board is pleased to announce a proposed final dividend of 12.0p (2023: 7.4p), which, with the interim dividend of 6.0p, brings the total dividend for 2024 to 18.0p (2023: 14.0p). It will be paid on 2 June 2025 to all shareholders on the register on 9 May 2025 conditional on shareholder approval at the AGM. Shares will be marked ex-dividend on 8 May 2025. The total amount payable is £7.7m (2023: £4.6m). On adjusted basic EPS, dividend cover is 1.8x (2023: 2.1x).

Liquidity

The Group had cash balances of £4.2m on 31 December 2024 (2023: £7.6m) and after deducting the term loan balance of £13.2m mentioned above, net debt was £9.1m (2023: net cash of £5.1m) resulting in moderate leverage of 0.4x.

Key performance indicators

The Group uses a number of key financial and non-financial performance indicators to measure performance, which are regularly reviewed by the Board to ensure that they remain relevant to the Group's operations. These have been discussed in detail through the Strategic Report and are illustrated on pages 32 and 33.

Financial position

The Consolidated Statement of Financial Position remains strong with total assets of £204.0m (2023: £57.7m) with the increase being as a result of the 2 acquisitions within the year.

Total liabilities increased to £59.9m (2023: £16.9m), of which £13.2m relates to the acquisition debt, £22.1m to deferred tax liabilities and £4.9m to deferred consideration on the GPEA acquisition.

The Group finished the year with the total equity attributable to owners of £144.1m (2023: £40.8m), an increase of 253% over the prior year. It achieved a ROCE of 11% (2023: 21%) and a ROCI of 12% (2023: 28%), both of which have been impacted by having only part year earnings from the acquisitions but the full balance sheet impact.

Ben Dodds
Chief Financial Officer
7 April 2025

How we manage risk

The Group's approach to effective risk management is to identify principal risks through regular reviews, evaluations and prioritising of risks.

We then develop actions or processes within the business to eliminate or mitigate those risks to an acceptable level. Responsibility for the management of risk is detailed in our risk management framework, as presented here.

Risk management framework

The Board

The Board has overall responsibility for the management of risk, defining the Group's risk appetite and setting key risk management policies.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities by reviewing and monitoring the integrity of the Group's systems of internal control and risk management.

Franchise audits and compliance

An internal team is responsible for auditing franchises in rotation. Audit work is geared towards mitigating financial risks. A compliance dashboard enables us to monitor franchisees' adherence to relevant standards such as having the correct insurances in place.

Annual risk review

The Group carries out a risk review annually. The document sets out the name of the risk as well as describing it, considering the effect on the business, looking at the controls in place, looking for additional mitigating factors and deciding its seriousness by considering the probability of it occurring and what damage it would cause if the event occurred.

Board members and senior management all contribute to the risk review. The Audit and Risk Committee reviews the document, examines the risks, decides on the actions to recommend and then passes it on to the Board for approval. Once a risk has been determined as requiring action, the Board allocates the responsibility to the appropriate Board member.

Learn more on **pages 38 and 39**

Principal risks and uncertainties

The Board has determined the most significant risks to achieving the business objectives, including those that would threaten its business model, future performance, solvency or liquidity.

The table below summarises these principal risks and how they are managed or mitigated. The risks listed do not comprise all those associated with the Group and are not set out in any order of priority. There could be additional risks and uncertainties that are not presently known to management or currently deemed to be less material, which may also have an adverse effect on the business.

Principal risk		Movement
Failure to achieve our growth ambition	Market conditions, our ability to recruit, and the experience, expertise and commitment of our networks, all influence our ability to grow our revenue.	We believe that this remains a constant despite the clear benefits that the acquisitions of Belvoir Group PLC and GPEA Limited have brought with regard to our ability to achieve our ambitions. Going forward our ambitions are reset from a new baseline and the same risk applies.
Legislative changes and government policy	The residential property market is continually influenced by changes in UK legislation and government policy. We aim to stay ahead of these but there can be instances where they cause short-term inefficiencies.	This risk has been elevated by the Renters' Rights Bill ("RRB") that is expected to come into law during 2025. Whilst we have been working on ways to mitigate the potential impacts on our landlords and franchisees, in isolation it will make being a landlord less attractive. This provides both downside risk and upside potential.
Growth in portfolio of managed properties	The Group needs to continue to help find suitable portfolios of managed properties for its franchisees and encourage them to buy them.	This risk has been elevated by the RRB. Whilst we have been working on ways to mitigate the potential impacts on our landlords and franchisees, in isolation it will make being a landlord less attractive. This provides both downside risk and upside potential to the growth of our portfolio.
Finding and recruiting new entrants and retaining and developing our current network	Our business depends on the people who we recruit to be our franchisees, licensees, members and advisers.	This risk remains constant. Whilst the scale of a newly formed larger group should have a positive impact on attracting new recruits across our divisions, the most important factor remains maintaining a consistently competitive value proposition.
Reputational risk to our brands	A strong brand is key to being successful in any sector and central to that is the reputation of our Group.	This risks remains constant.
Cyber threats	Cyber threats could affect our business systems, causing services to be suspended. They could also be a source of identity theft and invoice fraud.	Although we are aware from the press that cyber attacks have become more prevalent and sophisticated, we believe the risk remains unchanged due to additional work we have done to improve the security of our online networks.

Links to strategy

1 Lettings growth
2 Develop sales activity in the high street-led brands
3 Financial services growth
4 Group acquisitions
5 Recruitment
6 Digital marketing and Artificial Intelligence

Learn more about our strategy on **pages 18 and 19**

Indicators

Increase | Decrease | No change

Key responses and controls		Indicator	Strategy
We have grown through the acquisitions of Belvoir Group PLC and GPEA Limited in 2024, increasing market share and representation. The senior leadership team and Board continually monitor key KPIs and variances to expectations which informs key focuses and rollout of actions to mitigate.	We are diversifying our revenue streams and broadening the markets in which we operate to mitigate any downturns in the market. There is the opportunity to use the data we hold, the customer relationships we have established and our greater scale to offer other products and services that increase revenues across the Group.	No change	1 2 3 4 5 6
We have run events, workshops and online briefings to help advise landlords on the RRB in the interests of retaining and attracting those that do not wish to deal with the increased compliance risk. Our property management services free landlords from the burden of legislation where they can.	We have in-house resources and tools to ensure our network is compliant as well as several compliance experts in the Group, some of whom assist the regulatory bodies. Our financial services businesses operate as appointed representatives of larger firms, which carry the burden of the legislation.	Increase	1 2 3
We have run events, workshops and online briefings to help advise landlords on the RRB in the interests of retaining and attracting those that do not wish to deal with the increased compliance risk. The Group has arranged preferential lending rates and terms to help franchisees secure funding for acquisitions.	Through working with partners we have gained access to industry leading products and pricing that would limit the risks to landlords expected from the RRB. Our in-house experienced team assists throughout the whole process of any franchisee acquisitions.	Increase	1
Our in-house experienced recruitment team plays an active role in promoting a career working as a franchisee, licensee or financial adviser. The "hub and spoke" model has encouraged new entrants to work with existing franchisees to deliver our services in previously unexploited areas.	The acquisition of the Fine & Country brand through GPEA Limited provides an international opportunity to find new recruits. A network training portal supports e-learning to assist with retention and development.	No change	1 2 3 5
Minimum standards are set out to our networks and conformance is monitored by our compliance team. Our experienced leadership team is supported by Regional Operational Managers.	There is increased focus on social media by the central team. PR agencies are retained to monitor, assist and advise on strategies to minimise these risks.	No change	1 2 3 6
We engaged a specialist to carry out a cyber security assessment. We regularly discuss cyber security at Board meetings.	We recognise the importance of training and are currently rolling out refresher training to our staff and network. We are assessing the available options for cyber specific insurance.	No change	1 2 3 6

An experienced Board committed to driving long-term shareholder value in a socially responsible way

Our Board is a highly experienced and diverse group of individuals who are responsible for the overall performance of the Group, which includes the broad strategic direction, development and control.

Paul Latham
Non-Executive Chair

N R

Appointment
December 2013

Experience
Paul, a Chartered Surveyor, served as Deputy Group CEO of LSL Property Services plc until 2010, having been part of the management buyout in 2004, and subsequently as a non-executive director of LSL until 2012. He was also Chair of the Residential Board for the Royal Institution of Chartered Surveyors until 2011.

Paul was appointed as a Non-Executive Director of The Property Franchise Group in December 2013 and served as Chair of its Remuneration Committee until being appointed Chair of the Board in May 2022.

Paul's deep understanding of the residential property market has been a key factor in increasing the Group's scale.

Key skills
- Strategic growth
- Stakeholder relations
- Corporate governance

Gareth Samples
Chief Executive Officer

Appointment
April 2020

Experience
Gareth has over 35 years' industry experience encompassing estate agency, financial services and digital marketing. During his 21-year career at LSL, Gareth was appointed Managing Director of the Your Move brand, the largest single brand estate agency in the UK at the time. He was responsible for Your Move's franchise operation as well as having overall control of financial services and lettings and the strategy of the brand.

Gareth subsequently became Managing Director of Briefyourmarket.com where he gained significant digital marketing experience. Gareth was appointed CEO of The Property Franchise Group in April 2020.

Gareth's prior experience of driving strategic growth has been instrumental to the successful growth of the Group.

Key skills
- Strategic business planning
- Stakeholder relations
- People management

Ben Dodds
Chief Financial Officer

N E

Appointment
January 2025

Experience
Ben joined The Property Franchise Group in October 2024 and was appointed CFO in January 2025. Previously CFO at Lotus Cars, Ben was integral to the flotation of the Lotus Technology business on NASDAQ at a value of $5.4bn, and also heavily involved in developing the growth plan which returned the business to profitability in 2023.

Prior to Lotus, Ben was Director of Strategy and Commercial Finance at Sunseeker International where he oversaw the restructuring and return to profitability. He is a Fellow of the Institute of Chartered Accountants, having qualified with PwC.

Ben's strong operational restructuring skills are enabling the effective integration of the enlarged Group.

Key skills
- Financial management
- Stakeholder relations
- Operational restructuring

Michelle Brook
Financial Services Director

Appointment
March 2024

Experience
Michelle has 35 years' experience within the financial services sector. Having previously worked for Mortgage Advice Bureau, Michelle set up her own business in 2010, building it to a network of 32 advisers before selling to the Belvoir Group in 2017.

As Managing Director of Belvoir's financial services division since 2017, Michelle was responsible for increasing the financial services network to over 300 advisers. Michelle was appointed to the Belvoir board in January 2022 with responsibility for driving the financial services strategy, which she has continued following the acquisition of Belvoir by The Property Franchise Group in March 2024.

Michelle's entrepreneurial drive is proving effective in rolling out financial services across the Group.

Key skills
- Financial services
- People management
- Mergers and acquisitions

Committee membership

- (A) Audit and Risk Committee
- (N) Nomination Committee
- (R) Remuneration Committee
- (E) ESG Committee
- ● Committee Chair

Learn more about our Audit and Risk Committee on **pages 50 and 51**
Learn more about our Nomination Committee on **page 49**
Learn more about our Remuneration Committee on **pages 52 to 55**
Learn more about our ESG Committee on **page 56**

Jon Di-Stefano

Senior Independent
Non-Executive Director

A N R E

Appointment

March 2024

Experience

Jon has a deep understanding of the housebuilding and construction sector from his 19-year tenure at AIM-listed Telford Homes PLC. After 9 years as CFO, Jon was appointed CEO in 2011, overseeing an increase in profits from £3m in 2011 to over £40m when the business was sold in 2019. Jon is currently CEO of Greencore Homes Ltd.

Having previously been chair of Belvoir Group PLC, Jon joined The Property Franchise Group Board as Senior Independent Director following the acquisition of Belvoir by The Property Franchise Group in March 2024.

With extensive experience of the City and the successful growth of Telford Homes, Jon provides sound advice to the Board on investor relations and strategic planning.

Key skills

- Strategic growth
- Stakeholder relations
- Financial management

Dean Fielding

Independent
Non-Executive Director

A R

Appointment

March 2021

Experience

Dean was CFO of LSL Property Services PLC from 2004 to 2010, where he supported the transition of LSL from a loss-making arm of Aviva through to private equity and onto a full listing on the Stock Market in 2006.

Dean has since held a variety of consultancy and non-executive roles, including as non-executive director at Dexter's since 2011. He supported Hunters from 2014, helping with its AIM listing in 2015 and following its acquisition in March 2021, joined The Property Franchise Group Board. Dean chairs the Remuneration Committee.

Dean's considerable understanding of the City, the property market and franchising enables him to give invaluable advice to the Board.

Key skills

- Financial management
- Corporate reporting
- Mergers and acquisitions

Paul George

Independent
Non-Executive Director

A N

Appointment

March 2024

Experience

Paul has extensive experience in audit, reporting and governance, having been an executive director of MCG PLC, an audit partner at KPMG, a partner of Board Excellence, providing board advisory services, and a non-executive director of Strip Tinning Holdings PLC and Araltuz JSC.

A non-executive director of Belvoir Group PLC since 2018, Paul joined the board of The Property Franchise Group following the acquisition of Belvoir by The Property Franchise Group in March 2024. Paul chairs the Audit and Risk Committee.

Paul's deep understanding of corporate governance and financial reporting has enabled him to successfully take on the Audit and Risk Committee Chair role.

Key skills

- Corporate reporting
- Corporate governance
- Audit and risk management

Claire Noyce

Independent
Non-Executive Director

N E

Appointment

June 2023

Experience

Claire brings almost 30 years of significant capital markets experience. Having started her career in management consultancy, Claire moved into investment banking with Lazard Brothers and Nomura International Bank. Claire founded and is CEO of Hybridan LLP, a corporate finance firm, and a Chartered Member of CISI.

Claire was appointed as a non-executive director of the Quoted Companies Alliance in 2015 and Deputy Chair in 2019. Claire joined The Property Franchise Group Board in June 2023 and is Chair of both the Nominations and ESG Committees with responsibility for steering the Group's ESG strategy.

Claire's experience of the City and of small-cap companies has been critical in understanding investor expectations.

Key skills

- Stakeholder relations
- Strategic growth
- Corporate governance

Promoting a culture of good governance

We recognise that high standards of corporate governance underpin our sustainable growth strategy and long-term value creation."

In my role as Chair, I am responsible for overseeing the adoption, delivery and communication of the Company's corporate governance model, and for ensuring that the Group is run in the best interests of stakeholders.

The Board is committed to applying high standards of corporate governance which play a critical role in the management of long-term shareholder value, mitigating the risks and helping to create sustainable growth.

Corporate governance regime

As an AIM-quoted company, The Property Franchise Group has adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code (the "Code") which we believe is appropriate for the size and nature of the Company. We confirm that during 2024, our corporate governance structures and practices complied with the 10 principles set out in the 2018 edition.

We continually review the framework within which we operate to reflect recent guidelines and research published by the QCA, of which we continue to be a member. Towards the end of 2024 we updated our corporate governance framework to reflect the 2023 edition of the Code, effective from 1 January 2025.

The size, scale and complexity of the Group changed substantially in the past year, having more than doubled in size following the acquisition of the Belvoir Group and GPEA. As a result, certain changes were made to our corporate governance arrangements during 2024:

1. the appointment of a qualified Company Secretary to ensure the highest standards of corporate governance;
2. the appointment of 2 independent Non-Executive Directors from the Belvoir board to bring the number of independent Directors to 4;
3. the creation of an Operations Board comprising senior members from across the enlarged Group to give clear responsibility for the operational management of the business in discharging the strategic direction determined by the Board; and
4. the inaugural meetings of our Nomination and ESG Committees, along with significant projects that both have and are undertaking.

Our primary objective is to enhance shareholder value and to ensure that the Company and Group are managed for the long-term benefit of their shareholders. We also recognise our responsibilities to all stakeholders in our Group and the importance these relationships play in the delivery of our vision.

Paul Latham
Non-Executive Chair
7 April 2025

QCA Code compliance

Our full statement of compliance with the Quoted Companies Alliance Corporate Governance Code is set out on our website at www.thepropertyfranchisegroup.co.uk/our-business/governance.

	Governance principle	Explanation	Compliant	Further reading
1	Establish a purpose, strategy and business model which promote long-term value for shareholders.	Our purpose is to build thriving businesses within our multi-brand network and facilitate successful residential journeys. Our strategy is to develop both the depth and breadth of our networks, support our franchisees, licensees and members to grow their local market share, and increase our share of property-related services transactions, to generate increased value for investors.	✔	See more on **pages 18 and 19**
2	Promote a corporate culture that is based on ethical values and behaviours.	Our people business is led by conscientious executives mindful of the need to work ethically. Our managers across the Group promote our culture, supported by extensive policies setting out the values and behaviours expected.	✔	See more on **pages 24 to 30**
3	Seek to understand and meet shareholder needs and expectations.	The Board is committed to high-quality shareholder engagement aimed at understanding shareholder needs and expectations through regular roadshows, investor platforms, the AGM, adviser-led feedback and ensuring easy availability of Board members.	✔	See more on **page 25**
4	Take into account wider stakeholder and social responsibilities and their implications for long-term success.	Wider stakeholders encompass our people, our franchise owners, their staff and the communities in which they operate, and our partners which help meet the needs of our end customers. We are mindful of our impact on society and the environment in our aim to deliver long-term success.	✔	See more on **pages 24 to 31**
5	Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	Our framework of risk management and internal controls continues to identify and evaluate risks and to consider opportunities for potential value creation. Appropriate assurance activities are carried out to ensure effective risk management.	✔	See more on **pages 37 to 39**
6	Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	The Board consists of 5 Non-Executive Directors, 4 of whom are deemed to be independent, and 3 Executive Directors. It continues to operate with a majority of Non-Executives.	✔	See more on **pages 40 and 41**
7	Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.	Our Board is the appropriate size and has the specific structures recommended by the QCA including 4 Committees. Collectively our Directors have extensive property, franchising, financial and listed company experience, and they are encouraged to keep their skills up to date.	✔	See more on **pages 44 to 48**
8	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	Board performance and effectiveness are evaluated on an annual basis to ensure that it is working to continually improve what we do, how we do it and, at times, how we correct underperformance.	✔	See more on **pages 45**
9	Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.	Our remuneration policy is aimed at motivating management to create long-term shareholder value, whilst reinforcing the desired corporate culture, good behaviours and effective decision making.	✔	See more on **pages 52 to 55**
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.	Our corporate website and Annual Report set out how the Company is governed. We operate an effective programme of engagement with shareholders and other stakeholders through investor roadshows and webinars, financial PR, dialogue with analysts following our sector and accessible research. At the same time, we keep our people, our franchisees and their staff, our suppliers and our lenders regularly informed about our performance and strategy.	✔	See more on **pages 23 to 25**

Corporate governance statement

The Board

Board changes during the year all coincided with the acquisition of Belvoir on 7 March 2024 and involved:

- the appointment of Michelle Brook as Financial Services Director;
- the appointment of Jon Di-Stefano and Paul George as Non-Executive Directors; and
- the resignation of Richard Martin and Phil Crooks.

On 2 January 2025 David Raggett stood down as Chief Financial Officer and, having successfully completed a 3-month probationary period, was replaced by Ben Dodds.

The Board comprises the Non-Executive Chair (non-independent), 4 Non-Executive Directors (all of whom are deemed to be independent) and 3 Executive Directors who are the Chief Executive Officer, the Chief Financial Officer and the Financial Services Director of the Company. All Directors must retire and seek re-election annually at the AGM.

