GoCompare
GROUP

GoCompare.com Group plc

Annual Report and Accounts 2018

Welcome to the home of Savings as a Service™

Our goal is to help people everywhere save time and money.

We have an unrelenting commitment to meet real customer needs by using the best technology to develop the most useful and relevant products for them. This has helped us evolve into a Group where we can meet the needs of hobbyist money savers and deal-hunting novices alike.

GoCompare Group: Savings, at your service.

Contents

2018 Highlights

Our mantra remains the same: Consistent, disciplined and focused on profit.

Revenue (£m)

£152.6m

2018	**152.6**
2017	149.2

Revenue generated in the year

Operating profit (£m)

£37.5m

2018	**37.5**
2017	33.0

Operating profit for the year

Earnings per share (pence)

6.5p

2018	**6.5**
2017	5.8

Profit for the year divided by the weighted average number of shares in issue for the year

Adjusted operating profit (£m) APM

£44.0m

2018	**44.0**
2017	36.0

Operating profit after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs and Foundation Award share-based payment charges. Adjusted operating profit is reconciled to operating profit on page 26

- **Another year of record revenue of £152.6m, with a 13.6% increase in operating profit at £37.5m.**
- **Multi-brand Group consisting of four distinct yet complementary brands that squarely support our mission.**
- **We've invested in talent, especially across tech and product. We have developed industry leading attraction, training and retention strategies, delivered through our GoFurther Academy.**

APM Denotes Alternative Performance Measure

We're on track with our strategic long-term plans and remain focused on driving profitable market growth through 'Savings as a Service'.

Find out more on page 10

Company overview

Working hard to make things easy

We start by identifying a problem, then we throw our ideas, talent and tech capabilities at it. It's hard work making things easy.

The big problem we've been focused on is addressing 'botheration'. How do we encourage people to be more bothered about saving time and money? How do we, through product development, reduce the hassle for them?

Saving time and money can be easy and, dare we say, fun

- Our marketing messages focus on the opportunity people have for a wealthier life. We aren't chiding them into action, but showing how easy it can be to save money without sacrificing lots of time or putting in unnecessary effort.
- We're talking to people where they are, and using data insights to better target them through broadcast, print, outdoor and digital channels.
- There are billions of pounds to be saved, and people can get their share of this in minutes through the Group's brands.

Product innovation not financial education

- Many government and industry initiatives have attempted to nudge consumer behaviour towards taking an active interest in financial services and household bills. These have either not worked, or are such long-term endeavours that something else is needed to help people now.
- Examples abound of super-savvy consumers that have enviable control over their budgets, but we believe that it is unrealistic to expect everyone to live up to the standards set by these outliers.
- Instead, we build products and make improvements to the customer experience that negate the need for such a significant change in people's behaviour. Why become an expert when you can make use of experts? This is Savings as a Service.

Spend wisely, not widely

- An unfaltering characteristic of our business is our disciplined deployment of capital and our focus on the bottom line.
- Cash enables us to pay down debt, invest in product developments that we believe will provide us with a long-term competitive advantage, and provide returns to our shareholders.
- More capital spent on product enhancements and strategic investments equals satisfying projects for our employees, who develop better customer experiences, which lead to more valuable new business for our partners.

133
Average number of product releases per quarter in 2018 (up from 26 per quarter in 2017)

+10% APM
GoCompare.com average revenue per interaction in 2018

Check out our 'Financial Review' to see how all of this comes together.

Find out more on page 25

Our vision
To automatically save households on their bills, forever.

No more overspending.

No more confusion.

No more bill worries.

We do this by creating opportunities for people to save more easily against their primary financial expenses by...

Solving botheration
Creating products that customers need
Improving customer experience through our technology
Reducing hassle

Savings as a Service™

Insurance | Energy | Personal Finance | Retail | Other

These opportunities are wrapped up and delivered through our award-winning brands...

GoCompare weflip MyVoucherCodes MORE MONEY IN YOUR WALLET ENERGYLINX

Each one offers...
Simple, automated customer processes tailored to our customers' personal needs

Chairman's Statement

A year of firsts

We launched our first home-grown brand in weflip; we welcomed the first intake of degree-apprenticeship students to our GoFurther Academy; we diversified beyond comparison for the first time through our acquisition of MyVoucherCodes and developed business-to-business revenue streams.

Sir Peter Wood
Chairman

Dear Shareholders,

It's my pleasure to present GoCompare.com Group plc's financial results for 2018, a year that marked our second full year as a company listed on the London Stock Exchange.

We started the year as a one-brand business, but through acquisitions and product development we are now home to four complementary brands that all support and further our mission to save people everywhere time and money.

Saving time, and at the same time saving money, is becoming ever more relevant for people. Whether at the forefront of people's minds due to economic challenge or uncertainty, or driven by the government's and regulators' agendas in response, what we solve for remains a top priority in today's world.

Consequently, this mission is core to what we do. We create, market and develop brands and capabilities that make it as easy as possible for our users to find, evaluate and buy non-discretionary and discretionary products and services. This, in turn, makes the Group an important partner to both established and challenger providers that are looking to create, grow and maintain a profitable customer base.

Significantly, this year has been one of firsts: we launched weflip, powered by our acquisition of Energylinx; we welcomed the first intake of degree-apprenticeship students to our GoFurther Academy; we diversified beyond comparison for the first time through our acquisition of MyVoucherCodes; and we developed our first business-to-business revenue stream by partnering with The Sun and The Express to bring discount codes to their loyal readers.

While there has been a great deal of activity and change, we have remained steadfastly committed to pursuing long-term, sustainable and profitable growth. We have done this through a focus on product and process innovation and a disciplined approach to the way we utilise capital. This has resulted in yet another year of record profits, ensuring that we have the strong operational cash flow required to fund our ambitious plans.

Results

The Group delivered strong financial results in 2018 while investing in diversification of its distribution brands and its technical capabilities. These investments were quickly utilised for Group-wide benefit, be that in technological and procedural improvements, or in opening new revenue and partnership opportunities.

The Group's operating profit increased from £33.0m to £37.5m and our adjusted operating profit increased by 22.2% from £36.0m to £44.0m. Full-year revenues of £152.6m were achieved, representing an increase of 2.3% year-on-year.

The Board

We increased the breadth and depth of experience on our Board, with Joe Hurd joining us as an Independent Non-Executive Director in February. Joe was also appointed as a member of the Nomination and Remuneration Committees.

Regulation and Governance

There were several interesting and relevant regulatory developments in 2018 that could influence the industries that we operate in, notably retail energy as well as insurance and home communications.

Perhaps the highest profile and arguably most controversial of these is the setting of the Government's energy price cap. This cap, which limits the maximum price that energy suppliers can charge customers on standard variable tariffs (SVTs), came into force on 1 January 2019 and has been met with hostility from many parts of the industry.

Our own research suggests that consumers don't understand what the cap means for them, and while the Government suggests the cap can save a typical household around £76 a year on their gas and electricity bills, we know that we can save them a lot more. Through weflip, we have created a credible and long-term alternative to the price cap.

Dividends

An interim dividend of 0.8 pence per share was declared and paid during 2018 and a final dividend of 0.8 pence per share has been recommended by the Board, which will be subject to shareholder approval at the annual general meeting. Subject to this approval, the pay-out in respect of 2018 will be 20.6% of profit after tax (excluding adjusting items and their tax effect). The Group maintains a target dividend pay-out ratio of 20%-40% of post-tax profits, with the pay-out in 2018 reflecting the Group's use of capital to fund the acquisition of Energylinx and the development of weflip.

The Board will continue to invest surplus cash into the Group's operations in ways that achieve shareholder value over the short to medium term, with long-term, sustainable growth in mind.

Thank you

Ours is a business that relishes a relentless pace of change, and business as usual here has a very different meaning to what others may expect. Business as usual is continuous improvement at significant pace with a company-wide willingness to try new things and learn. This can appear daunting but the culture that has been carefully cultivated across the Group – in each of our businesses and locations – provides the environment in which driven, focused and collaborative people can thrive.

It's to these people, at our offices in Newport, London and Alloa, that I and the Board are especially grateful. By remaining focused on great customer outcomes above all else, they are making it possible for the Group to generate the strong operational cash flow that makes it possible for us to invest in our businesses, providing the foundations for long-term shareholder value.

To you, our customers, we remain unwaveringly committed to saving you time, saving you money, making your lives easier. Ensuring that you can find what you need, when you need it, at the right price. Thank you for making use of our services – we learn so much from the feedback you provide to us, this helps shape what we do and informs the improvements we make.

Sir Peter Wood
Chairman

2018 highlights

- The year closed with GoCompare.com Group plc recording operating profit of £37.5m, up 13.6%, adjusted operating profit of £44.0m, up 22.2%, and revenues of £152.6m, up 2.3% year on year.
- The Company continued its transition to a technology-centric business by growing the tech team both in number but also in the breadth and depth of its expertise, notably in engineering and data science. The Board also welcomed Joe Hurd as Independent Non-Executive Director, bringing with him a host of experience of working with, and advising, leading tech companies.
- The Group finalised its acquisition of MyVoucherCodes in January 2018, leveraging the platform to also power discount code offerings for two of the UK's biggest news publishers: The Sun and The Express.
- Energylinx, the domestic and business energy comparison and switching service, was acquired in June, bringing industry-leading supplier relationships and energy expertise into the Group.
- We launched a new brand and proposition, weflip, in October, built in-house and powered by Energylinx. weflip is the first automated energy switching service brought to market by an established time and money-saving business.

Market review

Significant market opportunity is driving our investments

People everywhere are overpaying.
We are targeting this huge opportunity to help people buy smarter and better, giving consumers confidence in their financial products and ultimately saving them money, making it easy, fast and worry-free.

54%

of Britain's 28 million households have either never or only once switched energy tariff.

£4bn

Total market opportunity

47%

of consumers surveyed agreed with the statement 'switching is a hassle I've not got time for'.

Core Market Review

Comparison

2018 was a challenging year in our core switching market

For our core GoCompare comparison business, car insurance remains the biggest vertical. Increasing costs of insurance tend to act as a catalyst for people to act and shop around, inevitably leading to more switching as keener pricing is sought by consumers. Conversely, if year-on-year premiums start to fall, the differential between the renewal and new insurer price reduces, which can lead to less botheration and hence switching. This is what happened in 2018, with average insurance premiums in the UK falling by 11% from mid-2017 to mid-2018 and by a total of 6.5% for the whole of 2018. This led the overall car insurance switching market to decline by -2% for the total year.

Expectations for 2019 are currently uncertain

Towards the end of 2018, year-on-year insurance premiums increased +3% compared to mid-2018. However, switching rates remained muted, declining by -5% in the second half of the year and hence the expectations for both the underlying change in year-on-year insurance premiums and expectations for the price comparison industry remain to be seen.

Rewards

Solid underlying market dynamics

Through MyVoucherCodes, we offer people savings on a range of necessary and discretionary spending – particularly retail, travel and recreation. The overall voucher and discount market size is closely correlated to underlying online retail spend, which continues to show impressive growth rates despite the challenges on the high street as consumers continue to change their behaviour. In 2018, the online-only retail market grew by c.15% versus in-store sales only growing by 2% (Office for National Statistics). Online retail spending through November and December in 2018 represented over 20% of total spend.

New distribution channels means increased competition, but also provides opportunities

The voucher code market has evolved rapidly over the last 24 months as traditional media publishers look to monetise their content by launching voucher code services. At the time of acquisition, the MailOnline had entered the market and was beginning to gain traction. Recognising this as both a risk and opportunity, we moved quickly to leverage our Group credentials, resulting in exclusive partnerships with The Sun (News UK) and The Express (Reach plc) to provide white-labelled discount sites. The MailOnline remains the current market leader, having achieved first-mover advantage. However, The Sun with the most online visitors of publishers in the UK (>30m unique monthly visitors) has the potential to be a key player in this space, although it will take time to build organic traffic and grow the business.

Long-term underlying fundamentals remain positive
There is of course a strong correlation between the number of private motor vehicles on the road, and number of insurance policies. In 2018 the number of licenced vehicles in the UK continued to grow, with the Department for Transport's latest figures (released 12th April 2018) showing there were 28,664,500 privately registered vehicles in the UK. This is the highest since records began in 1994, and an increase of 338,000 (+1.2%) on the previous year. Driving and car ownership is still very much part of the UK consumer's lifestyle and we believe this will continue.

Regulatory developments keep pricing in the spotlight and help support comparison websites
In 2018 the Competition and Markets Authority (CMA), motivated by a super-complaint lodged earlier in the year by the Citizens Advice Bureau (CAB), launched an investigation into the so-called 'loyalty-penalty'. This focuses on dual-pricing in insurance as well as some other financial and utilities services, which often sees loyal customers' prices increase, while attractive 'teaser' rates are given to new customers for ostensibly the same products.

Similarly, the Financial Conduct Authority (FCA), in April of 2018, issued a warning after several insurers were found not to be properly implementing its general insurance renewal rules. These rules, including a requirement to show last year's premium as well as the proposed renewal price, were designed to make renewal documents easier to understand and encourage action – specifically, shopping around.

These actions all help increase awareness of the potential savings from switching.

Unlocking New Markets

weflip

2018 – consumer struggles continue

Consumers have struggled through 2018, finding themselves feeling more uncertain and less confident about the future, having reached the lowest levels since July 2013.

But even against this backdrop they still find themselves spending more than they need to on everyday purchases, from insurance to electricity, holidays to household goods. Our mission to save people everywhere time and money has never been more relevant to consumers.

Meeting the needs of the many

Traditional price comparison websites typically meet the needs of certain types of customers, 'savvy savers', who understand their finances and are willing to proactively compare and switch. Whilst we continue to maximise the core market, the real growth opportunity is in attracting those who never switch or do not switch on a regular basis. As such, our focus since we listed in November 2016 has been on solving for 'botheration' – addressing people's inability or unwillingness to shop around and switch to better deals.

Targeting the significant market opportunity – starting with Energy

We believe there is significant headroom to target non-switchers in energy:

- Ofgem's State of the Energy Market report for 2018 shows that 54% of Britain's 28 million households have either never or only once switched energy tariff.
- That indicates 15.1 million households are on standard variable tariffs (SVTs) or default tariffs – the poor-value tariffs that the Government's price cap applies to.
- The average difference in the annual cost of these SVTs and the cheapest deals in the market was £275 in November 2018.

Unlocking the opportunity through the right proposition

The Government's energy price cap came into force in January 2019, but it only impacts the most expensive tariffs and consumers can still make significant savings by switching. Price comparison websites are popular for the engaged minority but that leaves many consumers whose needs are not being met and can make considerable savings.

Fundamentally, people perceive energy switching as a hassle. An Ofgem report found 47% of consumers surveyed agreed with the statement 'switching is a hassle I've not got time for'.

We believe that with the right proposition addressing low awareness among consumers, the perception of switching difficulty through other means (comparison websites, via energy suppliers directly), and the large savings that are to be made, there is a big opportunity for market growth.

Automatic switching enters the mainstream with our launch of weflip

'Auto-switching' propositions have been acknowledged in the media and by industry bodies as a new way of managing the cost of energy bills that addresses the current challenges with the potential to unlock the huge opportunity. 2018 marked the year when auto-switching started to gain traction in the domestic energy market.

We were the first of the established companies to recognise this opportunity, launching weflip in 2018. weflip is a revolutionary proposition, where consumers delegate their responsibility to ensure they are confident to always be saving money. It has a transformative business model delivering sustainable and predictable recurring revenue, improving loyalty and developing a deeper customer relationship with the potential to achieve long-term growth.

- Launching and investing for scale:
  - weflip was the first auto-switching proposition to have been launched by an established company with significant marketing investment
- Direct Relationships:
  - weflip is also the only business that has direct relationships with energy suppliers
  - Others rely on established price comparison websites to manage these relationships and power the comparison and switching mechanism
  - Notably, Energylinx, a Group company, powers many of the current start-ups

Our Business Model

Creating long-term value

Our Group model has evolved in line with a maturing comparison market where more is required to help customers switch. We are focused on building and/or acquiring products, services and brands that help people make a habit of saving time and money – as well as make this a habit on their behalf. At all times we remain committed to pursuing the best customer outcomes, while providing a cost-effective source of quality new business to our partners.

Investment in our focus areas

Strong brands

Leading brands in comparison and discount codes through GoCompare and MyVoucherCodes, while we also establish ourselves in energy through Energylinx and weflip.

Diverse product areas

From necessary spending like insurance, energy bills and financial services, to discretionary spending on retail and leisure.

Established partnerships

Through our relationships with direct providers and trusted third parties, we are able to offer a wide range of services to our users. We are a significant source of engaged, pre-qualified customers for our partners.

Experienced talent

We are home to people whose experience and drive is second to none. We have engineered processes that allow for maximum productivity, enabling us to punch well above our weight, and flex and scale as needed.

Fintech culture

Across the Group, and our locations, we have adopted a consistent approach to culture and work ethic, supported by our common values and shared mission. This enables us to out-think and outpace the competition.

The GoCompare Group

How our business model works

We segment our business into three different areas: Comparison, Rewards and weflip; however, they all share many characteristics and have consistent overarching business models.

We use our leading brands to attract consumers to our propositions, whereby we can educate them and enable them to save money, from household essentials to retail and leisure.

Our partners benefit from engaged, pre-qualified customers, highly effective acquisitions and the additional customer insight we can provide.

Underpinned by employing our unique approach

Tech-enabled, not tech-reliant

Our tech infrastructure is fit for purpose, scalable and mitigates the need for large CAPEX investment.

Customer-focused experiences

Everything is built from a customer's point of view, taking into consideration behavioural trends and preferences.

Mobile-optimised and responsive design from homepage right through the product journeys to the results pages.

Our business areas

Comparison

GoCompare

ENERGYLINX

Reward

MyVoucherCodes

MORE MONEY IN YOUR WALLET

weflip

weflip

Data science

Investment in top talent has seen us strengthen our dedicated data science function and invest in the longevity of our talent pool through our GoFurther Academy.

A workforce built for quality over quantity

By applying a disciplined approach to team structure, decision-making processes and cross-department coordination, we have seen sustainable improvements in pace, innovation and retention.

Research and development

Initiatives like our LAB provide business incubation support for home-grown ideas, encouraging a culture of intrapreneurship. Our focus on accountability and optimal use of our data and capabilities has resulted in new models such as weflip.

Create value for our stakeholders

Customers:

- Secure, quick and easy ways to save time and money.
- Ongoing product development centred on their needs above all else.

Employees:

- Enriching, merit-based opportunities that focus on continual professional development and cross-skilling.
- We want people to know they could walk into a job anywhere, but not want to leave.

Investors:

- A rewarding investment that delivers attractive returns sustainably and over the mid to long term.
- Access to directors and senior leaders who can articulate the vision and strategy anchored firmly to tangible results.

Partners:

- Reaching the maximum number of the right kind of customer based on our partners' individual requirements.
- Continuous investment in tools and processes that finesse this further still, including data insights and anti-fraud measures.

Regulators:

- Cooperative and proactive working relationships with the relevant industry regulators to ensure the highest standards are met.
- Positioning the Group's services as the solution to many of the industry problems to be addressed e.g. the 'loyalty penalty' being explored by the Competition and Markets Authority.

Delivering Our Strategy

We know where we're going and how we will get there

- We are fully committed to delivering our mission to help people everywhere save time and money
- A key part is solving people's inability or unwillingness to shop around and switch to better deals
- This mission underpins our Group strategy of Savings as a Service, building an industry-leading technology platform able to automate the steps of how people save
- And ultimately provide that service whenever, and however, they want it
- It is truly consumer-led
  - More personalised – better data and recommendations
  - More automated – reduce hassle, proactive and automatic
  - More verticals, essential household spending to discretionary purchases

Savings as a Service™

a technology platform to automate how people save, whenever and however they want to access it

Better Data + Recommendations + Smoother Payments + Automation

Technology platform

Inventory · **Comparison** · **Fulfilment** · **Savings intelligence**

Underpinned by three growth drivers

Growth driver	Areas of focus	2018 progress
Growing & Optimising for Cash Generation	Deliver controlled profit growth within our Comparison business	• Continued targeted and disciplined approach to marketing margin, leading to market-leading growth in AOP • Ongoing product leadership to drive ongoing conversion improvements on car, plus the introduction of enhanced fraud technology • Strengthened comparison revenue with acquisition of Energylinx, quickly utilising their leading proposition to launch an improved GoCompare energy journey
	Diversify Group revenue as part of our long-term Savings as a Service Strategy	• Completed acquisition of MyVoucherCodes • Rapidly integrated shared functions into the Group and re-platformed the business • Executed new B2B strategy launching White Labels for News UK (The Sun) and Reach plc (The Express)
Unlocking Exceptional Growth	Target huge unaddressed market opportunity of non-switchers	• Development and launch of weflip, a brand new automatic switching proposition • Consumers delegate their responsibility ensuring they are confident to always be saving money • This provides the Group with a transformative recurring revenue model
Transforming the Business	Develop a "Fintech Mindset"	• +43% increase in scale of Product and Technology teams • Step change in culture to a strong, agile Technology team leading to a significant increase in releases and higher frequency
	Build a team of best-in-class talent	• Continued to invest in people, improving recruitment and training, including company-wide unconscious bias training and use of blind CVs • Launched our GoFurther Academy including sponsoring local school-leavers through a degree apprenticeship programme with Aston University

Financial KPIs

Revenue (£m)

£152.6m

2018	**152.6**
2017	149.2

Revenue generated in the year.

Operating profit (£m)

£37.5m

2018	**37.5**
2017	33.0

Operating profit for the year.

Adjusted operating profit (£m) APM

£44.0m

2018	**44.0**
2017	36.0

Operating profit after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs and Foundation Award share-based payment charges. Adjusted operating profit is reconciled to operating profit on page 26.

GoCompare.com average revenue per interaction (£) APM

£5.13

2018	**5.13**
2017	4.67

Revenue divided by customer interactions in the year for GoCompare.com.

Earnings per share (pence)

6.5p

2018	**6.5**
2017	5.8

Profit for the year divided by the weighted average number of shares in issue for the year.

Adjusted earnings per share (pence) APM

7.8p

2018	**7.8**
2017	6.5

Adjusted operating profit for the year divided by the weighted average number of shares in issue for the year.

Price comparison marketing margin (%) APM

46.4%

2018	**46.4**
2017	40.5

Price comparison marketing margins calculated as the difference between revenue and marketing expenditure divided by revenue for price comparison segment.

Non-financial KPIs

Customer interactions (m)

27.1m

2018	**27.1**
2017	32.2

Customer interactions are defined as:

(a) for products where the quote process begins on GoCompare, as each unique instance of activity within any half hour period in which a customer initiates such a quote process, although they do not necessarily complete a purchase; and

(b) for the remainder of the Group's products, each instance in which a customer clicks through to a partner website from GoCompare.

Number of partners

318

2018	**318**
2017	295

Number of core partner brands we have actively worked with in the 12-month period.

Savings made by customers (£m)

£1,026m

2018	**1,026**
2017	1,187

Car and home insurance savings calculated by applying the average Consumer Intelligence reported savings per customer across the year.

CEO's Statement

Our impatience is our virtue

Our belief is that technology can be a powerful enabler, but it is our people that translate that into meaningful experiences for our customers. That's why we have invested heavily in our people and improved everything from the recruitment and induction process, to the ongoing development of individuals and teams, to taking a long-term view of the skills and capabilities our business will need most.

Matthew Crummack
Chief Executive Officer

Dear Shareholders,

In our second full year as a listed company we became a multi-brand, multi-office Group with enhanced technical and operational capabilities that place us in a strong position to help people everywhere save time and money.

Throughout 2018 we demonstrated our ability to work and adapt quickly to a dynamic environment without losing sight of the day-to-day requirements of our businesses. We firmly believe that choosing to grow quality earnings in a challenging economic cycle remains a good business and financial decision, allowing us to allocate capital to ideas that will transform the customer experience – and the company – over the medium to long term. Our fast integration of two acquisitions enabled us to leverage the companies' assets to the benefit of the Group, launching a brand-new automated switching proposition in the form of weflip, and achieving 13.6% operating profit and 22.2% adjusted operating profit growth.

