OnTheMarket plc - OTMP Interim Results for Six Months Ended 31 July 2018
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11 October 2018

ONTHEMARKET PLC
("OnTheMarket", the "Group" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2018

A strong start to delivering our transformational growth strategy following Admission to AIM and significant capital raise

OnTheMarket plc (AIM: OTMP), the agent-backed company which operates the OnTheMarket.com property portal, today announces its unaudited interim results for the six months ended 31 July 2018 ("H1 18/19").

Financial highlights and KPIs

- Group revenue of £7.0[1]m (H1 17/18: £6.9m).
- Administrative expenses of £12.0m in H1 18/19, up 200% on H1 17/18 and in line with the new growth strategy as the Group invested capital raised in increased marketing expenditure and expansion of the team.
- Adjusted operating loss[2] of £5.0m (H1 17/18: operating profit £2.9m).
- Operating loss of £5.7m (H1 17/18: operating profit £2.7m).
- Loss after tax attributable to shareholders £5.7m (H1 17/18: profit after tax of £1.9m).
- Loss per share of 9.57p (H1 17/18: earnings per share 5.36p).
- Cash of £24.3m as at 31 July 2018 (£3.2m at 31 January 2018).
- ARPA[3] £153 (H1 17/18: £194), average branch numbers listed at OnTheMarket.com 7,788 (H1 17/18: 5,909) with period end listings of 9,777 (H1 17/18: 5,618), visits[4] 69.0m (H1 17/18: 33.7m).

Operational and strategic highlights

- Admitted to AIM on 9 February 2018.

- Raised £30m (gross) through the issue of 18,181,818 ordinary shares, all outstanding loan notes converted to equity £ for £ and accrued interest settled in cash.
- At admission authority in place to issue up to 36.3 million shares to agents to join as shareholders in return for committing to long term listing agreements.

Post period end highlights

- As at 1 October 2018, the Group has signed listing agreements with UK estate and letting agents with more than 11,000 branches, a 100% increase since admission to AIM. The growth in OnTheMarket's agency branch base to date has been predominantly from offering free listings under short-term introductory trial offers, with a view to converting these to full tariff contracts when the value of its offering has been demonstrated.
- Expanded the field sales team from 15 and the IT team from 21 at Admission to 40 and 52 respectively as of 1 October 2018.
- A new national TV advertising campaign has been running since September and poster advertising has been initiated in London.
- In September a record 17.4 million visits were made to the portal, with email and telephone leads 4 times the amount in February 2018.
- Listing partnership with Facebook for OnTheMarket agents' rental properties to appear on Facebook Marketplace, as announced on 5 September 2018.

Ian Springett, Chief Executive Officer of OnTheMarket plc, commented:

"I am very pleased to report a strong start to the delivery of our transformational growth strategy following our Admission to AIM and associated capital raise.

"We said that we would be seeking to rapidly expand our agent base and this has grown from 5,500 branches under listing contracts at Admission to more than 11,000 as at 1 October 2018. We also committed to substantially higher marketing spend to increase traffic to the website: we launched a new national TV campaign in September, ramped up our expenditure on digital marketing and have run high-impact poster advertising. This has resulted in our highest ever traffic performance in September with 17.4 million visits.

"Finally we undertook to invest in the OnTheMarket field sales and IT teams to enable us to provide enhanced levels of service for our agent customers and a premier search experience for property-seekers. As at 1 October 2018 we have grown those teams from 36 at Admission to 92.

"Compared with February 2018 when our IPO took place, OnTheMarket has doubled offices and properties listed, trebled monthly visit traffic and quadrupled email and telephone leads to agents.

"Our progress to date and the encouraging support for an agent-backed portal give us confidence that we can continue to build on this early growth to develop a market-leading, agent-backed portal."