The Board has 9 scheduled meetings a year, but meets more frequently if required, and has full and timely access to all relevant information to enable it to carry out its duties. The Non-Executive Directors often meet as a group before most Board meetings.

The Board reserves for itself a range of key decisions such as strategy, acquisitions, significant contracts and internal controls, to ensure it retains proper direction and control of the Group, whilst delegating authority to individual Directors who are responsible for the executive management of the business.

There is a clear division of responsibilities at the head of the Company between the Chair running the Board and the Chief Executive Officer running the Group's operations.

The role of the Chair is to manage the Board in the best interests of its stakeholders, to ensure that shareholders' views are communicated to the Board and to be responsible for ensuring the Board's integrity and effectiveness.

The role of the Chief Executive Officer is to manage the Group on a day-to-day basis, to ensure that Board decisions are implemented effectively and to develop and propose Group strategy to the Board.

The Board considers the current Board structure appropriate for the Company. It has an appropriate balance of skills, capabilities and experience, including in areas of residential property sales and lettings, franchising, finance and marketing. Each Director's biography is set out on pages 40 and 41 which demonstrates the experience mix.

The Board is supported by the newly created Operations Board that includes key members of the senior management team, alongside the Chief Executive Officer and Chief Financial Officer.

During the year, Louise George, a Chartered Governance Professional, was appointed as Company Secretary, a role previously undertaken by the CFO. As Company Secretary, she advises and supports the Chair and Board on corporate governance, risk, legal and regulatory matters and is available to any Director to provide advice. In addition, there are processes in place enabling Directors to take independent advice at the Company's expense in the furtherance of their duties.

Evaluation of Board performance

In accordance with the requirements of the QCA, the Board considered its effectiveness. Whilst the review was not undertaken by an independent third party it was facilitated by Paul George, a Non-Executive Director, who with extensive experience of conducting such reviews. The review found that following the significant changes in the composition of the Board during 2024 as a result of the acquisition of Belvoir the Board was bedding down well. All members were contributing fully to discussions. The Board and its Committees were considered to be well chaired and were focusing on the right issues. Actions agreed as a result of the review were for:

- the Board to ensure sufficient time was spent on longer-term drivers such as AI, disruptive technology more broadly and any potential changes in the landscape of our industry;
- the Nomination Committee to continue detailed work on succession planning; and
- the continued evolution of both the nature and timeliness of information provided to the Board.

Directors' time commitments

The Executive Directors are employed on a Monday to Friday 8.30 am to 5.30 pm basis and such additional hours as may be required for proper performance of their duties and responsibilities.

Non-Executive Directors are required to allocate sufficient time to properly carry out their duties and perform their roles as the circumstances dictate. This includes attendance at monthly Board meetings, Committee meetings, meetings to consider acquisitions and major contracts and the AGM. Non-Executive Directors are required to devote appropriate preparation time ahead of each meeting.

Board independence

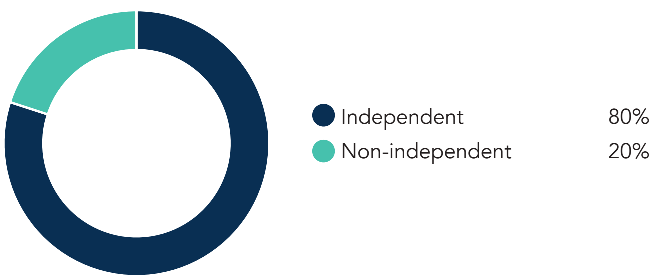
The Company has 4 independent Non-Executive Directors. Whilst 3 meet fully the independence criteria set out in the UK Corporate Governance Code, these being Claire Noyce, Jon Di-Stefano and Paul George, in addition, Dean Fielding is considered by the Board to be independent. The Board note that his 10-year tenure includes 6 years as a director of the board of Hunters Property PLC, acquired in 2021, and therefore has only been working closely with the TPFG executive team for 4 years.

Paul Latham, the Chair, is not considered to be independent due to his 11-year tenure on the TPFG Board.

Board Committees

The Board has delegated specific responsibilities to the Audit and Risk, Remuneration, Nomination and ESG Committees. The Board considers that collectively the members of each Committee have the appropriate experience and none of them have interests which conflict with their positions on the Committees. All Board Committees have their own terms of reference, which are available from the Company Secretary upon request.

Board independence



Remuneration Committee

The Remuneration Committee has 2 scheduled meetings a year and additional meetings as required, and is responsible for determining the contractual terms, remuneration and other benefits of the Executive Directors. During 2024 the Remuneration Committee comprised Phil Crooks (resigned 7 March 2024), Jon Di-Stefano (appointed 7 March 2024), Paul Latham and Dean Fielding, who acted as the Chair.

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 under the Share Option 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 from page 52.

Audit and Risk Committee

The Audit and Risk Committee has 3 scheduled meetings a year and additional meetings as required. During 2024 the Remuneration Committee comprised Phil Crooks (Chair prior to resigning on 7 March 2024), Jon Di-Stefano, Dean Fielding and Paul George, who acted as the Chair from his appointment on 7 March 2024.

The Audit and Risk Committee has the primary responsibility for ensuring that the financial performance of the Group is properly measured, reported on and monitored. These responsibilities extend to:

- the Group's draft financial statements and interim results statement 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 includes key areas of audit focus, key risks, the proposed audit fee and approving the terms of engagement for the audit;
- internal assurance reporting;
- non-audit services;
- the dividend policy;
- the processes for identifying the risks to the business and managing those risks; and
- its terms of reference.

For more information on the work of the Audit and Risk Committee during the year, please refer to its report on pages 50 and 51.

Nomination Committee

The Nomination Committee, established during 2024, has 2 scheduled meetings a year and additional meetings as required. During 2024 the Nomination Committee comprised Jon Di-Stefano, Paul Latham, Paul George and Claire Noyce, who acted as the Chair. Ben Dodds joined the Nomination Committee at the end of 2024 immediately prior to his appointment to the Board.

The Nomination Committee is responsible for succession planning and identifying candidates for Board and senior leadership positions, including identifying the skills and characteristics required.

ESG Committee

The ESG Committee, established during 2024, has 2 scheduled meetings a year and additional meetings as required. During 2024 the ESG Committee comprised Jon Di-Stefano, David Raggett, Ben Dodds and Claire Noyce, who acted as the Chair.

The ESG Committee is responsible for devising and implementing the ESG strategy, designing the policies and practices to support the ESG strategy and promoting long-term sustainable success. The ESG Committee liaises with the ESG Steering Group which delivers the ESG Committee's strategy.

Risk management

The Board carries out a risk review annually. Board Directors and senior management all contribute to the drawing up of the risk review. The Audit and Risk Committee reviews the document, examines the risks, decides on the actions to recommend and then passes it on to the Board for approval. The document sets out the name of the risk as well as describing it, considering the effect on the business, looking at the controls in place, looking for additional mitigating factors, and deciding its seriousness by considering the probability of it occurring and what damage it would cause if the event occurred. Once a risk has been determined as requiring action, the Board allocates the responsibility to the appropriate Board member.

During the course of the year, the Board reviews progress against the risks set out in the risk review. The key risks are set out in the section on principal risks and uncertainties on pages 38 and 39.

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, half-yearly forecasting and monthly outturn review;
- the monitoring and assessment of risk;
- performance monitoring and the taking of remedial action; and
- planning, reviewing, approving and monitoring major projects.

Financial reporting

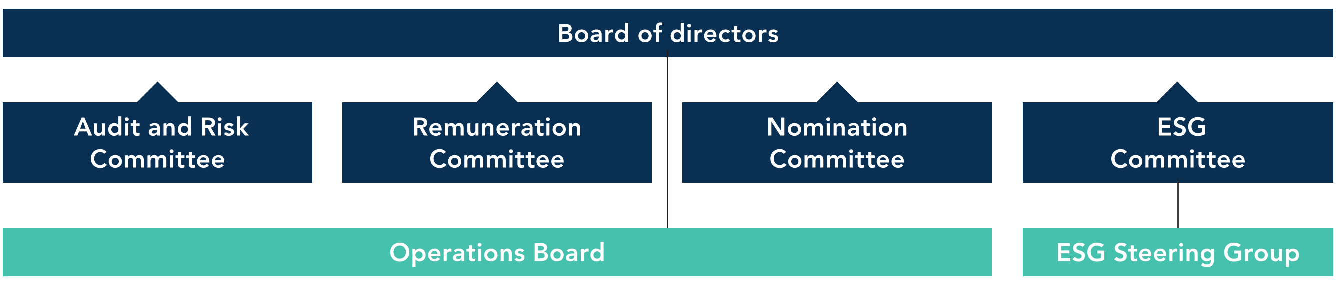
There is a comprehensive planning system, including regular periodic forecasts which are presented to and approved by the Board. The performance of the Group is reported monthly and compared to the latest forecast and the prior period.

Directors' attendance at meetings held during the financial year ended 31 December 2024:

	Board	Nomination Committee	Audit and Risk Committee	Remuneration Committee	ESG Committee
Number of meetings	9	2	3	3	2
Paul Latham	●●●●●●●●●	●●		●●●	
Gareth Samples	●●●●●●●●●				
David Raggett	●●●●●●●●●			●●●	
Dean Fielding	●●●●●●●●●		●●●		
Claire Noyce	●●●●●●●●●	●●			●●
Michelle Brook (appointed 7 March 2024)	○●●●●●●●●				
Jon Di-Stefano (appointed 7 March 2024)	○●●●●●●●●	●●	●●●	●●●	●●
Paul George (appointed 7 March 2024)	○●●●●●●●●	●●	●●●		
Richard Martin (resigned 7 March 2024)	●○○○○○○○○				
Phil Crooks (resigned 7 March 2024)	●○○○○○○○○				

● Meetings attended ○ Not due to attend

Corporate Governance structure



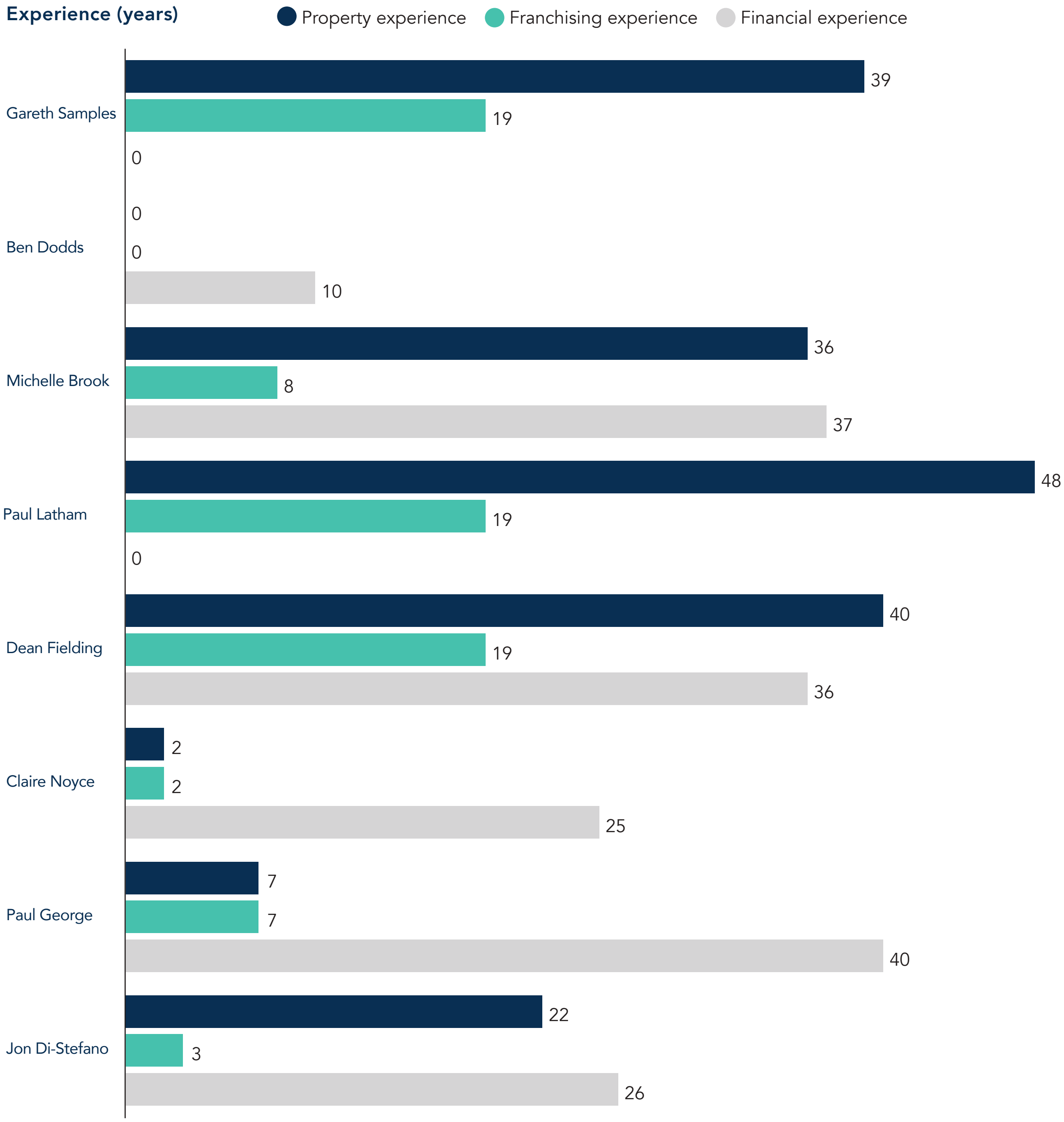
● Board Committee ● Management Committee

Board composition, diversity and experience

Composition and roles

Diversity

Experience (years)



Relations with shareholders

The Board is committed to maintaining good communications with shareholders and the website, thepropertyfranchisegroup.co.uk, provides up-to-date information on the Group. The AGM is an important opportunity for the Board 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. Registered shareholders have direct access to the Group and receive a copy of the Annual Report, which contains the full financial statements of the Group.

2024 key shareholder engagements

January
- **Announcement of recommended acquisition of Belvoir**
  - RNS
- **Investor Meet Company**
  - CEO online presentation to retail investors with Q&A session
- **Publication of scheme document**
  - RNS

February
- **General meetings ahead of acquisition of Belvoir (9 and 15 February)**
  - Shareholder meeting

March
- **Admission and commencement of dealings of the new TPFG shares on AIM**
  - RNS

April
- **Final results**
  - Investor meetings/ RNS/CEO and CFO video interview
- **Investor Meet Company online presentation**
  - CEO and CFO online presentation to retail investors with Q&A session

May
- **Annual Report published**
- **Mello London investor conference**
  - Exhibiting and presenting to retail investors

June
- **Acquisition of The Guild and Fine & Country**
  - RNS
- **AGM statement**
  - RNS
- **AGM**
  - Shareholder meeting

August
- **Half year trading update**
  - RNS

September
- **Interim results**
  - RNS
- **Investor Meet Company online presentation**
  - CEO and CFO online presentation to retail investors with Q&A session
- **Appointment of Ben Dodds as CFO designate**
  - RNS

November
- **Presentation at Mello's 10-Year Anniversary investor conference**
  - Exhibiting and presenting to retail investors

December
- **Ben Dodds' appointment as CFO confirmed effective 2 January 2025**
  - RNS

Providing oversight of the leadership of the business

Nomination Committee

Key highlights of 2024

- Determining suitable terms of reference for the newly formed Nomination Committee
- Appointment of Ben Dodds as Chief Financial Officer
- Appointment of Louise George as Company Secretary

Priorities for 2025

- Succession planning
- Identifying potential Board skills gaps

Time spent

CFO appointment
50%

Succession planning
25%

Company Secretary appointment
10%

Governance
10%

Nomination Committee terms of reference
5%

Members

Claire Noyce (Chair) Paul George Ben Dodds

Paul Latham Jon Di-Stefano

I am delighted to have been appointed as Chair of the inaugural Nomination Committee which was established in recognition of the importance of establishing a robust process for Board appointments and the critical nature of well-considered succession planning.

Committee meetings

The Nomination Committee comprises Ben Dodds, Jon Di-Stefano, Paul George, Paul Latham and me. We bring together a mix of property sector, financial, City and general business experience which forms a strong basis for ensuring that the Board has the right blend of skills and experience to perform its function effectively.

The Nomination Committee met formally in June and December 2024, in addition to a number of informal meetings. Other members of the Board were invited to attend where appropriate and the Nomination Committee provided prompt feedback to the main Board.

Executive team appointments

Following the decision by David Raggett to step down as CFO, it was critical for the Nomination Committee to conduct a rigorous recruitment process to identify a suitable candidate with the skills and energy to match the growth ambitions of the Group. The Nomination Committee considers the process to have been a success in the appointment of Ben Dodds. Ben Dodds joined the Nomination Committee at the end of 2024 to provide executive input into succession planning.

The Nomination Committee identified the need for greater oversight of its corporate governance framework and took the decision to separate the Company Secretary from the CFO role in appointing Louise George, a qualified Company Secretary.

Succession planning and recruitment

The Nomination Committee has assessed the composition of the Board and the independence of its Non-Executive Directors to ensure that they are compliant with the QCA Code. Consideration has been given to potential future changes to the Board and the Committee is mindful of the need to plan carefully for changes in key roles and to retain the right mix of skills and experience across the Board.

Claire Noyce
Chair of the Nomination Committee
7 April 2025

Board recruitment and succession process

Board evaluation
Appraise the Board annually considering the Board's size, composition and tenure of Directors.

Succession planning
Ensure plans are in place for orderly transitions at executive and non-executive level.

Identify
Seek the best candidates possible reflecting the organisation's needs, skill gaps and values.

Recommend
Propose candidates for election mindful of the organisation's D&I policies.

Train
Identify development opportunities to ensure the Board is relevant and fit for purpose.

Ensuring effective controls are maintained across the business

Audit and Risk Committee

Key highlights of 2024

- Reviewing judgements associated with the acquisitions of Belvoir Group and The Guild and Fine & Country
- Alignment of post-acquisition accounting practices
- Overseeing the risks associated with realising anticipated synergies and benefits
- Consideration of the Group's approach towards the provision of non-audit services by our auditor

Priorities for 2025

- Continuation of the evolution of the enlarged Group's risk management framework
- Integrating the work of the audit and compliance team across the enlarged Group to support good practices across the enlarged network
- Continuation of our work on the financial statements, audit and risks

Time spent

Review of audit planning, results of testing and reporting

35%

Consideration of key reporting judgements

20%

Risk management and internal controls

15%

Annual Report and Accounts

15%

Internal reporting

10%

Members

Paul George (Chair)

Jon Di-Stefano

Dean Fielding

I present our Audit and Risk Committee ("ARC") Report which summarises the work undertaken during the year and how our responsibilities have been fulfilled.

The ARC is formed of Jon Di-Stefano, Dean Fielding and me, all of whom are considered independent. The 3 of us have extensive financial, general business and management experience. Dean also brings a wealth of experience in the industry and of Hunters in particular, complementing my experience in audit, reporting and governance and Jon's financial reporting and sector knowledge.

In addition to our Committee members, the meetings in 2024 were regularly attended by David Raggett, our recently retired Chief Financial Officer; Helen Foottit, our Finance Director; representatives of our external auditor, BDO LLP; and more recently Ben Dodds, our new Chief Financial Officer. I would like to thank all attendees for their commitment but particularly David for his unstinting support of the Committee and his commitment to effective financial reporting.

In 2024 the Committee met formally on 3 occasions, in compliance with the Committee's terms of reference, to continue our rolling process of reviewing matters during the year. We aim to ensure that actions are both being undertaken in a timely manner and, as importantly, supported with necessary expertise. Details of attendance at meetings can be found on page 46.