Just a month after acquiring Energylinx, we made use of their industry-leading, Ofgem-regulated comparison and switching service to launch a new customer journey through GoCompare, and in October we launched weflip having built the service using Energylinx and our Newport-based engineering and data teams. Energylinx was also an excellent acquisition in its own right with strong underlying financial performance since acquisition. With MyVoucherCodes, we quickly replatformed the business and used our strengths in technology and partner relationships to secure exclusive deals with News UK and Reach plc to power the discount voucher services for The Sun and Express websites.

The achievements delivered by the team at the GoCompare Group give me a real sense of pride. We've been consistent in believing that we can stand out in extremely competitive environments by having an entrepreneurial mindset and a culture that supports experimentation and demands action. With our consistent focus on profitable, disciplined delivery, strong cash generation allows us to make a more strategic use of capital be that through marketing, acquisitions or investments.

We are a people-powered, tech-enabled business

Our belief is that technology can be a powerful enabler, but it is our people that translate that into meaningful experiences for our customers. That's why we have invested heavily in our people and improved everything from the recruitment and induction process, to the ongoing development of individuals and teams, to taking a long-term view of the skills and capabilities our business will need most.

We focused on several key areas that span diversity and inclusion and introduced a number of initiatives designed to help the Group become a home for the most talented people based solely on merit. We rolled out company-wide unconscious bias training, implemented blind CVs in the recruitment process and introduced monitoring software to ensure job descriptions and job adverts aren't inadvertently off-putting.

Importantly, we launched our GoFurther Academy through which all our training, mentoring and development activity is channelled. Through GoFurther, we picked five talented, local to Newport school-leavers who are interested in careers in technology based companies, and they have started a sponsored degree apprenticeship programme with Aston University. We are committed to our ambition of being the technology employer of choice, particularly in the South Wales and South West England region, and take a role in developing the local talent pool very seriously.

Outside of doing the right thing, our ongoing investment in people is the right business decision. By building a workforce of people who have great skills and attitude, and by creating a culture that they want to be part of, we are able to recruit and retain star performers who are impatient to build and evolve products, services and even whole new brands (see weflip) that result in better customer experiences. Capable and motivated people can change the world. We welcomed Zoe Harris to the Group's leadership team in October, taking up the role of Chief Marketing Officer, having previously been Group Marketing Director and Head of Innovation at Reach plc. Her impact has already been felt, with an immediate focus on speed of change, marketing efficiency and using our strengths to innovate in brand and digital channels. Zoe has also led the appointment of a new media planning and buying agency for the Group to ensure that our significant advertising spend generates maximum awareness and customer action.

We're focused on solving botheration

When we listed in November 2016, we committed to highlight the need for 'botheration' in order to tackle people's inability or unwillingness to shop around and switch to better deals. Through developing products and services that take away the burden of keeping on top of household outgoings, and through targeted and compelling marketing communications, we aim to save as many people as possible as much time and money as we can – year after year.

Despite the price comparison sector having been established over 15 years ago, millions of people still struggle to effectively manage the burden of their personal and household bills, and overpay for products and services as a result. We believe that we can address this gap through weflip, which aims to remove the ongoing burden through a strong, compelling, more automated proposition. A one-time sign up allows people to delegate the management of the tedious chore of energy switching to weflip, forever. Indeed it is so tedious, in fact, that 54% of British households have never or only once switched (according to Ofgem). It uses all our strengths in data, engineering and product development to create seamless experiences across browsers and devices.

We continue to transform the Group so that we continue to disrupt the market as we did when GoCompare launched over 12 years ago, when we were instrumental in changing the way people find, evaluate and buy insurance forever.

Outlook

The Board expects another year of disciplined performance on the core business with modest revenue growth and stable marketing margin, with performance to be skewed towards H2, reflecting our business initiatives and the market backdrop.

We are investing in weflip in 2019 to unlock the potential for exceptional growth in the medium term, with a spend in the region of £10m in marketing funded by operational cash flow from the core business.

Our ambitions are to scale weflip to transform the Group into a higher EBITDA margin business. weflip will benefit from higher customer retention, recurring revenue and multi-year customer lifetime value.

In summary: we continue to deliver on our promises

We remain proud of our focus on constant capability improvements that enable us to meet and even re-set consumers' evolving expectations, alongside the generation of strong, quality earnings driven by operational control and efficiency, and a constant search for innovation.

Whether someone is looking for a good deal on more non-discretionary products and services (GoCompare, Energylinx, weflip), or for things they really want and enjoy (MyVoucherCodes), GoCompare Group has a free service that can make things as easy as possible for them, while allowing people to maintain the level of control they need. For example, for those people who know what they want and how to do it – we refer to them as 'savvy switchers' – GoCompare gives an established, transparent and industry-leading comparison and switching service. For those who need more help and who'd rather delegate bill management, weflip is at the fore of the new and growing range of more automated services.

While change and evolution is inevitable in 2019, and with broader political and economic unease a certainty, we will continue to provide services that work for consumers, appeal to our partners, motivate our employees, and build long-term value for our shareholders. We are and will remain in the service of saving.

Matthew Crummack
Chief Executive Officer

£152.6m
Revenue generated in 2018

£1.0bn
GoCompare saved its customers over £1.0bn in 2018

6.5p
Earnings per share generated in 2018

300
GoCompare has 300 employees across its offices in Newport, London and Alloa.

New product development

Strategy in action
Growth beyond
insurance comparison

Flipping fantastic

woflip

So you don't have to do a flipping thing

Easy!

We're tackling inertia in the energy market head-on, with the launch of our new automatic switching service which will save people time, money and hassle when it comes to finding, switching to and staying on cheap energy deals – forever.

weflip is powered by our own Energylinx comparison platform, triggering a transfer to a cheaper energy tariff whenever savings of more than £50 per year, after exit fees, can be made.

For now, the service is focused on the domestic energy market, but it could be extended to multiple other verticals.

250,000*

Saver seekers each month

On average over 250,000 people in the UK switch their energy supplier or tariff every month.

23%*

Hassle haters

Market surveys conclude 23% of people in the UK remain with their energy supplier because they feel it is too much hassle to change.

weflip powered by ENERGYLINX

* GfK UK Social Research conducted on behalf of Ofgem September 2017

"We are excited by the launch of weflip, as our first proposition focused squarely on our 'Savings as a Service™' strategy."

Matthew Crummack
Chief Executive Officer
GoCompare.com Group plc

Brand integration

Strategy in action
Growth beyond insurance comparison

Everyday discounts

MyVoucherCodes

MORE MONEY IN YOUR POCKET

The acquisition of MyVoucherCodes, completed in January 2018, complements our other services and enables us to help people save on the things they want, their discretionary purchases, as well as those that they need.

The acquisition has also enabled us to bring our expertise in discounting and sales promotion, and our industry-leading commercial relationships, to power the voucher offerings of some of the UK's largest publishers.

The Sun

80.8 million monthly unique browsers

Part of News UK, The Sun publishes the UK's highest circulating daily newspaper, and its readership is said to account for £1 of every £7 spent on groceries in the UK.

The Express

13 million monthly unique browsers

As part of Reach plc, The Daily Express and Sunday Express reach 321,146 and 280,684 loyal readers respectively.

“We've long been a destination for superb holidays and giveaways with The Sun £9.50 Holidays and Sun Savers, and so are delighted to partner with MyVoucherCodes to provide even more opportunities for our readers to save money and time.”

Rebekah Brooks
Chief Executive Officer
News UK

“Express.co.uk has a loyal readership, and we are committed to campaigning on behalf of our readers. We have a reputation as a crusading title, and even have a financial column dedicated to it – The Crusader – so we're always looking for new ways to make a greater impact on readers' lives. This partnership will shine a light on our focus to help them save money with hundreds of well-known brands, including John Lewis, TUI and New Look.”

Andy Atkinson
Chief Revenue Officer
Reach plc

Doing what we do best

Strategy in action

Continued improvement of our customer journey

Amazing savings

GoCompare has been disrupting the insurance market since 2006. Our goal then, as now, to help people make better informed buying decisions. In short helping people find great deals without the hassle.

We have remained dedicated to our founding principle of helping people choose the most appropriate products rather than just the cheapest. This commitment has led to industry recognition, including us being invited to be the only comparison website member of the British Insurance Brokers' Association (BIBA). We have also integrated independent, third party policy information and customer reviews to give our users the fullest picture possible.

+7.3%
GoCompare car insurance conversion
2018 versus 2017

£1.03bn
Saved for customers
Car and home insurance

"There has never been more choice available to insurance customers, or more transparency over what is or isn't covered. We intend to remain at the forefront of insurance comparison and switching through continuous innovation and a steadfast focus on the customer."

Lee Griffin
Founder and Chief Revenue Officer
GoCompare.com Group plc

How we manage risk

Navigating the challenges and opportunities

Our robust risk management approach enables us to evaluate and manage the key risks to our business and supports us as we deliver our strategic objectives, high quality outcomes for our customers and comply with applicable laws and regulations.

<table>
<tr><td rowspan="2">Risk Governance
A robust governance structure ensures that responsibilities are clearly defined:</td><td colspan="3">The Board
The Board has overall responsibility for determining the nature and extent of the risk the Group is willing to take in pursuit of its strategic objectives, for maintaining sound risk management and internal control systems and in ensuring that risks are managed effectively throughout the Group.</td></tr>
<tr><td>1st line of defence</td><td>2nd line of defence</td><td>3rd line of defence</td></tr>
<tr><td>Risk Management</td><td>Executive management and senior leadership
Executive management and senior leadership are responsible for delivering operational plans (including the design and implementation of controls) to deliver strategy and to identify and escalate emerging threats and opportunities within Group operating companies.</td><td>Oversight
Oversight of operational functions and controls (within Group operating companies) is provided by Compliance, Data Protection, Legal, Information Security and Risk teams who also provide reports and updates to the Audit and Risk Committee.</td><td>Audit and Risk Committee
The Audit and Risk Committee assesses the overall effectiveness and robustness of systems of internal control and risk management within the Group. It receives regular risk updates and provides robust challenge to executive management.

Internal audit
Assurance on the design and effectiveness of operational functions is provided by internal audit.</td></tr>
</table>

The Group must take and accept risk in pursuit of its strategic objectives, but risk will only be accepted where it is aligned to the Group's vision and mission and where risk performance can be managed appropriately. The Group works to ensure there is an appropriate balance between risk and reward that creates value is a sustainable way.

Our risk framework helps the Group fulfil its obligations to shareholders and achieve consistency in risk-related matters. All of this is subject to annual review and approval by the Audit and Risk Committee.

To support us in our efforts to manage and mitigate risk, the following processes are in place for all key areas of the Group's activities:

- Management is responsible for identifying, assessing and mitigating threats to the Group, including effective design and operation of controls;
- Capital and resources are allocated to ensure a balance of risk and reward;
- Risk policies and risk appetite statements are approved by Directors; and
- Risk reporting to management and the Audit and Risk Committee.

Principal risks and uncertainties

The Group's principal risks and uncertainties have been reviewed and remain unchanged. The executive committee is responsible for overseeing the Group's principal risks. Each principal risk has been reviewed and updated to reflect key developments, changes and mitigations. The Executive team and the Audit and Risk Committee will continue to monitor performance and both the internal and external environments to ensure that changes to existing and emerging risks are considered and reflected in strategic and operational decision making.

Developments in risk management

The Group's risk management framework has been enhanced in 2018 through a combination of:

- Strengthening the business planning and prioritisation process to focus on strategic delivery;
- Risk reporting focus on the Group operating entities (where relevant);
- Adoption of centralised financial management and oversight across the Group;
- Review integration and oversight of Tech functions and platforms across Group operations; and
- Agile and proportionate risk governance and communication to ensure that new, emerging and changing risks are reported, escalated and reviewed.

Future risk management development

During 2019 the Group's approach to risk management will be enhanced through:

- Alignment of risk management and risk reporting across the operating entities;
- Continued application and refinement of the risk management framework into acquisition assessment and transition planning;
- Ongoing review and development of cyber and information security capabilities, data management and tech infrastructure to drive effectiveness and oversight throughout the Group; and
- Preparation for and implementation of the FCA Senior Managers regime with key stakeholders in the business.

Assessment of principal risks and uncertainties

The Directors confirm that they have undertaken a robust assessment of principal risks and uncertainties that the Group faces; this includes those that threaten the business model, future performance, solvency or liquidity of the Group.

Principal risks and uncertainties

The table below sets out the risks identified as having the biggest potential impact on our strategic objectives.

Risk 1: Competitive environment

The Group operates in a highly competitive environment and generates a significant proportion of its revenue from car and home insurance comparison.

Impact	Mitigation	Change in the year and future plans
The emergence of new competitors, changes of approach by existing competitors, or a fundamental change in the design and distribution of general insurance products may have a significant impact on market share, revenue and profit.	• Experienced and capable customer acquisition team. • Comprehensive mix of online, offline, brand and non-brand marketing activities adopted to drive efficient and cost-effective customer acquisition. • Continued investment in development of other verticals to grow diversified revenue streams. • Development and maintenance of strong relationships with partners and product providers. • Development of competitive value-led pricing and strategy with partners.	We have seen elevated levels of activity amongst our competitors, particularly in digital channels. In 2018 we launched and developed the weflip energy brand and proposition to diversify revenue streams. The competitive environment remains highly competitive. We will continue to mitigate risk through: • Continued innovation of products, services and customer journeys and focus on efficient customer acquisition; • Further development and enhancement of data science capabilities to drive insight and customer engagement; • Data science led approach to deliver incremental changes to our product, proposition and services.

Risk 2: Financial

The Group is exposed to a number of financial risks; principally credit risk, liquidity risk and interest rate risk, as set out in note 21 of the financial statements. It is also subject to covenants on its loan facilities.

Impact	Mitigation	Change in the year and future plans
Failure to manage financial risks appropriately could lead to an adverse impact on the Group's financial performance and / or availability of cash. Should the Group breach its banking covenants, its debt facility could become immediately repayable on demand.	• Credit worthiness checks and due diligence of suppliers, partners and third parties. • Debtor management. • Cash flow forecasting and headroom monitoring to manage availability of cash.	The Group continues to invest in financial management to ensure that financial performance and reporting is effective and delivers our strategy. This includes: • Reporting and forecasting software systems; • Centralised financial management and oversight across the Group; • Continuous evolution of business intelligence and key performance indicators; • Cross-functional teams who meet regularly and review commercial and financial performance to drive action and innovation within the business.

Risk 3: Customer acquisition and brand

The Group is reliant on customer awareness and appreciation of the Group's brands driven through broadcast, digital marketing techniques and arrangements with affiliate partners which need to be effective and cost efficient.

Impact	Mitigation	Change in the year and future plans
Deterioration of brand performance or failure to monitor and manage marketing activities appropriately may lead to lower market share, revenue and profit.	• Customer satisfaction monitoring and reporting feeds into product and proposition development. • Continuous review and development of performance and perception of advertising approach. • Customer-centric approach to service definition and development. • Brand-health and performance monitoring and reporting. • Channel specific benchmarking insights.	In 2018 we appointed a new Chief Marketing Officer and strengthened our Marketing teams. We also appointed a new media agency to optimise spend and continued our focus on digital marketing capabilities to drive efficiency and effectiveness. We have continued to focus on core pillars of brand development and customer loyalty offerings with review of the GoCompare brand assets and advertising approach, including a data/science led approach to media planning activities. In the coming year we will continue to monitor brand performance and customer engagement which remain key drivers for the evolution of brand advertising. This is achieved through: • Broadcast and social media monitoring; • Advertising awareness, brand performance and customer satisfaction feeding into product and customer journey development and innovation; • A new media agency has been appointed to further media buying efficiencies.

How we manage risk
continued

Risk 4: Cyber and data

The Group derives its revenue exclusively through online interaction by customers with partners and is exposed to a variety of cyber threats including Distributed Denial of Service (DDoS) attacks, hacking or malware that may result in compromise of the availability, confidentiality or integrity of commercially important customer or employee data.

Impact	Mitigation	Change in the year and future plans
A failure to manage and mitigate cyber-related incidents affecting infrastructure and websites may lead to unavailability of services, access to or compromise of data, which could have reputation, financial and regulatory consequences.	• Website and IT threat monitoring continuously developed and evolved. • Business continuity arrangements in place for websites and office systems. • Regular testing of business and service continuity capabilities, including systems recovery and diverse locations and hosting arrangements. • Security monitoring systems in place to identify and mitigate cyber threats. • Physical and logical access controls in place alongside firewalls and network controls. • Robust approach to change management, testing and deployment. • Segregation of duties, role-based access to data and access authorisation processes.	Cyber, data management and security is key to maintaining and developing customer, partner and regulator satisfaction, along with compliance with legal and regulatory requirements. This is of increasing importance as we grow and diversify the business and utilise different technologies. • In 2018 we completed our GDPR implementation plans by the May deadline. • Continued to invest in threat mitigation tech solutions. Data is a vital asset of the Group and in 2019 we will continue to enhance threat protection capabilities across the Group and in response to external developments and changes in our approach to tech infrastructure.

Risk 5: Technology and innovation

The Group is reliant on high-performing comparison solutions that meet customer expectations for experience, use and choice of device.

Impact	Mitigation	Change in the year and future plans
A detrimental effect on current and future financial performance and reputation could arise from an inability to quickly adapt to changes in customer behaviour and expectations or being unable to keep pace with technological changes.	• Mobile-optimised customer journeys. • Comprehensive approach to development and testing across a wide variety of devices and operating systems. • Flexible approach to development of website and systems enhancements including organisational and operational changes to maximise delivery and deployment opportunities. • Real-time monitoring of core product journeys. • Continuous-development approach to website journeys to ensure scalable and relevant services and offerings to customers.	In 2018 the Group continued to respond by: • Continuous innovation of customer journeys; • Innovative ways of working to drive speed of delivery and learning; • Customer-centric culture that seeks and acts on customer experience feedback; • Focused and business led prioritisation and balanced decision making and targeted use of effort and resource; • Reviewing and refining ways of working and technology to support fast-paced change delivery; • Use of cloud technologies and platforms where appropriate.

Risk 6: Legal and regulatory

The Group operates in a number of regulated markets (insurance, lending, mortgages, energy, and home communications) and is also subject to competition law and data protection law.

Impact	Mitigation	Change in the year and future plans
Failure to comply with existing or adapt to changes in future regulatory requirements may have a fundamental impact on the Group's business model, leading to reputational damage and a failure to meet financial and operational targets.	• Maintain and foster regular contact with regulatory bodies. • In-house specialist Legal and Compliance resource and access to specialist external advice, when required. • Open and transparent culture. • Comprehensive regulatory training provided to all employees. • Whistleblowing procedures in place. • Business-wide involvement to implement changes to comply with GDPR.	The Group will continue to strengthen and invest in second-line support and advice functions to ensure that current and future legal and regulatory requirements are understood. This will also include ensuring appropriate training and skills are in place as we diversify into different products and sectors and draw on expertise and knowledge gained through Group acquisitions.

Risk 7: People and culture

The Group's success will depend on the performance of senior management and driven by an open, inclusive and dynamic culture that takes advantage of the sector, marketing and technical expertise of employees, and on the Group's ability to attract, retain and motivate its people.

Impact	Mitigation	Change in the year and future plans
Lack of experienced, skilled and motivated people at all levels may have a detrimental impact on business and financial performance of the Group.	• Highly skilled senior team with experience of running online businesses. • Review and evolution of employee reward packages at all levels. • Structured approach to learning and development. • Varied approach to attracting new talent, including development of an in-house recruitment function. • Regular review and evolution of internal working practices to further strengthen and support agile delivery within the business.	People are the key element to the business delivery and success. Therefore, the Group plans to continue to build on the progress made to date: • Continuous focus on culture and behaviour at all levels; • Regular senior management briefings and performance updates and away days; • Succession planning for key senior roles; and • Introduction of Group Vice President management level. In 2019 the Group will: • Continue to focus on culture and people to drive results focused behaviour across the Group; • Further develop the Group's employee value proposition; and • Monitor recruitment trends to ensure that reward matches market expectations and can be flexed accordingly.

Risk 8: Strategic development and delivery

The Group has recognised the significant opportunity in growing the brand beyond motor and home insurance into a diverse range of other product and price comparison services and sectors.

Impact	Mitigation	Change in the year and future plans
Ineffective management of the partner panel and over-reliance on single product lines, in addition to the quality and appropriateness of products, may result in damage to reputation, loss of customers and adverse impact on financial performance.	• Clear strategy to diversify revenue streams, products and services. • Strategy & Investments team identify, develop and deliver opportunities. • Access to specialist external advice where due diligence support is required. • A robust governance approach to decision making that involves key stakeholders in decision making.	In 2018 the Group acquired The Global Voucher Group Limited and Energylinx, which further diversified the Group's revenue. In 2019 we will: • Further develop and enhance the Savings as a Service proposition; • Monitor and develop the Group's strategic partnerships and use this knowledge and insight to explore opportunities that will support future growth of the Group's core business; and • Continue to review merger and acquisition opportunities that contribute towards the Group's strategy and performance.

Risk 9: Economic conditions

The Group's revenue is derived from provision of product and price comparison services in the UK, and specifically the motor and home insurance sector.

Impact	Mitigation	Change in the year and future plans
A contraction in the UK economy, changes to fiscal policy or developments in the process for the UK to leave the EU, may lead to worsening economic conditions and performance of the Group. Brexit is not expected to have a significant impact on the Group. In a time of economic uncertainty and rising costs, consumers are more likely to consider switching, seek alternative suppliers and use price comparison websites in order to achieve better deals.	• Review of wider market conditions and indicators undertaken regularly. • Flexible approach to cost-base. • Diversify revenue streams to adapt to future changing conditions. • Development of scalable solutions in similar emerging markets to learn and refine products and services.	External economic conditions in the UK remain uncertain, particularly in relation to the outcome of Brexit in March 2019. We continue to monitor the potential impact of Brexit on the Group, including any changes to regulation of the financial services sector and the impact on specialist tech resource from overseas. In 2019 the Group will continue to focus on opportunities to speed up, demystify and improve switching for customers, partners and other stakeholders through innovative use of data and technology to develop scalable solutions.

Longer-term viability statement

In accordance with provision C.2.2 of the UK Corporate Governance Code the Directors have assessed the Group's current position and prospects, principal risks and strategic plans.

The Board confirms that it has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and/or liquidity. The Directors have considered the three-year period to 31 December 2021 as this aligns with the current plan approved by the Board. It gives the Board sufficient visibility on the future and the position of the Group within its markets. This period is also covered by the Group's current financing arrangements, which mature in October 2021. The Board has given consideration to any additional relevant factors which should be taken into account as part of this assessment and has concluded that they are not aware of any.

In making this assessment, the Board has taken into consideration the following matters:

- the Group being subject to oversight from a number of regulatory bodies and its requirement to maintain appropriate levels of capital and liquidity as well as adhering to proper standards of market conduct and deliver fair outcomes to customers;
- the Group has a track record of delivering revenue growth, increased profitability and strong cash generation in a competitive, fast-paced and changing environment, which requires agility and continuous improvement to meet the demands of changes to technology, product development, customer behaviour and market conditions;
- the committed debt facilities available to the Group which include a term loan and a revolving credit facility;
- the Group continuing to invest in talent across the organisation , in particular the recruitment of Engineers into the Tech team; and
- the Group's recent acquisitions of The Global Voucher Group Limited and Energylinx business which provide diversification of earnings, strategic partnerships and synergistic benefits.

Sensitivity analysis has been undertaken to stress test the resilience of the Group's business model to identify the potential impact of the principal risks the Group faces, or a combination of those risks. A base forecast has been prepared which has subsequently been sensitised. This stress testing takes account of the availability and effectiveness of the mitigating actions that could realistically be taken to avoid or reduce the impact or occurrence of the underlying risks. In preparing certain scenarios that are severe but plausible, the Board would need to implement cost-saving initiatives in order to remain in compliance with its covenants. This could be achieved by reducing certain marketing spend (such as broadcast and online digital marketing) which are significant costs for the Group but which could be reduced at relatively short notice if required.

The nature of the debt facilities and the amounts drawn and repaid under each are set out in note 19 to the financial statements. The term loan and revolving credit facilities form part of an overall Debt Facility Agreement provided through a syndicate of five banks. The Group is required to remain in compliance with the terms of the facility agreement throughout the term and also provide bi-annual covenant compliance certificates. The revolving credit facility allows the Group to draw up to £40m on a rolling basis with interest periods set between one and six months for amounts drawn under the facility. The loans can be rolled as required at the end of those interest periods. In the event of a material adverse change for the Group, a renegotiation of the Debt Facility Agreement with the banking syndicate may need to be executed.