1) *This is the first period in which the Group has prepared financial statements under IFRS 15, "Revenue from contracts with customers". Further details on the implications of this are set out in note 4 of the interim accounts.*
2) *Adjusted operating loss or profit is defined as operating loss or profit before finance costs, taxation, share based payments and exceptional or non-recurring items. This is an alternative performance measure and should not be considered an alternative to IFRS measures, such as revenue or operating loss or profit. Please see the Chief Executive Officer's Report below for a reconciliation of operating loss / profit to adjusted operating loss / profit.*
3) *Average revenue per property advertiser, being revenues due from property advertisers for a period divided by the number of property advertisers for that*

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

4) *Visits comprise individual sessions on OnTheMarket's web based portal or mobile applications by users for the period indicated as measured by Google Analytics.*
5) *Unless otherwise stated, all figures refer to the six months ended 31 July 2018. Comparative figures are for the six months ended 31 July 2017 ("H1 17/18").*

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Background on OnTheMarket:

Launched in January 2015, the OnTheMarket.com property portal was created by Agents' Mutual Limited, a company limited by guarantee and founded in January 2013 by a small group of agent firms, with the objective of creating a new portal to challenge the dominance of Rightmove and Zoopla. Both groups were felt to be using their strong positions relative to their agent customers to impose significant price increases for their portal services.

The Agents' Mutual proposition of an agent-backed portal offering a premier search service to property-seeking consumers whilst charging fair prices to agents quickly found support among a very wide group of leading independent agents across the UK. These firms funded the venture by way of loan note subscriptions and committed to list with the portal once it went live.

OnTheMarket is the third biggest UK residential property portal provider in terms of traffic and has, with backing from its agent owners, developed unique sources of competitive advantage such as the "New and Exclusive" property listings.

OnTheMarket plc was admitted to AIM on Friday 9 February 2018 alongside a capital raise of £30 million to support a new growth strategy for the business.

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could, is confident, or other words of similar meaning. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. There are a number of factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statement contained within this *announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.*

Chief Executive Officer's Report

I am pleased to report on OnTheMarket plc's first results that include a period post Admission to AIM and the associated capital raising of £30 million (gross) on 9 February 2018. Together these positioned the Group to deliver its new transformational growth strategy.

Building the agency branch base

A key part of the Group's growth strategy involves the rapid building of its agency branch base. As of 1 October 2018, OnTheMarket had signed listing agreements with UK estate and letting agents with more than 11,000 offices, more than doubled since admission to AIM.

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

Increasing the marketing spend

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

In addition to spend on digital marketing channels, the Group has been able to conduct its heaviest national TV advertising since the launch period in 2015. A new TV advertising campaign has been running since September 2018. In addition, out of home poster and bus advertising in London was also initiated.

A key theme of these advertising campaigns is the "New & exclusive" properties, whereby many agents choose to list their new instructions on OnTheMarket.com in advance of listing on other portals. The Directors believe this gives OnTheMarket a competitive advantage as this has been shown to hold a significant appeal to active property-seeking consumers, who are the key target group as they in turn provide listing agents with high quality leads.

Building the team

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

At admission on 9 February 2018, the field sales team numbered 15 employees. As at 1 October 2018 this had been increased to 40. This significant expansion in sales and customer relations support enables us to rapidly and effectively recruit new agents whilst implementing and maintaining the expected levels of service for existing and new customer agents during the period of rapid growth. Increasingly the sales team will broaden its focus to engage with customers to seek to increase the number of agents prepared to adopt "New & exclusive" for their new instructions as well as increase property alert sign ups. In addition the team will focus on the value delivered to customers as the short term introductory contracts come to an end and we enter discussions with agents about paying contracts.

Likewise, as at 1 October 2018, the IT team had been increased from 21 to 52. The enlarged team is initially focused on technical support for on-boarding agents and property data, specifying and delivering new products for consumers and customers and the continuous improvement of existing products.

Market developments

The Directors believe that the UK agency market remains under pressure from a number of factors, including commission pressure, reduced volumes, the impending lettings tenant fees ban and Brexit uncertainty.