Purpose

The ARC operates under written terms of reference which set out its role and the authorities delegated to it by the Board.

The main responsibilities are summarised below:

- review and monitor the integrity of the financial information provided to shareholders;
- review and, where appropriate, make recommendations to the Board on the adequacy of the Group's internal control and risk management systems;
- review and monitor the external auditor's independence and objectivity, and the effectiveness of the Group's external audit process;
- review and monitor the effectiveness of Group's internal audit function; and
- report to the Board on how it has discharged its responsibilities.

> **The Audit Committee plays a key role in the oversight of the effectiveness of the Group's risk management and internal control system, and in ensuring the integrity of its financial statements."**

Activity in 2024

Financial information

The ARC has taken a leading role in ensuring, on behalf of the Board, that the Annual Report remains fair, balanced and understandable and provides the information required by shareholders to assess the Group's performance, business model and strategy.

During the year, we reviewed the interim results and trading updates to ensure the integrity of the financial information being presented. The ARC also reviewed the appropriateness of the accounting policies adopted and, where appropriate, the estimates and judgements made.

Subsequent to the year end the ARC has reviewed the draft Annual Report and Accounts and recommended its approval to the Board. In doing so we considered whether the Group had adopted appropriate accounting policies and, where necessary, made appropriate estimates and judgements, taking into account the external auditor's view. We have assessed the estimates and judgements made in particular in respect of the acquisitions of Belvoir and The Guild and Fine & Country, the share-based payments charge, including vesting assumptions, and any potential impairment of intangibles.

Risk management and internal control

On an annual basis the Group draws up an updated risk review. This risk review includes contributions from Directors and senior management. Once the ARC has reviewed the risk review documentation, it is then presented to our Board for its approval.

The Committee discussed in detail proposals for rolling out a consistent franchisee audit approach across the whole network and considered matters arising from the current programme of visits to franchisees.

The ARC considers the auditor's report on findings from the audit and any comments on controls within the business. The ARC ensures that the Company responds appropriately.

External audit

The effectiveness of the external audit process is dependent on the appropriate audit risk identification at the start of the audit cycle. A detailed audit plan was received from BDO which set out the key risks identified. The ARC subsequently met with BDO and approved the audit plan and the auditor's remuneration.

The independence and objectivity of the external audit function is a fundamental safeguard to the Company's shareholders. In 2024 the Committee discussed our policy towards non-audit services and agreed that whilst we do not prohibit our auditor from performing permitted non-audit services we are conscious of the need to protect its independence and will look closely at the risks on a case-by-case basis. Limited non-audit work was undertaken by BDO in the year in connection with non-prohibited tax services to Belvoir Group.

The effectiveness of the external audit process is currently assessed by the ARC based on discussions with those involved in the process. The ARC has made a recommendation to the Board to reappoint BDO as the Company's auditor for the 2025 financial year. In making that recommendation, the ARC has also considered the independence and objectivity of the auditor as well as the cost effectiveness of the external audit. Accordingly, a resolution proposing the reappointment of BDO will be tabled at the AGM 2025.

Internal audit

We continue to take an interest in internal audit and discuss any adverse audit results at our ARC meetings. We seek to ensure the function remains effective and adapts to current circumstances.

As part of a broader exercise on Board effectiveness we considered the effectiveness of the role that the ARC plays in ensuring we have an effective governance structure. No issues emerged from this process requiring action in 2025.

I would like to reiterate my thanks to the attendees of our ARC meetings for their time and valuable contributions during the year.

Paul George
Chair of the Audit and Risk Committee
7 April 2025

Aligning the remuneration policy with the execution of the Group's long-term growth strategy

Remuneration Committee

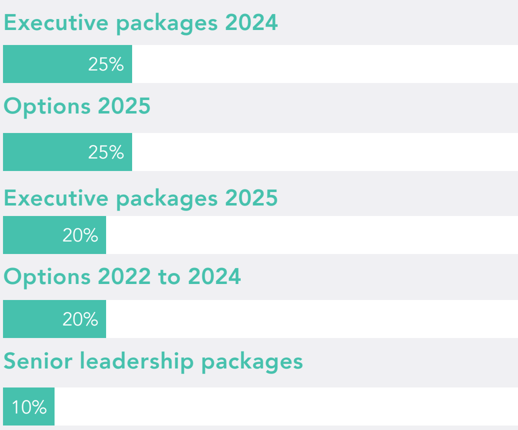
Key highlights of 2024

- Succession planning and recruitment of a new CFO
- Assessment of the remuneration of the executive team
- Reassessing option packages for the enlarged Group

Priorities for 2025

- Ongoing assessment and remuneration of the executive team and the senior leadership team
- Long-term planning for option scheme
- Reviewing Remuneration Committee terms of reference and policy in light of the QCA Code changes

Time spent



Members

Dean Fielding (Chair)

Jon Di-Stefano

Paul Latham

The members of the Remuneration Committee at the date of this report are Jon Di-Stefano, Paul Latham and me, of which Jon and I are considered independent. We all combine extensive industry knowledge with a deep understanding of corporate reporting governance. The Committee seeks external advice from H2glenfern Remuneration Advisory, Deloitte LLP and FIT.

The Remuneration Committee met formally on 3 occasions in 2024. It also held a number of informal meetings. In addition to Jon, Paul and me, other members of the Board attended where appropriate. The Remuneration Committee fed back regularly to the main Board.

Purpose

The Committee aims to ensure the remuneration policy is competitive to aid retention, recruitment and motivation, whilst being aligned to the long-term interests of shareholders and ensuring that Directors operate within the risk parameters set by the Board.

The Committee operates under written terms of reference which set out its role and the authorities delegated to it by the Board. Its main responsibilities are to:

- ensure that the Executive Directors and other key employees of the Group are rewarded fairly for their individual contributions to the overall performance of the Group;
- demonstrate to the shareholders of the Company that the remuneration of the Executives is set by a Committee of the Board whose members have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of shareholders of the Company; and
- oversee any major changes in employee benefit structures throughout the Group.

Activity in 2024

During 2024, the senior leadership team, led by the Executive Directors, has risen to the challenge of assimilating 2 significant acquisitions, the Belvoir Group and GPEA, into the business whilst continuing to provide extraordinary, inspiring and resourceful leadership. This has entailed the creation of a new Operations Board bringing together strengths and skills from different parts of the enlarged Group with the aim of ensuring good communications, close working relationships and alignment with the Group strategy.

Aligning the remuneration policy to support the execution of the Group's growth strategy."

The Committee is satisfied that the remuneration arrangements for the Executive Directors and other key employees are aligned to the Group's strategic goals and properly incorporate the key performance indicators. Furthermore, the Committee believes that the remuneration outcomes for 2024 were aligned to performance and that the arrangements continue to promote the long-term success of the Group and incentivise the delivery of strong, sustainable financial results.

Policy on remuneration of Directors

The Remuneration Committee has responsibility for determining, within agreed terms of reference, the overall policy on remuneration and other terms of employment of Executive Directors and senior management. It is also responsible for making recommendations for grants of options under the Share Option Plan.

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 Group's remuneration strategy for an anticipated 3 years, ensuring that the structure and levels of remuneration continue to remain appropriate for the Group. The policy aims to:

- pay competitive salaries to aid recruitment, retention and motivation being reflective of the person'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.

Components of Directors' remuneration

Basic salary or fees

Basic salary or fees for each Director are determined by considering 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 £977,000 (2023: £718,000).

Annual bonus

The Company has a formal bonus scheme for its Executive Directors. Bonuses were paid and payable to the Executive Directors by the Group of £615,000 (2023: £375,000).

Pensions

Contributions made to Executive Directors' pensions in the year were £70,000 (2023: £20,000).

Share options

On 9 August 2024, a total of 1,195,000 options over ordinary shares were issued, of which 500,000 were granted to the Chief Executive Officer, 100,000 to the Financial Services Director and 595,000 to senior management and long-serving staff members. These options have an exercise price of £0.01.

The awards are subject to 2 performance conditions: total shareholder return ("TSR") and adjusted basic earnings per share adjusted for exceptional income/costs, amortisation arising on consolidation and share-based payment charges ("adjusted EPS") over the 3 years to 31 December 2026. Each performance condition will apply to 50% of the awards being made. All participants will be subject to a lock-in of 12 months following vesting.

In respect of the TSR, the award will be subject to absolute TSR growth of 45% to achieve threshold vesting (at which point 25% of this portion of the award will vest), which corresponds to 13.2% compound annual growth rate ("CAGR"), rising to full vesting at 85% growth over the period which corresponds to 22.8% CAGR.

In respect of adjusted EPS, the award will be subject to adjusted EPS growth of 40% over the period to achieve threshold vesting (25% vesting), which corresponds to 11.9% CAGR, rising to full vesting at 60% growth over the period, which corresponds to 17.0% CAGR.

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 at 3 months' notice.

Termination date

Michelle Brook	12 months' notice
Ben Dodds	12 months' notice
Gareth Samples	12 months' notice
Jon Di-Stefano	3 months' notice
Dean Fielding	3 months' notice
Paul George	3 months' notice
Paul Latham	3 months' notice
Claire Noyce	3 months' notice

Company policy on external appointments

The Company recognises that its Executive 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.

Taxable benefits

The Executive Directors did not receive any taxable benefits such as a company car or private medical insurance during the year.

Directors' emoluments

The figures that follow represent emoluments earned by the Executive Directors and Non-Executive Directors from the Group during the financial year and relate to the period of each Director's membership of the Company's and subsidiaries' Boards.

Directors' emoluments continued

	Salary and fees £'000	Bonus £'000	Termination payment £'000	**Total 2024 £'000**	Total 2023 £'000
Executive Directors					
Gareth Samples *	307	300	—	**607**	507
David Raggett *	257	250	175	**682**	357
Michelle Brook (appointed 7 March 2024)	140	65	—	**205**	—
	704	615	175	**1,494**	864
Non-Executive Directors					
Jon Di-Stefano (appointed 7 March 2024)	45	—	—	**45**	—
Dean Fielding	49	—	—	**49**	45
Paul George (appointed 7 March 2024)	41	—	—	**41**	—
Paul Latham	70	—	—	**70**	50
Claire Noyce	50	—	—	**50**	29
Phil Crooks (resigned 7 March 2024)	9	—	—	**9**	50
Richard Martin (resigned 7 March 2024)	9	—	—	**9**	55
	273	—	—	**273**	229
Total remuneration	977	615	175	**1,767**	1,093

* In addition Gareth Samples made a gain before tax and NICs on the exercise of 700,000 shares amounting to £3,171,000, and David Raggett made a gain before tax and NIC's on the exercise of 400,000 shares amounting to £1,812,000.

Changes to Board members

Board changes that arose on 7 March 2024 following the acquisition of Belvoir Group were reported in the 2023 Annual Report. On 2 January 2025 David Raggett resigned as Chief Financial Officer and stood down from the Board, and having completed a successful 3-month probationary period, Ben Dodds was appointed to the Board as Chief Financial Officer.

Directors' interests

The interests of the Executive Directors, the Non-Executive Directors and their spouses in the shares of the Company were as follows as at 31 December 2024:

	2024		2023	
	Shares	**Options**	Shares	Options
Directors				
Gareth Samples	**523,070**	**784,127**	142,070	984,127
David Raggett	**458,677**	**178,492**	448,274	578,492
Michelle Brook	**208,968**	**100,000**	—	—
Paul Latham	**84,727**	**—**	79,727	—
Jon Di-Stefano	**8,063**	**—**	—	—
Dean Fielding	**37,874**	**—**	37,874	—
Paul George	**16,127**	**—**	—	—

The dividends paid to the Executive Directors, the Non-Executive Directors and their spouses during the year are disclosed in note 31 to the financial statements.

By order of the Board

Dean Fielding
Chair of the Remuneration Committee
7 April 2025

Remuneration Committee letter

Dear shareholders

As Remuneration Committee Chair, I am including a letter which goes beyond the statutory requirements of the Remuneration Committee Report, and gives a flavour of the considerations on packages for the executive team in 2025 and an early indication of the Committee's consideration on long-term incentives.

It has been another record year for the Group, and a busy one for the Remuneration Committee, not least because of the recruitment of a new CFO, the acquisition of The Guild and Fine & Country, and the restructure of Gareth's senior leadership team.

Executive team packages in 2025

	2025		2024	
	Basic £'000	**Bonus £'000**	Basic £'000	Bonus £'000
Gareth Samples	**300**	**300**	300	300
Ben Dodds	**250**	**125***	—	—
David Raggett	**—**	**—**	250	250
Michelle Brook	**175**	**65**	173	65

* Plus £50,000 subject to certain additional performance conditions.

The financial performance of the Group has been in excess of the Company's own targets, the senior leadership team has been put in place providing integration of management across all the brands and clear accountability and the business is well placed to deliver growth in 2025 across a number of key initiatives. I am delighted that the 2024 bonus targets have been met in full at 100% of salary. Ambitious growth targets for the executive team are in place for 2025 which will underpin the bonus targets together with key non-financial measures, namely:

- developing the senior leadership team and providing clear accountabilities;
- enhancing staff satisfaction; and
- consolidating financial systems and enhancing Group-wide KPI reporting.

The recruitment of Ben Dodds as CFO has given us the opportunity to benchmark CFO salaries across the market for £250m+ market cap AIM-listed companies. It is early days but we are delighted with Ben's contribution. In 2025 we will provide an opportunity for him to earn an additional £50k on a sliding scale if the Company exceeds our already ambitious targets and we will look to enhance his bonus scheme over time.

You will note that Gareth's overall package is unchanged from 2024 and based on our review his package is broadly in line with market norms.

Long-term incentive schemes 2022 to 2024 and considerations for 2025

As noted in the last report and in our consultation with shareholders the acquisition of Belvoir Group had a dilutive impact on earnings per share. As a result we are proposing to change the performance measures for the 2022 and 2023 scheme to TSR only. We will consult fully with shareholders on the rationale for this adjustment.

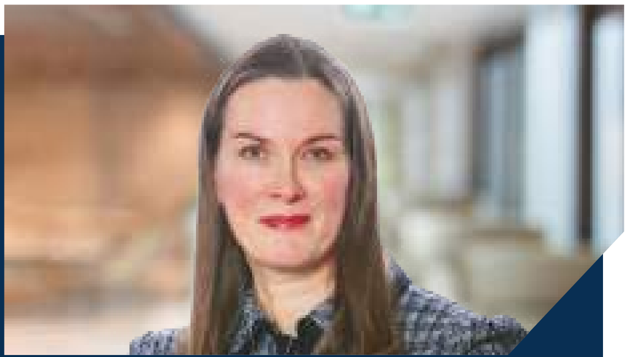
Clearly the Remuneration Committee has already considered option schemes for 2025 with the key drivers being:

- to ensure Ben is suitably incentivised;
- to establish stretching but motivational targets; and
- to retain Gareth Samples as CEO through the next cycle so he can realise the Group's ambitious growth plans.

At the same time, we have a watchful eye on the future and succession, Ben being the first pillar of that succession. We strongly believe that the option schemes for the executive team and the senior leadership team have underpinned the Group's success, so we will continue to push the envelope for achievement of significant growth, albeit with a closer link to overall remuneration packages.

Dean Fielding
Chair of the Remuneration Committee
7 April 2025

Providing oversight of the ESG strategy of the business



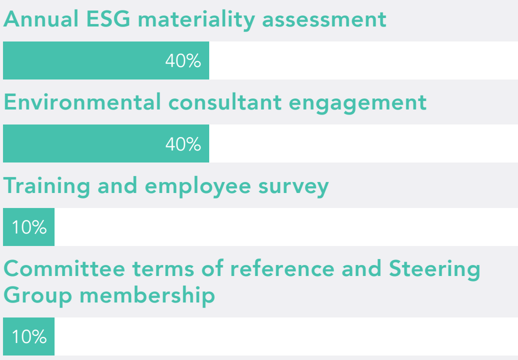
ESG Committee
Key highlights of 2024

- Setting up the ESG Committee and determining suitable terms of reference for the newly formed ESG Committee
- Setting up the ESG Steering Group and determining suitable participants and terms of reference
- Embedding Inspired ESG as our ESG consultant and engaging in the second full year of a materiality assessment process
- Engaging Orbis as our environmental consultant and measuring our Scope 1, 2 and 3 emissions for 2023 and 2024 across the entire enlarged Group
- Completion of a decarbonisation report with carbon reduction recommendations
- Firm-wide employee survey
- ESG training for the ESG Committee and ESG Steering Group

Priorities for 2025

- ESG Board-level training
- Third year of Inspired materiality assessment
- Setting ambitious Science Based Targets
- 2025 will be the second year of completing our Streamlined Energy and Carbon Reporting report

Time spent



Members

Claire Noyce (Chair)

Ben Dodds

Jon Di-Stefano

I am delighted to have been appointed as Chair of the inaugural ESG Committee and also Chair of our ESG Steering Group, both of which were set up in Autumn 2023 following my Board appointment in June 2023. The ESG Committee is responsible for devising and implementing the ESG strategy and for designing the policies and practices to promote long-term sustainable success.

Committee meetings

During 2024, the ESG Committee comprised Jon Di-Stefano, David Raggett (who was replaced by Ben Dodds in 2025) and Claire Noyce, who acted as the Chair.

We bring together a mix of financial, City, governance and general business experience which forms a strong basis for ensuring that the Board has the right blend of skills and experience to perform its role and remit to the best of its ability.

The ESG Committee met formally in October 2024, in addition to a very large number of informal meetings in setting up a solid ESG structure. Other members of the Board were invited to attend where appropriate and were recorded as doing so.

As Chair, I provide a detailed report at every Board meeting on ESG Committee matters and a summary of the ESG Steering Group's activities and bring to the Board any matters arising that we may need input on or sign-off.

ESG Steering Group

An ESG Steering Group was formed to deliver on the ESG Committee's strategy. It met a total of 2 times formally, in addition to meeting 9 times with our advisers Inspired and Orbis as a wider ESG Steering Group as part of our data collection, assessment, and feedback sessions.

The ESG Steering Group is comprised of Claire Noyce as Chair, with a Deputy Chair that is full time in the business, and various senior leaders across the Group, as well as more up and coming members of the wider team in the firm in all areas of the business such as HR, Legal, Finance, Marketing and Facilities Management.

Claire Noyce
Chair of the ESG Committee
7 April 2025

Delivering value to our stakeholders

The Directors present their Annual Report and audited financial statements for the financial year ended 31 December 2024. Information that would normally be presented in the Directors' Report has been presented in the Group's Strategic Report in accordance with s414C(11) of the Companies Act 2006.

"The Board has followed a robust and effective acquisition growth strategy, greatly increasing the scale of the Group during 2024."

Principal activities

The principal activity of the Group during the year was the sale of franchise and licensed territories and the support of franchisees and licensees in supplying residential lettings, sales and property management services within the UK. In addition, the Group supported its greatly enlarged Financial Services division and recruited new advisers to its network to facilitate growth in financial services activity within its franchised and licensed estate agencies.

Results for the financial year and business review

In 2024 the Group achieved a profit before tax of £14.4m (2023: £9.0m) and a profit after tax of £10.2m (2023: £7.4m). The results are shown in the Consolidated Statement of Comprehensive Income on page 66. A full review of the Group's business is included in the Strategic Report on pages 1 to 39.