On the basis of this sensitivity analysis, combined with the business plan, financial forecasting and other matters taken into consideration, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and financial obligations as they fall due over the three-year period to 31 December 2021.

Financial Review

Delivering long-term success

2018 saw another year of profitable growth and strong operational cash generation. This has enabled the completion of two acquisitions and the launch of weflip.

Highlights

	2018	2017	Movement
Revenue	**£152.6m**	£149.2m	+2.3%
Price comparison marketing margin	**46.4%**	40.5%	+5.9%pts
Operating profit	**£37.5m**	£33.0m	+13.6%
Adjusted operating profit	**£44.0m**	£36.0m	+22.2%
Leverage	**1.5x**	1.1x	0.4x
Basic EPS	**6.5p**	5.8p	+12.1%
Adjusted basic EPS	**7.8p**	6.5p	+20.0%

2018 was a challenging year, with a reduction in year-on-year average car insurance premiums having a negative impact on the number of consumers switching their car insurance provider compared to 2017. Car insurance comparison is, by far, the Group's biggest vertical and with fewer consumers switching, the Group adopted an approach of being disciplined in managing customer acquisition costs. We focused on ensuring that ongoing improvements to the customer journey resulted in a higher conversion rate of customer interactions to transaction. This approach ensured that the Group was able to deliver an improvement in Price Comparison marketing margin to 46.4% (2017: 40.5%) and another year of strong profit growth, with operating profit up 13.6% to £37.5m (2017: £33.0m) and adjusted operating profit up 22.2% to £44.0m (2017: £36.0m). Revenue was up a modest 2.3% to £152.6m (2017: £149.2m) reflecting revenue from the Rewards business that was acquired in January 2018 more than offsetting a reduction in Price Comparison revenue.

When reviewing performance the Directors use a number of adjusted measures including Adjusted operating profit and Adjusted EBITDA, in order to remove the impact of non-trading items and better reflect the Group's underlying performance. These are reconciled to their IFRS equivalents in the tables opposite as necessary.

Operating segments

Price Comparison

	2018 £m	2017 £m	Movement £m	Movement %
Revenue	**144.4**	149.2	(4.8)	(3.3)
Cost of sales	**(42.8)**	(42.5)	(0.3)	0.6
Distribution costs	**(34.6)**	(46.3)	11.7	(25.3)
Trading profit	**67.0**	60.4	6.6	10.9
Adjusted admin costs	**(13.2)**	(13.6)	0.4	(2.7)
Adjusted operating profit	**53.8**	46.8	7.0	14.9

The Price Comparison segment relates to the GoCompare.com price comparison business and the Energylinx price comparison businesses that the Group acquired on 13 June 2018.

Price Comparison revenue of £144.4m was £4.8m lower than in 2017. This was primarily a result of lower customer interactions, reflecting lower customer switching activity as average car insurance premiums fell year-on-year and a focus on targeting profitable customers. Whilst interactions were down, income per interaction increased by 10%, primarily driven by an improvement in conversion across car and home insurance of 6.9%.

Cost of sales of £42.8m was £0.3m higher than in 2017, with savings made in GoCompare.com as we focused on improving efficiency in paid search, being more than offset by Energylinx cost.

Distribution costs of £34.6m were £11.7m lower than in 2017 reflecting the testing of different broadcast strategies throughout 2018 as the business sought to learn through different channel and regional spend.

Adjusted admin costs reduced by £0.4m to £13.2m in 2018. This reflects a reduction in headcount working on the Price Comparison segment in the year as more Tech and Product resource was deployed on other Group activities.

The Price Comparison marketing margin in 2018 increased to 46.4% (2017: 40.5%). Marketing margin is calculated as the difference between revenue and marketing expenditure (trading profit) divided by revenue. Marketing expenditure is defined as the total of cost of sales and distribution costs.

Financial Review
continued

Rewards

	2018 £m	2017 £m	Movement £m	Movement %
Revenue	**8.2**	–	8.2	100.0
Cost of sales	**(1.8)**	–	(1.8)	(100.0)
Distribution costs	**(0.8)**	–	(0.8)	(100.0)
Trading profit	**5.6**	–	5.6	100.0
Adjusted admin costs	**(2.8)**	–	(2.8)	(100.0)
Adjusted operating profit	**2.8**	–	2.8	100.0

The Rewards segment generated revenue of £8.2m and a trading profit of £5.6m in 2018 following the acquisition of The Global Voucher Group Limited on 10 January 2018.

weflip

	2018 £m	2017 £m	Movement £m	Movement %
Revenue	**0.0**	–	0.0	100.0
Cost of sales	**–**	–	–	–
Distribution costs	**(0.1)**	–	(0.1)	(100.0)
Trading profit	**(0.1)**	–	(0.1)	(100.0)
Adjusted admin costs	**(1.1)**	–	(1.1)	(100.0)
Adjusted operating profit	**(1.2)**	–	(1.2)	(100.0)

The weflip segment relates to the Group's weflip proposition, launched on 15 October 2018. In the period from launch to 31 December 2018 the Group was focused on testing and refining the proposition and as such only spent £0.1m on marketing. As expected, given the approach taken, the revenue generated by weflip was negligible in 2018. Adjusted admin costs of £1.1m relate predominantly to operational headcount costs and amortisation of internal capitalised development costs.

Administrative expenses

Administrative expenses excluding adjusting items, depreciation and amortisation increased by £3.0m compared to 2017, largely reflecting an increase in headcount following the acquisition of The Global Voucher Group Limited and Energylinx companies. The total headcount of the Group increased from 214 at the end of 2017 to 300 at the end of 2018.

Adjusting items for 2018 include £3.6m of integration, restructuring and other corporate costs, £2.3m amortisation of acquired intangibles and £0.6m of transaction costs. The £3.6m of integration restructuring and other Corporate costs include £1.3m incurred in relation to the two acquisitions that were completed during the year, £0.5m in relation to the restructuring of the Group marketing function and £1.0m in relation to VAT for prior financial periods following the conclusion of discussions with HMRC over the Group's use of a special method. Also included is a £0.4m charge in respect of deferred consideration associated with the acquisition of the Energylinx businesses which is deemed to be remuneration related. The £0.6m of transaction costs relate to fees associated with the acquisition of Energylinx Limited and Energylinx for Business Limited, which completed in June 2018.

Adjusted operating profit, Adjusted EBITDA and Profit before tax

	2018 £m	2017 £m	Movement £m	Movement %
Revenue	**152.6**	149.2	3.4	2.3
Total marketing spend	**(80.1)**	(88.8)	8.7	(9.7)
Administrative expenses excluding adjusting items, depreciation, amortisation and loss on disposal	**(26.2)**	(23.2)	(3.0)	12.9
Adjusted EBITDA	**46.3**	37.2	9.1	24.4
Depreciation and amortisation	**(2.3)**	(1.2)	(1.1)	91.7
Adjusted operating profit	**44.0**	36.0	8.0	22.2
Amortisation of acquired intangibles	**(2.3)**	–	(2.3)	(100.0)
Foundation Award share-based payment charges	**0.0**	(2.0)	2.0	100.0
Integration, restructuring and other corporate costs	**(3.6)**	–	(3.6)	(100.0)
Transaction costs	**(0.6)**	(1.0)	0.4	(40.0)
Operating profit	**37.5**	33.0	4.5	13.6
Net finance costs	**(3.2)**	(2.3)	(0.9)	39.1
Share of loss of associate	**(0.5)**	–	(0.5)	(100.0)
Profit before tax	**33.8**	30.7	3.1	10.1

Operating profit increased by 13.6% to £37.5m. Adjusted operating profit, calculated as operating profit for the year after adding back adjusting items increased by 22.2% to £44.0m. Adjusted EBITDA for the year, calculated as Adjusted operating profit after adding back depreciation and amortisation, increased by 24.4% to £46.3m.

Depreciation and amortisation charges (excluding amortisation of acquired intangibles) increased by £1.1m to £2.3m in 2018 (2017: £1.2m). This reflects the increase in capitalised internal development costs during the year as the Group invested in tech and product innovation such as the new weflip proposition. These costs are amortised over a three year period from the point at which the asset is brought into use, hence the increase in depreciation and amortisation costs in the year.

The Group incurred net finance costs of £3.2m during the year, an increase of £0.9m (2017: £2.3m) as a result of having a higher average debt in 2018 compared to 2017 following the drawdown of funds under the revolving credit facility in order to part finance the acquisitions.

Following the Group's increased investment in MortgageGym Limited on 30 July 2018, this investment is now classified as an associate. The Group's share of their losses from 30 July to 31 December 2018 is £0.5m.

Profit before tax of £33.8m has increased by £3.1m (2017: £30.7m).

Income tax expense

The Group's tax charge of £6.8m represents an effective income tax rate of 20.1%. This is higher than the current UK corporation tax rate of 19.0% due to the effect of acquisition related costs which are not deductible for tax purposes.

Earnings per share

	2018 (pence per share)	2017 (pence per share)	Movement (pence per share)
Basic earnings per share	**6.5**	5.8	0.7
Adjusted basic earnings per share	**7.8**	6.5	1.3
Diluted earnings per share	**6.3**	5.7	0.6

Basic earnings per share for 2018 is 6.5 pence compared to 5.8 pence for 2017. Adjusted basic earnings per share, which excludes the effect of adjusting items, is 7.8 pence, an increase of 1.3 pence (20%) on 2017 and better reflects the earnings generated by the underlying business.

Cash and leverage

	2018 £m	2017 £m
Net cash generated from operating activities	**35.5**	25.4
Purchase of intangible and tangible fixed assets	**(8.2)**	(2.3)
Purchase of subsidiary investments	**(45.6)**	–
Purchase of equity investments	**(1.3)**	(2.5)
Cash acquired on acquisition	**1.3**	–
Net cash used in investing activities	**(53.8)**	(4.8)
Repayment of borrowings	**(19.0)**	(10.0)
Proceeds from borrowings, net of transaction costs	**33.5**	–
Interest paid	**(2.4)**	(1.6)
Dividends paid to owners of the parent	**(6.3)**	(2.9)
Net cash generated from / (used) in financing activities	**5.8**	(14.5)
Net (decrease) / increase in cash and cash equivalents	**(12.6)**	6.1
Cash and cash equivalents at beginning of year	**24.5**	18.4
Cash and cash equivalents at end of year	**11.9**	24.5

The Group delivered a strong operational cash flow of £35.5m during 2018 (2017: £25.4m) and at the year-end had cash of £11.9m (2017: £24.5m), with net debt of £67.5m (2017: £39.4m). Net cash used in investing activities increased by £49.0m to £53.8m (2017: £4.8m), reflecting £45.6m spent on the purchase of subsidiary investments (2017: nil) and a £5.9m increase in spend on intangible and tangible assets to £8.2m (2017: £2.3m) as the Group has invested in the internal development of software and services such as the technology underpinning the new weflip proposition.

	2018 £m	2017 £m
Borrowings	**(79.4)**	(63.9)
Cash and cash equivalents	**11.9**	24.5
Net debt	**(67.5)**	(39.4)
Adjusted EBITDA	**46.3**	37.2
Leverage	**1.5**	1.1

The Group's leverage at 31 December 2018 was 1.5x Adjusted EBITDA, an increase on the 1.1x at the end of 2017, reflecting the drawdown of borrowings during the year to part fund the acquisitions. The leverage was well within the banking covenants. The Board does not target a specific leverage ratio but instead looks to optimise the capital structure of the Group, ensuring that cash is available for investments in opportunities that will drive shareholder value over the medium term as well as for paying dividends in line with the dividend policy.

Balance sheet

	2018 £m	2017 £m
Non-current assets	**59.6**	8.7
Trade & Other Receivables	**27.0**	18.7
Cash and cash equivalents	**11.9**	24.5
Current assets	**38.9**	43.2
Total Assets	**98.5**	51.9
Borrowings	**44.7**	54.1
Other non-current liabilities	**3.1**	0.4
Non-current Liabilities	**47.8**	54.5
Trade and other payables	**23.4**	17.8
Borrowings	**34.7**	9.7
Other current liabilities	**4.6**	4.0
Current Liabilities	**62.7**	31.5
Total Liabilities	**110.5**	86.0
Ordinary Shares	**0.1**	0.1
Share premium	**2.7**	2.7
Retained earnings	**(14.8)**	(36.9)
Total Equity	**(12.0)**	(34.1)
Total equity and liabilities	**98.5**	51.9

The Group's non-current assets of £59.6m (2017: £8.7m) rose in the year following the purchases of The Global Voucher Group Limited (£36.9m) and the Energylinx businesses (£8.7m) in January and June 2018 respectively. The majority of these investments is split between goodwill and intangible assets. £8.2m of non-acquisitive capital expenditure and an additional £1.3m investment in MortgageGym Limited have also increased the balance, the latter becoming an investment in associate as the Group's share in that business grew to 26%.

Financial Review
continued

The increase in trade and other receivables to £27.0m (2017: £18.7m) is also reflective of the investments made. In addition to an increase arising as a result of the Group being larger, both acquired businesses have a longer working capital cycle than GoCompare.com, further increasing the Group's assets. Consequentially, Energylinx's position as a white label provider to other energy switching sites has also contributed to the increase in trade and other payables to £23.4m (2017: £17.8m).

Non-current borrowings of £44.7m (2017: £54.1m) have decreased as the Group paid off a further £10m in line with the requirements under the facility agreement. Current borrowings increased to £34.7m (2017: £9.7m) as the Group combined its own cash generation with a draw down on its RCF to facilitate the purchase of the investments.

Dividends

The Group declared and paid an interim dividend of £3.3m, equivalent to 0.8 pence per share. A final dividend of 0.8 pence per share has been recommended by the Board, which will be subject to shareholder approval at the AGM. Subject to this approval, the pay-out in respect of 2018 will be 20.6% of profit after tax (excluding adjusting items and their tax effect). The Group maintains a target dividend pay-out ratio of 20%–40% of post-tax profits.

Nick Wrighton
Chief Financial Officer

Investing in our people

Fostering an environment of opportunity

We don't want #LifeAtGoCompare to be a chore. We want our team to be motivated, engaged and know that they are working in an environment that fosters creativity and innovation.

Group structure

In 2018, we welcomed two new brands, MyVoucherCodes and Energylinx, into the Group which meant a different approach to people management practices such as engagement, talent acquisition and talent management.

During 2018, our people team spent time creating consistency across a number of key areas such as terms, policies and benefits to ensure that we have one team and one approach.

Our people

Our people are a unique bunch and pivotal to our success as a Group. It is for this reason that we spend significant time ensuring that we hire and develop the best people.

In 2018 we continued to grow the team, strengthen existing skillsets and started to build internal capabilities in areas identified as key for future success. We spent considerable time refining our internal communication methods, ensuring key messages were cascaded to the right audience at the right time, allowing our teams to feel informed and empowered.

Initiatives

During 2018 we launched a number of enhancements to our benefits following feedback from our team and a review of the external landscape. Three benefits were reviewed and modified during the launch:

- Recognition of tenure, an increased award of leave for three, five and ten years' service;
- Flexibility in leave, the ability to buy and sell leave; and
- Increased reward opportunity adjustment to the maximum reward for excellent performance.

The refresh of our benefits package was not only important to existing staff retention but an important part of creating a compelling and competitive proposition to attracting quality talent.

As well as increasing the maximum outturn for all-employee bonus, we took the opportunity to link reward to Group financial performance. For the 2018 financial year onward, a portion of all-employee performance-related pay is linked to the financial performance of the Group. As a business we felt it was important to align the interests of our teams with the interests of our shareholders and linking reward to business performance allowed us to do just that.

It's not what you do but the way that you do it

When reviewing all-employee bonus, we also took the opportunity to formally link reward to behaviours and values.

In 2017, the Group spent considerable time resetting norms and focusing on what behaviours and values we wanted to live by. Through 2018 we formally made the link between behaviours and values and annual reward to ensure that what was being delivered was delivered in a way that is in keeping with our Group values.

Evolution of values

Impatience!

We are impatient to deliver improvements.

We are impatient to save our customers money.

We are impatient to succeed.

Standing still is not something that we are good at. Evolving our ways of thinking and working on the other hand, that's more our bag. In a competitive market, adapting our ways of working is pivotal to the way we deliver. Making a step-change to an ingrained culture is the start of our journey.

In late 2018, a small group of people got together to brainstorm the impossible: making ways of working at GoCompare even more effective, to deliver the next stage of our ambitious plans to save people everywhere time and money.

It was at this meeting an idea was born. Rather than five or six corporate values and behaviours, why not one virtue that encapsulates them all? Impatience! We are impatient to deliver improvements, we are impatient to save our customers money, we are impatient to succeed.

If the only thing that we could get our team to do was to think and act impatiently, we knew we would be set to deliver great things.

The team were impatient to deliver the virtue of impatience and created five key streams to ensure the virtue was launched, adopted and reflected within our performance management framework and our cultural norms, such as our town halls and celebrations.

Engaging our team

We recognise that a workforce who are bought-in to our mission, vision and brand will deliver and be more productive. We spend significant time and resource ensuring that we have engagement from across the Group through structured communication and events.

Engagement with Board and leadership

Throughout 2018 each of our Non-Executive Directors have spent time in the business either holding lunch-and-learn sessions or delivering thought provoking talks as part of our Think Like a Leader series.

Every month, our CEO hosts 'A Coffee with Matthew' allowing our team members the opportunity to get to know the man behind the title and ask the really awkward questions that they want answers to. These sessions give Matthew the opportunity to understand the team and what they care about.

Investing in our people
Fostering an environment of opportunity continued

Once a quarter we hold a company 'all-hands', which is a quick-fire way to exchange updates and business successes. All-hands are run by the leadership team and provide an opportunity for team members to understand broader business performance.

Engagement with the brand

Every business wants a team of brand advocates and we are no exception. We give considerable effort to educating our team on improvements to product journeys, lunch-and-learn sessions and celebrating the completion of key milestones in projects.

In October 2018 we launched weflip, our first new brand since the inception of GoCompare. As a disruptor to the market and a concept that was still relatively new, we knew it was important to have a team of ambassadors of the service in-house. Through a multi-faceted communication plan and a bit of friendly competition, weflip was launched to the business. To engage our team in the service, we put a holiday up for grabs for the savviest saver.

Engagement with the role

Enjoying your job and to be working on something that is meaningful and purposeful is key to engaging team members. All of our roles are designed to provide just those things. Through our job design and grading methodology, we ensure that each role gives both the Group and our team something of value.

Stretching objectives that challenge the norm also form part of our strategy on role engagement. Having a direct link to how a role's contribution helps deliver against the Group strategy provides high role engagement.

Doing what's right, the GoCo way

From marathons to mountains, from mud to miles, all across the Group individuals and teams have challenged themselves and pushed themselves to the limit, raising money for worthy causes.

Leading the fundraising this year was Matthew Crummack, CEO, who ran the Newport Marathon, with members of the wider team joining him for the 10K section. Those who took part raised £4,000 for Noah's Ark Children's Hospital.

We also saw members of the team cycle over 1,000 miles between them for the St. David's Foundation 'Tour De Gwent', raising over £2,000 to support the fantastic work the charity do in providing palliative care.

In June, and the hottest day of the year, 38 people from across the Group eagerly set off on an adventure of a lifetime – to walk the three highest mountains in Wales in just one day. The team smashed their fundraising target of over £6,500 for Ty Hafan Children's Hospice, thanks to the support of all their friends, family and office fundraising.

Our final large team event of the year was Tough Mudder and they certainly call it tough mudder for a reason! Together the team battled the obstacles and mud to raise over £1,000 for Help for Heroes.

The sense of achievement, motivation and overall team spirit gained from these events demonstrates how we support each other and can all pull together to help others. #LifeAtGoCompare is about friendship, family and achieving goals together.

Over the year we have supported over 100 charities and community groups, giving £36,000 in donations and sponsorships to worthy causes and groups. Within this we have donated £18,000 through our employee charity nomination scheme – GoCoGiving.

Mental health has been an important focus for us this year. We've supported Mental Health Awareness week and days, demonstrating that it's okay to talk.

Having a team of Mental Health First Aiders has helped ensure that we take a proactive approach to mental health issues in the workplace. By supporting mental health charities, we have enabled their great work to continue and for us to be there for our people. The team took part in #HelloYellow to show their solidarity and raise awareness for people suffering with mental health issues.

Whilst Christmas is a magical time of year, we also know that it can be a difficult time for many people. This year we launched the GoCompare Group Christmas Appeal – "Delivering Smiles This Christmas".

100+
Charities and community groups supported in 2018

£36k
Value of donations made to worthy causes in 2018 through GoCompare.com Group

Our Christmas appeal focused on bringing smiles to everyone, from the homeless and families with terminally ill children to animal charities in much need of supplies. Items ranging from warm coats and hot water bottles to toys and animal treats were donated across the Group and delivered to centres where these small acts of generosity and kindness could make a real difference. What pulls everyone together is knowing that we are doing something for others.

Raising awareness and championing the issues of under-represented groups is also something we are passionate about. In December 2018 we joined thousands of businesses, action groups and cause champions for Purple Light Up 2018 to celebrate the economic power of disabled people. Different backgrounds, experiences and mindsets make for a productive, varied and effective workforce – not only is encouraging and supporting diversity the right thing to do, it makes good business sense. Joining the Purple Light Up was our way of showing solidarity with this important cause; one that reflects our company values and champions what people can do, over what they can't.

Well-being

From flu jabs to fruit drops, awareness days to exercise classes, our For the Greater Good committee continues to ensure that we are not only a giving company, but one that focusses on the health and well-being of our people. With many activities across the group, from a vast range of onsite fitness activities, healthy eating initiatives, well-being awareness events, diversity and inclusion events, mental health support and much much more, we ensure that there's something for everyone.

That's #LifeAtGoCompare.

Investing in our people

GoFurther

The GoFurther Academy is comprised of four key areas: internships, graduate schemes, apprenticeships and work placements and experience. Each area offers the opportunity to learn and grow as a professional while working on real business value-add projects.

In early 2018 we identified three core skillsets that would underpin our business plan for the mid to long term: tech, data science and digital marketing.

Tech

As a tech business, attracting and retaining high quality engineers is key. Competition for engineering skillsets is at an all-time high and so we decided to take a slightly different approach.

We teamed up with Aston University to deliver the BSc Hons in Digital and Technology Solutions degree. The degree itself was customisable to what we needed as a business and allowed us some control over the direction of learning. Aston have a proven track record of delivering programmes in collaboration with business and were set for the challenge.

As a pilot, we agreed upon an initial intake of five students. The proposition was simple, a degree without debt. We would provide five students with the opportunity to undertake a degree apprenticeship with Aston University, fully funded by GoCompare, as well as offering them a paid role within our tech team.

During the selection process we explained the proposition to prospective school leavers and educational establishments alike. We interviewed a number of students from across South Wales all of whom were raring to get stuck into the opportunity in front of them.

In August 2018 we selected our first five students and sent them on their way to start their boot camp with Aston University. The trainee engineers spent their first eight weeks learning the essentials of engineering and programming before coming back to join us for the rest of their study remotely in our head office in Newport.

Data science

As a customer-centric business whose only driver is to save customers time and money, data is a pretty big deal.

During 2018 we partnered with 16 other businesses within South Wales to offer a two-year postgraduate internship. Students spend eight months with three different employers from the group of 16 to work on data-driven projects linked to their study. At the end of the two-year programme, students will be offered the opportunity to apply for a data science role within each business.

Digital marketing

Finding great marketers with the right knowledge and skillset to take our service to a competitive market is a pretty big task.

During 2018 we laid the foundations with local educational partners to craft a degree specifically focused on digital marketing within GoCompare.

Investing in our people

Eye-popping talent

GOING FURTHER!

GoFurther ACADEMY

The GoFurther Academy was designed to solve an issue that every business faces: how to ensure that we have a continual and sustainable talent stream for the mid to long term future.

Conventional talent pipelining and recruitment methods only go so far and offer limited assurance when factoring in the competition for talent.

We recognised as a Group that if we want to be confident in the skills available to us in the future, we would have to develop it ourselves through a blend of different education and placement opportunities.