Notwithstanding these pressures portal costs have continued to rise and some portals are competing with their agent customers for cross-sell revenues. The Directors believe that these market developments continue to provide a strong rationale for agents to support OnTheMarket.com, which provides a competitively priced service and increasing value to customers as website traffic grows.

On 5 September 2018 the Group announced that its UK agents' home rental property listings are now available to view on Facebook Marketplace. The Facebook Marketplace integration is another example of how the Group is increasing the exposure of our agents' properties for the benefit of our agent customers and the property-seeking public alike.

Operational KPIs

Group operational KPIs were as follows:

- ARPA £153 (6 months to 31 July 2017: £194) [1]
- Average branch numbers 7,788 (6 months to 31 July 2017: 5,909) with period end listings of 9,777 (H1 17/18: 5,618)
- Visits 69.0 million (6 months to 31 July 2017: 33.7 million) [2]

Financial review

The period to 31 July 2018 is the first period for which accounts have been prepared under IFRS 15, "Revenue from contracts with customers". Further details on the implications of this are set out in note 4.

Revenue for the period was slightly up at £7.0 million (6 months to 31 July 2017: £6.9 million). The reported operating loss of the Group was £5.7 million (6 months to 31 July 2017: profit of £2.7 million) and is further analysed as follows:

	2018 £'000	**2017 £'000**
Reconciliation of operating loss to adjusted operating profit:		
Operating loss	(5,700)	2,669
Adjustments for:		
Exceptional and non-recurring items (note 5)	499	252
Share based payment charge and related social security (note 5)	226	-
Adjusted operating profit	(4,975)	2,921

This reflected the Group's strategy, namely to:

- invest in rapid growth in its customer base, predominantly from offering free listings under short-term introductory trial offers, with a view to converting these to full tariff contracts when the value of its offering has been demonstrated; and
- utilise the proceeds from the capital raising to significantly increase marketing spend and in expansion of the team.

The Group ended the period with cash of £24.3 million.

Current trading and outlook

Since 31 July 2018 the Group has continued to benefit from increased agent support. As at 1 October 2018, over 11,000 agent offices were contracted to list with OnTheMarket. The investment in marketing has led to a substantial increase in visitor traffic to OnTheMarket.com, generating greater value to our customers through more high quality leads. In the month of September, a record 17.4 million visits were made to the portal, over 75% using mobile devices.

Compared with February 2018 when our IPO took place, OnTheMarket has:

- doubled offices and properties listed;
- trebled monthly visit traffic; and
- quadrupled email and telephone leads to agents.

Our strategy to build strong network effects and deliver increasing value to our agent partners is working.

Our investment in team expansion continues and we are confident we can deliver a first class product and service to both property-advertising agent customers and property-seeking consumers. The Group therefore expects continued growth in agent offices under listing agreements, in consumer visits to OnTheMarket.com and in high quality leads delivered to agents.

Finally, I thank all my colleagues for their hard work and commitment which has delivered strong growth to OnTheMarket.com and prepared us for further rapid development in the months ahead.

Ian Springett
Chief Executive Officer

Notes:

[1] Average revenue per property advertiser, being revenues due from property advertisers for a period divided by the number of property advertisers for the period. ARPA presented herein is the average of the monthly ARPAs for the period.

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

Condensed Consolidated Income Statement
For the period ended 31 July 2018

	Notes	Unaudited 6 months to 31 July 2018 £'000	Unaudited 6 months to 31 July 2017 (restated) £'000
Revenue	**4**	7,013	6,871
Administrative expenses	**2**	(11,988)	(3,950)

Operating (loss)/profit before non-recurring items		(4,975)	2,921
Exceptional and non-recurring items:			
Share-based management incentive	**5**	(226)	-
Professional fees	**5**	(499)	(252)
Operating (loss)/profit		(5,700)	2,669
Finance income		28	-
Finance expense		(32)	(763)
(Loss)/profit before income tax		(5,704)	1,906
Income tax		(6)	-
(Loss)/profit and total comprehensive income for the period attributable to owners of the parent		(5,710)	1,906
(Loss)/profit per share from continuing operations		**Pence**	**Pence**
Basic and diluted	**6**	(9.57)	5.36

The operating (loss)/profit arises from the Group's continuing operations.