The Group's profit before tax was £5.4m higher than the previous year. Excluding amortisation of acquired intangibles of £4.3m (2023: £1.4m), the share-based payment charges of £0.9m (2023: £0.8m) and the gain on the listed investment of £nil (2023: £0.09m), the adjusted profit before tax increased by 100% from £11.2m to £22.3m.

Financial risk management

The Group's objectives and policies with regards to financial risk management are set out in note 29 to the consolidated financial statements.

Future developments

Having successfully acquired Belvoir Group and GPEA in 2024, the Group continues to pursue its strategic initiatives first set out in September 2020:

- lettings growth through assisting franchisees to acquire portfolios of tenanted managed properties and by helping the Group's more sales-dominated brands to grow their lettings revenue streams;
- the further development of its residential sales activity in the high street-led brands;
- financial services growth through network participation in the existing partnerships and through further development of the Group's Financial Services division;
- the search for suitable corporate acquisitions so as to continue to buy and build;
- the accelerated recruitment of franchisees through its hybrid offerings; and
- the improved use of digital marketing to win business for all our brands and to track attribution.

More details on the progress made to date with these key areas of focus can be found in the Strategic Report on pages 18 and 19.

Dividends

The Group paid an interim dividend for the financial year ended 31 December 2024 of 6.0p on 4 October 2024 (2023: 6.6p per share paid as a first interim dividend of 4.6p on 6 October 2023 and a second interim dividend of 2.0p on 2 February 2024).

The Board recommends a final dividend for the financial year ended 31 December 2024 of 12.0p per share (2023: 7.4p per share) to be paid on 2 June 2025 to all shareholders on the register at the close of business on 9 May 2025, subject to shareholders' approval on 29 May 2025.

Directors

The Directors shown below have held office throughout the year unless otherwise stated:

Gareth Samples
David Raggett (resigned 2 January 2025)
Michelle Brook (appointed 7 March 2024)
Paul Latham
Dean Fielding
Claire Noyce
Jon Di-Stefano (appointed 7 March 2024)
Paul George (appointed 7 March 2024)
Richard Martin (resigned 7 March 2024)
Phil Crooks (resigned 7 March 2024)

The Directors' remuneration and the Directors' interests in the Group are disclosed in the Directors' Remuneration Report on pages 52 to 55.

Directors continued

The Group maintains Directors' and Officers' liability insurance, which gives appropriate cover against any legal action that may be brought and has indemnified the Directors for negligence, default, breach of duty and breach of trust incurred to third parties.

Going concern

The Group has produced a detailed model to project future cash flow generation which incorporates detailed budgets for FY25 and key assumptions for the following 3 financial years.

These have been stress tested to understand the impacts of reductions in revenue and costs. The Directors have concluded after reviewing these budgets, projections and forecasts and making appropriate enquiries of the business, that there is a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

The Group maintains a strong cash position at the year end of £4.2m (2023: £7.6m), with bank debt of £13.2m (2023: £2.5m). The bank debt at the end of 2023 consisted of a revolving credit facility which was repaid in January 2024. During 2024 the Group took out a term loan of £14.0m and drew down £1.0m of its revolving credit facility to fund the acquisition of GPEA Limited. At the end of 2024, the revolving credit facility had been fully repaid and the bank debt consisted solely of the term loan.

Auditor

BDO LLP has expressed its willingness to continue in office. In accordance with Section 489 of the Companies Act 2006, a resolution to reappoint BDO LLP will be proposed at the Annual General Meeting.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the 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. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK adopted international accounting standards in conformity with requirements of the Companies Act 2006 and have elected under company law to prepare the Company financial statements in accordance with UK adopted international accounting standards.

The financial statements are required by law and UK adopted international accounting standards to present fairly the financial position of the Group and the Company and the financial 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing 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 UK adopted international accounting standards; 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Ben Dodds
Chief Financial Officer
7 April 2025

Independent auditor's report

to the members of The Property Franchise Group PLC

Opinion on the financial statements

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 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Property Franchise Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of changes in Equity, the Consolidated Statement of Cash flows, the Company Statement of Cash flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Gaining an understanding of the Directors' method for assessing going concern including evaluating relevance and reliability of underlying data used to make the assessment, and whether assumptions and changes to assumptions from prior years are appropriate and where relevant consistent with each other. This included assessing the accuracy of the previous forecasts by comparing to actual results for the current year;
- Verifying the mathematical accuracy of the going concern forecasts running up to December 2026;
- Considering the Directors' plans for future actions within their going concern assessment including whether such plans are feasible in the circumstances.
- Assessing the Directors' stress-testing of the forecasts to the extent of reasonable worst-case scenarios, which included modelling significant downturns in both the sales and lettings markets and modelling the reduction in sales and lettings markets that would result in breach of covenants linked to the Group's banking facilities. We have assessed these assumptions against recent sector performance and the Group's results for the financial year to date.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters

	2024	2023
Goodwill and intangibles impairment review	✓	✓
Accounting for separately identifiable intangible assets on Acquisition of Belvoir Group PLC and The Guild of Property Professionals and Fine & Country ("GPEA")	✓	n/a

Materiality

Group financial statements as a whole

£858,000 (2023:£466,000) based on 5% (2023: 5%) of Adjusted Profit before tax

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

As part of performing our Group audit, we have determined the components in scope as follows:

- The Property Franchise Group PLC (entity)
- Legacy TPFG Hunters
- Legacy TPFG EweMove
- Legacy TPFG Other Traditional Brands
- Legacy TPFG Financial Services
- Belvoir Group Limited (entity)
- Belvoir Group Franchising
- Belvoir Group Financial Services
- The Guild of Property Professionals and Fine & Country (GPEA)

In determining the components for the Group, the audit team considered the following factors surrounding our understanding of the Group's Financial Information system in place:

- The financial reporting process
- The level of centralisation/de-centralisation of information systems
- The commonality of internal controls
- The geographical locations of the entities

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures
- specific audit procedures

Overview continued

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	The Property Franchise Group PLC	• The Property Franchise Group PLC	Statutory audit and procedures on the entire financial information of the component.
2	Legacy TPFG Hunters	• Hunters Group Ltd • Hunters Property Ltd • Hunters Franchising Ltd • Hunters (Midlands) Ltd • Greenrose Network (Franchise) Ltd • Hunters Property Group Ltd	Specific audit procedures
3	Legacy TPFG EweMove	• EweMove Sales & Lettings Ltd	Specific audit procedures
4	Legacy TPFG Other Traditional Brands	• Martin & Co (UK) Ltd • Xperience Franchising Ltd • Whitegates Estate Agency Ltd	Specific audit procedures
5	Legacy TPFG Financial Services	• The Mortgage Genie Ltd	Risk Assessment Procedures
6	Belvoir Group Limited (Entity)	• Belvoir Group Limited	Specific audit procedures
7	Belvoir Group Franchising	• Belvoir Property Management (UK) Ltd • Northwood GB Ltd • Newton Fallowell Ltd • White Kite Holdings 2021 Ltd • White Kite Ltd • White Kite (Leicester) Ltd • Mr & Mrs Clarke Ltd	Specific audit procedures
8	Belvoir Group Financial Services	• Brook Financial Services Ltd • BMA Bristol Limited • MAB (Southwest) Limited • The Time Group Limited Ltd • Time Mortgage Experts Limited • Time Mortgage Experts 2 Limited	Specific audit procedures
9	The Guild of Property Professionals and Fine & Country (GPEA)	• GPEA Limited	Specific audit procedures

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit.

Changes from the prior year

During the year, The Property Franchise Group PLC acquired Belvoir Group PLC and The Guild of Property Professional and Fine & Country (GPEA Limited). This has resulted in the Key Audit Matter related to acquisition accounting, has meant that there is an additional three cash generating units subject to impairment review and has added three components to the Group Audit Scope.

Overview continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Goodwill and intangible asset impairment risk The accounting policy in respect of the accounting for intangible assets is included within the accounting policy on note 4; the accounting estimate in respect of the impairment of intangible assets is included within the accounting estimates and judgements note on note 5.	The risk that goodwill and intangible assets may be impaired is considered to lie in the judgement involved in the impairment review and the opportunity for management bias within the impairment model assumptions. We considered this to be a key audit matter due to the inherent level of judgement. Management's review found no evidence of impairment in any of the cash-generating units, nor indicators of impairment in relation to other intangible assets.	We assessed the impairment review of the Group's goodwill and intangible assets prepared by management, specifically checking the integrity of management's value-in-use model and, with the assistance of our valuation experts, we challenged the key inputs - being forecast growth rates, operating cash flows and the discount rate. We also checked if the Cash-Generating Unit ("CGU") was appropriately determined, and the correct assets included in the carrying value. Our audit procedures relating to the operating cash flows and forecast growth rates included, comparing the forecast to recent financial performance and budgets approved by the Board, including checking for consistency with forecasts prepared for the purposes of the going concern assessment. We used market data to independently calculate a discount rate for comparison and also performed our own sensitivity analysis upon the key valuation inputs. Forecast performance was also compared to market expectations published by third parties in the sector. **Key observations:** We found management's judgements in this area not to be unreasonable and found no evidence of management bias in the assumptions used.
Accounting for separately identifiable intangible assets on acquisition of Belvoir Group PLC and The Guild of Property Professionals and Fine & Country (GPEA Limited) The accounting policy is included within the accounting policies on page 75. The accounting judgements and estimates are included within the Critical accounting estimates and judgements note on page 79. Further information is provided in Note 15 and Note 32.	As detailed in Note 15 and Note 32 to the financial statements, the Group acquired Belvoir Group PLC ('Belvoir') and Guild of Property Professionals and Fine & Country (GPEA Limited) during the financial year. On acquisition, Management recognised separately identifiable intangible assets as follows: Belvoir: Master franchise agreements, brands and lettings books. GPEA: License and membership agreements and brands. Management exercised judgement in estimating the fair values of the separately identifiable intangible assets on acquisition and engaged a third-party expert. Judgement was applied in determining the discount rates, growth rates, royalty rates and future cash flows. There is also complexity in complying with the disclosure requirements of IFRS 3: Business Combinations. Due to the judgement, estimation, and complexity involved, including the allocation of resources of senior team members, we considered this to be a key audit matter.	We checked whether the acquisition accounting exercise had been carried out in accordance with the requirements of the applicable accounting standards. We assessed the valuation of the intangible assets that were considered separately identifiable on acquisition, testing the key inputs in the valuation model with reference to data such as management's forecasts. With the assistance of our internal valuations experts, we reviewed the methodology applied in the model and the key assumptions and judgements such as discount rates, growth rates, and estimated royalty rates. We also considered management's assessment of the completeness of the separately identifiable intangible assets with reference to our understanding of the business and key motivations of the transaction. We assessed the competence and objectivity of managements experts who were used for the purpose of valuing the intangible assets. With respect to the disclosures, we assessed the relevant notes against the requirements of IFRS 3. **Key observations:** Based on the procedures performed, we consider the judgements applied reasonable and we consider the separately identifiable intangible assets to have been appropriately recognised and disclosed in accordance with the requirements of applicable accounting standards.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Materiality	**858**	466	**772**	399
Basis for determining materiality	5% of adjusted profit before tax (2023: 5% of adjusted profit before tax)		90% of Group materiality (2023: 85% of Group materiality)	
Rationale for the benchmark applied	Profit before tax is considered to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the Group. During the year, exceptional costs related to the acquisitions have been incurred that distort profit before tax and so have been added back in order to arrive at an adjusted profit measure on which to base materiality.		Capped 90% (2023: 85%) of Group materiality given the assessment of the component's aggregation risk.	
Performance materiality	**643**	349	**579**	299
Basis for determining performance materiality	75% of materiality (2023: 75% of materiality)		75% of materiality (2023: 75% of materiality)	
Rationale for the percentage applied for performance materiality	75% of materiality based on a low expected total value of known and likely misstatements.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 40% and 90% (2023: 32% and 85%) of Group performance materiality dependent on a number of factors including public interest in the component, potential significant risks of material misstatements at the component, the control environment, expectations about the nature, frequency and magnitude of misstatements in the component financial information, extent of disaggregation of the financial information across components, relative size of components, whether the component is new to the group, any significant changes affecting the component since the prior year and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £257,400 to £579,150 (2023: £150,000 to £461,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £34,300 (2023: £19,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled annual report and accounts' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	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 Statement of Directors' responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on our understanding of the Group and sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations relate to Corporate and VAT legislation, Employment Taxes and Landlord and Tenant Act, and the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations which have direct impact on the preparation of the financial statements such as the Companies Act 2006 and the applicable accounting frameworks.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of the company's tax computations and returns and financial statements against the requirements of the relevant tax legislation and applicable accounting frameworks respectively.

Auditor's responsibilities for the audit of the financial statements continued

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Evaluation of management incentives, including the extent to which remuneration is influenced by reported results, and opportunities for fraudulent manipulation of the financial statements such as management override; This evaluation involved a particular focus on the judgements and estimates inherent in the key audit matters and exercising professional scepticism in considering the impact of those estimates and judgements on the reported results and key performance measures such as the profit before tax;
- Discussions with Management and the Audit and Risk Committee regarding known or suspected instances of non-compliance with laws and regulations;
- Obtaining an understanding of controls designed to prevent and detect irregularities, including the reconciliation of customer monies held in client account balances;

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by assessing against supporting documentation;
- We have reviewed and assessed the appropriateness of management's estimates and exercised professional scepticism in considering the impact of those estimates in the financial statements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alex Stansbury (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom
7 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Revenue	7	**67,310**	27,278
Cost of sales		**(22,339)**	(5,400)
Gross profit		**44,971**	21,878
Administrative expenses	8	**(26,139)**	(11,831)
Exceptional administrative expenses	8	**(2,720)**	—
Share-based payments charge	9, 30	**(875)**	(783)
Total administrative expenses		**(29,734)**	(12,614)
Operating profit	10	**15,237**	9,264
Finance income	11	**262**	20
Finance costs	11	**(1,195)**	(357)
Other gains and losses	19	**—**	87
Profit before tax expense		**14,304**	9,014
Tax expense	12	**(4,172)**	(1,644)
Profit and total comprehensive income for the year		**10,132**	7,370
Profit and total comprehensive income for the year attributable to:			
Owners of the parent		**10,192**	7,395
Non-controlling interest		**(60)**	(25)
		10,132	7,370
Earnings per share attributable to owners of parent	13	**17.7p**	23.0p
Diluted Earnings per share attributable to owners of parent	13	**17.6p**	22.0p

Consolidated statement of financial position

31 December 2024

	Notes	2024 £'000	2023 £'000
Assets			
Non-current assets			
Intangible assets	15	**180,001**	43,757
Property, plant and equipment	16	**837**	181
Right-of-use assets	17	**3,353**	1,525
Prepaid assisted acquisitions support	18	**216**	230
Other receivables	20	**4,791**	210
		189,198	45,903
Current assets			
Trade and other receivables	20	**10,623**	4,134
Cash and cash equivalents		**4,163**	7,642
		14,786	11,776
Total assets		**203,984**	57,679
Equity			
Shareholders' equity			
Called up share capital	21	**638**	323
Share premium	22	**4,129**	4,129
Own share reserve	24	**(3,832)**	(420)
Merger reserve	23	**117,497**	14,345
Other reserves	24	**1,083**	1,673
Retained earnings		**24,643**	20,765
		144,158	40,815
Non-controlling interest		**(63)**	(3)
Total equity attributable to owners		**144,095**	40,812
Liabilities			
Non-current liabilities			
Borrowings	25	**10,111**	—
Other payables	26	**1,428**	—
Lease liabilities	17	**3,048**	1,647
Deferred tax	27	**22,058**	4,394
Provisions	28	**278**	181
		36,923	6,222
Current liabilities			
Borrowings	25	**3,111**	2,500
Trade and other payables	26	**15,869**	6,319
Lease liabilities	17	**802**	395
Tax payable		**3,184**	1,431
		22,966	10,645
Total liabilities		**59,889**	16,867
Total equity and liabilities		**203,984**	57,679

The financial statements were approved and authorised for issue by the Board of Directors on 7 April 2025 and were signed on its behalf by:

Ben Dodds
Chief Financial Officer

Company statement of financial position

31 December 2024 (Company No: 08721920)

	Notes	2024 £'000	2023 £'000
Assets			
Non-current assets			
Investments	19	**189,820**	60,966
Property, plant and equipment		**76**	—
Deferred tax asset	27	**484**	820
		190,380	61,786
Current assets			
Trade and other receivables	20	**1,484**	1,476
Cash and cash equivalents		**135**	2,337
		1,619	3,813
Total assets		**191,999**	65,599
Equity			
Shareholders' equity			
Called up share capital	21	**638**	323
Share premium	22	**4,129**	4,129
Own share reserve	24	**(3,832)**	(420)
Merger reserve	23	**135,487**	32,335
Other reserves	24	**1,083**	1,673
Retained earnings		**28,147**	23,371
Total equity		**165,652**	61,411
Liabilities			
Non-current liabilities			
Borrowings	25	**3,111**	—
		3,111	—
Current liabilities			
Borrowings	25	**10,111**	2,500
Trade and other payables	26	**13,125**	1,688
		23,236	4,188
Total liabilities		**26,347**	4,188
Total equity and liabilities		**191,999**	65,599

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent Company is not presented as part of these financial statements. The Parent Company's profit for the financial year was £11.1m (2023: £8.1m).