Three

identified skill sets

Our core skillsets underpin our business plan for the mid to long-term future: tech, data science and digital marketing.

Four

key areas

The GoFurther Academy is comprised of four key areas; internships, graduate schemes, apprenticeships and work placements.

> **“Our GoFurther initiative reflects our ongoing commitment to developing talent in our area, closing any diversity gaps, and putting South Wales on the map as a UK tech hotspot.”**

Lee Griffin
Chief Revenue Officer
GoCompare.com Group plc

Investing in our people
Eye-popping talent
continued

Meet some of the students...

Vishal

Tell us a bit about you
My name is Vishal and I am currently studying on the degree apprenticeship programme at Aston University sponsored by GoCompare. When I am not studying, I enjoy travelling and meeting new people. I also like to play sports, such as five-a-side on weekends with my friends.

What were your thoughts when you first heard about the opportunity?
When I first heard about the opportunity, I thought it was too good to be true, but after meeting everyone and asking some questions about the teaching, I discovered that the methods align perfectly with how I learn best. There is a great balance of theoretical and practical work.

What was it like going through the process?
I learnt a great deal about the business and what it means to be "top in tech".

What does it mean to you to have been accepted onto the course?
This is an amazing opportunity which will help me to develop new skills.

If you had the opportunity to speak to people considering going to university through the conventional route now, what would you say to them?
Going to university through the conventional route is good but not for everyone. If you learn by doing things differently, such as on the job, a degree apprenticeship may be a better option for you.

Why GoCompare?
GoCompare is a household name that everyone knows. The chance to be part of such a flexible and thriving organisation excites me greatly.

Hayley

Tell us a bit about you
My name is Hayley, I'm 21 and I'm from Cardiff.

What were your thoughts when you first heard about the opportunity?
I was amazed to find such a great opportunity, especially right here in South Wales. The experience working with the company as well as studying for a degree sounded invaluable.

What was it like going through the process?
Initially applying was quite daunting, purely because of how good of an opportunity was in front of me. However, from then on, the whole experience was great! From my telephone interview to the group assessment, I felt so comfortable. I really got a feel for how the company operates and I knew I wanted to be a part of it.

What does it mean to you to have been accepted onto the course?
It is such an amazing feeling knowing that I was lucky enough to be successful with my application. It's great to be chosen to be part of a company who are willing to invest in and support my future. Everyone has been highly supportive, right from the initial step of applying, and I cannot wait to see what is to come.

If you had the opportunity to speak to people considering going to university through the conventional route now, what would you say to them?
I would say to make sure you have researched and considered all routes available to you. Different routes work for different people, but the blended working and learning approach is not spoken about enough! Although it takes slightly longer to complete, the experience you can gain working with a company can really help you further down the line. I would also hope to encourage more girls to look into them, especially in STEM related subjects.

Daniel

Tell us about you
My name is Dan. In my spare time I enjoy watching movies, following the rugby and playing video games. I also enjoy sports and am currently completing the NHS couch to 5K challenge.

What were your thoughts when you first heard about the opportunity?
I thought that this is the best opportunity I had heard of and I didn't stand a chance of getting it. However, it was an opportunity I just couldn't pass up on.

What was it like going through the process?
I initially found out about the programme when GoCompare visited my college. I was able to ask any questions I had face-to-face before applying. The process certainly put us through our paces.

What does it mean to you to have been accepted onto the course?
Fantastic. An opportunity to build new skills and grow my confidence.

If you had the opportunity to speak to people considering going to university through the conventional route now, what would you say to them?
I was always told that the only way to get a decent job was through university. I find that I learn better getting hands on and with an apprenticeship you pick up invaluable experience that employers want along with your grades. If you learn better doing something instead of being sat in a lecture, then it's a route to consider.

Why GoCompare?
To be part of something that is well recognised and expanding is exciting to me.

Investing in our people
Diversity

Primarily, diversity is delivered through inherent traits like gender, ethnicity, age, disability, sexual orientation and nationality, but acquired traits including experience and education also need to be considered. Both are important for us to deliver a high-performing organisation.

Our employees are fundamental in driving the business forward with their unique skills and passion, helping us to differentiate ourselves from our competition, as well as dictating the tone, pace, success and essence of our company.

We aim for our employees, and the way they're organised, to be a competitive advantage for GoCompare. It's important that they reflect the population as a whole, so we can garner as many different points of view and experiences as possible, to better understand and serve our customers.

Inclusion and diversity increases creativity, delivers innovation, improves performance and better serves our customers. We firmly believe in the ethos that companies with greater diversity perform better than others.

We have already worked on acquired traits selection, for example by making senior-level appointments which improve diversity from a sector, function and geographic perspective, while developing a culture of openness, continuous change and opportunity.

Managing diversity
We feel it is everyone's responsibility to play an active part in the development of an inclusive and diverse team. To help channel our efforts, a diversity and inclusion council was established to monitor and track performance and provide a forum to regularly discuss issues.

The diversity and inclusion council's key purpose was clear: making GoCompare a place that is representative of our external environment where people can be their authentic self.

During 2018 we focused on three key worksteams: gender, disability and mental health, and Pride. Each workstream was assigned a business leader who set about defining the remit of the workstream and key deliverables.

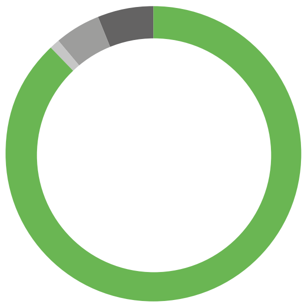
Recruiting diversity
When looking to move the dial on diversity, we knew our approach to attracting talent needed to be reviewed. Whilst recruiting is a pretty big channel for increasing diversity throughout the organisation, we were clear and unequivocal that we would not implement quotas. The best person for the job will always get the job.

Our position on quotas meant we had to focus on driving a more diverse talent pool through the recruitment funnel and review our recruitment practices to remove both real and perceived barriers.

As part of our review we implemented gender identifying language software. Whilst not an exact science, the software identifies language within job descriptions and adverts that is biased toward one gender and provides neutral substitutions. During our initial testing of the software, one role that had attracted an all-male application list flipped to having eight female applications one after the other following a review of the job description via the software.

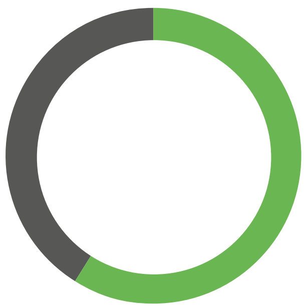
In a bid to tackle unconscious bias, we took the step to introduce blind CVs. Our hiring managers now only have access to work history and competency metrics. The removal of information pertaining to gender, parental status, religion, race or socio-economic factors has been received well and has helped move the needle of diversity in candidates to interview.

Ethnic diversity as of December 2018



White	88%
Black	1%
Asian	5%
Not specified/ other	6%

Gender diversity as of December 2018



Male	59%
Female	41%

Investing in our people
Diversity
continued

Developing diversity
Mobilising diverse talent through the organisation is key for us ensuring diversity at all levels of the business. Our first mentoring programme concluded in 2018 with positive feedback received from all mentees. Our mentoring programme seeks to foster talent development through regular meetings and goal-setting.

Our approach to succession planning also saw a revamp, with a requirement placed on all managers to identify both male and female successors for key roles, with corresponding development plans put in place.

Rewarding diversity
As part of the parenting workstream, focus groups were held to understand the barriers and challenges faced by new and soon to be parents. Our employees attended in their droves and used the sessions to tell us what would really make their journey as a new or returning parent easier.

As a direct result of these sessions, the Group implemented a number of changes to our family friendly policies. Firstly, we revamped all of our policies to make them more accessible to users. Secondly, we removed some of the barriers surrounding pre-birth and adoption meetings that were legacy arrangements from previous years. Finally, we decided to take a bold move on pay. One of the recurring issues for new and returning parents was the struggle between the financial pressure of being a parent and the want to provide care for as long as possible.

We took the decision to change all family friendly pay to nine months' full pay. We also wanted to support secondary care givers and increased our paternity and secondary care giver leave from two to four weeks' full pay.

The changes were implemented in early 2018 and have been well received. The business has also seen an increase in the number of fathers and secondary care givers utilising the shared parental leave policy as a direct result of these changes.

Supporting diversity
Creating an environment where everyone feels that they can be their authentic self is within our gift, but for millions of people, being their authentic self isn't a choice. As a Group, we've stood with team members and showed our support to raise awareness and celebrate difference.

In August we took part in Cardiff Pride, celebrating the LGBTQ+ community with colleagues from across the Group. In December of 2018, we took part in Purple Light Up 2018 to celebrate the economic power of disabled people. Different backgrounds, experiences and mindsets make for a productive, varied and effective workforce – not only is encouraging and supporting diversity the right thing to do, it makes good business sense. Joining the Purple Light Up was our way of showing solidarity with this important cause; one that reflects our company values and champions what people can do, over what they can't.

Corporate Governance

Chairman's Introduction

The Board is committed to ensuring our governance framework continues to evolve to meet the needs of the Group, while supporting the delivery of our strategy.

"We have a strong, highly engaged and collaborative Board with a wide range of experience and perspectives."

Sir Peter Wood
Chairman

Dear Shareholders,

I am pleased to present the Group's Corporate Governance Report for the year ended 31 December 2018.

As Chairman, I have overall responsibility for ensuring that the Board operates effectively and efficiently with a high standard of corporate governance enabling the long-term success of the Group. Within this Corporate Governance Report, we will describe how the Group has complied with the UK 2016 Corporate Governance Code, illustrate how the Board and its Committees have operated during the year and how the Board has overseen the stewardship of the Group's activities whilst considering the best interests of shareholders and wider stakeholder groups.

Enhancing a first-class Board

We have a strong, highly engaged and collaborative Board with a wide range of experience and perspectives, which has been further strengthened by the appointment of Joe Hurd. The Board provides support and challenge to management, including oversight on governance, financial controls and risk management.

The Nomination Committee continues to review the skills and experience of the Board and Executive Directors to ensure that the right leadership is in place to enable the Group to deliver on its strategy.

Governance and culture

There have been numerous developments in relation to corporate governance over the past 12 months. In this ever-changing environment we are committed to ensuring our governance framework continues to evolve to meet the needs of the Group, while supporting the delivery of our strategy.

The Board and I welcomed the introduction of the 2018 UK Corporate Governance Code (the new Code) and supporting guidance, which was published in July 2018. We were pleased that the Group already largely complies with many of the provisions contained in the new Code. The Board has adopted a proactive approach to implementing the new requirements and we will work to ensure compliance with the provisions of the new Code.

Wider workforce engagement
To further engage the wider workforce we have reviewed our current initiatives and will formalise an enhanced engagement programme during 2019 to further encourage greater Board engagement with the workforce. This will provide the Board with key updates on employee engagement surveys, diversity and inclusion initiatives and a number of other key engagement indicators. The Board looks forward to developing these initiatives to help increase their understanding of employees' views and opinions and we look forward to reporting on these next year.

Diversity and inclusion
Diversity in the Boardroom and throughout the organisation is key to the long-term success of the Group. We currently have 37.5% female representation on the Board and will continue to review and assess the diversity of the Board to ensure we have a broad range of experience and opinions. Further details of our commitment to diversity and inclusion through the Group are set out on pages 29 to 36.

Performance evaluation
An internal evaluation was conducted on the Board's effectiveness and that of its Committees by the Company Secretary in conjunction with myself. The evaluation confirmed that the Board is strong and dynamic with Directors demonstrating behaviours which support the strategic direction, vision and culture of the Group. Details on the effectiveness of the Board's Committees are given in each of the Committee reports.

Shareholder engagement
Ongoing engagement with shareholders is fundamental to the long-term success of the Group. During 2018, we continued to communicate regularly with existing and potential shareholders. I personally welcomed direct engagement with shareholders, and was pleased to meet both individual shareholders and large institutional investors to discuss the business and the Group strategy.

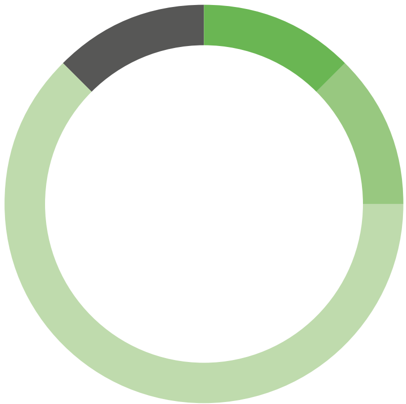
The AGM also provides a valuable opportunity for our shareholders to meet our Board and senior management and on 20 March 2019 we will host our first Capital Markets Day to provide further detail of the Group. We encourage as many shareholders as possible to attend and welcome ongoing engagement with our shareholders.

The year ahead
For 2019, we will continue to build on the foundations set this year to grow a fast-paced technology, focused business and we remain fully committed to delivering our mission to help people everywhere save time and money.

Finally, I would like to thank my fellow Board members, management and colleagues for their hard work and dedication, in what has been a transformative year for the Group.

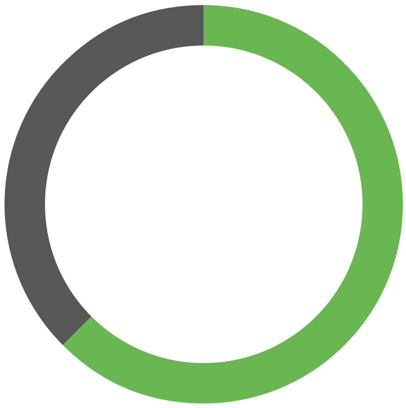
Sir Peter Wood
Chairman

Director Tenure



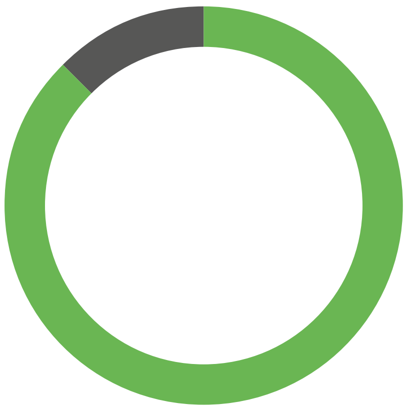
0–1 year 12.5%
1–2 years 12.5%
2–3 years 62.5%
3–4 years 12.5%

Male/Female



Male 62.5%
Female 37.5%

Nationality



British 87.5%
American 12.5%

Meet the Board

Strong leadership

GoCompare has a highly experienced team of Directors with a wealth of experience across a diverse range of industries, markets and professions.

Sir Peter Wood
Chairman

N

Appointment to the Board
Sir Peter Wood was appointed Chairman of GoCompare in September 2016, prior to its demerger from esure Group plc in November 2016.

Career
Peter is a renowned insurance entrepreneur and founded the esure Group in February 2000 and has served as esure Group plc's Chairman since that date. He served as esure Group's Chief Executive Officer from April 2006 until February 2012.

Skills and experience
Previously, Peter founded the Direct Line general insurance business in 1985. He built up Direct Line to become the UK's largest ever private motor insurer and direct home insurer and one of the UK's leading direct financial services brands. Peter retired as Chairman of Direct Line in June 1997.

In 1996, Peter was awarded a CBE for services to the UK financial services industry and, in June 2016, was made a Knight Bachelor in the Queen's 90th birthday honours list for his services to UK industry and philanthropy.

Matthew Crummack
Chief Executive Officer

Appointment to the Board
Matthew was appointed to the Board of GoCompare in June 2016 when he became Chief Executive Officer of the Company.

Career
Matthew was Chief Executive Officer of lastminute.com from 2011 until the business was acquired by lastminute.com Group (previously Bravofly Rumbo Group) in March 2015. Post-acquisition, he served as Deputy Chief Executive Officer and Chief Integration Officer until 31 December 2015.

Skills and experience
Matthew was formerly a Senior Vice President of Global Lodging at Expedia, has previously worked for Nestlé UK Limited, and spent eight years at Procter & Gamble in a variety of UK and European sales and marketing roles. In May 2015, Matthew became a Non-Executive Director of National Express plc and is a member of the Remuneration & Safety and Environment Committees. He is also a Director of his own UK-based company, Interventus Limited.

In June 2016, Matthew was awarded an Honorary Doctor of Science from Aston University in recognition of his achievements as an alumnus.

Nick Wrighton
Chief Financial Officer

Appointment to the Board
Nick joined GoCompare as Chief Financial Officer in September 2016.

Career
Nick is a Chartered Accountant and was Deputy Chief Financial Officer at esure Group plc from January 2014, having joined in June 2012 as Group Financial Controller.

Skills and experience
Nick was part of the esure Group plc team that guided esure Group plc's flotation on the London Stock Exchange in 2013 and worked on the acquisition of the remaining 50% of GoCompare in 2014.

Prior to joining esure Group plc, Nick spent five years at Brit Insurance, where he held a number of finance roles including Financial Controller for Brit Insurance Limited, and seven years at RSA Group plc.

Zillah Byng-Thorne
Non-Executive Director

A N R

Appointment to the Board
Zillah was appointed to the Board as a Non-Executive Director in September 2016.

Career
Zillah is currently Chief Executive Officer of Future plc, having previously served as Chief Financial Officer. Prior to this, she was Chief Financial Officer of Trader Media Group from 2009 and interim Chief Executive Officer until July 2013, Chief Financial Officer of Fitness First Group Limited from 2006 to 2009, and Chief Financial Officer of the Thresher Group from 2002 to 2005.

Skills and experience
Zillah was appointed as a Non-Executive Director and a member of the Audit Committee and Nomination Committee of Paddy Power Betfair plc in February 2016. Zillah was previously a Non-Executive Director of Betfair Group plc prior to its merger with Paddy Power plc.

Zillah has held a number of senior finance positions with GE Capital and HMV Media Group, qualified as an accountant with Nestlé UK Limited, and was a Non-Executive Director of Mecom Group plc from 2011 until February 2015.

(A) Audit and Risk Committee
(N) Nomination Committee
(R) Remuneration Committee
● Denotes Committee Chair

Joe Hurd
Non-Executive Director

(N) (R)

Appointment to the Board
Joe was appointed to the Board as a Non-Executive Director in February 2018.

Career
Joe is the Senior Vice President, Business Development for Techstars, a network helping entrepreneurs succeed. He is also on the global advisory board of Edelman, a communications and public affairs firm. Joe is a Silicon Valley-based angel investor and entrepreneur, serving on the advisory boards of a number of technology companies, including Pactio.us (community journalism) and Cabture, a digital media company.

Skills and experience
Prior to Techstars, Joe was the Director of Emerging Business at Facebook. Between 2009 and 2012 Joe was an Obama Administration appointee in the Commerce Department and serving on the White House Business Council. Joe held senior executive roles at Gannet, Videoegg, Friendster and AOL. He started his professional career in London as a corporate securities lawyer at Linklaters.

Joe is a member of the Council on Foreign Relations and the Trilateral Commission and the Chair of the Board of Directors of Bullis Charter School. He received an A.B. cum laude from Harvard, an M.I.A from Columbia, and a J.D. from Harvard Law School.

Angela Seymour-Jackson
Deputy Chairman and Senior Independent Director

(R) (A) (N)

Appointment to the Board
Angela was appointed as the Deputy Chair and Senior Independent Director of the Board in September 2016.

Career
Angela is a Non-Executive Director of Henderson Group plc, as well as the PageGroup plc and Rentokil Initial plc where she is a member of the Remuneration and Audit Committees and the Remuneration Committee, respectively.

Skills and experience
From December 2012 until September 2016, Angela was Managing Director of Workplace Savings at Aegon UK. She was also a member of Aegon UK's Independent Governance Committee. Prior to joining Aegon UK, Angela held a variety of senior sales and marketing roles at Norwich Union Insurance, General Accident, CGNU and Aviva, including running Aviva's direct to consumer personal lines insurance business as well as a Senior Adviser to Lloyds Bank (Insurance) from November 2016 to November 2017. From 2015 to December 2018, Angela was a Non-Executive Director of esure Group plc and member of the Remuneration Committee and its Risk Committee.

Angela was Chief Executive Officer of RAC Motoring Services from 2010 to 2012 and led the sale of that business to The Carlyle Group.

Dr Ashley Steel
Non-Executive Director

(A) (R)

Appointment to the Board
Ashley was appointed to the Board as a Non-Executive Director in September 2017.

Career
Ashley is a Non-Executive Director on the Board of National Express plc and a member of the Safety & Environment, Remuneration and Audit Committees. In addition, Ashley is the Member for England and Non-Executive Director on the BBC Board.

Skills and experience
Ashley is a former Vice Chairman at KPMG and was Global Chair for its transport, leisure and logistics practice. She was also Global Executive Partner for the firm's media, technology and telco practice and was based in Silicon Valley, California. Ashley also served on the international business advisory board at British Airways. She has significant international experience, and has advised FTSE/Fortune 500 boards across multiple sectors, including professional services, technology, media, business services and healthcare. Until recently, she was a Board member of the Civil Aviation Authority and Ince & Co, international law firm.

Ashley has a PhD in management from Henley Business School and was a founding member of the global advisory board for Out Leadership, a New York-based organisation that seeks to raise awareness of LGBT business issues among Chairmen and CEOs.

Adrian Webb
Non-Executive Director

(N)

Appointment to the Board
Adrian was appointed to the Board as a Non-Executive Director in July 2015, having worked with GoCompare extensively since esure Group plc's first investment in the Company.

Career
Adrian is Chairman of LAB, a London digital marketing agency. He served as Head of Group Public Relations with Direct Line, then Head of Communications with Virgin's banking arm, before joining award-winning London consultancy Consolidated Communications as Strategy Director in 2000.

Skills and experience
Adrian has 30 years' experience in marketing and communications including 20 years with major financial services brands. Adrian joined esure Group plc in 2002, becoming Head of Marketing and Communications. He was part of the esure Group plc team that guided the Company's MBO in 2010 and flotation on the London Stock Exchange in 2013. He served in 2016-2017 as a Non-Executive Director of Gas Tag Limited, winners of New Business of the Year Award at the 2018 National Business Awards.

Executive Team

Our Executive team is responsible for day-to-day management of the business and is dedicated to helping people everywhere save time and money.

Lee Griffin
Chief Revenue Officer

Lee is one of the founding members of GoCompare and has been with the Company since its inception. He has vast experience of business development, partner relationships and product innovation.

Lee has spent over 20 years in the insurance industry, and during the last 14 years he has played a pivotal role in the rise of price comparison websites.

Before helping to start GoCompare he worked for Admiral in various business critical roles, culminating in being part of the team that launched Confused.com.

Jackson Hull
Chief Operating and Technology Officer

Jackson has many years' experience working at the leading edge of technology and software development. He is also a mentor and investor, advising start-up companies in London and San Francisco.

Previously he was CTO at Student.com, leading a global team and building the foremost global marketplace for student accommodation, and at onefinestay (acquired by Accor hotels in 2015), where he and his team rebuilt the product and experience.

He co-founded Chatterfly, a mobile start-up, which was acquired by San Francisco-based Plum District, the leading daily deal company for mums in the USA. Jackson went on to become Chief Technology Officer at Plum District, which was subsequently acquired by nCrowd.

Earlier in his career, Jackson acted as Chief Technology Officer and Vice President Product Development, as well as a software developer, at VC-backed Sitoa, the largest US SaaS drop-ship platform provider.

Jackson has a degree in Mechanical and Material Science Engineering from the University of California, Davis, and a Masters in Information Systems from the University of California, Berkeley, both awarded with honours.

Nick Edwards
Chief of Staff, General Counsel and Company Secretary

Nick is a hugely experienced lawyer and has operated at the highest levels of corporate governance and development. Prior to joining GoCompare Nick spent nine years at esure Group plc, where he was appointed as Head of Legal before being promoted to General Counsel and then Company Secretary. While at esure Group plc he led the Company's IPO in 2013, as well as the demerger of GoCompare from esure Group plc in 2016. He was also a member of esure Group's executive and operational executive committees.

After qualifying as a lawyer in 1998, Nick spent six years with a City law firm and was also Principal Legal Counsel at a European media group. At GoCompare Nick has overall responsibility for our governance functions, including legal, company secretariat, compliance and risk. He also leads our people-focused teams, including human resources and internal communications.