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

Condensed Consolidated Statement of Financial Position

At 31 July 2018

	Notes	Unaudited at 31 July 2018 £'000	Audited at 31 January 2018 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		75	18
Intangible assets	**7**	3,671	3,654
Trade and other receivables		416	-
		4,162	3,672
Current assets			
Trade and other receivables		1,886	553
Cash and cash equivalents		24,308	3,174
		26,194	3,727
TOTAL ASSETS		30,356	7,399
LIABILITIES			
Current liabilities			

	Note		
Trade and other payables	2	(3,829)	(2,957)
Borrowings	8	-	(1,217)
Provisions		(1,274)	(1,258)
Current tax		(28)	(22)
		(5,131)	(5,454)
Non-current liabilities			
Borrowings	8	-	(11,256)
Provisions		(363)	(354)
		(363)	(11,610)
TOTAL LIABILITIES		(5,494)	(17,064)
NET ASSETS/(LIABILITIES)		24,862	(9,665)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	2	123	71
Share premium	2	39,744	-
Merger reserve		(71)	(71)
Other reserve		-	(252)
Retained earnings		(14,934)	(9,413)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		24,862	(9,665)

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 July 2018

	Share capital £'000	**Share premium £'000**	**Share based payment £'000**	**Other reserve £'000**	**Merger reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance as at 1 February 2017	71	-	-	-	(71)	(8,999)	(8,999)
Profit for the financial period	-	-	-	-	-	1,906	1,906
Total comprehensive income for the period	-	-	-	-	-	1,906	1,906
Balance as at 31 July 2017	71	-	-	-	(71)	(7,093)	(7,093)
Balance as at 1 February 2018	71	-	-	(252)	(71)	(9,413)	(9,665)
Loss for the financial period	-	-	-	-	-	(5,710)	(5,710)
Total comprehensive expense for the period	-	-	-	-	-	(5,710)	(5,710)
Transaction with							

owners:							
Issue of shares	52	41,558	-	-	-	-	41,610
Legal and professional fees on share issue	-	(1,562)	-	-	-	-	(1,562)
Transfer to share premium	-	(252)	-	252	-	-	-
Share options	-	-	199	-	-	-	199
Share options exercised	-	-	(10)	-	-	-	(10)
Transfer to retained earnings	-	-	(189)	-	-	189	-
Balance as at 31 July 2018	123	39,744	-	-	(71)	(14,934)	24,862

Condensed Consolidated Statement of Cash Flows

For the period ended 31 July 2018

	Unaudited 6 months to 31 July 2018 £'000	**Unaudited 6 months to 31 July 2017 £'000**
Cash flows from operating activities		
(Loss)/profit for the year after income tax	(5,710)	1,906
Adjustments for:		
Income tax	6	-
Finance income	(28)	-
Finance expense	32	763
Share based payment	199	-
Amortisation	868	750
Depreciation	15	14
Operating cash flows before movements in working capital	(4,618)	3,433
(Increase)/decrease in trade and other receivables	(1,749)	928
Increase/(decrease) in trade and other payables	872	(2,077)
Increase in provisions	25	-
Net cash (used in)/generated from operating activities	(5,470)	2,284
Cash flows from investing activities		
Acquisition of intangible assets	(883)	(708)
Acquisition of property, plant and equipment	(72)	-
Net cash used in investing activities	(955)	(708)
Cash flows from financing activities		
Finance income received	28	-
Finance expense paid	(1,249)	(1,394)
Proceeds from issue of shares	30,000	-
Expenses incurred for share listing	(1,220)	-
Net cash generated from/(used in) financing activities	27,559	(1,394)
Net movement in cash and cash equivalents	21,134	182
Cash and cash equivalents at the beginning of the period	3,174	2,263
Cash and cash equivalents at the end of the period	24,308	2,445

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

Notes to the Condensed Consolidated Financial Statements
For the period ended 31 July 2018

1. General information

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

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

On 31 July 2017, the Company changed its name to On The Market Limited. In December 2017, the Company re-registered as a public limited company under the name of OnTheMarket plc.