The financial statements were approved and authorised for issue by the Board of Directors on 7 April 2025 and were signed on its behalf by:

Ben Dodds
Chief Financial Officer

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Attributable to owners								
	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Own share reserve £'000	Merger reserve £'000	Other reserves £'000	Total equity £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2023	**320**	**17,399**	**4,129**	**(348)**	**14,345**	**1,316**	**37,161**	**22**	**37,183**
Profit and total comprehensive income	—	7,395	—	—	—	—	7,395	(25)	7,370
Dividends	—	(4,283)	—	—	—	—	(4,283)	—	(4,283)
Shares issued on share option exercises	3	254	—	(72)	—	(524)	(339)	—	(339)
Share-based payments charge	—	—	—	—	—	783	783	—	783
Deferred tax on share-based payments	—	—	—	—	—	98	98	—	98
Total transactions with owners	3	(4,029)	—	(72)	—	357	(3,741)	—	(3,741)
Balance at 31 December 2023	**323**	**20,765**	**4,129**	**(420)**	**14,345**	**1,673**	**40,815**	**(3)**	**40,812**
Profit and total comprehensive income	—	10,192	—	—	—	—	10,192	(60)	10,132
Dividends	—	(9,012)	—	—	—	—	(9,012)	—	(9,012)
Share issued on acquisition of Belvoir Group	301	—	—	—	103,152	—	103,453	—	103,453
Shares issued on share option exercises	14	2,698	—	(3,412)	—	(1,544)	(2,244)	—	(2,244)
Share-based payments charge	—	—	—	—	—	875	875	—	875
Deferred tax on share-based payments	—	—	—	—	—	79	79	—	79
Total transactions with owners	315	(6,314)	—	(3,412)	103,152	(590)	93,151	—	93,151
Balance at 31 December 2024	**638**	**24,643**	**4,129**	**(3,832)**	**117,497**	**1,083**	**144,158**	**(63)**	**144,095**

Company statement of changes in equity

for the year ended 31 December 2024

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Own share reserve £'000	Merger reserve £'000	Other reserves £'000	Total equity £'000
Balance at 1 January 2023	**320**	**19,276**	**4,129**	**(348)**	**32,335**	**1,316**	**57,028**
Profit and total comprehensive income	—	8,124	—	—	—	—	8,124
Dividends	—	(4,283)	—	—	—	—	(4,283)
Shares issued on share option exercises	3	254	—	(72)	—	(524)	(339)
Share-based payments charge	—	—	—	—	—	783	783
Deferred tax on share-based payments	—	—	—	—	—	98	98
Total transactions with owners	3	(4,029)	—	(72)	—	357	(3,741)
Balance at 31 December 2023	**323**	**23,371**	**4,129**	**(420)**	**32,335**	**1,673**	**61,411**
Profit and total comprehensive income	—	11,090	—	—	—	—	11,090
Dividends	—	(9,012)	—	—	—	—	(9,012)
Share issued on acquisition of Belvoir Group	301	—	—	—	103,152	—	103,453
Shares issued on share option exercises	14	2,698	—	(3,412)	—	(1,544)	(2,244)
Share-based payments charge	—	—	—	—	—	875	875
Deferred tax on share-based payments	—	—	—	—	—	79	79
Total transactions with owners	315	(6,314)	—	(3,412)	103,152	(590)	93,151
Balance at 31 December 2024	**638**	**28,147**	**4,129**	**(3,832)**	**135,487**	**1,083**	**165,652**

Consolidated statement of cash flows

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash generated from operations	A	**18,597**	11,324
Interest paid		**(659)**	(255)
Tax paid		**(3,257)**	(2,048)
Net cash from operating activities		**14,681**	9,021
Cash flows from investing activities			
Purchase of Belvoir Group net of cash acquired		**(1,730)**	—
Purchase of GPEA net of cash acquired		**(14,255)**	—
Disposal of investment in shares		**143**	81
The Mortgage Genie deferred consideration paid		**—**	(138)
Purchase of intangible assets – customer lists		**—**	(201)
Disposal of intangible assets		**125**	53
Purchase of tangible assets		**(192)**	(114)
Payment of assisted acquisitions support		**(114)**	(115)
Interest received		**263**	20
Net cash used in investing activities		**(15,760)**	(414)
Cash flows from financing activities			
Issue of ordinary shares		**14**	3
Equity dividends paid		**(9,012)**	(4,283)
Purchase of shares by Employee Benefit Trust		**(3,412)**	(72)
Net settlement of share options		**—**	(270)
Bank loans and RCF drawn		**20,000**	—
Bank loans and RCF repaid		**(9,278)**	(2,500)
Principal paid on lease liabilities		**(580)**	(431)
Interest paid on lease liabilities		**(132)**	(96)
Net cash used in financing activities		**(2,400)**	(7,649)
(Decrease)/increase in cash and cash equivalents		**(3,479)**	958
Cash and cash equivalents at beginning of year		**7,642**	6,684
Cash and cash equivalents at end of year		**4,163**	7,642

Notes to the consolidated statement of cash flows

for the year ended 31 December 2024

A. Reconciliation of profit before income tax to cash generated from operations

	2024 £'000	2023 £'000
Cash flows from operating activities		
Profit before income tax	**14,304**	9,014
Depreciation of property, plant and equipment	**221**	95
Amortisation of intangibles	**4,390**	1,531
Amortisation of prepaid assisted acquisitions support	**126**	183
Amortisation of right-of-use assets	**531**	234
Profit on disposal of assets	**(46)**	(89)
Share-based payments charge	**875**	783
Gain on revaluation of listed investment	**—**	(87)
Finance costs	**1,195**	357
Finance income	**(263)**	(20)
Operating cash flow before changes in working capital	**21,333**	12,001
Increase in trade and other receivables	**(1,775)**	(319)
Decrease in trade and other payables	**(961)**	(358)
Cash generated from operations	**18,597**	11,324

Financial statements

Company statement of cash flows

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash generated from operations	B	**5,815**	(1,337)
Interest paid		**(659)**	(256)
Net cash generated from/(used in) operating activities		**5,156**	(1,593)
Cash flows from investing activities			
Purchase of Belvoir Group		**(3,737)**	—
Purchase of GPEA		**(14,398)**	—
Acquisition-related costs		**(2,303)**	—
Purchase of tangible assets		**(82)**	—
The Mortgage Genie – deferred consideration		**—**	(138)
Equity dividends received		**14,850**	9,651
Net cash (used in)/generated from investing activities		**(5,670)**	9,513
Cash flows from financing activities			
Issue of ordinary shares		**14**	3
Equity dividends paid		**(9,012)**	(4,283)
Purchase of shares by Employee Benefit Trust		**(3,412)**	(72)
Net settlement of share options		**—**	(270)
Bank loan and RCF drawn		**20,000**	—
Bank loan and RCF repaid		**(9,278)**	(2,500)
Net cash used in financing activities		**(1,688)**	(7,122)
(Decrease)/increase in cash and cash equivalents		**(2,202)**	798
Cash and cash equivalents at beginning of year		**2,337**	1,539
Cash and cash equivalents at end of year		**135**	2,337

Notes to the Company statement of cash flows

for the year ended 31 December 2024

B. Reconciliation of profit before income tax to cash generated from operations

	2024 £'000	2023 £'000
Cash flows from operating activities		
Profit before income tax	**10,234**	7,555
Depreciation of property, plant and equipment	**5**	—
Share-based payments charge	**584**	613
Gain on revaluation of listed investment	**—**	(22)
Finance costs	**1,062**	261
Equity dividend received	**(14,850)**	(9,651)
Operating cash flow before changes in working capital	**(2,965)**	(1,244)
Increase in trade and other receivables	**329**	(94)
Increase in trade and other payables	**8,451**	1
Cash generated from/(used in) operations	**5,815**	(1,337)

Notes to the consolidated and Company financial statements

for the year ended 31 December 2024

1. General information

The principal activity of The Property Franchise Group PLC and its subsidiaries is that of a UK residential property franchise, licensing and financial services business. The Group operates in the UK. The Company is a public limited company incorporated and domiciled in the UK and listed on AIM. The address of its head office and registered office is 2 St Stephen's Court, St Stephen's Road, Bournemouth, Dorset BH2 6LA, UK.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention modified to include the revaluation of certain investments at fair value.

The preparation of financial statements in accordance with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The presentational currency of the financial statements is in British pounds and amounts are rounded to the nearest thousand pounds.

Going concern

The Group has produced detailed budgets, projections and cash flow forecasts. These have been stress tested to understand the impacts of reductions in revenue and costs. The Directors have concluded after reviewing these budgets, projections and forecasts, making appropriate enquiries of the business, that there is a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and will meet the banking covenants required by the new facility drawn down in May 2024. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Changes in accounting policies

a) New standards, amendments and interpretations effective from 1 January 2024

We do not consider there to be any relevant new standards, amendments to standards or interpretations, that are effective for the financial year beginning on 1 January 2024, which would have had a material impact on the financial statements.

b) New standards, amendments and interpretations not yet effective

We do not consider there to be any relevant new standards, amendments to standards or interpretations that have been issued, but are not effective for the financial year beginning on 1 January 2024, which would have had a material impact on the financial statements.

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

3. Basis of consolidation

The Group financial statements include those of the Parent Company and its subsidiaries, drawn up to 31 December 2024. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

4. Significant accounting policies

Revenue recognition

Performance obligations and the timing of revenue recognition

Revenue represents income, net of VAT, from the sale of franchise agreements, resale fees, Management Service Fees ("MSF") levied to franchisees monthly based on their turnover, lettings and residential sales income from a small number of owned offices, licence fees levied to Fine & Country licensees monthly, membership fees levied to The Guild members monthly, financial services commissions in respect of mortgages and income protection products, and other income being the provision of ad hoc services and ongoing support to franchisees, licensees and members.

Franchising division

Franchises excluding EweMove:

Fees from the sale of franchise agreements are not refundable. These fees are for the use of the brand along with initial training and support and promotion during the opening phase of the new office. As such, the Group has some initial obligations that extend beyond the receipt of funds and signing of the franchise agreement so an element of the fee is deferred and released as the obligations are discharged, usually between 1 to 4 months after receipt of funds, which is the typical period of on-boarding for new franchisees.

Resale fees are recognised in the month that a contract for the resale of a franchise is signed. Upon signing of the contract all obligations have been completed.

Management Service Fees are recognised on a monthly basis and other income is recognised when the services and support are provided to the franchisee. There are no performance obligations associated with levying the Management Service Fees beyond providing access to the systems, brand and marketing support. For ad hoc services and support, all performance obligations have been fulfilled at the time of revenue recognition.

4. Significant accounting policies continued

Revenue recognition continued

Performance obligations and the timing of revenue recognition continued

Franchising division continued

EweMove:

Fees from the sale of franchise agreements for the EweMove brand are not refundable. Some new franchisees pay a higher fee to include the first 12 months' licence fee; in this scenario, the licence fee element of the initial fee is deferred and released over the first 12 months of trading of the franchise where no monthly licence fees are payable. The franchise fee is for the use of the brand along with initial support and promotion during the opening phase of the new franchise. As such, the Group has some initial obligations that extend beyond the receipt of funds and signing of the franchise agreement so an element of the fee is deferred and released as the obligations are discharged, usually between 1 to 4 months after receipt of funds, which is the typical period of on-boarding for new franchisees.

Management Service Fees consist of monthly licence fees and completion fees. Licence fees are recognised on a monthly basis, completion fees are recognised when sales or lettings transactions complete and other income is recognised when the services and support are provided to the franchisee. There are no additional performance obligations associated with levying the licence fee and completion fees beyond providing access to the systems, brand and marketing support. For ad hoc services and support, all performance obligations have been fulfilled at the time of revenue recognition.

Owned offices:

Revenue from the sale of residential property is recognised, net of vat, at the point the Group has performed its performance obligation to see the transaction through to the exchange of contracts between a buyer and a vendor.

Revenue from lettings represents commission earned from operating as a lettings agent, net of vat. Where the performance obligation relates to the letting of a property, the revenue is recognised at the point the property has been let. Where the performance obligation relates to the management of a lettings property, revenue is recognised over the period the property is managed.

Financial services commissions:

Financial services commissions received are recognised upon receipt, being a point in time when the Group has met its obligations in delivering a customer to the mortgage and/or insurance partners. A provision is made for the best estimate of future clawbacks resulting from insurance policies being subsequently cancelled. There is no vat applicable to financial services commissions.

Licensing division:

Licence fees and membership fees are recognised on a monthly basis and other income is recognised when the services and support is provided to the licensee/member. There are no performance obligations associated with levying the licence and membership fees. For ad hoc services and support, all performance obligations have been fulfilled at the time of revenue recognition.

Rental income:

Rental income represents rent received from short-term licensing arrangements entered into to make use of a small amount of vacant office space. The Group's obligation is to provide office accommodation through the period of the licence. Revenue is recognised over the period of the licence.

Operating profit

Profit from operations is stated before finance income, finance costs and tax expense.

Business combinations

On the acquisition of a business, fair values are attributed to the identifiable assets and liabilities and contingent liabilities unless the fair value cannot be measured reliably in which case the value is subsumed into goodwill. Where the fair values of acquired contingent liabilities cannot be measured reliably, the assumed contingent liability is not recognised but is disclosed in the same manner as other contingent liabilities.

Goodwill is the difference between the fair value of the consideration and the fair value of identifiable assets acquired. Goodwill arising on acquisitions is capitalised and subject to an impairment review, both annually and when there is an indication that the carrying value may not be recoverable.

Intangible assets

Intangible assets with a finite life are carried at cost less amortisation and any impairment losses. Intangible assets represent items which meet the recognition criteria of IAS 38, in that it is probable that future economic benefits attributable to the assets will flow to the entity and the cost can be measured reliably.

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group.

4. Significant accounting policies continued

Intangible assets continued

Amortisation charges are included in administrative expenses in the Statement of Comprehensive Income. Amortisation begins when the intangible asset is first available for use and is provided at rates calculated to write off the cost of each intangible asset over its expected useful life, on a straight-line basis, as follows:

Brands – CJ Hole, Parkers, Ellis & Co	Indefinite life
Brands – EweMove	21 years
Brands – Hunters, Country Properties, Mullucks, Belvoir, Northwood, Newton Fallowell, Nicholas Humphreys, Lovelle, Mr & Mrs Clarke, The Guild of Property Professionals and Fine & Country	20 years
Customer lists – lettings books	12 years
Customer lists – franchise development grants	15 years
Licence and member agreements – The Guild of Property Professionals and Fine & Country	21 years
Master franchise agreements – Whitegates, CJ Hole, Parkers, Ellis & Co	25 years
Master franchise agreements – Hunters, Country Properties, Mullucks, Belvoir, Northwood, Newton Fallowell, Nicholas Humphreys, Lovelle, Mr & Mrs Clarke	21 years
Master franchise agreements – EweMove	15 years
Technology – Ewereka	5 years
Technology – websites, CRM system and software	3 years

Acquired trade names are identified as separate intangible assets where they can be reliably measured by valuation of future cash flows. The trade names CJ Hole, Parkers and Ellis & Co are assessed as having indefinite lives due to their long trading histories.

Acquired customer lists are identified as a separate intangible asset as they are separable and can be reliably measured by valuation of future cash flows. This valuation also assesses the life of the particular relationship. The life of the relationship is assessed annually.

Customer lists acquired as part of the Hunters and Belvoir acquisition relate to lettings books and are being written off over an expected useful life of 12 years.

Acquired master franchise agreements, licence agreements and member agreements (collectively referred to as "Customer relationships") are identified as a separate intangible asset as they are separable and can be reliably measured by valuation of future cash flows. The life of the relationship is assessed annually. The agreements are being written off over an expected useful life of 15-25 years as historical analyses shows that, on average, 4%-10% of franchises/licensees/members will change ownership per annum.

Subsequent to initial recognition, intangible assets are stated at deemed cost less accumulated amortisation and impairment charges, with the exception of indefinite life intangibles.

Impairment of non-financial assets

In respect of goodwill and intangible assets that have indefinite useful lives, management is required to assess whether the recoverable amount of each exceeds their respective carrying values at the end of each accounting period.

In respect of intangible assets with definite lives, management is required to assess whether the recoverable amount exceeds the carrying value where an indicator of impairment exists at the end of each accounting period.

The recoverable amount is the higher of fair value less costs to sell and value in use.

Impairment losses represent the amount by which the carrying value exceeds the recoverable amount; they are recognised in the income statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Where an indicator of impairment exists against a definite life asset and a subsequent valuation determines there to be impairment, the intangible asset to which it relates is impaired by the amount determined.

An impairment loss in respect of goodwill is not reversed should the valuation subsequently recover. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The master franchise agreement is assessed separately for impairment as an independent asset that generates cash inflows that are largely independent of those from other assets.

Investment in subsidiaries

Investments in subsidiaries are stated in the Parent Company's balance sheet at cost less any provisions for impairments.

4. Significant accounting policies continued

Equity investments

Investments in the Group balance sheet represent listed investments which are measured at market value and unlisted investments which are measured at cost. Listed investments are revalued at fair value through the profit and loss account based on the quoted share price.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives on the following bases:

Fixtures, fittings and office equipment	15%–25% reducing balance or 10%–33% straight line
Computer equipment	over 3 years
Leasehold buildings and short leasehold improvements	over the lease term

Right-of-use assets

Right-of-use assets relate to operating leases that have been brought onto the balance sheet under IFRS 16. They are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Prepaid assisted acquisitions support

Prepaid assisted acquisitions support represents amounts payable to franchisees in relation to their acquisition of qualifying managed property portfolios and amounts payable to brokers for assisting with the acquisition of those portfolios. The payments are recognised as an asset and amortised to the profit and loss account over 5 years. The amounts payable to franchisees are amortised as a reduction in revenue, whereas amounts payable to brokers are amortised through cost of sales.

Income taxes

Income 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.

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.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences, at the tax rate that is substantively enacted at the balance sheet date. Deferred tax is generally provided on the difference between the carrying amount of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the income statement. For share-based payments the deferred tax credit is recognised in the income statement to the extent that it offsets the share-based payments charge, with any remaining element after offset being shown in the Statement of Changes in Equity.

Financial assets

The Group and Company only have financial assets comprising trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

4. Significant accounting policies continued

Cash and cash equivalents

Cash and cash equivalents are defined as cash balances in hand and in the bank (including short-term cash deposits).

Loans to franchisees

Impairment provisions against loans to franchisees are recognised based on an expected credit loss model. The methodology used to determine the amount of provision is based on whether there has been a significant increase in credit risk since initial recognition of these financial assets and is calculated by considering the cash shortfalls that would be incurred and probability of these cash shortfalls using the Group's model. Where a significant increase in credit risk is identified, lifetime expected credit losses are recognised; alternatively, if there has not been a significant increase in credit risk, a 12-month expected credit loss is recognised. Such provisions are recorded in a separate allowance account with the loss being recognised within operating expenses in the Statement of Comprehensive Income. On confirmation that the franchisee loan will not be collectable, the gross carrying value of the asset is written off against the associated provision.

UIC debtor

The Group recognises amounts withheld by Mortgage Advice Bureau from weekly commission payments in respect of unearned indemnity commission as a financial asset. This financial asset has no credit terms and management assesses that the credit risk and probability of default are low. As such no provision for impairment is made. On a weekly basis the estimated clawback of commission recoverable from our advisers arising on the cancellation of life assurance policies within 4 years of inception is accounted for within other debtors. An assessment is made on the recoverability of these amounts and the Board has determined the expected credit loss within 12 months to be insignificant.

Impairment of financial assets

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Consolidated Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial liabilities

Financial liabilities are comprised of trade and other payables, borrowings and other short-term monetary liabilities, which are recognised at amortised cost.

Trade payables, other payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

UIC refund liability

As there is a potential for clawback on financial services commissions, revenue is recognised only to the extent that it is highly probable that it will not reverse in future periods. The unearned indemnity commission ("UIC") refund liability is recognised for indemnity commission if the highly probable test for revenue recognition has not been met. A refund liability is made against new written policies on a weekly basis to reflect the estimated clawback by Mortgage Advice Bureau (Holdings) PLC. These clawbacks arise on the cancellation of life assurance policies within 4 years following inception.

4. Significant accounting policies continued

Share-based payments

The Group and Company issue equity-settled share-based payments to employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is amortised through the Consolidated Statement of Comprehensive Income over the vesting period of the options, together with a corresponding increase in equity, based upon the Group and Company's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes option pricing model taking into account the following inputs:

- the exercise price of the option;
- the life of the option;
- the market price on the date of the grant of the option;
- the expected volatility of the share price;
- the dividends expected on the shares; and
- the risk free interest rate for the life of the option.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

At the end of each reporting period, the Group and Company revise its estimates of the number of options that are expected to vest based on the non-market conditions and recognise the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

5. Critical accounting estimates and judgements and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Intangible assets recognised on acquisition and their valuation

When valuing the intangibles acquired in a business combination, management estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows. Separable intangibles valued on acquisitions made in the year were £77.8m (2023: £nil) as detailed further in note 15 and note 32.

Impairment of intangible assets

The Group is required to test, where indicators of impairment exist or there are intangible assets with indefinite lives, whether intangible assets have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Key assumptions for the value in use calculation are described in note 15.

Recoverability of loans to franchisees

The recoverability of loans to franchisees is assessed by management by assessing the credit risk of each loan. A Board approved model is used to determine if there has been a significant increase in credit risk by comparing the carrying value of the loan to the underlying valuation of the franchisee using a revenue multiple and an assessment of current trading performance. The multiple is determined by historical data.

UIC refund liability

The refund liability relates to the estimated value of repaying commission received upfront on life assurance policies that may lapse in a period of up to 4 years following inception. The potential liability for unearned indemnity commission is assessed by management based on an estimation of the level of policy cancellation and the associated clawback of commission. The estimate is based on historical trends of cancellation in different scenarios and the liability is calculated as the sum of the range of probabilities of clawback in the different scenarios.