Zoe Harris
Chief Marketing Officer

Zoe is a marketer who gets a real buzz from understanding what makes mainstream Britain tick, editorialising brands to make them part of popular culture – talked about on social media and in the face-to-face conversations that take place at the kitchen tables, school gates and pubs of Britain.

Prior to joining GoCompare, Zoe was Group Marketing Director at Reach plc, one of the largest multimedia publishers in the UK, where she was responsible for building its portfolio of national newspapers, 130 regional newspapers and over 100 digital products.

Throughout her career, Zoe has led teams to build well-known brands such as The Mirror, Sky, Channel 5 and MTV through a creative and disruptive approach to multi-channel marketing.

Corporate Governance Report

To deliver the Group's strategy the Board has a robust governance framework to safeguard and enhance long-term shareholder value.

Nick Edwards
Chief of Staff,
General Counsel and
Company Secretary

"Following a review of the 2018 UK Corporate Governance Code, we will broaden our existing procedures to ensure alignment with the new provisions."

Nick Edwards
Chief of Staff, General Counsel and Company Secretary

UK Corporate Governance Code

This report sets out how the Group applied the principles of the 2016 UK Corporate Governance Code (the Code) and the extent to which the Company complied with the provisions of the Code in the period from 1 January 2018 to 31 December 2018.

The Board believes that this annual report and accounts, taken as a whole, reflects a fair, balanced and understandable review of the Group, and presents a comprehensive and impartial view of the Group's business. The Board also believes that the report provides the information necessary for shareholders to assess the Group's performance, business model and strategy. We believe that the disclosure on the Group's strategy and business model set out on pages 8 to 10, and the key performance indicators that we use to measure both financial and non-financial performance, meet this requirement.

A full review of the 2018 UK Corporate Governance Code (the new Code) has been conducted and the Group already largely complies with the principles and provisions. Following the review, we will broaden our existing governance procedures to ensure alignment with the new provisions.

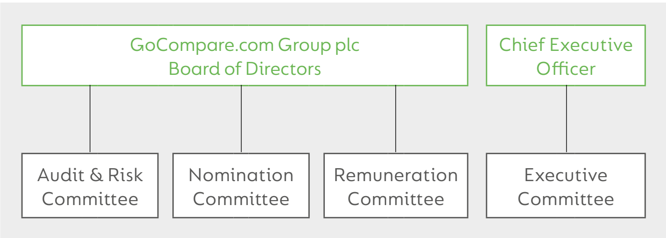
The Group will apply the new Code for the financial year ending 31 December 2019 and will report on how we have implemented the new requirements in the annual report and accounts published in 2020.

The Group also complies fully with the corporate governance requirements of the Companies Act 2006 and Financial Services and Markets Act 2000 (and regulations made thereunder) applicable to it as a result of it being an insurance intermediary.

UK Corporate Governance Code
This report sets out how the Group applied the principles of the 2016 UK Corporate Governance Code and the extent to which the Company complied with the provisions of the Code in the period from 1 January 2018 to 31 December 2018.

Corporate Governance Report
continued

Corporate governance structure



Leadership

The Board of Directors are collectively responsible for the long-term success of the Group, including setting and overseeing the implementation of strategy, helping to further the Group's mission to save people everywhere time and money.

Board composition, independence and roles

The Code recommends that at least half the Board of Directors (excluding the Chairman) should comprise 'independent Non-Executive Directors, being individuals determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Director judgement'. The Board comprises of a non-independent Chairman, two Executive Directors and five independent Non-Executive Directors. The Chairman is not considered independent as a result of his material shareholding in the Company, and because he has served as Chairman of the esure Group plc Board since 2000, details of which are provided on page 76.

The composition of the Board is subject to continual review and appointments result from a combination of comprehensive succession planning, formal and rigorous searches, responsibility for which are delegated to the Nomination Committee.

The Senior Independent Director and Deputy Chairman, Angela Seymour-Jackson, stepped down as a Non-Executive Director of esure Group plc on 19 December 2018 and in any event the Board continued to consider Angela to be independent.

As in the previous year, the Board assessed the independence of Adrian Webb in relation to his previous role as Head of Marketing and Communications at esure Group plc, which ended in 2015. Based on this assessment and when taking into consideration Adrian's extensive experience and detailed knowledge of the business, the Board considers Adrian to have independent judgement.

All Directors have access to the advice of the Company Secretary, as well as updates on developments in areas of governance, regulation and legislation. Additionally, any Director may take independent professional advice on any matter at the Group's expense in furtherance of their duties.

The role of the Board and its Committees

Governance framework

The Board has a coherent corporate governance structure with clearly defined responsibilities and accountabilities designed to safeguard and enhance long-term shareholder value and provide a robust framework to deliver the Group's strategy. In order to achieve this, the Board meets regularly and is responsible for organising and directing the Group in a manner that promotes its success and is consistent with good corporate governance practice.

Board Committees

The Board has delegated specific responsibilities to each of the Audit and Risk, Nomination and Remuneration Committees and reports for each are set out on pages 49 to 74. The Chairman of each Board Committee also reports to the Board on its proceedings after each Committee meeting, providing the Board with Committee transparency and oversight. The key policies and practices of the Group are set out in this report as well as in the reports of the Audit and Risk Committee on pages 52 to 55, the Remuneration Committee on pages 56 to 74 and the Nomination Committee on pages 49 to 50.

Each Committee has adopted terms of reference, which are reviewed on an annual basis.

Matters reserved for the Board

The Board is responsible for the Group's strategic direction and for its overall management. The Board retains a formal schedule of matters reserved for its approval, which include decisions relating to the Group's strategic direction, structure and capital and the entering into of major contracts.

In addition to a formal schedule of matters reserved for the Board, the Board is also responsible for ensuring that clear and appropriate values, ethics and behaviours are both agreed and adopted, and relevant procedures, policies and training are in place to help embed them within the business.

The Board is also responsible for effective communication with shareholders, any changes to the Board or Committee membership or structure and has authority to recommend to shareholders the Directors' Remuneration Policy. The Board delegates responsibility for day-to-day management of the business to the Chief Executive Officer and sets out the basis for delegation of authorities from the Board to its Committees.

Board meetings

The Board meets regularly and met formally six times during 2018. In addition to the scheduled meetings a number of informal meetings were held. Informal meetings include meetings between the Chairman and individual Directors, Board dinners, or meetings to discuss general governance issues and regulatory developments.

In the months where no Board meeting was due to be held, an update call was held between the CEO and Non-Executive Directors to cover key business developments and provide the opportunity to discuss emerging issues.

Specific responsibilities and attendance at Board meetings

To ensure that the Board operates efficiency and effectively, each Director has certain responsibilities in line with their role. These are explained further below, with specific examples of how they are discharged in practice provided throughout the Directors' Report.

Director	Attendance at Board meetings	Responsibilities
Chairman		
Sir Peter Wood	6/6	• Providing leadership of the Board to ensure it satisfies its duties and responsibilities. • Facilitating contribution from Directors, ensuring the meetings are effective and promoting critical discussion. • Effective operation and governance of the Board. Ensuring that the views of all stakeholders are considered and understood. • Setting the agendas to support efficient and sound decision making. • Ensuring that the Board receives clear, accurate and timely information.
Senior Independent Director		
Angela Seymour-Jackson	6/6	• Meeting shareholders on request and acting as a designated point of contact for shareholders to raise any concerns where contact through the normal channels of the Chairman or Executive Directors is either inappropriate or not possible. • Bringing any issues raised by major shareholders to the attention of the Board.
Chief Executive Officer		
Matthew Crummack	6/6	• Responsible for running the Group. • Leading the Executive Committee, which oversees operational and financial performance and any issues facing the Group. • Primary responsibility for implementing the Group strategy, including ensuring the implementation of the Group's budget and optimising the Group's resources, managing the Group's risk profile, identifying and executing new business opportunities, and for management development and remuneration.
Chief Financial Officer		
Nick Wrighton	6/6	• Group financial performance and all required reporting. • Maintaining a financial control environment capable of delivering robust financial reporting information, to indicate the Group's financial position. • Investor relations. • Leading the finance function.
Non-Executive Directors		
Zillah Byng-Thorne Joe Hurd Dr Ashley Steel Adrian Webb	6/6 6/6 6/6 6/6	• Constructively challenging and helping develop proposals on strategy including: – scrutinising the performance of management in meeting agreed goals and objectives; – monitoring the reporting of performance; – satisfying themselves on the integrity of financial information; – ensuring that financial controls and systems of risk management are robust and defensible; – determining appropriate levels of remuneration of Executive Directors; and – playing a primary role in succession planning, appointing and, where necessary, removing Executive Directors.

Board meetings continued

This mixture of formal and informal meetings has established a strong and open relationship between the Board members. Details of attendance are provided in the table above, with details of the Directors' responsibilities.

The Chairman and other Non-Executive Directors meet separately without the Executive Directors, and at least once annually the Non-Executive Directors meet without the Chairman.

Board activity during 2018

The Board has a schedule of regular business, financial and operational matters and each Board Committee has a schedule of standing items to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year.

The Chairman, aided by the Company Secretary, is responsible for ensuring that the Directors receive accurate and timely information. The Company Secretary compiles the Board and Committee papers, which are circulated to Directors in advance of meetings. The Company Secretary also ensures that any feedback or suggestions for improvement on Board papers are fed back to management.

Corporate Governance Report
continued

Setting Strategy
The Board strategy session forms an integral part of the Board's calendar and ensures that there is appropriate time and opportunity for the Board to discuss long-term challenges and opportunities for the Group and subsequently set long-term strategic direction.

The 2018 Board strategy session was conducted over two days in April 2018. As pre-reading for the 2018 strategy session, the management team provided the Board with a comprehensive analysis of the external operating environment, including information on relevant macro and industry developments. The Board discussions over the subsequent two days focused on key themes, which were used to further evolve and develop the Group's strategy.

An overview of the GoCompare Group strategy is set out on page 10 of the Strategic Report.

Performance evaluation
An internal evaluation of the effectiveness of the Board as a whole, as well as the contribution made by the individual Executive and Non-Executive Directors, was undertaken during 2018. It was concluded that the Board operated effectively and that each of the Directors continued to demonstrate significant commitment to his or her role and their respective skills complement each other and enhance the overall operation of the Board. It is envisaged that the first externally facilitated evaluation will take place in 2019.

The actions arising from the evaluation were presented and discussed with the Board. The Group Chairman's performance was evaluated by the Non-Executive Directors, led by the SID, as provided in the 2016 Corporate Governance Code.

All Directors have been advised of the time required to fulfil the role prior to appointment and have confirmed they can make the required commitment. This requirement is also included in the letter of appointment. The Board is satisfied that the Chairman and each of the Non-Executive Directors are able to devote sufficient time to Company business.

Induction of new Directors
Prior to joining the Board, new Non-Executive Directors will meet the Chairman and the Chief Executive Officer as part of the Nomination Committee's selection process and then again on appointment for a thorough briefing on all relevant aspects of the Group. They will also meet the Company Secretary, senior management and any relevant advisers for briefings on their responsibilities as a Director and on the Group's business, finance, risks, strategy, procedures and an overview of the industry. On joining the Board, new Non-Executive Directors also undergo a formal induction programme tailored to the existing knowledge and experience of the Director concerned.

A flow chart of the selection process for a new Non-Executive Director is outlined in the Nomination Committee Report on page 50 and a case study of Joe Hurd's time as a new Non-Executive Director is set out on page 51.

Diversity
The Board is fully committed to selecting all future Directors and employees based on merit and with regards to diversity, including gender. As part of our ongoing commitment to diversity, 38% of Board positions are held by women. We continue to review and assess the diversity of the Board to ensure that we have a broad range of experience and opinions.

As a Group we value the importance of diversity throughout the organisation and currently fulfil the recommendations laid down by the relevant reviews on diversity in the boardroom.

Further information on Board diversity is set out on page 50 of the Nomination Committee Report.

The Board supported the establishment of the diversity and inclusion council, which guides the Group's fundamental purpose to make GoCompare a Company that is representative of our external environment, where everyone can be their authentic self.

2018 Modern Slavery Statement
The Group has zero tolerance to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. To meet the requirements of the Modern Slavery Act 2015, GoCompare produces an annual Anti-Slavery and Human Trafficking Statement which sets out steps taken to ensure modern slavery and human trafficking do not exist within its business or supply chain. The GoCompare 2018 Modern Slavery Statement can be found on www.gocomparegroup.com. Training is provided to all employees on issues of modern slavery at induction in conjunction with the Ethical Standards training modules.

Shareholder engagement and communications
Stakeholder engagement is vital for the long-term success of the Group. During the year, the CEO and CFO took significant time to meeting with shareholders and potential new shareholders through formal events, investor roadshows, small group discussions and one-to-one investor meetings. The Chairman also met both individual shareholders and large institutional investors to discuss Group strategy and aspects of the business.

In 2020, we will request approval for a new Directors' Remuneration Policy, we will engage with shareholders to ensure that their views are taken into consideration when formalising this Policy.

Capital Markets Day
The Group will hold its first Capital Markets Day for investors and analysts on 20 March 2019. This will be hosted by Matthew Crummack, CEO, with members of the executive and senior leadership team. The Capital Markets Day will provide further detail on the Group's businesses and strategy.

Wider workforce engagement
The Board already follows many areas of best practice for wider workforce engagement. Following a review of the requirements of the New Code, it is expected that the Board will adopt an alternative arrangement in relation to wider workforce engagement. This arrangement will involve, amongst other things, more formal communication to and consideration by the Board of key metrics relating to the Group's employees, culture and engagement and the broader employee value proposition. We look forward to providing more detail on how the Group has met the New Code's wider workforce engagement requirements in the 2019 annual report.

Annual general meeting
The 2019 AGM will be held at the offices of Deutsche Bank AG, The Auditorium, 1 Great Winchester Street, London, EC2N 2DB on 23 May 2019 at 3.00pm. The Notice of Meeting sets out the schedule for the day, and the resolutions to be proposed at the meeting. A copy of the Notice can be downloaded at www.gocomparegroup.com.

The terms and conditions of appointment of the Non-Executive Directors, which set out the time commitment expected of them, and the service contracts for Executive Directors, are available for inspection by shareholders at our registered office during normal business hours and at our Annual General Meeting (AGM).

The Board and members of the senior management team will be available to speak to shareholders before the meeting, and there will be the opportunity to put formal questions to the Board during the meeting.

Dividends
The Group declared and paid an interim dividend of £3.3m, equivalent to 0.8 pence per share. A final dividend for the year ended 31 December 2018 of 0.8 pence per share has been recommended by the Board, which will be subject to shareholder approval at the 2019 AGM. Subject to this approval, the pay-out in respect of 2018 will be 20.6% of profit after tax (excluding adjusting items and their tax effect). The Group maintains a target dividend pay-out ratio of 20%–40% of post-tax profits.

Conflicts of interest
The Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. The Group regularly reviews potential and actual conflicts of interest of Directors' current and proposed roles with other organisations. In respect to the nature of those roles and their time commitments, explicit authorisation must be sought from the Company Secretary. At each meeting the Board considers Directors' conflicts of interest.

Fair, balanced and understandable requirements
The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Board has taken into consideration the following factors in order to reach this conclusion:

- the process by which the Annual Report and Accounts were prepared, including detailed project planning and ongoing financial information received by the Board, including KPIs.

The Audit and Risk Committee has reviewed and approved the final version of the annual report and accounts at its meeting on 27 February 2019 prior to it being signed by the Board.

Nick Edwards
Chief of Staff, General Counsel and Company Secretary
27 February 2019

2018 Board Activities

1. Strategy and Business Review

- Two-day strategy meeting
- Development of Group strategy and vision
- New brand development – weflip
- Approval for the acquisition of Energylinx
- Updates on acquisitions and investment
- Regular business and performance updates

2. Financial

- Approval of 2019 Plan
- Half-year, full-year results and trading updates
- Regular financial performance updates
- Approval of interim dividend and recommendation of final dividend
- Review of key accounting matters and impact of new accounting standards

3. Internal Controls and Risk Management

- Approval of 2019 Internal Audit Plan
- Reviewed the effectiveness of Internal Controls and Risk Management
- Approval of the Risk Appetite Statement
- Compliance reports including progress on GDPR
- Update on cyber security

4. Governance and Stakeholders

- Review and discussion of the Board and Committee evaluations
- AGM business and Notice
- Approval of the Annual Report
- Approval of Modern Day Slavery Statement

5. People and Culture

- Approval for the appointment of new Non-Executive Director Joe Hurd
- Appointment of Joe Hurd as a member of the Nomination and Remuneration Committees
- Succession planning and talent development
- Review of organisational resource and structure

Nomination Committee Report

The Nomination Committee continues its work of ensuring that the Board composition is right and that our governance is effective.

Sir Peter Wood
Chair of the Nomination Committee

Nomination Committee responsibilities

- Leading the appointment process for new Directors and making recommendations to the Board.
- Ensuring our Board and Committee members have the right balance of skills, experience, diversity, independence and knowledge to effectively discharge their duties.
- Providing input on the Chairman and Chief Executive Officer's plans for executive succession and executive changes.

Nomination Committee activities in 2018

1. Considered the Group Board succession plans.

2. Reviewed the composition of the Board and its Committees.

3. Appointed Joe Hurd as Non-Executive Director.

4. Considered the Executive Director succession plans.

Membership and attendance

2 The Committee meets as required and did so on two occasions during 2018.

Committee member	Meetings: Eligible to attend	Meetings: Attended
Sir Peter Wood (Chairman)	2	2
Zillah Byng-Thorne	2	2
Joe Hurd[1]	1	1
Angela Seymour-Jackson	2	2
Adrian Webb	2	2

1 Joe Hurd was appointed to the Board on 22 February 2018 and joined the Nomination Committee on 30 July 2018

Dear Shareholders,

I am pleased to present the Nomination Committee (the "Committee") Report for 2018.

An important area of focus for the Committee in 2018 was further strengthening the depth and breadth of the Board. Following a review of the Board's composition it was determined that additional expertise and knowledge of the technology sector from a North American perspective was desirable. Following an extensive search we were delighted to recommend the appointment of Joe Hurd as a Non-Executive Director in February 2018. Joe has significant international technology and advisory experience and has already provided great insight to the Board. Further information on his appointment is provided on page 50.

The Committee maintains a well-defined specification for each appointment, with a clear understanding of the attributes and values required to help the effective functioning of the whole Board. When considering the composition of the Board, we reviewed the skills and experience required to fulfil the Board's strategy.

The Committee also reviewed the membership of the Board's Committees following Joe's appointment. As a result, Joe was appointed to the Nomination Committee and Remuneration Committee effective as of 30 July 2018, to further strengthen the depth of experience and skill in these Committees.

During the year, the Committee also undertook a review of its effectiveness. It was concluded that the Committee operated effectively.

Roles and responsibilities of the Committee

The role of the Committee is to assess, review and monitor the composition of the Board and ensure that the Board comprises the right balance of skills, knowledge, diversity and experience. Following each Committee meeting, the Chair provides a summary of the Committee's activity to the Board and makes recommendations if required.

Composition

As Chairman of the Board, I chair the Committee, except when the matters under consideration relate to me or succession to this role. While letters of appointment refer to appointments being for a three-year period, all Directors are subject to election or re-election at the Annual General Meeting each year.

The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 40 to 41).

Nomination Committee Report
continued

Committee's activities during the year

Succession planning

During the year the Nomination Committee reviewed a formal succession plan for the Directors and the members of the senior management team. The plan covers short-term emergency cover in the event someone is unavoidably unavailable on a temporary basis and a long-term succession plan, should an individual leave the Group.

Search for and appointment of a Non-Executive Director

Following an evaluation of the balance of skills, knowledge, experience and diversity on the Board, the Nomination Committee prepared a description of the role and capabilities required for the appointment. The Chairman led the process for the appointment of a new Non-Executive Director, including engaging an independent executive search firm, SA Associates.

Following a rigorous process of interviews and assessments and, on the recommendation of the Nomination Committee, the Board approved the appointment of Joe Hurd on 22 February 2018.

The selection process

- **Step 1** – The Nomination Committee agrees a specification for the independent Non-Executive Director role
- **Step 2** – The Nomination Committee decides on which search and selection firm to use for the appointment
- **Step 3** – The search firm looks for suitable candidates within the specification
- **Step 4** – Presented list of candidates with bios for the roles, which are reviewed and narrowed to a shortlist
- **Step 5** – The search firm ascertains the chosen candidate's availability and interest in the role. Interviews are arranged with the members of the Nomination Committee
- **Step 6** – Feedback is provided to the Chairman, following the interviews with the Committee members
- **Step 7** – The Nomination Committee meets and decides which candidates to recommend for appointment to the role
- **Step 8** – The Board considers the recommendations from the Nomination Committee and resolves to make an appointment or refer the appointment back to the Nomination Committee

Before the reappointment of any Non-Executive Director at the conclusion of their specified term of office, due regard will be given to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.

Diversity and inclusion

The Committee continues to make recommendations for new appointments to the Board based on merit, with candidates assessed against their skills, experience and how they provide challenge and support to the business. The Board's policy on diversity is to ensure that the Directors on the Board have a broad range of experience, skills and knowledge, with diversity of gender, culture, thinking and perspective. As a Group we value the importance of diversity throughout the organisation and fulfil the recommendations laid down by the relevant reviews on diversity in the boardroom, as noted below. This continues throughout the organisation, as set out on pages 35 and 36.

We continue to exceed the recommendations for the aspiration of both the Hampton-Alexander Review and the Davies Review on Women on Boards with 37.5% female representation on our Board. In addition, we comply with the ethnic diversity of the Parker Review Committee.

We recognise that a diverse workforce made up of different cultures, experiences and outlooks will be a critical enabler to create an environment and culture where everyone can succeed. 'Fairness for all' starts from within, so by removing barriers, we want to allow opportunities to develop, encouraging individuals to flourish. We continue to develop our Diversity and Inclusion programme, which was launched in 2017. Further information on the activities and future initiatives is set out on page 36. The Board is highly supportive of the initiatives proposed by the Diversity Council and has been engaged with the development of this programme during the past year.

Governance

The Committee reviewed the Company's compliance with the 2016 UK Corporate Governance Code and was satisfied that GoCompare complied with the Code during the year.

On behalf of the Nomination Committee

Sir Peter Wood
Chair of the Nomination Committee

Meet Joe Hurd...

Reflections on my time at GoCompare

"Culture is incredibly important to any company. I have been pleased with the emphasis on building a collegiate and inclusive culture at GoCompare."

I joined the Board in February 2018, following an extensive recruitment process. I would firstly like to commend the other Directors and management team for their warm welcome and the time and opportunities provided to me to increase my knowledge of the business and ask questions.

As a relative newcomer to the Board, the strategy session in April 2018 proved to be highly engaging and informative. I was very impressed with the team's preparation and the high-quality presentations and pre-reading materials. This provided me the opportunity to further explore and understand the key risks and opportunities for the Group.

The Board has a strong commitment to delivering on its strategy and promoting the long-term success of the Group. The Board meetings have a high level of engagement and debate from all members of the Board and there is a wide range of different views, skills and experience.

During this first year, I have visited two office locations, where I met many employees. I particularly appreciated the dedication and enthusiasm of the workforce, and look forward to meeting many more in 2019.

Culture is incredibly important to any company, I have been pleased with the CEO and executive team's emphasis on building a collegiate and inclusive culture at GoCompare, including the 'Think Like a Leader' programme, group offsites and townhalls, and the ongoing Diversity and Inclusion Committee initiatives. Likewise, I have enjoyed being part of the launch of the new brand weflip and look forward to its future success.

Audit and Risk Committee Report

We play a key role in monitoring the integrity of the Group's financial reporting, reviewing material judgements and assessing the internal control environment.

Zillah Byng-Thorne
Chair of the Audit and Risk Committee

Audit and Risk Committee responsibilities

- Monitoring and reviewing internal audit activities, reports and findings.
- Reviewing the effectiveness of the Group's internal financial controls and other systems.
- Reviewing and monitoring the objectivity and independence of the External Auditor, the effectiveness of the external audit process and the ongoing relationship with the External Auditor.
- Advising the Board on the Group's risk strategy, risk policies and current risk exposures, including conduct risk and the oversight of the overall risk management framework and systems.