2. Significant changes in the current reporting period

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

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

Effective on Admission, the Company issued 6,821,237 ordinary shares to the loan note holders on a £ for £ basis equivalent to their loan note holdings. The loan notes were extinguished by this issue.

The Company issued 757,203 ordinary shares on 31 May 2018 and a further 23,392 ordinary shares on 31 July 2018 to specific agents in exchange for a long-term contract to advertise all of their UK residential sales and letting properties on OnTheMarket.com. These shares were granted for non-cash consideration. The shares are accounted for at fair value, being the value of the shares at the contract commencement, as a prepayment and released over the life of the contract. Upon issue of the shares any increase or decrease in value is accounted for within the share premium account.

The issue of these shares is reflected in the increase in trade and other receivables for the period to 31 July 2018. Agent share prepayments of £416k (31 July 2017: £nil) have been included within non-current assets and £125k (31 July 2017: £nil) in current assets.

Administrative expenses have increased to £11,988k in the period to 31 July 2018 (6 months to 31 July 2017: £3,950k). This movement is due to the increase in marketing spend, as well as higher staff costs in line with the increase in employee numbers in the period.

Trade payables have increased to £1,229k (31 January 2018: £317k). This is due to the higher marketing spend incurred as explained above.

3. Basis of preparation of half-year report

The accounting policies adopted are consistent with those of the previous financial period and corresponding interim reporting period, except for the adoption of new and amended standards as set out below in note 4.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the period ended 31 January 2018 and any public announcements made by OnTheMarket plc during the interim reporting period.

OnTheMarket plc is a company limited by shares, incorporated and domiciled in the UK. Its registered office is at PO Box 450, 155-157 High Street, Aldershot, GU11 9FZ. Its shares are listed on AIM.

These condensed interim financial statements were approved for issue on 10 October 2018.

4. Accounting policies

4.1. Changes in accounting policies

New or amended standards became applicable for the current reporting period as set out below:

(a) IFRS 9 Financial Instruments
(b) IFRS 15 Revenue from Contracts with Customers

IFRS 9 did not require retrospective adjustments.

The period to 31 July 2018 was the first period in which the Group was required to prepare financial statements under IFRS 15, "Revenue from contracts with customers". Previously under IAS 18 all amounts due under contracts with customers were included as revenues and a corresponding bad debt expense was recognised within administrative expenses in respect of amounts due from agents in breach of the payment obligations within their listing agreements, subject to a review of recoverability by management. Under IFRS 15 these amounts are no longer recognised within revenues or administrative expenses as the arrangements do not meet the definition of contracts with customers as the customers do not currently intend to pay. The Company has elected to adopt the restatement approach under IFRS 15 and the comparatives have been restated as required.

	Revenue £'000	**Administrative expenses £'000**	**Operating profit/(loss) £'000**
As originally stated 6 months to 31 July 2017	8,321	(5,400)	2,921
IFRS 15 adjustment	(1,450)	1,450	-
Unaudited 6 months to 31 July 2017 (restated)	**6,871**	**(3,950)**	**2,921**
6 months to 31 July 2018 Under IAS 18	8,337	(13,312)	(4,975)
IFRS 15 adjustment	(1,324)	1,324	-
Unaudited 6 months to 31 July 2018	**7,013**	**(11,988)**	**(4,975)**

The impact in the period to 31 July 2018 was to reduce revenue and administrative expenses by £1,324k (6 months to 31 July 2017: £1,450k). There is no impact on profit or loss in either period.