Share-based payment charge ("SBPC")

The aggregate fair value expense of each grant is determined through using the Black Scholes model and an estimate for the attainment of the performance conditions, where they exist. All the options granted have a non-market-based performance condition, earnings per share, and a market-based performance condition, total shareholder return.

In order to estimate the likely achievement of the performance conditions, management has used the actual results for FY23, the budget for FY24 and projections of earnings for future years as well as taking into account available market data, performance trends and listed company valuation metrics.

The share-based payment charge in relation to the performance-based options granted in 2022 assumes that performance will generate vesting of 100% of the maximum number of shares available under those options. The charge is £0.4m. If the adjusted EPS performance condition was 0% achieved, the cumulative charge would decrease by £0.4m.

The share-based payment charge in relation to the performance-based options granted in 2023 assumes that performance will generate vesting of 75% of the maximum number of shares available under those options. The charge is £0.2m. If the adjusted EPS performance condition was 100% achieved, the cumulative charge would increase by £0.04m and if the adjusted EPS performance condition was not achieved at all, so 0%, the cumulative charge would decrease by £0.1m.

The share-based payment charge in relation to the performance-based options granted in 2024 assumes that performance will generate vesting of 0% of the maximum number of shares available under those options. The charge is £0.1m. If the adjusted EPS performance condition was 100% achieved, the cumulative charge would increase by £0.3m.

6. Segmental reporting

The Directors consider there to be 3 operating segments in 2024 (2023: 2), being Property Franchising, Financial Services and Licensing (2023: Property Franchising and Financial Services).

For the year ended 31 December 2024:

	Property Franchising £'000	Financial Services £'000	Licensing £'000	Total £'000
Revenue	**40,899**	**19,202**	**7,209**	**67,310**
Segment profit before tax	**22,380**	**3,269**	**1,784**	**27,433**
PLC central overheads				**(4,373)**
Exceptional administrative expenses				**(2,720)**
Amortisation on acquired intangibles				**(4,228)**
Share-based payments charge				**(875)**
Finance costs and income				**(932)**
Other gains and losses				**—**
Profit before tax				**14,305**

For the year ended 31 December 2023:

	Property Franchising £'000	Financial Services £'000	Licensing £'000	Total £'000
Revenue	25,776	1,502	—	27,278
Segment profit before tax	13,323	352	—	13,675
PLC central overheads				(2,185)
Exceptional administrative expenses				—
Amortisation on acquired intangibles				(1,443)
Share-based payments charge				(783)
Finance costs and income				(337)
Other gains and losses				87
Profit before tax				9,014

There was no inter-segment revenue in any period.

7. Revenue

	2024 £'000	2023 £'000
Property Franchising segment:		
Management Service Fees	**28,321**	16,099
Owned offices – lettings and sales fees	**6,987**	4,902
Franchise sales, support and other services	**5,591**	4,775
	40,899	25,776
Financial Services segment:		
Financial Services commissions	**19,202**	1,502
	19,202	1,502
Licensing segment:		
Licence and membership fees	**5,240**	—
Support and other services	**1,969**	—
	7,209	—
	67,310	27,278

All revenue is earned in the UK and no customer represents greater than 10% of total revenue in either of the years reported.

See note 20 for details of accrued income and note 26 for details of deferred income.

See note 18 for the value of prepaid assisted acquisitions support amortised as a deduction from Management Service Fees.

8. Administrative expenses

Administrative expenses relate to those expenses that are not directly attributable to any specific sales activity.

Administrative expenses for the year were as follows:

	2024 £'000	2023 £'000
Employee costs	**13,940**	6,526
Marketing and digital costs	**2,151**	1,032
Depreciation and amortisation	**5,140**	1,860
Other administrative costs	**4,908**	2,413
Administrative expenses	**26,139**	11,831
Exceptional legal and professional costs in relation to the acquisitions in the year	**2,303**	—
Exceptional staff costs in relation to departing Executive Directors	**417**	—
Exceptional administrative expenses	**2,720**	—
Share-based payments charge	**875**	783
Total administrative expenses	**29,734**	12,614

9. Employees and Directors

Average numbers of employees (including Executive Directors), employed during the year:

	Group		Company	
	2024	2023	2024	2023
Administration	**341**	164	**—**	—
Management	**24**	12	**2**	2
	365	176	**2**	2

Employee costs (including Directors) during the year amounted to:

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Wages and salaries	**15,501**	7,939	**1,983**	1,151
Social security costs	**2,367**	842	**620**	150
Pension costs	**436**	175	**58**	48
Private medical insurance	**94**	24	**—**	—
	18,398	8,980	**2,661**	1,349
Share-based payments charge	**875**	783	**584**	613

Key management personnel is defined as Executive Directors. Details of the remuneration of the key management personnel are shown below:

	2024 £'000	2023 £'000
Wages and salaries	**1,767**	1,093
Social security costs	**216**	144
Pension costs	**70**	20
	2,053	1,257
Share-based payments charge	**584**	576

Further details of the Directors' emoluments are disclosed in the Directors' Remuneration Report on pages 52 to 55. The share-based payments charge for the current year has been charged to the Statement of Comprehensive Income.

10. Breakdown of expenses by nature

	2024 £'000	2023 £'000
The operating profit is stated after charging:		
Depreciation	**221**	95
Amortisation – intangibles	**4,390**	1,531
Amortisation – prepaid assisted acquisitions support	**126**	183
Amortisation – leases	**531**	234
Share-based payments charge	**875**	783
Auditor's remuneration (see below)	**307**	137
Staff costs (note 9)	**18,398**	8,980
Audit services		
– Audit of the Company and consolidated accounts	**307**	137
	307	137

11. Finance income and costs

	2024 £'000	2023 £'000
Finance income:		
Bank interest	**28**	9
Other similar income	**234**	11
	262	20

	2024 £'000	2023 £'000
Finance costs:		
Bank interest	**871**	261
Interest expense on lease liabilities	**133**	96
Unwinding of discounting on deferred consideration	**191**	—
	1,195	357

12. Taxation

	2024 £'000	2023 £'000
Current tax	**4,980**	2,439
Adjustments in respect of previous periods	**—**	(120)
Current tax total	**4,980**	2,319
Deferred tax on acquired business combinations	**(1,075)**	(366)
Deferred tax on share-based payments	**316**	(309)
Deferred tax – other	**(49)**	—
Deferred tax total	**(808)**	(675)
Total tax charge in Statement of Comprehensive Income	**4,172**	1,644

12. Taxation continued

The tax rate assessed for the period is higher (2023: lower) than the standard rate of corporation tax in the UK. The difference is explained below.

	2024 £	2023 £
Profit on ordinary activities before tax	**14,304**	9,014
Profit on ordinary activities multiplied by the effective standard rate of corporation tax in the UK of 25% (2023: 23.5%)	**3,576**	2,118
Effects of:		
Acquisition related costs not deductible for tax purposes	**576**	—
Other costs not deductible for tax purposes	**1,152**	453
Depreciation in excess of capital allowances	**38**	3
Deferred tax provision	**(808)**	(675)
Exercise of share options	**(362)**	(135)
Adjustments in respect of previous periods	**—**	(120)
Total tax charge in respect of continuing activities	**4,172**	1,644

Tax rate changes

The corporation tax rate in the UK changed from 19% to 25% effective from 1 April 2023, meaning the rate applicable for the financial year ended 31 December 2023 was 23.5% and the rate applicable for 2024 is 25%. The value of the deferred tax asset at the statement of financial position date in 2024 and 2023 has been calculated using the applicable rate when the asset is expected to be realised.

13. Earnings per share

Earnings per share is calculated by dividing the profit for the financial year by the weighted average number of shares during the year.

	2024 £'000	2023 £'000
Profit for the financial year attributable to owners of the parent	**10,192**	7,395
Amortisation on acquired intangibles	**4,228**	1,443
Share-based payments charge	**875**	783
Exceptional costs	**2,720**	—
Unwinding of discounting on acquisition deferred consideration	**191**	—
Gain on revaluation of listed investment	**—**	(87)
Adjusted profit for the financial year	**18,206**	9,534
Weighted average number of shares		
Number used in basic earnings per share	**57,477,151**	32,142,942
Dilutive effect of share options on ordinary shares	**419,881**	1,418,527
Number used in diluted earnings per share	**57,897,032**	33,561,469
Basic earnings per share	**17.7p**	23.0p
Diluted earnings per share	**17.6p**	22.0p
Adjusted basic earnings per share	**31.7p**	29.7p
Adjusted diluted earnings per share	**31.4p**	28.4p

There were options over 2,018,953 ordinary shares outstanding at 31 December 2024; 1,450,953 had not vested and have performance conditions which determine whether they vest or not in future; 210,000 do not have performance conditions but their exercise price is higher than the share price at 31 December 2024, 421,000 options under the 2022 scheme will vest in full based on these financial statements. The average share price during the year ended 31 December 2024 was above the exercise price of the 421,000 options that are due to vest based on these financial statements; for this reason, in 2024 there is a dilutive effect of share options on the earnings per share calculation.

There were options over 2,100,453 ordinary shares outstanding at 31 December 2023; 676,953 had not vested and had performance conditions which determined whether they would vest or not in future; it was determined that 1,423,500 options under the 2021 scheme would vest in full based on the financial statements for the year ended 31 December 2023. The average share price during the year ended 31 December 2023 was above the exercise price of the 1,423,500 options that were due to vest based on those financial statements; for this reason, in 2023 there was a dilutive effect of share options on the earnings per share calculation.

14. Dividends

	2024 £'000	2023 £'000
Second interim dividend for 2023		
2p per share paid 2 February 2024	**642**	—
Final dividend for 2023		
7.4p per share paid 12 June 2024 (2023: 8.8p per share paid 9 June 2023)	**4,600**	2,807
Interim dividend for 2024		
6.0p per share paid 4 October 2024 (2023: 4.6p per share paid 6 October 2023)	**3,770**	1,476
Total dividend paid	**9,012**	4,283

The Directors propose a final dividend for 2024 of 12p per share totalling £7.65m, which they expect will be paid on 2 June 2025. As this is subject to approval by the shareholders, no provision has been made for this in these financial statements.

15. Intangible assets

	Customer relationships £'000	Brands £'000	Technology £'000	Customer lists £'000	Goodwill £'000	Total £'000
Cost						
Brought forward at 1 January 2023	18,592	5,032	790	3,319	23,243	50,976
Additions	—	—	—	254	76	330
Carried forward 31 December 2023	**18,592**	**5,032**	**790**	**3,573**	**23,319**	**51,306**
Acquisitions (note 32)	62,751	11,029	181	1,249	65,416	140,626
Additions	—	—	—	27	—	27
Disposals	—	—	—	(30)	—	(30)
Carried forward 31 December 2024	**81,343**	**16,061**	**971**	**4,819**	**88,735**	**191,929**
Amortisation and impairment						
Brought forward at 1 January 2023	4,290	690	375	663	—	6,018
Charge for the year	927	220	60	324	—	1,531
Carried forward 31 December 2023	**5,217**	**910**	**435**	**987**	**—**	**7,549**
Charge for the year	3,271	622	139	358	—	4,390
Amortisation on disposals	—	—	—	(11)	—	(11)
Carried forward 31 December 2024	**8,488**	**1,532**	**574**	**1,334**	**—**	**11,928**
Net book value						
At 31 December 2024	**72,855**	**14,529**	**397**	**3,485**	**88,735**	**180,001**
At 31 December 2023	13,375	4,122	355	2,586	23,319	43,757

The carrying amount of goodwill relates to 9 (2023: 6) cash generating units and reflects the difference between the fair value of consideration transferred and the fair value of assets and liabilities purchased.

Business combination completed in March 2024 – Belvoir Group PLC

Details of the acquisition of Belvoir Group PLC can be found in note 32.

2 cash generating units were identified – Belvoir Group Franchising and Belvoir Group Financial Services. The purchase consideration was allocated between the CGUs based on their relative earnings before interest and tax ("EBIT").

Belvoir Group Franchising CGU:

The value of the master franchise agreement was based on the value of the cash flows derived from the actual revenue and operating margins for 2024, projections of revenue through to 2045 applying historic attrition rates of 5% and growth rates of 3-5% until 2028 and 2% thereafter. The revenue streams represent the return from all the assets employed in generating those revenues. Thus, to value the franchise rights separately, the fair value and expected rate of return of these other assets, known as the contributory asset charge, was determined and deducted.

A discount rate of 9.4% was applied which represented a reduction on the company's WACC as the risk profile of the master franchise rights was seen as slightly less than that of the overall company. The resulting present value was not increased by the tax adjusted benefit as the amortisation of master franchise rights are not deductible for UK corporation tax. The master franchise rights are being amortised over 21 years. The period of amortisation remaining at 31 December 2024 was 20 years 2 months.

The Belvoir Group brands were founded between 1995 - 2014 and have become established as widely recognised brands within the lettings and estate agency sector, which attract a significant number of franchise enquiries and has a significant fixed element to its royalties. Management expects to derive income from the brand for the next 20 years and, with this as the assets' useful life, the period of amortisation remaining at 31 December 2024 was 19 years 2 months.

15. Intangible assets continued

Business combination completed in March 2024 – Belvoir Group PLC continued

Belvoir Group Franchising CGU: continued

The Relief-from-Royalty-Method was used to value the brand name. Looking at independent research of royalty rates and taking into account the factors highlighted in the last paragraph, management selected a pre-tax royalty rate of 5%.

The after tax royalty rate was then applied to the projected cash flows of the brand up until December 2045. The projected cash flows being the forecast growth in revenues of 3-5% until 2028 and 2% thereafter. The after tax cash flows determined through this process were then discounted at 11.4%. This discount rate approximated the company's WACC as the risk profile of the brand names was seen as commensurate with that of the overall company.

The value of the lettings books was based on the value of the cash flows derived from the actual revenue and operating margins for 2024, projections of revenue through to 2036 applying historic attrition rates of 4% and growth rate of 2%. The revenue streams represent the return from all the assets employed in generating those revenues. Thus, to value the lettings books separately, the fair value and expected rate of return of these other assets, known as the contributory asset charge, was determined and deducted.

A discount rate of 9.4% was applied which represented a discount over the company's WACC as the risk profile of the lettings books was seen as slightly less than that of the overall company. The resulting present value was not increased by the tax adjusted benefit as the amortisation of lettings books are not deductible for UK corporation tax. The lettings books are being amortised over 12 years. The period of amortisation remaining at 31 December 2024 was 11 years 2 months.

Impairment review:

Goodwill is assessed for impairment by comparing the carrying value to the value in use calculations. The value in use of the goodwill arising on the acquisition of Belvoir Franchising is based on the cash flows derived from the actual revenues and operating margins for 2024 and projected revenue growth of 3-5% until 2029 and 2% thereafter through to 2046.

The cash flows arising were discounted by 12.7% based on the weighted average cost of capital for Belvoir Group. This resulted in a total value for the company of the identifiable intangible assets that exceeded the carrying values of the company's goodwill.

The carrying value of Belvoir Franchising was £78.8m at 31 December 2024 whereas the recoverable amount was assessed to be £82.6m at the same date. Headroom of £3.8m therefore existed at the year end.

The Directors do not consider goodwill to be impaired.

The useful life of the master franchise agreements was assessed as 21 years and remains unchanged.

The useful life of the brand name was also reviewed. There have been no significant changes since acquisition so as such it is considered to be unaltered at 20 years.

The following table reflects the level of movements required in revenue or costs which could result in a potential impairment per the value in use calculation of goodwill. A further percentage (fall)/increase, of the magnitude indicated in the table below, in any one of the key assumptions set out above would result in a removal of the headroom in the value in use calculation for goodwill in 2024. Thus, if the discount rate increased by 5% to 13.3%, an impairment change would result against goodwill, all other assumptions remaining unchanged.

Assumption	Judgement	Sensitivity
Discount rate	Weighted average cost of capital used of 12.7%	5%
Revenue – FY24 to FY29	Growth rates between 3 and 5%	(40%)
Indirect costs – all years	Assumed to be 35% of revenue	9%

Belvoir Group Financial Services CGU:

Goodwill on acquisition was £26.9m, there were no identifiable intangible assets arising from legal or contractual rights, which is consistent with other financial services business acquisitions.

Impairment review:

Goodwill is assessed for impairment by comparing the carrying value to the value in use calculations. The value in use of the goodwill arising on the acquisition Belvoir Group Financial Services is based on the cash flows derived from the actual revenues and operating margins for 2024 and projected revenue growth of 2-5% until 2029 and 2% thereafter through to 2045.

The cash flows arising were discounted at 12.7% based on the weighted average cost of capital for Belvoir Group. This resulted in a total value for the company of the identifiable intangible assets that exceeded the carrying values of the company's goodwill.

The carrying value of Belvoir Financial Services was £28.3m at 31 December 2024 whereas the recoverable amount was assessed to be £29.4m at the same date. Headroom of £1.1m therefore existed at the year end.

The Directors do not consider goodwill to be impaired.

The following table reflects the level of movements required in revenue or costs which could result in a potential impairment per the value in use calculation of goodwill. A further percentage (fall)/increase, of the magnitude indicated in the table below, in any one of the key assumptions set out above would result in a removal of the headroom in the value in use calculation for goodwill in 2024. Thus, if the discount rate increased by 4% to 13.2%, an impairment change would result against goodwill, all other assumptions remaining unchanged.

15. Intangible assets continued

Business combination completed in March 2024 – Belvoir Group PLC continued

Belvoir Group Financial Services CGU: continued

Impairment review: continued

Assumption	Judgement	Sensitivity
Discount rate	Weighted average cost of capital used of 12.7%	4%
Revenue – FY24 to FY29	Growth rates between 2 and 5%	(31%)
Indirect costs – all years	Assumed to be 10% of revenue	7%

Business combination completed in May 2024 – GPEA Limited

Details of the acquisition of GPEA Limited can be found in note 32.

The directors consider that GPEA is a single CGU.

The value of the license and membership agreements was based on the value of the cash flows derived from the actual revenue and operating margins for 2024, projections of revenue through to 2045 applying historic attrition rates of 10% and growth rates of 3-4% until 2029 and 2% thereafter. The revenue streams represent the return from all the assets employed in generating those revenues. Thus, to value the licence and membership agreements separately, the fair value and expected rate of return of these other assets, known as the contributory asset charge, was determined and deducted.

A discount rate of 11.17% was applied. This discount rate approximated the company's WACC as the risk profile of the license and membership agreements was seen as commensurate with that of the overall company. The resulting present value was not increased by the tax adjusted benefit as the amortisation of customer relationships are not deductible for UK corporation tax. The license and membership agreements are being amortised over 21 years. The period of amortisation remaining at 31 December 2024 was 20 years 2 months.

The Guild of Property Professionals brand was established in 1993 and Fine & Country in 2001, they have become widely recognised brands within the lettings and estate agency sector. Management expects to derive income from the brands for the next 20 years and, with this as the assets' useful life, the period of amortisation remaining at 31 December 2024 was 19 years 2 months.

The Relief-from-Royalty-Method was used to value the brand name. Looking at independent research of royalty rates and taking into account the factors highlighted in the last paragraph, management selected a pre-tax royalty rate of 5%.

The after tax royalty rate was then applied to the projected cash flows of the brand up until December 2045. The projected cash flows being the forecast growth in revenues of 3-4% until 2029 and 2% thereafter. The after tax cash flows determined through this process were then discounted at 11.17%. This discount rate approximated the company's WACC as the risk profile of the brand names was seen as commensurate with that of the overall company.