Audit and Risk Committee activities in 2018

1. Review of the 2017 year-end financial statements and annual report.

2. Approved the Group's risk management framework, risk appetite and risk register.

3. Review of key findings from 2018 internal audits and approval of the 2019 internal audit plan.

4. Considered key accounting matters and new accounting standards.

Membership and attendance

5 The Committee met on five occasions during 2018.

Committee member	Meetings: Eligible to attend	Meetings: Attended
Zillah Byng-Thorne (Chair)	5	5
Angela Seymour-Jackson	5	5
Dr. Ashley Steel	5	5

Dear Shareholders,

As Chair of the Audit and Risk Committee (the "Committee"), I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2018. The report explains the work of the Committee during the year. The significant accounting issues considered by the Committee are set out on page 54.

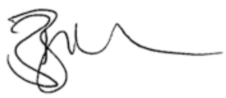
The Committee held five meetings during the year, with meetings timed to coincide with the financial reporting cycle of the Group. In addition to the members of the Committee, the Chairman, CEO, CFO, Risk and Compliance Director and senior representatives from the Group's external auditor, KPMG, and internal auditor Mazars LLP were invited to attend. The Committee members also meet separately at least once a year with the Group's external and internal auditors without management present to provide an opportunity for any matters to be discussed without the presence of senior management. The Chair of the Committee and the CFO also meet regularly.

The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 40 to 41) and that the skills, qualifications and commercial acumen of its members are sufficient for it to be able to perform its duties. This includes appropriate recent and relevant financial experience with Zillah Byng-Thorne being a Chartered Accountant and having previously held a number of Chief Financial Officer positions.

The Committee continued to exercise its responsibilities for ensuring the integrity of the GoCompare Group financial statements by challenging the significant judgements and estimates made by management as set out on page 54.

As a result of its work during the year, the Committee has concluded that it has acted in accordance with its terms of reference. I look forward to meeting shareholders at the AGM on 23 May 2019 and will be happy to respond to any questions in relation to the activities of the Audit and Risk Committee.

On behalf of the Audit and Risk Committee



Zillah Byng-Thorne
Chair of the Audit and Risk Committee

Responsibilities

The Committee has adopted a terms of reference, which are available to view at www.gocomparegroup.com. The terms of reference provided the framework for the Committee's work in the year and key responsibilities of the Committee are summarised as follows:

- Overseeing the relationship with the Group's external auditor, monitoring their effectiveness and independence and making recommendations to the Board in respect of their remuneration, appointment and removal. The Committee also reviews the findings from the external auditor including discussion of significant accounting and audit judgements, levels of errors identified and overall effectiveness of the audit process.
- Reviewing the financial statements of the Group, including its annual and half-yearly reports and, if applicable, any other formal announcements relating to its financial performance. The Committee will also consider significant financial reporting issues, accounting policies and key areas of judgement or estimation. This review also includes consideration of the clarity and completeness of disclosures over the information presented in the financial statements.
- Monitoring and reviewing internal audit activities, reports and findings. Reviewing the effectiveness of the Group's system of internal financial controls and internal control systems.
- Advising the Board on the Group's risk strategy, risk policies and current risk exposures, including conduct risk and the oversight of the overall risk management framework and systems.
- Monitoring of the Group's compliance activities.
- Assessing the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and to ensure proportionate and independent investigation of such matters.
- The Committee making recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.

Specific activities and key actions during the year

The Committee met formally five times during the year. An overview of some of the activities and specific actions presented to the Committee throughout the year is provided below:

- review of key findings from 2018 internal audits and approval of the 2019 internal audit plan;
- discussion and review of the 2017 year-end financial statements and annual report with specific focus on profit metrics (and use of adjusted measures);
- discussion of key accounting matters and impact of any new accounting standards;
- review of the external audit plan for 2018, including key audit risks and preliminary audit findings;
- review of the approach to prepare the annual report and financial statements for 2018, to ensure compliance with the 2016 UK Corporate Governance Code; and
- approval of the Group's risk management framework, risk appetite and risk register.

Financial reporting and significant financial judgements

As part of its monitoring of the integrity of the financial statements, the Committee reviews whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements and seeks support from the external auditor to assess them.

The Committee considered the following significant judgements and other areas of audit focus in respect of the financial statements for the year ended 31 December 2018. These areas have been identified as being significant by virtue of their materiality or being accounting items which are new for the current financial year or the level of judgement and/or estimation involved. In order to ensure the approaches taken were appropriate, the Committee has considered reports from both management and the external auditor. The Committee challenged judgements and sought clarification where necessary. The Committee received a report from the external auditor on the work they had performed to arrive at their conclusions and discussed in detail all material findings contained within the report.

Audit and Risk Committee Report
continued

Significant accounting issues considered by the Committee

Matter considered	Committee review
Revenue	
The Group primarily generates revenue through commissions from insurance, utilities and other product introductions, when a policy is sold, a consumer signs up to a new tariff or clicks through to a partner website. Revenue for the Rewards segment is generated through both commission, recognised at the point the consumer uses the voucher, and tenancy arrangements, recognised over the advertising period. The Group accrues revenue based on available data of transactions made through its partners. These amounts are estimated based on underlying metrics of customer interactions which are subsequently validated through sales data submissions made by the partners. Customers have the right to cancel their purchase during a 14-day cooling-off period, for which an estimate of the deduction to revenue is made for likely cancellations based on historical cancellation rates for the various products.	The Committee has considered the key processes in place in relation to revenue recognition, which include the process by which revenue is determined and recorded. The Group adopted IFRS 15 (Revenue) in 2018 and the Committee reviewed managements' detailed assessment of the impact of this standard, which included both the recognition and disclosure impact relevant to the Group's financial reporting. The Committee also considered revenue recognition in respect of the acquired companies and new contractual revenue arrangements entered into by the Group and its subsidiaries. The Committee considered the audit findings presented by KPMG in relation to their work over revenue. Based on the outcome of these matters, the Committee considers that there is sufficient assurance that revenues are stated accurately.
Acquisition Accounting	
The Group made two acquisitions during the year. On 10 January 2018, The Global Voucher Group Limited (and its subsidiaries) were acquired; and on 13 June 2018, the Group acquired Energylinx Limited and Energylinx for Business Limited. Both acquisitions have been accounted for as business combinations under the acquisition method in accordance with IFRS 3. The accounting for both acquisitions involves estimates and judgements with regard to calculating the fair value of acquired net assets and intangible assets.	The Committee has reviewed the disclosure in the financial statements in relation to the acquisition accounting and has discussed the accounting for the transaction and the valuation with both Management and KPMG. The Committee is satisfied that the judgements and estimates made by Management are appropriate and that these assumptions have been subject to sufficient review by KPMG.
Accounting for capitalised development costs	
The Group has an accounting policy to capitalise internally generated development costs where they are directly attributable to the creation of identifiable, unique software products or transformation of website capabilities. During 2018, the Group's internal Technology and Product headcount spent an increased proportion of their time on development activities, specifically in relation to building the Group's Savings as a Service proposition.	The Committee reviewed and discussed the capitalised development costs incurred by the Group at both the interim and full year. This included a review of both the resource and overheads that had been capitalised in relation to each underlying development project. The Committee is satisfied that the judgements and estimates made by management are appropriate and that these assumptions have been subject to sufficient review by the auditors, KPMG.
Impairment of goodwill and acquired intangibles	
The acquisitions completed during the year gave rise to material balances for goodwill and intangible assets. Determining whether goodwill and intangible assets are impaired or whether a reversal of impairment of intangible assets should be recorded requires an estimation of the recoverable value of the relevant cash-generating unit, which represents the higher of fair value and value in use. The value in use calculation requires estimation of the future cash flows expected to arise from the cash-generating unit, discounted using a suitable discount rate to determine if any impairment has occurred.	The Committee has reviewed and discussed the detailed analysis provided by Management to support the valuation of both goodwill and intangible assets. The Committee is satisfied that the judgements and estimates made by Management are appropriate and that these assumptions have been subject to sufficient review by KPMG.
Going concern and viability statement	
The Group is required to make a viability statement in the annual report which requires consideration of the principal risks faced by the Group and stress testing of the business model using severe but plausible scenarios.	The Committee has reviewed management's paper on the viability statement and considered the principal risks and uncertainties faced by the Group. This included consideration of the Group's separate components and specific risks faced by each area of the business. The Committee considered the scenarios under which the business model was stress tested to understand the impact on cash flows, debt repayment and the mitigating actions that could be taken in order to ensure compliance with covenants over the period under review. The Committee is satisfied that an appropriate assessment to test the resilience of the business model has been undertaken.

Risk management, internal control and internal audit

The principal risks and uncertainties that are deemed to have the most significant impact on the Group's long-term performance are set out on pages 20 to 23. The Group's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Committee. A full review of the Group's risk management framework and governance is also provided.

The Committee receives regular reports from the Risk and Compliance Director and Internal Audit. The internal audit function is fulfilled by Mazars LLP, a third-party organisation. The Committee challenged those members of the executive team present on the content and reliability of those reports and the Committee has been satisfied that appropriate arrangements, actions or mitigating controls are in place in response to internal audit findings.

The Group has in place an internal control environment to protect the business from the material risks which have been identified. Management is responsible for establishing and maintaining adequate internal controls over financial reporting and we have responsibility for ensuring the effectiveness of these controls. No significant failings or weaknesses were identified. Where areas for improvement were identified, processes are in place to ensure that the necessary action is taken and that progress is monitored.

Internal audit and effectiveness

The Audit and Risk Committee supports the Board in fulfilling its responsibilities to review the activities, resources, organisational structure and the operational effectiveness of the internal audit activities. It is intended that following discussion with the Committee Chair, Mazars LLP will present its internal audit plan for approval to the Committee before the start of each new financial year and will provide an update and further plans mid-year. The Committee monitored and reviewed the scope, extent and effectiveness of the activity of the Group Internal Audit in line with the Group's key risks and strategy.

Internal Audit is an agenda item at each Committee meeting and Mazars LLP presents an update on audit activities, progress of the audit plans and the outcomes of all audits with actions plan to address any issues.

As part of the annual review referenced above, and considering management's opinion, the Committee was satisfied that the internal audit function remains effective and fit for purpose.

External audit

The Committee has primary oversight for the development, implementation and monitoring of the Group's appointment of the external auditor. This includes responsibility for monitoring their independence, objectivity and compliance with ethical and regulatory requirements. The Committee is the primary contact and is responsible for overseeing the ongoing relationship with the external auditor. The Committee also has responsibility for approving the nature of non-audit services which the external auditor may or may not be allowed to provide to the Group and the fees paid for these (subject to de minimis levels).

Independence and objectivity

To fulfil its responsibility regarding the independence of the external auditor, the Committee reviewed:

- the external auditor's plan for the 2018 year end, noting the role of the Senior Statutory Audit Partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;
- a report from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditor, in addition to its approval of the provision of non-audit services by the external auditor that exceed the pre-approval threshold.

The Committee has adopted a policy covering the independence of the external auditor consistent with the ethical standard published by the Audit Practices Board and the engagement of the external auditor for the provision of non-audit services.

In addition to this, it is planned that in accordance with best practice, once a year the Committee will review the performance of the external audit to assess the delivery of the external audit service and identify areas for improvement.

The Committee notes that audit partner rotation every five years facilitates independence and objectivity within the external audit team. The current External Audit Engagement Partner is Timothy Butchart, who was appointed to lead the audit following the demerger of the Group in November 2016. Timothy Butchart supported the audit of esure Group plc in the past and therefore has experience of the Group prior to the demerger. The Committee is satisfied with the performance and effectiveness of KPMG as external auditor, taking into account the Committee's own assessment and feedback. The Committee has concluded that KPMG continues to display the necessary attributes of independence and objectivity.

The Committee considers the requirements of the Code and the appropriateness of tendering the external audit contract as part of normal business practice. KPMG (and previously KPMG Audit plc) were first appointed as the auditors of the Company for the year ended 31 December 2010. Consideration of mandatory rotation and timing of a tender process are not yet required.

Long-term viability statement

As part of the Committee's responsibility to provide advice to the Board on the form and basis underlying the long-term viability statement as set out on page 24, the Committee reviewed and considered the principal risks and uncertainties faced by the Group. The Committee considered the scenarios under which the business model was stress tested and the impact on cash flows, debt repayment and the mitigating actions that could be taken in order to ensure compliance with covenants over the period under review. The Committee is satisfied that an appropriate assessment to test the resilience of the business model has been undertaken.

Non-audit services

The Group auditor is retained to carry out assurance services to the Committee in connection with 'agreed upon procedures' on the Group's half year consolidated financial statements. The Group is committed to maintaining non-audit fees at a low level. Non-audit fees for the year were £40,500, which represented 17% of total auditor fees for the 2018 financial year, with the fee for the statutory audit being £200,650.

Further details of fees paid for audit and non-audit services to KPMG can be found in note 5 to the consolidated financial statements.

The EU Audit Reform includes a restriction on the maximum amount of non-audit fees that a statutory auditor may charge a public interest entity. This is capped at 70% of the average of three years of statutory audit fees. As the Group has just listed and become a public interest entity, the first period that will be formally assessed is the total of the non-audit fees charged in the year ending 31 December 2019 against the average of the statutory audit fees for 2016, 2017 and 2018.

Whilst a formal fee cap is not currently applicable to the Group, the Committee will continue to review and approve the nature and extent of non-audit services provided by KPMG. The Committee approves any non-audit services provided by the auditor for any projects with an expected cost greater than 10% of the statutory audit fee. The Group also engages with other professional advisers for non-audit related engagements as it sees fit depending on the nature of the work and the expertise required.

Directors' Remuneration Report

The Committee remains committed to ensure alignment to the long-term success of the business and, in turn, shareholder interests.

Angela Seymour-Jackson
Chair of the Remuneration Committee

Remuneration Committee responsibilities

- Formulating the remuneration structure and policy with respect to the approved Directors' remuneration policy
- Reviewing the terms of and design of performance related incentives and making recommendation on the performance related payments of annual bonuses of the Executive Directors and other senior management
- Determining the targets for performance related pay schemes operated by the Group, including the application of any relevant performance criteria and approving the total payments

Remuneration Committee activities in 2018

1. Finalised the annual bonus and PSP targets.

2. Considered remuneration framework for executives.

3. Monitored the performance of the existing incentive schemes

4. Reviewed UK Corporate Governance Code 2018 and various reforms.

Membership and attendance

5

The Committee held five meetings during 2018.

Committee member	Meetings: Eligible to attend	Meetings: Attended
Angela Seymour-Jackson (Chair)	5	5
Zillah Byng-Thorne	5	5
Dr Ashley Steel	5	5
Joe Hurd[1]	3	3

1 Joe Hurd was appointed to the Board on 22 February 2018 and joined the Remuneration Committee on 30 July 2018.

Annual statement from the Remuneration Committee Chair

I am delighted to introduce the Directors' Remuneration Report for GoCompare.com Group plc for the year ending 31 December 2018. The Group continued to deliver a strong financial performance in a challenging economic cycle. The business took a disciplined approach to improve the marketing margin and drive innovation to help transform the customer experience.

Introduction

The report has been prepared in accordance with the Directors' remuneration reporting regulations for UK incorporated companies set out in Schedule 8 of the Large and Medium sized Company and Groups (Accounts and Reports) Regulations 2008 (as amended).

The report is presented in three sections:

- The Remuneration Committee Chair annual statement
- A copy of the 2017 Directors' Remuneration Policy
- The Annual Report on Remuneration, which sets out how we will be implementing our policy for 2019, together with details of remuneration outturns for 2018.

The Directors' Remuneration Policy was put to a binding shareholder vote at our 2017 Annual General Meeting and was supported by 99.7% of shareholders. As such, we are not proposing a new policy for 2019 and therefore the existing Policy is reproduced on the following pages for information only. A new policy will be presented for approval at the 2020 AGM.

The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2019 AGM.

Remuneration in context

When reviewing Executive Director remuneration, our Policy and reward practices, the Committee is mindful of the current reward landscape and want to ensure alignment to the long-term success of the business and, in turn, shareholder interests.

Our long-term strategy underpins the design and implementation of Executive Director remuneration. In relation to the Executive Directors' 2018 bonuses, the strategic element incentivised delivery of value beyond insurance through a new automated savings proposition and acquisitions. The customer elements ought to promote an improved customer journey, quote process and experience, whilst the people element encouraged long-term value creation by embedding positive and inclusive values and behaviours throughout the business, creating a culture in which our people can thrive.

Long-term incentives under PSP focus on incentivising controlled and long-term stable earnings growth together with increased shareholder value.

Performance outturns for 2018

In 2018, the bonus opportunities for the Executive Directors were 100% of salary for the Chief Executive Officer (CEO) and 75% of salary for the Chief Finance Officer (CFO). Performance was measured with reference to adjusted operating profit, a new revenue growth target and a selection of strategic, customer and people and culture measures.

The Group's financial performance in 2018 has been strong in an increasingly competitive environment, with the delivery of £44.0m in adjusting operating profit representing a 22.2% increase year on year and £152.6m in revenue representing a 2.3% increase year on year.

The Executive Directors continued to implement our strategy, notably through the acquisition of Energylinx and subsequent delivery of a new GoCompare energy customer journey. A refreshed approach to performance management linked to Group values and Company financial performance was also embedded, ensuring alignment of all employee reward with that of the Group. Finally, 2018 saw the launch of our new proposition and brand, weflip.

In view of this strong performance, the Committee elected to award bonuses of 70.15% of maximum to the CEO and 70.15% of maximum to the CFO. Further details are provided on page 67.

No performance share awards were due to vest to the CEO and CFO in 2018.

Legacy awards (Foundation awards)

As described in the 2016 Directors' Remuneration Report, in order to motivate key individuals and focus them on the delivery of high performance under the new strategy, a number of Foundation Awards were made following Admission, including to the Executive Directors. These one-off legacy awards were granted prior to the publication of GoCompare's Directors' Remuneration Policy and were disclosed in the Prospectus. They are outside the terms of the Policy and will vest on 28 February 2019. In line with our commitment in the 2016 Directors' Remuneration Report, the targets and vesting outcomes are disclosed in full in this year's report.

The Awards were based on very stretching adjusted operating profit targets for 2017 and 2018 with a series of financial underpin conditions. The 2017 threshold operating profit was met, while the 2018 threshold operating profit was narrowly missed, resulting in 5% of the total award vesting. Furthermore, one of the three underpin measures, which related to revenue performance, was only partially achieved over the two-year period which, under the formulaic calculation, resulted in nil vesting.

The Committee considered the outcome under the formulaic approach and determined that a number of positive decisions have influenced the performance outcomes for 2018, resulting in a narrow miss of the 2018 operating profit target and the 2018 revenue underpin target. In the two years since Admission, the Group has chosen to transform the business through organic and inorganic investment in people and innovation, including launching the new weflip proposition, acquiring Energylinx and deploying a new GoCompare energy journey, acquiring MyVoucherCodes and investing in MortgageGym and Souqalmal. This innovation has been enabled by the continued prioritisation of controlled, profitable growth in the core comparison business over short term orientated goals. The Committee, and the wider Board, is confident that these decisions and investments will lead to significant future financial growth, and was of the view that it would therefore be appropriate that the contribution of the Executive Directors and other senior individuals to this achievement be recognised.

As a result, the Committee opted to use its discretion so that the final vesting on the award was 24%. In view of the Committee's decision to use its discretion, it was agreed that the one year post-vesting holding period would be extended to apply for two years post-vesting for the Executive Directors. More details, including information on the performance targets that applied, are on pages 68 and 69.

Overview of executive remuneration in 2019

The CEO has had no increases to his remuneration package since Admission. The wider workforce average increase for 2017 was 7.65%, increasing to 8.29% in 2018. It is expected that a further increase will be seen to the wider workforce remuneration in 2019 as we continue to re-benchmark roles internally to remain competitive with the wider recruitment market. The Committee determined that the CEO's remuneration should be reviewed to ensure that the overall remuneration package was both rewarding and incentivising, and that it continued to be appropriate for the size and scale of the business.

Since its Admission in November 2016, the business has changed fundamentally in terms of size and complexity. The business in 2016 was a mono line price comparison business, focused on car insurance, and based in one location with fewer than 200 employees. Today the business has grown to more than 300 employees across three locations. Acquisitions of MyVoucherCodes and Energylinx, and investments in MortgageGym and Souqalmal have helped to diversify the business and development of 'plug and play' capability in MVC has enabled white label partnerships with several publishing groups. The launch of the weflip proposition is designed to disrupt the energy market. Successfully leading GoCompare and delivering value from the new propositions is more demanding and requires a stronger skill set than was the case in 2016. The decision was therefore taken to make increases to the CEO's salary and incentive opportunity levels, as follows:

- Salary increased from £400,000 to £450,000 (lower than the aggregate average employee increase over the same two-year period)
- Annual bonus opportunity increased from 100% of salary to 130% of salary
- Long-term incentive opportunity increased from 200% to 230% of salary

These changes are effective 1 January 2019 and are in line with the current Policy approved by shareholders at the 2017 Annual General Meeting.

After careful consideration, the Committee determined to make no changes to the CFO's salary or incentive opportunity levels for 2019.

2019 Bonus and PSP awards

The structure of both the 2019 annual bonus and 2019 PSP remain unchanged from that of previous years. The 2019 annual bonus will be based on a combination of financial and non-financial (including strategic) measures. The bonus is assessed as follows:

	2019 approach
Financial	Operating profit (50%) Revenue growth (10%)
Strategic	A basket of strategic measures based on key business priorities (20%)
People	A selection of people and cultural measures (10%)
Customer	A customer centric measure (10%)

The Committee intends to grant its third annual PSP awards to the Executive Directors and a selection of other senior individuals in early 2019. Performance will continue to be measured over three years with reference to total shareholder return performance and challenging Earnings per Share growth targets. These are set out on page 68. The CEO's and CFO's 2019 PSP awards will be subject to a two-year holding period post-vesting.

Developments in UK corporate governance

During 2018, the Committee spent time reviewing the reforms to the UK Corporate Governance Code 2018 ('the Code') and the BEIS reforms on reporting. Following a gap analysis of the changes against our current policy and Committee terms of reference, the Committee was pleased to identify that the Group broadly complies with a number of the new Code requirements. The Committee has decided to adopt a proactive approach to compliance in a number of areas, including an update to its terms of reference, a new framework and strengthened approach to the Committee's wider workforce engagement and have reviewed and amended the discretionary clauses in the Group share plans.

Directors' Remuneration Report
continued

We will be carrying out an extensive review of our executive remuneration arrangements over the course of 2019, as part of our 2020 remuneration policy design, and this will include a review of evolving market practice as companies reveal how they are responding to the Code, to ensure that GoCompare's practices are aligned to shareholder and proxy expectations. Details of how we comply with the new Code will be provided in our 2019 Directors' Remuneration Report.

The Committee receives regular updates from management and is confident that GoCompare has a fair and transparent all-employee pay policy, including equal pay for men and women.

The Committee played an active role in the design and reviewing of the Group's approach to wider workforce engagement. The Committee discussed the benefits and limitations of each approach and supported the Management team in defining the proposition and reporting framework to the Board. Further details of how the Board will comply with the new Code reforms, and our current approach to pay arrangements, can be found on page 71.

Remuneration advice

The Committee recognises the importance of impartial advice on remuneration best practice and the corporate governance framework. During 2018 the Committee spent time reviewing its independent advisers and, following a full review of the market, reappointed Deloitte.

Conclusion

The Committee believes the proposals set out in this report will incentivise and motivate our Executive Directors to continue to deliver the strong business performance already achieved in the two years since Admission.

The Committee will continue to support the Board on its work on wider workforce engagement and to ensure that the employee landscape and reward environment is considered as part of its ongoing work. As always, I welcome any comments you may have and look forward to seeing shareholders at the 2019 AGM, where I hope you will support our proposals.

A C Seymour-Jackson

Angela Seymour-Jackson
Chair of the Remuneration Committee
For the year ending 31 December 2018

Our remuneration principles

- Aligning the interests of management with those of current and future shareholders
- An appropriate balance between short-term reward and recognition and strong linkage to long-term performance
- Ability to attract and retain senior management and wider employee group
- Reward structures, performance conditions and targets that are simple and easily understood
- Supporting the Group's collegiate and inclusive culture

Executive remuneration at a glance

Our performance

Revenue (£m)

£152.6m

Revenue generated in the year.