The following standards have been issued but not yet applied by the entity:

(a) IFRS 16 Leases

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The group does not intend to adopt the standard before its effective date.

4.2. Going concern

The Group made a loss after tax for the period ended 31 July 2018 of £5,710k (6 months to 31 July 2017: profit of £1,906k) and had a net asset position of £24,862k as at 31 July 2018 (31 January 2018: net liabilities of £9,665k).

The Group had a strong cash position at the period end, with a cash balance of £24,308k (31 July 2017: £3,174k). The Directors have reviewed the Group's cash forecast and projections for the next 12 months, and have a reasonable expectation that the Group has adequate financial resources to continue its operations for the foreseeable future and to be able to meet its debts as and when they fall due.

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

5. Profit and loss information

Profit for the half-year includes the following costs in relation to one off events that are not expected to be recurring:

	Unaudited 6 months to 31 July 2018 £'000	**Unaudited 6 months to 31 July 2017 £'000**
Exceptional items - share-based employee incentives	226	-
Exceptional items - professional fees	499	252
	725	252

Professional fees incurred during the current period were in relation to the Group's capital raising and admission to AIM as well as charges in respect of shares issued to agents in return for long term listing agreements.

6. Earnings per share

	Unaudited 6 months to 31 July 2018 £'000	**Unaudited 6 months to 31 July 2017 £'000**
Numerators: Earnings attributable to equity		
(Loss)/profit for the period from continuing	(5,710)	1,906

operations
attributable to owners of the parent company

Total basic earnings and diluted earnings	(5,710)	1,906
	No.	**No.**
Denominators: Weighted average number of equity shares		
Basic and diluted	59,678,679	35,530,263

7. Intangible assets

Group	**Development Costs £'000**
Cost:	
At 1 February 2018	6,600
Additions - internally developed	885
At 31 July 2018	7,485
Amortisation:	
At 1 February 2018	2,946
Charge for the period	868
At 31 July 2018	3,814
Net book value:	
At 31 July 2018	**3,671**

Amortisation is included within administrative expenses in the income statement.

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

8. Borrowings

	Unaudited at 31 July 2018 £'000	**Audited at 31 January 2018 £'000**
Current borrowings		
Accrued loan interest	-	1,217
Non-current borrowings		
Loan notes	-	11,256
	-	12,473

There were provisions in the loan note agreements that allow for early repayment in certain circumstances.

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

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

Reconciliation of liabilities arising from financing activities:

	31 January 2018 £'000	**Cash flows £'000**	**Non-cash flows £'000**	**31 July 2018 £'000**
Accrued loan interest	1,217	(1,217)	-	-
Loan notes	11,256	-	(11,256)	-
	12,473	(1,217)	(11,256)	**-**

9. Related party relationships and transactions

Some directors of Agents' Mutual during the period were also directors or partners of estate agency firms who are shareholders and subscribe for services by the Group. Listing fee income of £744k was received from such shareholders in the period (31 July 2017: £709k). During the period the Group loan note instruments were extinguished by the issue of shares in OnTheMarket on a £ for £ basis, so at the period end £nil (31 July 2017: £5,194k) of the Group loan note instruments were held by such members and there was interest due of £16k for the period (6 months to 31 July 2017: £289k). None of these shareholders received preferential rates in the period.

In the ordinary course of business the Group has entered into transactions with Whiteleys Chartered Certified Accountants, a company controlled by a direct relation of Helen Whiteley, an Executive Director of the Group. Whiteleys Chartered Certified Accountants provides an outsourced finance function to the Group. During the period, the Group purchased services amounting to £268k (6 months to 31 July 2017: £222k) and at the period end the Group owed £42k (31 July 2017: £55k).

10. Post balance sheet events

There were no significant post balance sheet events.

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