Impairment review

Goodwill is assessed for impairment by comparing the carrying value to the value in use calculations. The value in use of the goodwill arising on the acquisitions of GPEA is based on the cash flows derived from the actual revenues and operating margins for 2024 and projected revenue growth of 3-4% until 2029 and 2% thereafter through to 2045.

The cash flows arising were discounted at 12.7% based on the weighted average cost of capital for GPEA. This resulted in a total value for the company of the identifiable intangible assets that exceeded the carrying values of the company's goodwill.

The carrying value of GPEA was £19.4m at 31 December 2024 whereas the recoverable amount was assessed to be £27.7m at the same date. Headroom of £8.3m therefore existed at the year end.

The Directors do not consider goodwill to be impaired. The Directors believe that no reasonably possible change in assumptions at the year end will cause the value in use to fall below the carrying value and hence impair the goodwill.

The useful life of the license and membership agreements was assessed as 21 years and remains unchanged.

The useful life of the brand name was also reviewed. There have been no significant changes since acquisition so as such it is considered to be unaltered at 20 years.

The following table reflects the level of movements required in revenue or costs which could result in a potential impairment per the value in use calculation of goodwill. A further percentage (fall)/increase, of the magnitude indicated in the table below, in any one of the key assumptions set out above would result in a removal of the headroom in the value in use calculation for goodwill in 2024. Thus, if the discount rate increased by 135% to 17.2%, an impairment change would result against goodwill, all other assumptions remaining unchanged.

Assumption	Judgement	Sensitivity
Discount rate	Weighted average cost of capital used of 12.7%	135%
Revenue – FY24 to FY29	Growth rates between 3 and 4%	(239%)
Indirect costs – all years	Assumed to be 35% of revenue	25%

15. Intangible assets continued

Goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are carried at cost and are tested annually for impairment by reference to the value of the relevant cash generating unit ("CGU") and their recoverable amount. During the year, goodwill was tested for impairment with no impairment charge arising.

The carrying values of the CGUs are as follows:

	Goodwill		Brands	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Xperience Franchising Limited	**912**	912	**571**	571
Whitegates Estate Agency Limited	**401**	401	**—**	—
Martin & Co (UK) Limited	**75**	75	**—**	—
EweMove Sales & Lettings Ltd	**5,838**	5,838	**—**	—
Hunters Property Limited	**15,871**	15,871	**—**	—
The Mortgage Genie Limited & The Genie Group UK Ltd	**222**	222	**—**	—
Belvoir Group Franchising	**31,511**	—	**—**	—
Belvoir Group Financial Services	**26,910**	—	**—**	—
GPEA Limited	**6,995**	—	**—**	—
	88,735	23,319	**571**	571

Details of the impairment reviews for the acquisitions in the year can be found in the section above.

For all other CGUs, sensitivity analysis has not been provided as the Directors believe that no reasonably possible change in assumptions at the year end will cause the value in use to fall below the carrying value and hence impair the goodwill.

The carrying value of the EweMove CGU at 31 December 2024 was £6.0m and the value in use was calculated as £12.9m, therefore headroom of £6.9m existed at the year end.

The carrying value of the Hunters CGU at 31 December 2024 was £24.3m and the value in use was calculated as £40.4m, therefore headroom of £16.1m existed at the year end.

Company

No goodwill or customer lists exist in the Parent Company.

16. Property, plant and equipment

Group

	Freehold property £'000	Short leasehold improvements £'000	Office equipment £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost						
Brought forward 1 January 2023	—	44	295	—	170	509
Additions	—	—	21	66	27	114
Carried forward 31 December 2023	**—**	**44**	**316**	**66**	**197**	**623**
Acquisitions (note 32)	335	—	139	—	238	712
Additions	—	—	72	82	38	192
Disposals	—	—	(8)	—	(24)	(32)
Carried forward 31 December 2024	**335**	**44**	**519**	**148**	**449**	**1,495**
Depreciation						
Brought forward 1 January 2023	—	42	213	—	92	347
Charge for year	—	2	51	14	28	95
Carried forward 31 December 2023	**—**	**44**	**264**	**14**	**120**	**442**
Charge for year	17	—	100	21	83	221
Disposals	—	—	(4)	—	(1)	(5)
Carried forward 31 December 2024	**17**	**44**	**360**	**35**	**202**	**658**
Net book value						
At 31 December 2024	**318**	**—**	**159**	**113**	**247**	**837**
At 31 December 2023	—	—	52	52	77	181

17. Leases

The Group has several operating leases relating to office premises and motor vehicles. Under IFRS 16, which was adopted on 1 January 2019, these operating leases are accounted for by recognising a right-of-use asset and a lease liability.

Right-of-use assets:

	Land and Buildings £'000	Motor vehicles £'000	Total £'000
Brought forward 1 January 2023	1,579	34	1,613
Additions	146	—	146
Amortisation	(211)	(23)	(234)
Carried forward 31 December 2023	**1,514**	**11**	**1,525**
Acquisitions (note 32)	389	400	789
Additions	1,424	237	1,661
Disposals	(19)	(72)	(91)
Amortisation	(432)	(99)	(531)
Carried forward 31 December 2024	**2,876**	**477**	**3,353**

Lease liabilities:

	Land and Buildings £'000	Motor vehicles £'000	Total £'000
At 1 January 2023	**2,342**	**20**	**2,362**
Additions	143	—	143
Interest expenses	95	1	96
Disposals	(32)	—	(32)
Lease payments	(506)	(21)	(527)
Carried forward 31 December 2023	**2,042**	**—**	**2,042**
Acquisitions (note 32)	400	389	789
Additions	1,430	237	1,667
Disposals	(14)	(55)	(69)
Interest expenses	112	21	133
Lease payments	(570)	(142)	(712)
Carried forward 31 December 2024	**3,400**	**450**	**3,850**

18. Prepaid assisted acquisitions support

Group

	Total £'000
Cost	
Brought forward 1 January 2023	1,268
Additions	115
Carried forward 31 December 2023	**1,383**
Additions	114
Carried forward 31 December 2024	**1,497**
Amortisation	
Brought forward 1 January 2023	971
Charge for year – to revenue	148
Charge for year – to cost of sales	34
Carried forward 31 December 2023	**1,153**
Charge for year – to revenue	115
Charge for year – to cost of sales	13
Carried forward 31 December 2024	**1,281**
Net book value	
At 31 December 2024	**216**
At 31 December 2023	230

18. Prepaid assisted acquisitions support continued

Group continued

Cashback and broker's commission are presented as prepaid assisted acquisitions support

The additions represent sums provided to franchisees that have made qualifying acquisitions to grow their lettings portfolios. The cashback sum provided is based on a calculation of the estimated increase in MSF as a result of the acquisition and the sum provided for broker's commission is based on the charge payable to the broker. In providing these sums, the Group ensures that franchisees are contractually bound to the relevant franchisor for a period in excess of that required for the economic benefits to exceed the sums provided.

Company

No prepaid assisted acquisitions support exists in the Parent Company.

19. Investments

Group

	Shares in listed and unlisted companies £'000	Total £'000
Cost		
At 1 January 2023	137	137
Movement in fair value of listed investment	87	87
Disposal of listed investment	(224)	(224)
At 31 December 2023 and 31 December 2024	**—**	**—**
Net book value		
At 31 December 2024	**—**	**—**
At 31 December 2023	—	—

Company

	Shares in Group undertakings £'000	Shares in listed company £'000	Total £'000
Cost			
At 1 January 2023	60,720	53	60,773
The Mortgage Genie additional consideration	76	—	76
Movement in fair value of listed investment	—	22	22
Disposal of listed investment	—	(75)	(75)
Capital contribution to subsidiaries – share options	170	—	170
At 31 December 2023	**60,966**	**—**	**60,966**
Acquisition of Belvoir Group PLC	107,190	—	107,190
Acquisition of GPEA Limited	19,070	—	19,070
Acquisition-related costs	2,303	—	2,303
Capital contribution to subsidiaries – share options	291	—	291
At 31 December 2024	**189,820**	**—**	**189,820**
Net book value			
At 31 December 2024	**189,820**	**—**	**189,820**
At 31 December 2023	60,966	—	60,966

The Property Franchise Group PLC was incorporated on 7 October 2013. On 10 December 2013, a share for share exchange acquisition took place with Martin & Co (UK) Limited; 17,990,000 ordinary shares in The Property Franchise Group PLC were exchanged for 100% of the issued share capital in Martin & Co (UK) Limited.

On 31 October 2014, the Company acquired the entire issued share capital of Xperience Franchising Limited and Whitegates Estate Agency Limited for a consideration of £6.1m.

On 5 September 2016, the Company acquired the entire issued share capital of EweMove Sales & Lettings Ltd, and its dormant subsidiary Ewesheep Ltd, for an initial consideration of £8m. Of the total consideration, £2.1m represented contingent consideration, of which £0.5m was paid out on 30 July 2017 and £0.5m was paid out on 31 December 2017. No further sums are due.

On 19 March 2021, the Company acquired the entire issued share capital of Hunters Property PLC for a total consideration of £26.1m.

On 6 September 2021, the Company acquired the entire issued share capital of The Genie Group UK Ltd and 80% of the issued share capital of The Mortgage Genie Limited for £0.5m which comprised an initial cash consideration of £0.4m and a deferred consideration of £0.1m, which was settled in the year ended 31 December 2023.

19. Investments continued

Company continued

On 7 March 2024, the Company acquired the entire issued share capital of Belvoir Group PLC for a total consideration of £107.2m.

On 31 May 2024, the Company acquired the entire issued share capital of GPEA Limited for a total consideration of £19.1m.

The carrying value of the investments in Belvoir Group, GPEA, Hunters and EweMove has been considered for impairment through value in use calculations and it was determined that no impairment was required in the year ended 31 December 2024.

The carrying values of the other investments have been considered for impairment and it has been determined that the value of the discounted future cash inflows exceeds the carrying value. Thus, there is no impairment charge.

The listed investments sold in 2023 comprised a 0.2% holding of ordinary shares in OnTheMarket PLC, a company listed on the Alternative Investment Market.

The Company's investments at the balance sheet date in the share capital of companies include the following, which all have their registered offices at the same address as the Company:

Subsidiaries

	Company number	Share class	% ownership and voting rights	Country of incorporation
Active companies:				
Belvoir Group Limited	07848163	Ordinary	100	England
Belvoir Property Management (UK) Limited*	03141281	Ordinary	100	England
BMA Bristol Limited*	09911363	Ordinary	100	England
Brook Financial Services Ltd*	07311674	Ordinary	100	England
EweMove Sales & Lettings Ltd	07191403	Ordinary	100	England
GPEA Limited	02819824	Ordinary	100	England
Greenrose Network (Franchise) Limited*	02934219	Ordinary	100	England
Hapollo Limited*	08008359	Ordinary	100	England
Hunters Franchising Limited*	05537909	Ordinary	100	England
Hunters Group Limited* [1]	02965842	Ordinary	100	England
Hunters (Midlands) Limited*	02587709	Ordinary	100	England
Hunters Property Group Limited*	03947557	Ordinary	100	England
Hunters Property Limited	09448465	Ordinary	100	England
MAB (South West) Ltd*	07533839	Ordinary	100	England
Martin & Co (UK) Limited	02999803	Ordinary	100	England
Mr & Mrs Clarke Ltd*	09174353	Ordinary	100	England
Newton Fallowell Limited*	05372232	Ordinary	100	England
Northwood GB Limited*	03570861	Ordinary	100	England
The Mortgage Genie Limited	09803176	Ordinary	80	England
The TIME Group Ltd*	10080298	Ordinary	100	England
TIME Mortgage Experts Ltd*	08124266	Ordinary	100	England
TIME Mortgage Experts 2 Ltd*	09277394	Ordinary	100	England
Whitegates Estate Agency Limited	00757788	Ordinary	100	England
White Kite Holdings 2021 Limited	13208817	Ordinary	100	England
White Kite Ltd	04545088	Ordinary	100	England
White Kite (Leicester) Limited	13767760	Ordinary	100	England
Xperience Franchising Limited	02334260	Ordinary	100	England
Dormant companies:				
Brook Mortgage Services Limited*	03089887	Ordinary	100	England
Claygold Property Limited*	02649237	Ordinary	100	England
Ewesheep Ltd* [1]	08191713	Ordinary	100	England
FC Cambridge Limited* [1]	08092415	Ordinary	100	England
FCEA Limited*	06637642	Ordinary	100	England
Fine and Country Limited*	04238673	Ordinary	100	England
Herriot Cottages Limited* [1]	04452874	Ordinary	100	England
Hunters Financial Services Limited*	02604278	Ordinary	100	England
Hunters Land & New Homes Limited* [1]	06292723	Ordinary	100	England
Hunters Survey & Valuation Limited*	02602087	Ordinary	100	England
MAB (Gloucester) Limited*	09668913	Ordinary	100	England
Maddison James Limited* [1]	05920686	Ordinary	100	England
MartinCo Limited [1]	09724369	Ordinary	100	England
Michael Searchers Property Management Ltd*	03056834	Ordinary	100	England

19. Investments continued
Subsidiaries continued

	Company number	Share class	% ownership and voting rights	Country of incorporation
Moving Logic Limited [1]	09393396	Ordinary	100	England
Mullucks Franchising Limited*	03777494	Ordinary	100	England
Nicholas Humphreys Franchise Limited*	04582891	Ordinary	100	England
Purely Mortgage Consultants Limited*	06521922	Ordinary	100	England
RealCube Limited*	07736494	Ordinary	100	England
RealCube Technology Limited*	08139888	Ordinary	100	England
Redwoods Estate Agents Limited	03416122	Ordinary	100	England
The Genie Group UK Ltd	12372201	Ordinary	100	England
The Mayfair Estate Agency Ltd [1]	04957446	Ordinary	100	England
The Property Guild Ltd [1]	09108345	Ordinary	100	England
TIME Mortgage Experts 3 Limited*	13072932	Ordinary	100	England
Uplong Ltd* [1]	05816728	Ordinary	100	England

* Indirectly owned.

1 Dissolved on 7 January 2025.

All companies in the subsidiaries list above are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under Section 479A of the Companies Act 2006.

As part of the ongoing restructuring and streamlining of the Group, 11 dormant companies were dissolved on 7 January 2025.

On 31 January 2023 Hunters (Midlands) Limited acquired Michael Searchers Property Management Ltd, having applied the concentration test in IFRS 3 it was concluded that the transaction was in substance the purchase of a customer list rather than a business combination.

At the year end, The Property Franchise Group PLC has guaranteed all liabilities of all companies in the subsidiaries list above. The value of the contingent liability resulting from this guarantee is unknown at the year end.

20. Trade and other receivables

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Trade receivables	**6,097**	2,792	**3**	1
Less: provision for impairment of trade receivables	**(1,504)**	(892)	**—**	—
Trade receivables – net of impairment provisions	**4,593**	1,900	**3**	1
Loans to franchisees	**3,888**	433	**—**	—
Other receivables	**159**	248	**—**	96
UIC debtor	**3,503**			
Amounts due from Group undertakings	**—**	—	**—**	952
Prepayments and accrued income	**3,271**	1,763	**195**	38
Tax receivable	**—**	—	**1,286**	389
Total trade and other receivables	**15,414**	4,344	**1,484**	1,476
Less: non-current portion – loans to franchisees	**(2,745)**	(210)	**—**	—
Less: non-current portion – UIC debtor	**(2,046)**	—	**—**	—
Less: total non-current portion	**(4,791)**	(210)	**—**	—
Current portion	**10,623**	4,134	**1,484**	1,476

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the previous year. Forward-looking factors are considered to the extent that they are deemed material.

The Group is entitled to the revenue by virtue of the terms in the franchise agreements and can force the sale of a franchise to recover a debt if necessary.

20. Trade and other receivables continued

Ageing of trade receivables

The following is an analysis of trade receivables that are past due date but not impaired. These relate to a number of customers for whom there is no recent history of defaults or where a sale of a franchise could be forced to recover debt. The ageing analysis of these trade receivables is as follows:

	2024 £'000	2023 £'000
Group		
Not more than 3 months	**659**	186
More than 3 months but not more than 6 months	**242**	106
More than 6 months but not more than 1 year	**305**	148
	1,206	440

The Directors consider that the carrying value of trade and other receivables represents their fair value.

Loans to franchisees are secured against the franchise and the franchisees give personal guarantees over all debts. If a loan payment default occurs, the franchisor could force immediate repayment, pursue the personal guarantees or force a resale of the franchise.

Included within "Prepayments and accrued income" is accrued income of £1.7m (2023: £1.2m) in relation to Management Service Fees for some of our brands that are invoiced at the beginning of the month following the month to which they relate.

21. Called up share capital

	2024		2023	
	Number	£'000	Number	£'000
Group				
Authorised, allotted, issued and fully paid ordinary shares of 1p each	**63,752,008**	**638**	32,255,107	323
Company				
Authorised, allotted, issued and fully paid ordinary shares of 1p each	**63,752,008**	**638**	32,255,107	323

On 7 March 2024, 30,073,501 shares were issued at £0.01 to Belvoir shareholders in consideration for the acquisition of Belvoir Group PLC (see note 32 for further details on the acquisition).

On 7 August 2024, 1,423,500 shares were issued at £0.01 to 2 Executive Directors and certain employees following the exercise of share options.

22. Share premium

	Number of shares	Share capital £'000	Share premium £'000
At 31 December 2024 and At 31 December 2023	**32,255,107**	**323**	**4,129**

Share premium is the amount subscribed for share capital in excess of nominal value.

23. Merger reserve

	Merger reserve £'000
Group	
At 1 January 2023 and 31 December 2023	14,345
Acquisition of Belvoir Group PLC	103,152
At 31 December 2024	**117,497**
Company	
At 1 January 2023 and 31 December 2023	32,335
Acquisition of Belvoir Group PLC	103,152
At 31 December 2024	**135,487**

23. Merger reserve continued

Acquisition of Martin & Co (UK) Limited

The acquisition of Martin & Co (UK) Limited by The Property Franchise Group PLC did not meet the definition of a business combination and therefore, falls outside of the scope of IFRS 3. This transaction was in 2013 and accounted for in accordance with the principles of merger accounting.

The consideration paid to the shareholders of the subsidiary was £17.99m (the value of the investment). As these shares had a nominal value of £179,900, the merger reserve in the Company is £17.81m.

On consolidation, the investment value of £17.99m is eliminated so that the nominal value of the shares remaining is £0.1799m and, as there is a difference between the Company value of the investment and the nominal value of the shares purchased in the subsidiary of £100, this is also eliminated, to generate a merger reserve in the Group of £0.1798m.

Acquisition of EweMove Sales & Lettings Ltd

The consideration for the acquisition of EweMove Sales & Lettings Ltd included the issue of 2,321,550 shares to the vendors at market price. A merger reserve of £2.797m is recognised in the Group and the Company being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Acquisition of Hunters Property PLC

The consideration for the acquisition of Hunters Property PLC included the issue of 5,551,916 shares to the vendors at market price. A merger reserve of £11.548m is recognised in the Group and the Company being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Acquisition of Belvoir Group PLC

The consideration for the acquisition of Belvoir Group PLC included the issue of 30,073,501 shares to the vendors at market price. A merger reserve of £103.152m is recognised in the Group and the Company being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

24. Own share reserve and other reserves

Own share reserve

Weighted average cost of own shares held in the Employee Benefit Trust.