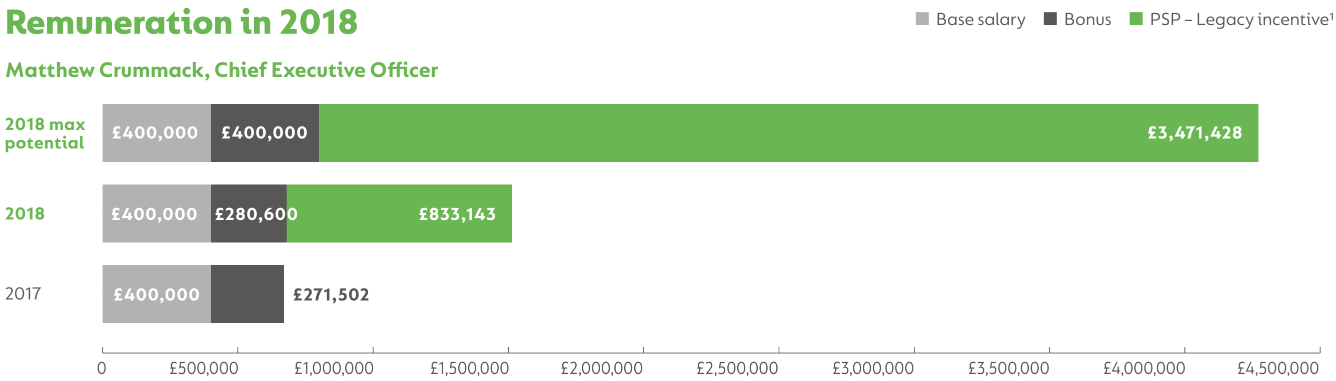
Adjusted operating profit (£m) APM

£44.0m

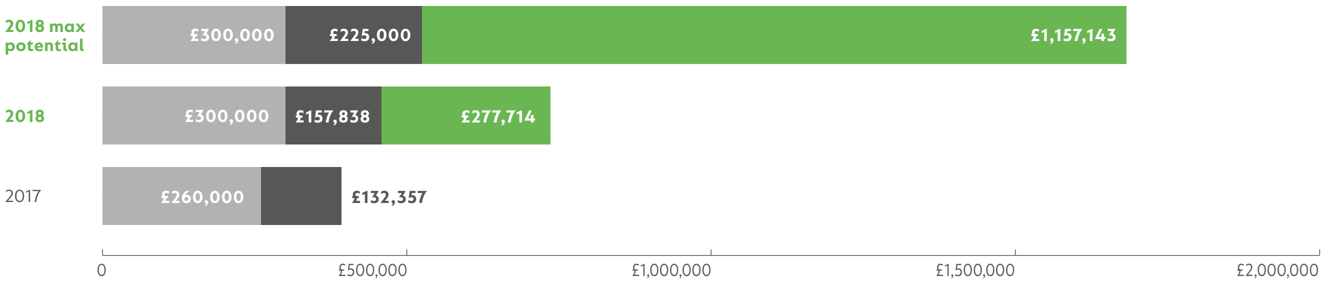
Operating profit after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs and Foundation Award share-based payment charges. Adjusted operating profit is reconciled to operating profit on page 27.

Remuneration in 2018

Matthew Crummack, Chief Executive Officer



Nick Wrighton, Chief Financial Officer



1 The legacy incentives relate to the Foundation Awards, which were one-off legacy awards outside the scope of the Remuneration Policy, made at the time of Admission. Further details are on page 69. Due to the time of vesting, the 2018 legacy incentives figure has been calculated using the average share price from 1 October 2018 – 31 December 2018 (being £0.81).

Remuneration in 2019

Salary	• 12.5% increase for CEO • No change for CFO
Bonus	• No change to performance measures or targets • Opportunity increased to 130% for the CEO, in line with policy • 30% deferred into shares, remainder in cash
PSP	• Holding period two years post-vesting • Opportunity increased to 230% for CEO in line with Policy, opportunity remains at 150% for CFO • Performance measures remain at 50% EPS growth and 50% relative TSR performance

Directors' Remuneration Report
continued

Copy of Directors' remuneration policy

Introduction
This part of the Directors' Remuneration Report contains the Directors' Remuneration Policy (the "Policy"). In accordance with section 439A of the Companies Act 2006, a binding shareholder resolution on the Policy was approved by shareholders at the 2017 AGM, at which point this Policy took immediate effect. No changes to the Policy are proposed for 2018 and it is reproduced here for information only.

Remuneration principles
Remuneration at GoCompare is designed to provide a reward structure for management and employees that enables the Group to recruit, motivate, retain and reward employees in order to support the Group's business goals. Underpinning this objective are the following principles:

- aligning the interests of management with those of current and future shareholders;
- an appropriate balance between short-term reward and recognition and strong linkage to long-term performance;
- ability to attract and retain senior management and the wider employee Group;
- reward structures, performance conditions and targets that are simple and easily understood; and
- supporting the Group's collegiate and inclusive culture.

The Policy shown below is designed with these principles in mind.

Policy table
The Executive Directors' remuneration has four main components made up of base salary, pension and benefits (including all-employee arrangements), annual bonus (including deferred element), and performance share awards. They are also eligible to participate in HMRC-registered all-employee share plans.

The following table summarises the Policy in relation to these components. Full details of the application of this Policy are contained in the Annual Report on Remuneration.

Executive Directors

Element and link to strategy	Operation	Opportunity	Performance measures
Salary			
To attract and retain Executive Directors of the calibre required to deliver the Group's strategy.	Base salaries will be reviewed at least annually and assessed taking into account the scope and requirements of the role, experience of the incumbent and the total remuneration package. Any increases will typically be effective from 1 January. Account will also be taken of the business's performance and remuneration arrangements in peer companies and the wider employee group.	There is no overall maximum opportunity or increase. However, in awarding any increase, the Committee will be mindful of the general increase for the broader employee population. In specific circumstances the Committee may award increases outside this range; these may include: • a change in role and/or responsibilities; • performance and/or development in role of the Executive Director; • a significant change in the Group's size, composition and/or complexity. In addition, where an Executive Director has been appointed to the Board at a low starting salary, larger increases may be awarded as their experience develops, if the Committee considers such increases to be appropriate. Details of the current salaries for the Executive Directors are set out in the Annual Report on Remuneration.	Personal performance will be taken into consideration when determining any salary increases.

Element and link to strategy	Operation	Opportunity	Performance measures
Benefits			
To provide market-competitive benefits appropriate for the role, ensuring these are appropriate to the external market, thereby facilitating the recruitment and retention of high-calibre Executive Directors to deliver the Group's strategy.	The Committee's policy is to provide Executive Directors with competitive levels of benefits, taking into consideration the benefits provided to GoCompare.com's employees and those operated at peer companies. Benefits are in line with those for the broader workforce and currently include (but are not limited to) private medical insurance (individual and family, if applicable) and death in service life assurance. The Group may award additional benefits where the Committee considers it appropriate (eg travel, accommodation and subsistence allowances). These may include national and international relocation benefits such as (but not limited to) accommodation, family relocation support and travel.	Given the cost of benefits depends on the Executive Directors' individual circumstances, there is no prescribed maximum monetary value. The cost of the benefits provision will be reviewed by the Committee on a periodic basis to ensure it remains, in its view, proportionate.	There are no performance conditions.
Pension			
Encourages and assists with responsible provision for retirement, thereby facilitating the recruitment and retention of high-calibre Executive Directors to deliver the Group's strategy.	May be provided by way of contributions into a Company pension scheme (or such other arrangement the Committee determines has the same economic effect) and/or a cash allowance.	Maximum Company contribution for Executive Directors is 16% of the individual's salary in respect of each year. Details of the current contribution levels are set out in the Annual Report on Remuneration.	There are no performance conditions.
Annual bonus and Deferred Bonus Plan ("DBP")			
Incentivises and rewards the delivery of annual financial and non-financial objectives, taking into consideration the Group's culture, risk appetite and values, on an annual basis. Aligns Executive Directors' interests with shareholders through the deferral of the bonus into shares.	The Committee will set the performance measures, targets and the weighting annually to reflect the key financial and strategic priorities for the business for the year ahead. Annual bonus outcomes will be determined by the Committee, and the Committee may use its discretion at the end of the performance period to determine final vesting outcomes in exceptional circumstances (eg acquisitions and strategic investments). 30% of bonus awards will normally be deferred into an award of shares in the Group under the Deferred Bonus Plan and released in one or more tranches over a period of three years. Malus and clawback provisions will apply (see section below for further details).	The maximum bonus opportunity may be up to 150% of salary for the Executive Directors for each financial year. Actual awards made each year to Executive Directors will be set out in the Annual Report on Remuneration in respect of that year. No more than 25% of the maximum opportunity is payable for threshold performance.	Performance will be measured based on a combination of financial and non-financial objectives and the measures may vary from year to year. At least half of the annual bonus may typically be based on financial measure(s). The performance measures may include strategic and/or personal objectives. The measures for 2017 are set out in the 2016 Annual Remuneration Report on page 56.

Directors' Remuneration Report
continued

Element and link to strategy	Operation	Opportunity	Performance measures
Performance share plan ("PSP")			
To incentivise and reward delivery of the Group's longer-term strategic objectives for the business, through the use of share-based awards. To develop sustainable alignment to shareholders.	Awards will vest subject to satisfaction of applicable performance conditions. These performance conditions will be measured over at least three years. The Committee may use its discretion at the end of the performance period to determine final vesting outcomes in exceptional circumstances (eg acquisitions and strategic investments). A holding period, typically of two years, will apply to awards post-vesting unless the Committee determines otherwise. The Foundation Awards were granted in 2016 under the PSP and these are subject to some different terms. Malus and clawback provisions will apply to unvested and vested awards respectively (see section below for further details).	The maximum award in respect of any financial year will be 250% of salary (face value at date of grant) being the maximum under the PSP rules. Actual awards made each year to Executive Directors will be set out in the Annual Report on Remuneration in respect of that year. No more than 25% of awards may vest for threshold performance.	Performance measures will be determined by the Committee each year to ensure alignment with the long-term success of the business. The performance conditions may typically include a market measure and may also include other financial and strategic long-term objectives. The measures for 2017 are set out in the 2016 Annual Remuneration Report on page 56.
All-employee share plans			
To align the Executive Directors' interests to those of the wider workforce.	Executive Directors are eligible to participate in any HMRC-registered all-employee share plans in place, which will be operated in line with HMRC guidance.	Participation in the Group's all-employee share plans is subject to maximum limits as set by HMRC.	There are no performance conditions.

Non-Executive Directors

Approach to fees	Operation	Opportunity	Other items
Fees paid to the Chairman and Non-Executive Directors			
To remunerate the Chairman and Non-Executive Directors in an appropriate way, while enabling the recruitment and retention of high-calibre individuals.	Fee levels will be reviewed (though not necessarily increased) annually and set with reference to the time commitment and responsibility of the position as well as taking into consideration market data for roles in other companies of a similar size and complexity. The fee and any contractual benefits for the Chairman will be determined by the Remuneration Committee. Fees for Non-Executive Directors will be determined by the Chairman and the Executive Directors.	Details of the current fee of the Chairman and the fee levels for the Non-Executive Directors are set out in the Annual Report on Remuneration. There is no prescribed maximum annual increase. Total fees will not exceed the maximum amount specified in the Group's articles of association.	Benefits appropriate to the role may be provided. The Chairman and Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Group and appropriate Directors' and officers' liability insurance. Travel and reasonable expenses incurred (including any tax gross-up) in the course of performing their duties may be paid by the Group or reimbursed to Non-Executive Directors.

Notes to the policy table

Selection of performance conditions

For the annual bonus plan, the Committee believes that a mix of financial and non-financial targets is most appropriate for the Group. Strategic and personal objectives may be included where appropriate to ensure delivery of key business milestones.

Performance under the PSP will be based on a combination of market and non-market measures. This is so that the Committee can assess the Group's performance with reference to a mix of underlying financial and stock market performance, and encourages a focus on long-term financial growth as well as returns to shareholders.

Prior arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before the policy set out above came into effect; or (ii) at a time when the relevant individual was not a Director of the Group and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Group. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

All scenarios exclude share price growth and dividends.

In addition to the remuneration elements described above, the Executive Directors hold Foundation Awards which were granted upon Admission under the PSP. A description of these awards was set out in the Group's Prospectus and information on the awards made in 2016 is set out in the 2016 Annual Report on Remuneration. No further Foundation Awards will be granted.

Common award terms

Awards under any of the Group's share plans referred to in this report may:

a. be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect;

b. have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy;

c. incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;

d. be settled in cash at the Committee's discretion; and

e. be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

Malus and clawback

Malus will apply to unvested awards under the DBP and PSP. Clawback will apply to all vested awards under the DBP and PSP and the part of the annual bonus which is paid in cash. These provisions may be invoked at the Committee's discretion at any time within three years of the payment of cash bonuses and six years of the grant of DBP and PSP awards.

The Committee has the discretion to invoke these provisions in the following circumstances:

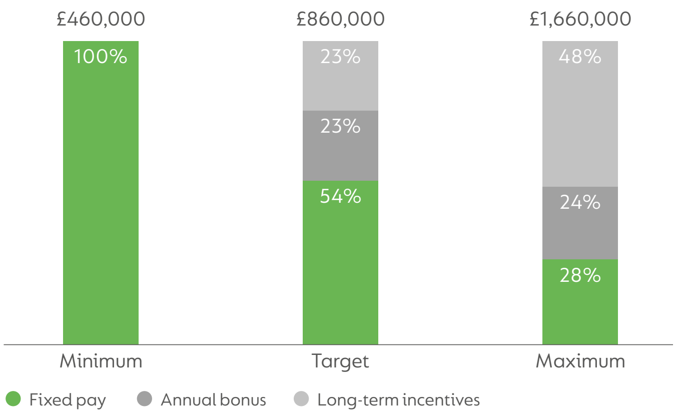
- where there is a material misstatement of any Group member's financial results;
- where an error in assessing performance conditions is discovered;
- misconduct on the part of the individual; and
- where a material failure of risk management by a Group member is identified, or in the event of serious reputational damage to a Group member.

Remuneration scenario charts

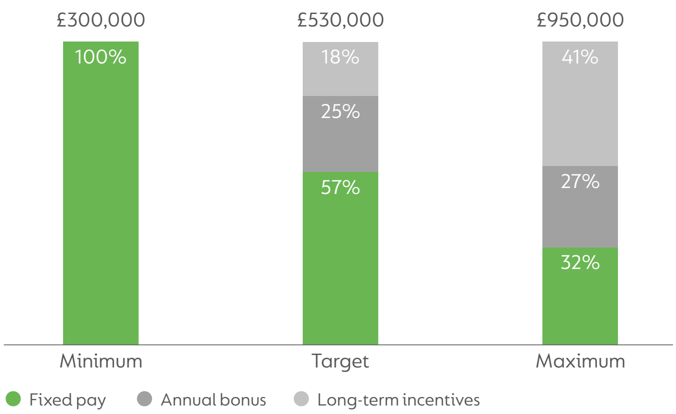
The following charts illustrate how much the Executive Directors could receive for varying levels of performance in respect of the first year in which the Policy is to be effective. The charts are based on the following assumptions:

Pay scenario	Basis of calculation
Fixed	Fixed pay only, consisting of the salaries for 2017, benefits received in 2016 and the current pension policy applied to 2017 salary
Target	Fixed pay, plus the potential value of the annual bonus at target (50% of the maximum) and the long-term incentive at threshold (25% of the maximum)
Maximum	Fixed pay, plus the maximum potential value of the annual bonus and the long-term incentive

Chief Executive Officer



Chief Financial Officer



Directors' Remuneration Report
continued

Approach to recruitment remuneration
The Committee's intended approach is to set a new Executive Director's remuneration package in line with the Policy set out above.

When determining the size and structure of the total package, the Committee will take into account the size and scope of the role, the skills and experience of a candidate, the market rate for a candidate of that experience, as well as the importance of securing the preferred candidate. For some candidates, this may mean that consideration might be given to typical remuneration practices in another country and payments in respect of relocation costs may be awarded, if applicable. In line with the remuneration policy, annual bonus potential will not exceed 150% of salary and PSP awards will not exceed 250% of salary.

Special consideration may be given in the event that unvested long-term incentives accrued at a previous employer are due to be forfeited on the candidate's leaving that Company, in which case the Committee retains the discretion to grant awards with vesting on a comparable basis to the likely vesting of the previous employer's award. For internal candidates, long-term incentive awards granted in respect of the prior role would be allowed to vest according to its original terms, or adjusted if appropriate to take into account the appointment.

For the appointment of a new Chairman or Non-Executive Director, the fee would be set in accordance with the approved policy in force at that time. The length of service and notice periods would be set at the discretion of the Committee, taking into account market practice, corporate governance considerations and the skills and experience of the particular candidate at that time.

Service contracts and loss of office
The service agreements of the Executive Directors do not have a specific duration but can be terminated in the case of the Executive Directors by not less than twelve months' notice by either party and in the case of the Chairman by not less than three months' notice by either party.

Under their service contracts the Executive Directors are entitled to salary (reviewed annually), pension contributions and benefits. The Chairman is entitled to the reimbursement of reasonable business expenses.

The Group may put the Chairman and the Executive Directors on gardening leave during their notice period, and can elect to terminate employment by making a payment in lieu of notice and contractual benefits.

The Chairman and Non-Executive Directors' appointments are for a fixed term of three years, after which they may be reappointed. Under their letters of appointment, their appointment is terminable by either party on three months' written notice except where the Director is not reappointed by shareholders, in which case termination is with immediate effect. The appointment letters for the Non-Executive Directors provide that no compensation is payable on termination.

Settlement agreements
The Committee reserves the right to make any other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include, but are not limited to, paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment.

The Committee has a policy framework for payments for loss of office by an Executive Director, both in relation to the service contract and incentive pay, which is summarised below.

	Category A: **Voluntary resignation and termination for cause**	**Category B:** **Agreed terms**	**Category C:** **Death or cessation by reason of ill health, disability, injury or where the individual's employing business leaves the Group**
Fixed pay	Paid only until employment ceases.	Paid for the notice period.	Paid only until employment ceases or for notice period depending on the reason for cessation.
Annual bonus	No entitlement.	Treatment will normally fall between A and C, subject to the discretion of the Committee, the terms of any termination agreement and the reasons for the Executive Director's departure.	Cessation during the financial year or after the financial year end, but before payment date, may result in bonus being payable (pro-rated for the proportion of the financial year worked unless the Committee determines otherwise). Such bonuses may be settled wholly in cash.
DBP awards	Unvested awards will lapse on cessation of employment.	Treatment will normally fall between A and C, subject to the discretion of the Committee, the terms of any termination agreement and the reasons for the Executive Director's departure.	Awards will normally vest according to the usual schedule, unless the Committee determines that awards should vest at the time the individual ceases employment. Awards will normally vest in full unless the Committee determines otherwise. If the participant dies, awards will normally vest at the time of his death on the same basis as for other good leavers.
PSP awards	Unvested awards will lapse on cessation of employment. Vested awards subject to a holding period will also lapse if the Executive Director's employment is terminated for cause.	Treatment will normally fall between A and C, subject to the discretion of the Committee, the terms of any termination agreement and the reasons for the Executive Director's departure.	Awards will normally vest at the usual time (unless the Committee determines that awards should vest at the time the individual ceases employment), taking into account the extent to which the relevant performance conditions have been met. Awards are usually scaled back pro rata to take account of the proportion of the original performance period that has elapsed when the individual leaves (but with the Committee having discretion not to scale back or to reduce the scale back). If the participant dies, awards will normally vest at the time of his or her death on the same basis as for other good leavers. Vested awards subject to a holding period will be released from that holding period at the usual time, unless the Committee determines the holding period should end when the individual leaves employment.
Other payments	None.	Possible disbursements such as legal costs and outplacement services.	

Change of control
In the event of a change of control of the Group, PSP awards will vest to the extent determined by the Committee taking into account the extent that the Committee determines that the performance conditions have been satisfied, and, unless the Committee determines otherwise, the proportion of the performance period that has elapsed. DBP awards will normally vest in full, unless the Committee determines otherwise.

Alternatively, the Committee may permit an Executive Director to exchange his awards for equivalent awards which relate to shares in a different Company. If the change of control is an internal reorganisation of the Group or in other circumstances where the Committee considers it appropriate, Executive Directors will be required to exchange their awards (rather than awards vesting).

If other corporate events occur, such as a winding-up of the Group, demerger, delisting, special dividend or other event which, in the opinion of the Committee, may materially affect the current or future value of the Company's shares, the Committee may determine that awards will vest on the same basis as set out above for a change of control.

Consideration of shareholder views
The terms of this Policy are in line with the arrangements described in the Group's Prospectus which was issued on 11 October 2016. Furthermore, the Committee contacted major shareholders and shareholder voting bodies in early 2017 about the proposed arrangements under the new Policy.

The Committee will continue to monitor shareholder views when setting future executive remuneration strategy and will consult with shareholders prior to any significant changes to the Policy.

Consideration of employment conditions elsewhere in the Company
The Committee reviewed the remuneration conditions across the Group when setting the Policy. It is expected that future salary increases for Executive Directors will be in line with the general employee population, except in exceptional circumstances, such as where a recently appointed Executive Director's salary is increased to reflect his or her growth in the role over time or where significant additional responsibilities are added to the role.

Many full-time Group employees are eligible to receive some form of performance-based incentive. Selected key individuals below Board level are invited to participate in the Performance Share Plan, in order for there to be alignment between senior management and the Executive Directors' objectives. Certain individuals were also granted Foundation Awards in 2016.

Following Admission, in line with our philosophy of encouraging our workforce to see themselves as investors in the Group, all eligible employees were offered an award of free shares under the Share Incentive Plan and many have chosen to invest further through the purchase of partnership shares and through the Sharesave plan.

The Committee has not consulted employees on the remuneration policy for Executive Directors. However, the Committee will regularly consider wider remuneration trends across the Group.

Directors' Remuneration Report
continued

Annual Report on Remuneration 2018

This section of the Directors' Remuneration Report sets out the remuneration paid in 2018 and the proposed remuneration for 2019. This section will be put to an advisory shareholder vote at the 2019 AGM.

Sections which are subject to audit are indicated as such.

Single figure of remuneration (audited)

The table below sets out the total remuneration received by Executive Directors and Non-Executive Directors in 2018 and 2017.

	Salary/Fees		Taxable Benefits[3]		Pension		Short-term Incentives		Long-term Incentives		Legacy incentives[4]		Total Remuneration	
Individual	**2018 £**	2017 £	**2018 £**	2017 £	**2018 £**	2017 £	**2018 £**	2017 £	**2018 £**	2017 £	**2018 £**	2017 £	**2018 £**	2017 £
Executive Directors														
Matthew Crummack	**400,000**	400,000	**44,025**	40,652	**32,000**	32,000	**280,600**	271,502	**–**	–	**833,143**	–	**1,589,768**	744,154
Nick Wrighton	**300,000**	260,000	**29,476**	30,345	**23,467**	20,800	**157,838**	132,357	**–**	–	**277,714**	–	**788,495**	443,502
Total													**2,378,263**	**1,187,656**
Non-Executive Directors														
Sir Peter Wood	**250,000**	250,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**250,000**	250,000
Zillah Byng-Thorne	**80,000**	80,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**80,000**	80,000
Angela Seymour-Jackson	**125,000**	125,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**125,000**	125,000
Ashley Steel[1]	**60,000**	16,076	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**60,000**	16,076
Adrian Webb	**60,000**	60,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**60,000**	60,000
Joe Hurd[2]	**51,154**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**51,154**	–
Total													**626,154**	**531,076**

1 Ashley Steel was appointed to the Board on 26 September 2017.
2 Joe Hurd was appointed to the Board on 22 February 2018.
3 Taxable benefits included the cash value of private medical insurance, death in service life insurance and travel expenses.
4 The legacy incentives column relates to the Foundation Awards, which were one-off legacy awards outside the scope of the Remuneration Policy, made at the time of Admission. Further details are on page 69. Due to the time of vesting, the 2018 legacy incentives figure has been calculated using the average share price from 1 October 2018 – 31 December 2018 (being £0.81).

Notes to the table (audited)

Base salary

The Executive Directors' salaries were reviewed in late 2017. As a result of that review, the Committee determined that the CEO's salary was appropriate for the size and scope of his role and no changes would be made in 2018.