Other reserves

	Share-based payment reserve £'000	Other reserve £'000	Total £'000
Group			
At 1 January 2023	1,316	—	1,316
Share-based payment charge	783	—	783
Release of reserve – share options exercised	(524)	—	(524)
Deferred tax on share-based payments	—	98	98
At 31 December 2023	**1,575**	**98**	**1,673**
Share-based payment charge	875	—	875
Release of reserve – share options exercised	(1,446)	(98)	(1,544)
Deferred tax on share-based payments	—	79	79
At 31 December 2024	**1,004**	**79**	**1,083**
Company			
At 1 January 2023	1,316	—	1,316
Share-based payment charge	783	—	783
Release of reserve – share options exercised	(524)	—	(524)
Deferred tax on share-based payments	—	98	98
At 31 December 2023	**1,575**	**98**	**1,673**
Share-based payment charge	875	—	875
Release of reserve – share options exercised	(1,446)	(98)	(1,544)
Deferred tax on share-based payments	—	79	79
At 31 December 2024	**1,004**	**79**	**1,083**

Share-based payment reserve

The share-based payment reserve comprises charges made to the income statement in respect of share-based payments.

25. Borrowings

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Repayable within 1 year:				
Bank loan (term loan)	**3,111**	—	**3,111**	—
Bank loan (revolving credit facility)	**—**	2,500	**—**	2,500
Repayable in more than 1 year:				
Bank loan (term loan)	**10,111**	—	**10,111**	—
Bank loans due after more than 1 year are repayable as follows:				
Between 1 and 2 years (term loan)	**3,111**	—	**3,111**	—
Between 2 and 5 years (term loan)	**3,889**	—	**3,889**	—

The Company has a £20m loan facility provided by Barclays with effect from 31 May 2024, this consists of a £14m term loan and £6m Revolving credit facility ("RCF").

On 31 May 2024 the Company drew down £14m term loan and £1m RCF to fund the acquisition of GPEA Limited. Interest was charged quarterly on the outstanding amount; the rate was variable during the term at 2.2% above SONIA for the term loan and 2.5% above SONIA for the RCF. The term loan outstanding at 31 December 2024 was £13.22m and the RCF was not drawn.

The Company had a previous loan facility provided by Barclays, under this facility the outstanding RCF balance of £2.5m was repaid on 3 January 2024 and the facility ended on 26 January 2024. Interest was charged quarterly on the outstanding amount; the rate was variable during the term at 2.2% above the Bank of England base rate. The amount outstanding at 31 December 2024 was £nil (2023: £2.5m).

The loans are secured with a fixed and floating charge over the Group's assets and a cross guarantee across all companies in the Group.

The net cash inflow from borrowings arising from financing activities during the year was £10.7m (2023: outflow £2.5m).

26. Trade and other payables

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Trade payables	**2,787**	1,546	**10**	12
Other taxes and social security	**2,580**	1,223	**80**	93
Other payables	**1,173**	315	**11**	71
UIC refund liability	**2,444**	—	**—**	—
Deferred consideration	**4,864**	—	**4,864**	—
Amounts due from Group undertakings	**—**	—	**6,490**	—
Accruals and deferred income	**3,449**	3,235	**1,670**	1,512
Total trade and other payables	**17,297**	6,319	**13,125**	1,688
Less: non-current portion – UIC liability	**(1,428)**	—	**—**	—
Current portion	**15,869**	6,319	**13,125**	1,688

The Directors consider that the carrying value of trade and other payables approximates their fair value.

Included in "Accruals and deferred income" is deferred income of £0.3m (2023: £0.4m) in relation to revenue received in advance which will be recognised over the next 2 years.

27. Deferred tax

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Balance at beginning of year	**(4,394)**	(5,168)	**820**	412
Movement during the year:				
Acquisitions	**(18,735)**	—	**—**	—
Statement of Changes in Equity	**80**	98	**80**	98
Statement of Comprehensive Income	**1,704**	823	**297**	457
Release of deferred tax balance relating to share options exercised in year	**(713)**	(148)	**(713)**	(148)
Balance at end of year	**(22,058)**	(4,394)	**484**	820

Deferred taxation has been provided as follows:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Accelerated capital allowances	**276**	6	**(4)**	10
Share-based payments	**488**	853	**488**	810
Acquired business combinations	**(22,822)**	(5,253)	**—**	—
	(22,058)	(4,394)	**484**	820

28. Provisions

The provisions relate to dilapidations on office buildings of £0.28m (2023: £0.18m) used by the Group.

29. Financial instruments

Financial instruments – risk management

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.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group and Company, from which financial instrument risk arises, are as follows:

- receivables;
- loans to franchisees;
- cash at bank;
- trade and other payables; and
- borrowings.

29. Financial instruments continued

Financial assets

Financial assets measured at amortised cost:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Loans and receivables:				
Trade receivables	**4,593**	1,900	**3**	—
Loans to franchisees	**3,888**	433	**—**	—
Other receivables	**159**	248	**—**	—
UIC debtor	**3,503**	—	**—**	—
Cash and cash equivalents	**4,163**	7,642	**135**	2,337
Accrued income	**1,709**	1,209	**130**	—
Amount owed by Group undertakings	**—**	—	**—**	819
	18,015	11,432	**268**	3,156

Financial liabilities

Financial liabilities measured at amortised cost:

	Group		Company	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Other financial liabilities:				
Trade payables	**2,787**	1,546	**10**	11
Other payables	**1,173**	315	**11**	461
UIC refund liability	**2,444**	—	**—**	—
Deferred consideration	**4,864**	—	**4,864**	—
Accruals	**3,173**	2,845	**1,390**	1,124
Amounts owed to Group undertakings	**—**	—	**6,490**	—
	14,441	4,706	**12,765**	1,596

All of the financial assets and liabilities above are recorded in the Statement of Financial Position at amortised cost.

General objectives, policies and processes

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 finance function. 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:

Capital management policy

The Board considers capital to be the carrying amount of equity and debt. Its capital objective is to maintain a strong and efficient capital base to support the Group's strategic objectives, provide progressive returns for shareholders and safeguard the Group's status as a going concern. The principal financial risks faced by the Group are liquidity risk and interest rate risk. The Directors review and agree policies for managing each of these risks. These policies remain unchanged from previous years.

The Board monitors a broad range of financial metrics including growth in MSF, operating margin, EBITDA, return on capital employed and balance sheet gearing.

It manages the capital structure and makes changes in light of changes in economic conditions. In order to maintain or adjust the capital structure, it may adjust the amount of dividends paid to shareholders.

29. Financial instruments continued

Credit risk

Credit risk is the risk of financial loss to the Group if a franchisee or counterparty to a financial instrument fails to meet its contractual obligations. It is Group policy to assess the credit risk of new franchisees before entering contracts and to obtain credit information during the franchise agreement to highlight potential credit risks.

The highest risk exposure is in relation to loans to franchises and their ability to service their debt. The Directors have established a credit policy under which franchisees are analysed for creditworthiness before a loan is offered. The Group's review includes external ratings, when available, and in some cases bank references. The Group does not consider that it currently has significant credit risk in respect of loans extended to franchisees because the Group is entitled to the revenue by virtue of the terms in the franchise agreements and can force the sale of a franchise to recover a debt if necessary.

The Group does not offer credit terms with regards to sales and lettings transactions occurring in the offices it operates itself, revenue is typically recognised at the sale's completion date for a property or upon receipt of rent from a tenant.

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 development, the Group monitors forecast cash inflows and outflows on a monthly basis.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities, including future interest charges, which may differ from the carrying value of the liabilities as at the reporting date:

As at 31 December 2024	Up to 3 months £'000	Between 3 and 12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Trade and other payables	3,960	—	—	—	—
Loans and borrowings	778	2,333	3,111	7,000	—
Lease liabilities	194	608	671	2,017	360
Total	4,932	2,941	3,782	9,017	360

Interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to interest earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the effect of an adverse movement in interest rates. The Group has bank borrowings with a variable interest rate linked to the SONIA (see note 25).

Fair values of financial instruments

The fair value of financial assets and liabilities is considered the same as the carrying values.

30. Share-based payments

There are a number of share options schemes in place which aim to incentivise Executive Directors and senior management. For each of the schemes, the estimated fair value of the option is calculated at the year ended 31 December 2024 (or at the vesting date if earlier) and the fair value, moderated for the extent to which the option is expected to vest, is spread as a charge between grant and the assumed vesting date. Accordingly, a share-based payments charge is recognised in the Statement of Comprehensive Income in the year ended 31 December 2024.

Share Option Scheme 2024

On 9 August 2024, options over 1,195,000 ordinary shares were granted to 2 Executive Directors and certain senior managers. All options have an exercise price of £0.01.

These options have a vesting condition based on 2 performance conditions: adjusted basic earnings per share adjusted for exceptional income/costs, amortisation arising on consolidation and share-based payment charges ("adjusted EPS"); and total shareholder return ("TSR") over the 3 years to 31 December 2026. Each performance condition will apply to 50% of the award being made.

In respect of both performance conditions, growth of 40% in adjusted EPS and 45% in TSR over the 3-year period will be required for threshold vesting of the awards (the "collar"), with growth of 60% or higher in adjusted EPS and 85% or higher in TSR required for all of the awards to vest (the "cap"). Straight-line vesting applies between the collar and the cap.

30. Share-based payments continued

Share Option Scheme 2024 continued

The following principal assumptions were used in the valuation of the grant made in the year ended 31 December 2024 using the Black Scholes option pricing model:

Assumptions	
Date of vesting	30/04/2027
Share price at grant	£4.64
Exercise price	£0.01
Risk free rate	4.00%
Dividend yield	4.90%
Expected life	3 years
Share price volatility	31.00%

Expected volatility is a measure of the amount by which a share price is expected to fluctuate during a period. The assumptions used in valuing each grant are based on the daily historical volatility of the share price over a period commensurate with the expected term assumption.

The risk free rate of return is the implied yield at the date of grant for a zero coupon UK government bond with a remaining term equal to the expected term of the options.

It's expected that with an exercise price of £0.01, should the EPS condition be met, the holder will exercise as soon as the option vests. The Group usually announces its results in April. So, it has been assumed that the options will be exercised on 30 April 2027. All participants will be subject to a lock-in of 12 months following vesting.

EPS is measured as the basic earnings per share excluding any exceptional income/costs and any share-based payments charges.

Management has used the budget for FY25 and the market outlook and projections for FY26 to determine, at 31 December 2024, the achievement of the EPS condition. The expectation is that 39% of the options will vest.

A share-based payments charge of £0.14m has been recognised in the Statement of Comprehensive Income in the year ended 31 December 2024, this has been calculated on the basis of 0% of the EPS condition being met and 40% of the TSR condition being met (as a market-based condition whose fair value was measured at the grant date as zero and not revisited).

The weighted average contractual life remaining of this option is 2 years and 4 months.

Company Share Option Plan ("CSOP") 2024

On 9 August 2024 the Company granted CSOP options over a total of 220,000 ordinary shares to senior management and key employees under the Company's CSOP Scheme. The exercise price of these options is 464p. There are no performance conditions attached to these options other than the option holder must be an employee at the time of vesting.

A share-based payments charge of £0.02m has been recognised in the Statement of Comprehensive Income in the year ended 31 December 2024.

The weighted average contractual life remaining of this option is 2 years and 4 months.

Share Option Scheme 2023

On 17 May 2023, options over 255,953 ordinary shares were granted to the 2 Executive Directors and certain senior managers. All options have an exercise price of £0.01.

These options have a vesting condition based on 2 performance conditions: adjusted basic earnings per share adjusted for exceptional income/costs, amortisation arising on consolidation and share-based payment charges ("adjusted EPS"); and total shareholder return ("TSR") over the 3 years to 31 December 2025. Each performance condition will apply to 50% of the award being made.

In respect of both performance conditions, growth of 20% in adjusted EPS and 48% in TSR over the 3-year period will be required for threshold vesting of the awards (the "collar"), with growth of 42% or higher in adjusted EPS and 72% or higher in TSR required for all of the awards to vest (the "cap"). Straight-line vesting applies between the collar and the cap.

A share-based payments charge of £0.17m has been recognised in the Statement of Comprehensive Income in the year ended 31 December 2024.

The weighted average contractual life remaining of this option is 1 year 4 months.

30. Share-based payments continued

Share Option Scheme 2022

On 9 August 2022, an option over 175,000 ordinary shares was granted to the Chief Executive Officer, an option over 115,000 ordinary shares was granted to the Chief Financial Officer and options over 175,000 ordinary shares were granted to senior management. All options have an exercise price of £0.01.

These options have a vesting condition based on 2 performance conditions: adjusted basic earnings per share adjusted for exceptional income/costs, amortisation arising on consolidation and share-based payment charges ("adjusted EPS"); and total shareholder return ("TSR") over the 3 years to 31 December 2024. Each performance condition will apply to 50% of the award being made.

In respect of both performance conditions, growth of 20% in adjusted EPS and 20% in TSR over the 3-year period will be required for threshold vesting of the awards, with growth of 42% or higher in adjusted EPS and 42% or higher in TSR required for all of the awards to vest. Straight-line vesting applies between the floor and the cap.

Post period end 100% of the options vested at the discretion of the Remuneration Committee, a decision was taken prior to the balance sheet date.

A share-based payments charge of £0.38m has been recognised in the Statement of Comprehensive Income in the year ended 31 December 2024.

The weighted average contractual life remaining of this option is 4 months.

Share Option Scheme 2021

On 24 April 2021, an option over 700,000 ordinary shares was granted to the Chief Executive Officer and an option over 400,000 ordinary shares was granted to the Chief Financial Officer under this scheme. On 7 July 2021, options over 425,500 ordinary shares were granted to a Director and senior management under this scheme. All the options issued had an exercise price of £0.01.

These options had a vesting condition based on 2 performance conditions: adjusted basic earnings per share adjusted for exceptional income/costs, amortisation arising on consolidation and share-based payment charges ("adjusted EPS"); and total shareholder return ("TSR") over the 3 years to 31 December 2023. Each performance condition applied to 50% of the award being made.

In respect of both performance conditions, growth of 60% in adjusted EPS and 80% in TSR over the 3-year period were required for threshold vesting of the awards, with growth of 65% or higher in adjusted EPS and 90% or higher in TSR required for all of the awards to vest. At threshold vesting, 75% of the shares subject to each performance condition would vest.

This option vested in full and was exercised in the year ended 31 December 2024.

A share-based payments charge of £0.17m has been recognised in the Statement of Comprehensive Income in the year ended 31 December 2024.

Movement in the number of ordinary shares under options for all schemes was as follows:

	2024		2023	
	'000	**Weighted average exercise price**	'000	Weighted average exercise price
Number of share options				
Outstanding at the beginning of the year	**2,100**	**£0.01**	2,213	£0.01
Exercised	**(1,424)**	**£0.01**	(300)	£0.01
Forfeited	**(10)**	**£0.01**	(69)	£0.01
Granted	**1,415**	**£0.01**	256	£0.01
Outstanding at the end of the year	**2,081**	**£0.01**	2,100	£0.01

During the year ended 31 December 2024:

- 1,423,500 options were exercised under the 2021 scheme;
- 1,195,000 options were granted under the 2024 scheme; and
- 220,000 CSOP options were granted.

The outstanding options at 31 December 2024 comprised 421,000 options under the 2022 scheme which will vest in full based on these financial statements, 255,953 options under the 2023 scheme whose vesting in 2026 is subject to conditions, 1,195,000 options under the 2024 scheme whose vesting in 2027 is subject to conditions and 210,000 CSOP options which will vest in 2027.

The weighted average remaining contractual life of options is 1.8 years (2023: 0.8 years).

31. Related party disclosures

Transactions with Directors

Dividends

During the year, the total interim and final dividends paid to the Directors and their spouses were as follows:

	2024 £'000	2023 £'000
Interim and final dividend (ordinary shares of £0.01 each)		
Michelle Brook	**51**	—
Phil Crooks	**0**	2
Jon Di-Stefano	**1**	—
Dean Fielding	**6**	5
Paul George	**2**	—
Paul Latham	**12**	11
Richard Martin	**141**	943
David Raggett	**82**	55
Gareth Samples	**44**	7
	339	1,023

Directors' emoluments

Included within the remuneration of key management and personnel detailed in note 9, the following amounts were paid to the Directors:

	2024 £'000	2023 £'000
Wages and salaries	**1,767**	1,151
Social security costs	**216**	150
Pension contribution	**70**	48
	2,053	1,349

Individual directors' remuneration and interests in share options are disclosed in the Directors' Remuneration Report on pages 52 to 55.

32. Acquisitions

Acquisition of Belvoir Group PLC

Effective 7 March 2024 the Group acquired the entire issued share capital of Belvoir Group PLC, a competitor property franchisor with a network of over 300 franchised offices across the UK operating under 6 brands which also has a significant financial services division comprising a network of over 300 mortgage advisers. The consideration was £107.2m, being £103.5m in relation to a share for share exchange whereby each Belvoir Group shareholder was issued 0.806377 new shares in The Property Franchise Group PLC and £3.7m cash consideration which was used to settle share option obligations.

The fair value of the identifiable assets and liabilities acquired and the consideration paid and payable are set out below:

	£'000
Master franchise agreements	50,516
Brands	6,439
Lettings book	1,250
Right-of-use assets	789
Property, plant and equipment	672
Trade and other receivables	8,467
Cash	2,005
Trade and other payables	(6,030)
Lease liabilities	(788)
Deferred tax	(14,551)
Net assets acquired	48,769
Goodwill	58,421
Consideration	107,190
Satisfied by:	
New shares in The Property Franchise Group PLC issued to Belvoir Group shareholders	103,453
Belvoir Group share options settled by The Property Franchise Group PLC post completion	3,737
Total	107,190

32. Acquisitions continued

Acquisition of Belvoir Group PLC continued

Post acquisition results

	£'000
Revenue	31,321
Profit before tax since acquisition included in the Consolidated Statement of Comprehensive Income	9,908

Acquisition of GPEA Limited

On 31 May 2024 the Group acquired the entire issued share capital of GPEA Limited, trading as The Guild of Property Professionals ("The Guild") and Fine & Country. The Guild is a membership organisation providing independent estate agents support and services. Fine & Country is an estate agency brand offered under license. The total consideration is £19.4m. The consideration comprised an initial consideration of £15m and a deferred consideration of £5m payable on 31 May 2025. £15m was paid on completion and in accordance with the terms of the agreement, a post completion review resulted in the return of £0.6m.

The fair value of the identifiable assets and liabilities acquired and the consideration paid and payable are set out below:

	£'000
License and membership agreements	12,234
Brands	4,590
Websites	181
Property, plant and equipment	40
Trade and other receivables	829
Cash	143
Trade and other payables	(1,758)
Deferred tax	(4,184)
Net assets acquired	**12,075**
Goodwill	6,995
Consideration	**19,070**
Satisfied by:	
Initial consideration	14,397
Deferred consideration due on 31 May 2025	5,000
Discounting of deferred consideration to present value	(327)
Total	**19,070**

Movement in deferred consideration post acquisition

	£'000
Fair value of deferred consideration measured at acquisition	4,673
Unwinding of discounting to 31 December 2024 (charged as interest payable)	191
Total	4,864

Post acquisition results

	£'000
Revenue	7,209
Profit before tax since acquisition included in the Consolidated Statement of Comprehensive Income	1,770

Shareholder information

Financial calendar

Announcement of results	8 April 2025
Annual General Meeting	29 May 2025
Final dividend	2 June 2025
Half year results	Early September 2025
Interim dividend	October 2025

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Country of incorporation: England and Wales

Company Secretary: Louise George

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