The Committee gave careful consideration to the performance of the CFO and as a result of exceptional performance and taking into account wider industry benchmarks, approved a salary increase with effect from 1 January 2018 as was outlined in the 2017 report. The Committee is not proposing any further increase to the CFO's salary in 2019 consistent with our commitment to shareholders in the 2017 annual report.

Full details of the 2019 salaries are set out on page 72.

The salaries for the Executive Directors in 2018 were as follows:

	Salary as at 1 January 2018	Increase from 2017
Matthew Crummack	**£400,000**	0%
Nick Wrighton	**£300,000**	15.38%

Annual bonus

In 2018 the annual bonus opportunity levels for the CEO and CFO were 100% of salary and 75% of salary respectively. Awards were based on a series of financial and non-financial measures which are described below. Further details on performance outcomes for the non-financial measures are shown in the second table.

		Threshold	Maximum	Actual	Vesting
Financial (60%)	Adjusted operating profit (50%) Revenue (10%)	£40.5m 5% growth YoY	£45.0m 10% growth YoY	£44.0m 2.3%	83.3% 0.0%
Strategic (20%)	Investment opportunities (10%) Launch of new energy journey (10%)	Based on Remuneration Committee's qualitative assessment of performance (see below)		Fully achieved	100.0%
People (10%)	Drive performance through culture (10%)	Based on Remuneration Committee's qualitative assessment of performance (see below)		CEO: Partially achieved CFO: Partially achieved	CEO: 85.0% CFO: 85.0%
Customer (10%)	Improvement in Botheration Index (10%)	0 points	0.05 points	0.74 reduction	0.0%
Total					CEO: 70.15% CFO: 70.15%

For the financial and customer measures, straight-line vesting occurs between threshold and maximum.

Further commentary on non-financial measures

The strategic, people and customer measures described above are assessed with reference to the following objectives:

Measure	Objectives	Commentary on performance achieved	Outcome
Strategic (20%)	Both the CEO and CFO were assessed with reference to two objectives: • Deployment of capital to at least two internal/external Board approved investments (10%) • Development and deployment of a new automated energy product (10%)	• Capital was deployed in the acquisition of the Energylinx business in June 2018. Capital was deployed in the design and build of the weflip brand. A follow-on investment was made in MortgageGym in July 2018. • Core energy website was delivered in-house in June. Core proposition powered by Energylinx which has a market leading panel. weflip proposition successfully launched in October 2018.	100%
People (10%)	Both the CEO and CFO were assessed with reference to driving performance through the organisation's culture. This focused on embedding values and behaviours within the leadership teams' reward structure as well as its inclusion within all employee reward.	• An element of the bonus for the senior management and all employee pool now links to company values and behaviours. • Core people processes such as onboarding and induction include training across values and behaviours. • Employees are recognised through the reward and recognition framework linked to behaviours and values.	85%
Customer (10%)	The Group developed a Botheration index that was outlined in the 2017 Annual Report. The Group felt the customer measure accurately reflected our mission to save customers time and hassle and a reduction in botheration was included for a second year. As a new measure, the Group spent time refining the index and the CEO and CFO were assessed with reference to an improvement in botheration from 0.95 to 1.0.	• A drop in new customer YoY growth coupled with relatively flat YoY average customer return rate has led to a drop in botheration. This outcome is reflective of the competitive nature of the market.	0%

Based on the achievements listed in the table above, the Committee agreed that the final vesting under the 2018 bonus would be 70.15% of the maximum for Matthew Crummack and 70.15% of maximum for Nick Wrighton.

	Portion vesting (% of maximum)	Total award	Portion vesting (% of salary)
Matthew Crummack	70.15%	£280,600	70.15%
Nick Wrighton	70.15%	£157,838	52.61%

In line with the Policy, 30% of awards will be deferred into shares and released in equal tranches over a three-year period.

Annual incentives awards for 2019 will be based on a combination of financial and non-financial measures and are described further on page 73.

Directors' Remuneration Report
continued

Performance Share Plan – awards granted in the year

Share awards were made to the Executive Directors under the Performance Share Plan on 28 March 2018 equivalent to 200% of salary for the CEO and 150% of salary for the CFO. The maximum PSP opportunity under the Policy is 250% of salary.

	Type of award	Face value (£)	Face value (% of salary)	Number of shares granted	Average share price at grant (£) [1]	Threshold vesting (% of face value)	Maximum vesting (% of face value)	Performance period
Matthew Crummack	Performance Shares	800,000	200%	714,286	1.12	25%	100%	1 January 2018 – 31 December 2020
Nick Wrighton	Performance Shares	450,000	150%	401,786	1.12	25%	100%	1 January 2018 – 31 December 2020

1 The share price used to calculate the number of performance shares was the average share price over the five days prior to the grant date (£1.12).

The Performance Share Plan awards are subject to two equally weighted performance metrics: relative total shareholder return and earnings per share growth:

Measure	Description	Weighting	Threshold/Target	Maximum Target
Relative Total Shareholder Return (TSR)	Measured with reference to the FTSE 250 excluding investment trusts and the Company	50%	Median	Upper quartile
Earnings per share growth (EPS)	Measured with reference to annualised growth targets	50%	10% pa	20% pa

Straight-line vesting occurs between threshold and maximum for both TSR and EPS elements of the award.

Any awards vesting will be subject to a two-year holding period, following vesting.

Performance Share Plan – awards vesting in the year

There were no annual PSP awards due to vest in 2018.

Vesting of legacy awards

As described in the 2016 Directors' Remuneration Report, in order to motivate key individuals and focus them on the delivery of high performance under the new strategy, a number of Foundation Awards were made following Admission, including to the Executive Directors. These one-off legacy awards were granted prior to the publication of GoCompare's Directors' Remuneration Policy and were disclosed in the Prospectus. They are outside the terms of the Policy.

In line with our commitment in the 2016 Directors' Remuneration Report, the targets and vesting outcomes are disclosed in full below. Performance was assessed with reference to very stretching adjusted operating profit targets, in two separate tranches. One-fifth of the award was based on 2017 performance and the remainder was based on 2018 performance.

The awards were then subject to certain underpin measures. These were:

- That revenue for the 2017 financial year was 5% higher than the revenue for the 2016 financial year and that revenue for the 2018 financial year was 5% higher than the revenue for the 2017 financial year.
- That the Company's holding of cash and cash equivalents was at least £4 million over the 2017 and 2018 financial years.
- That the Company's underlying financial performance was determined as satisfactory by the Committee.

The operating profit targets and actual outcomes were as follows:

2017 operating profit (20% of total award)	
Threshold (25% vesting)	£36m
'Midi' (50% vesting)	£40m
Threshold	£45m+
Actual	£36m
Vesting	25%

2018 operating profit (80% of total award)	
Threshold (25% vesting)	£45m
'Midi' (50% vesting)	£50m
Threshold	£60m+
Actual	£44m
Vesting	0%

All underpin measures were met in full, save for the revenue measure which was partially met. The 2017 revenue target was achieved but the 2018 revenue target was not achieved, with growth of 2.2% against a target of 5%.

Therefore, under the formulaic calculation, no part of the Foundation Awards were due to vest.

The Committee considered the outcome under the formulaic approach and determined that a number of positive decisions have influenced the performance outcomes for 2018, resulting in a narrow miss of the 2018 operating profit target and the 2018 revenue underpin target. In the two years since Admission, the Group has chosen to transform the business through organic and inorganic investment in people and innovation, including launching the new weflip proposition, acquiring EnergyLinx and deploying a new GoCompare energy journey, acquiring MyVoucherCodes and investing in MortgageGym and Souqalmal. This innovation has been enabled by the continued prioritisation of controlled, profitable growth in the core comparison business over short term orientated goals. The Committee, and the wider Board, is confident that these decisions and investments will lead to future significant financial growth, and was of the view that it would therefore be appropriate that the contribution of the Executive Directors and other senior individuals to this achievement be recognised.

On this basis, the Committee exercised its discretion and determined that the final vesting outcome of the awards would be 24% of maximum, being lower than the vesting level that would have been set for achieving threshold performance.

As a result, the awards vesting to the Executive Directors are as follows:

	Number of shares granted	Value at grant date	Number of shares vesting	Value of shares vesting[1]
Matthew Crummack	4,285,714	£3,000,000	1,028,571	£833,143
Nick Wrighton	1,428,571	£1,000,000	342,857	£277,714

1 Value of shares based on a three month average share price to 31 December 2018 of £0.81.

Under the terms of the award, a one-year holding period will apply following vesting. However, in view of the Committee's decision to use its discretion, it was agreed that the holding period would be extended to apply for two years post-vesting for the Executive Directors.

All-employee share plans

In addition to the arrangements described above and to encourage employees to be owners in the Company, two all-employee share plans are in place: the Share Incentive Plan ("SIP") and the Sharesave Plan.

Under the SIP, a free share award of £1,500 was offered to all eligible employees upon Admission (other than those employees receiving Foundation Awards, who opted not to receive free share awards). Furthermore, since early 2017, employees have had the option to buy partnership shares, which are eligible to earn matching shares of 1:1 (with no performance conditions). Of those employees eligible, 34% of the workforce opted to participate and buy partnership shares.

In 2016, 2017 and again in 2018, participation in the Sharesave Plan was also offered to employees, including the Executive Directors. Employees can save up to £500 a month to purchase shares at 80% of the market value at the date of grant. The overall participation rate for the three Sharesave Plans is 45%.

Nick Wrighton chose to participate in the Sharesave Plan in 2016 to which he contributes the maximum saving of £500 a month. As such, he does not participate in the 2017 or 2018 plan. He also participates in the partnership share scheme and details of his 2018 awards are as follows.

	Type of award	SIP shares held 01.01.18	Partnership shares acquired in the year	Matching shares awarded in the year	Dividend shares awarded in the year	Total Shares held 31.12.18	SIP shares that became unrestricted in the year	Total unrestricted SIP shares held at 31.12.18
Nick Wrighton	SIP Awards	3,818	1,705	1,705	77	7,305	0	0

External appointments (audited)

The Committee believes that external experience is valuable for the Executive Directors' development. Accordingly, Matthew Crummack serves as a Non-Executive Director at National Express Group plc, where he receives a fee of £52,800. He is also a Director of his own Company, Interventus, where he does not retain a fee.

Payments to past Directors (audited)

There were no payments to past Directors in the year.

Payments for loss of office (audited)

There were no payments for loss of office in the year.

Directors' Remuneration Report
continued

Sourcing of shares (dilution limits)

The terms of the Group's share plans set limits on the number of newly issued shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association, these limits restrict overall dilution under all plans (the PSP, the DBP, the Sharesave Plan, the Share Incentive Plan and any other employee share scheme adopted by the Group) to under 10% of the Company's issued share capital over a ten-year period. Furthermore, the PSP and DBP set a further limitation that not more than 5% of the Company's issued share capital may be issued in any ten-year period on discretionary plans. Under the provisions of the PSP rules, the Foundation Awards made under the PSP are exempt from these limitations.

Outstanding share awards (audited)

Awards held at 31 December 2018 by Executive Directors are shown in the table below. No awards vested or lapsed in the year.

Director	Schemes	Grant date	Exercise price	Number of shares as at 1 January 2018	Granted during the year	Lapsed during the year	Number of shares at 31 December 2018	End of performance period for performance shares/end of vesting period for Sharesave	Exercise period
Matthew Crummack	PSP (Foundation Award)	15.11.16	n/a	4,285,714	–	–	4,285,714	31.12.18	n/a
	PSP	29.03.17	n/a	879,120	–	–	879,120	31.12.19	n/a
	PSP	28.03.18	n/a	–	714,286	–	714,286	31.12.20	n/a
Nick Wrighton	PSP (Foundation Award)	15.11.16	n/a	1,428,571	–	–	1,428,571	31.12.18	n/a
	PSP	29.03.17	n/a	428,571	–	–	428,571	31.12.19	n/a
	PSP	28.03.18	n/a	–	401,786	–	401,786	31.12.20	n/a
	Sharesave	16.12.16	£0.50	36,000	–	–	36,000	01.02.20	01.02.20 – 31.07.20

Directors' shareholdings and share interests (audited)

Executive Directors are expected to build and hold GoCompare shares of at least 200% of their annual salary to align with the long-term interests of shareholders, with a requirement to retain 50% of any share awards vesting until the 200% requirement is met.

Shareholding requirements and the number of shares held by Directors during the year and as at 31 December 2018 are set out in the table below:

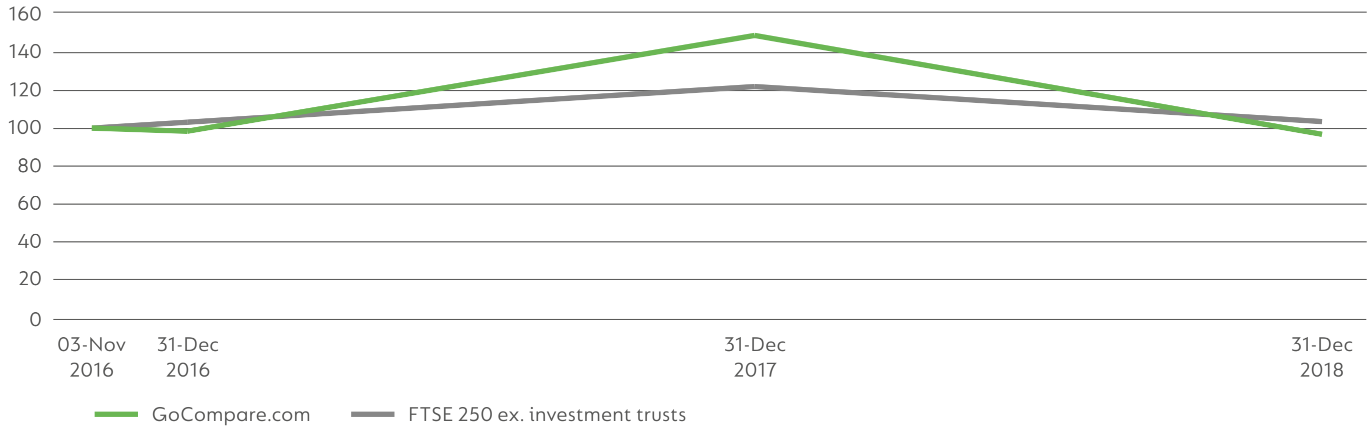
	Shares owned outright 31 December 2018	Interest in share incentive schemes subject to performance conditions at 31 December 2018	Shares owned outright on 31 December 2017	Shareholding requirement as a % of salary	Shareholdings as a % of salary achieved at 31 December 2018[1]
Current Directors					
Matthew Crummack	**63,604**	5,879,120	–	200%	10.88%
Nick Wrighton	**131,465**	2,258,928	47,978	200%	29.94%
Sir Peter Wood	**107,274,982**	–	107,274,982	–	–
Zillah Byng-Thorne	**84,322**	–	84,322	–	–
Angela Seymour-Jackson	**36,973**	–	36,973	–	–
Ashley Steel[2]	**86,502**	–	47,833	–	–
Adrian Webb	**1,025,195**	–	985,195	–	–
Joe Hurd[3]	**5,564**	–	–	–	–

1 Calculated using the share price of 68.4p (as at 31 December 2018).
2 Ashley Steel was appointed to the Board on 26 September 2017.
3 Joe Hurd was appointed to the Board on 22 February 2018.

The CFO also participates in the Share Incentive Plan. Between 31 December 2018 and 27 February 2019, Nick Wrighton had acquired 398 shares at their prevailing market value and had received 398 additional matching shares under the terms of the SIP on the same basis as all other eligible employees.

Total Shareholder Return performance

The graph below shows GoCompare's TSR performance from Admission in November 2016 to 31 December 2018 against the TSR performance of the FTSE 250 excluding investment trusts. This index has been chosen because it is a broad equity market index, which is currently used as the comparator group for the long-term incentive plan.



The following table shows the CEO's remuneration for 2018 and 2017:

	2018	2017	2016
CEO single figure of remuneration	**£1,589,768**	£744,154	£463,897
Annual bonus pay-out (as a % of maximum opportunity)	**70.15%**	67.875%	100%
PSP vesting outturn (as a % of maximum opportunity)	**n/a**[1]	n/a	n/a

1 The legacy incentive awards, the Foundation Awards, vested in the year. The outturn was 24% of maximum.

Percentage change in CEO's remuneration

The table below shows the percentage change in salary, benefits and annual bonus between the year ended 31 December 2018 and the year ended 31 December 2017, for the CEO and for the average GoCompare employee.

	Salary	Benefits	Annual bonus
CEO	0.00%	8.30%	3.35%
Average employee	8.29%	2.89%	44.0%

Rewarding our people and wider workforce engagement

Our approach to all employee reward is focused on providing a competitive package to attract, retain and incentivise our employees to deliver for our customers, business and shareholders.

In addition to a competitive salary, all employees receive the opportunity to earn a performance-related bonus, private medical care, matched contribution pension, death in service cover and the option to participate in our share schemes.

In 2018, the Group conducted a business-wide salary review exercise against benchmarking data to ensure that we remain a competitive employer within the local market. Work concluded on our review of our core benefits offering and, as a result, we introduced new benefits centred around length of service leave awards, greater flexibility in the buying and selling of leave and a performance management framework linked to business performance. During the review process, the Committee played an active part in reviewing and offering guidance to the management team, including experience gained from other businesses and insight in to initiatives Committee members have seen work well. The Committee were keen to ensure that all employee rewards were structured in a way that drove performance within the strategy and culture of the business.

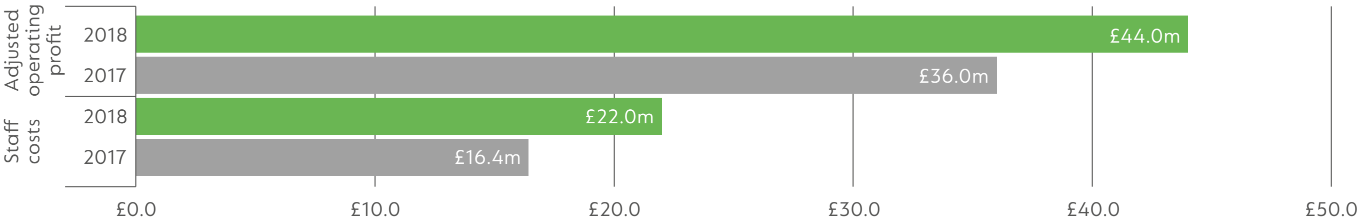
During 2018, the Committee also reviewed the all employee share save proposals as part of a programme to align employees with the long-term success of the Group. The Committee also took an active role in reviewing reward for the wider Executive team.

As part of its work relating to the Corporate Governance Code reforms, the Committee oversaw the proposal for wider workforce engagement. Given the regular updates of information the Committee and Board currently receive relating to the wider workforce, and the regular attendance of Management at Committee and Board meetings, the Group has opted to formalise this approach as well as introducing a more formal Group report directly to the Board.

In addition to the hard benefits, the Group also offer staff a host of softer benefits such as subsidised fitness classes, free fresh fruit and healthy snacks, family time for parents to attend concerts and sports days and annual family BBQs. Further information on key initiatives for our people and what makes us unique can be found on pages 29 and 30.

Directors' Remuneration Report
continued

Relative importance of spend on pay
The chart below illustrates the year-on-year change in total remuneration for all employees of the Group and Adjusted operating profit.



1 The 2018 and 2017 comparative are taken from note 7 of the 2018 Financial Statements.
2 The 2018 figures include an increase in cost base of staff linked to the acquisition of MyVoucherCodes and Energylinx.

For more information on dividends and expenditure on remuneration of all employees, see pages 110 and 97 respectively.

Implementation of Policy in 2019

Review of the remuneration for the CEO and CFO
The Committee carried out a review of the CEO and CFO's remuneration packages in 2018.

The Committee was mindful of the fact that the CEO had had no increases to any element of his remuneration since Admission. The wider workforce average salary increase for 2017 was 7.65% increasing to 8.29% in 2018. The Committee therefore considered a review to be appropriate, to ensure that the overall remuneration package was both rewarding and incentivising. In particular, the review took into consideration the changing size, scale and complexity of the business.

Since its Admission in November 2016, GoCompare has changed fundamentally in terms of size, scale and complexity. The business in 2016 was a mono line price comparison business, focused on car insurance, and based in one location with less than 200 employees.

Today the business has grown to more than 300 employees across three locations. Acquisitions of MyVoucherCodes and Energylinx, and investments in MortgageGym and Souqalmal have helped to diversify the business and development of 'plug and play' capability in MVC has enabled white label partnerships with several publishing groups. The launch of the weflip proposition is designed to disrupt the energy market.

The Committee was of the view that the CEO's role in successfully leading GoCompare and delivering value from the new propositions is significantly more demanding and requires a stronger skill set than was the case in 2016. The decision was therefore taken to make increases to his salary and incentive opportunity levels, as described below.

The changes proposed to the CEO's salary, bonus and PSP opportunity are in line with the current Remuneration Policy approved by shareholders at the 2017 Annual General Meeting.

The Committee reviewed the package for the CFO and was comfortable that the salary, bonus and PSP remained appropriate. No changes will be introduced for the CFO for 2019.

Salaries
Following the review, the CEO's salary has been increased to £450,000. The 2019 salaries for the CEO and CFO will therefore be as follows:

	Salary as at 1 January 2019	Increase
Matthew Crummack	**£450,000**	12.5%
Nick Wrighton	**£300,000**	0.0%

Pension
The maximum employer contribution is 16% of salary. For 2019, Executive Directors will receive a contribution of 8% of salary.

Benefits
These will be awarded in line with the Policy.

Annual bonus

The CEO will be entitled to a maximum annual bonus equal to 130% of salary effective 1 January 2019, an increase in opportunity of 30%. Annual bonus opportunities will remain unchanged from 2018 levels for the CFO. The CFO will be entitled to a maximum equal to 75% of salary.

The performance measures will be as follows:

Element	Description	Weighting
Financial	Performance against an annual operating profit target	50%
	Performance against an annual revenue growth target	10%
Strategic	Strategic initiatives – focusing on development of our Savings as a Service proposition weflip	20%
People	People – focusing on Group operating model and a culture that supports delivery	10%
Customer	Customer – focusing on continued improvement to customer experience	10%

The detailed targets for the coming year are considered to be commercially sensitive. However, the Committee will look to provide an appropriate explanation of bonus outcomes by no later than in the 2019 Directors' Remuneration Report.

In accordance with the Policy, 30% of any bonus earned will be deferred into shares and released in equal tranches over three years.

Performance Share Plan

The maximum PSP opportunity under the Policy is 250% of salary. Following a review of the Executive Directors' packages, the CEO's opportunity will increase to 230% of salary effective 1 January 2019, an increase in opportunity of 15%. No changes to award levels are proposed for 2019 for the CFO and therefore the opportunity level remains at 150% of salary. Awards will be subject to a three-year performance period beginning on 1 January 2019.

Following vesting, awards will be subject to a subsequent holding period of two years, with the entirety of any award vesting released after two years.

The performance conditions for 2019 awards remain unchanged from 2018 and are as follows:

Measure	Description	Weighting	Threshold target	Maximum target
Relative Total Shareholder Return (TSR)	Measured with reference to the FTSE 250 excluding investment trusts and the Company	50%	Median	Upper quartile
Earnings per Share growth (EPS)	Measured with reference to annualised growth targets	50%	10% pa	20% pa

Chairman and Non-Executive Director fees

No changes are proposed for 2019 to the fees for the Chairman and Non-Executive Directors. The fees remain as follows:

Chairman fee (all-inclusive fee)	£250,000
Deputy Chairman and Senior Independent Director (all-inclusive fee)	£125,000
Non-Executive Director base fee	£60,000
Committee Chair supplementary fee[1]	£10,000
Committee member supplementary fee	None

1 In line with Zillah Byng-Thorne's letter of appointment, she is entitled to a fee of £20,000 in respect of her role as Chair of the Audit and Risk Committee, Angela Seymour-Jackson received an all-inclusive fee and therefore does not receive a supplementary fee for her role as Chair of the Remuneration Committee.

Unexpired term of service contracts

The unexpired terms of the Executive and Non-Executive Directors' service contracts are set out on page 64.

The Remuneration Committee

The Remuneration Committee's Terms of Reference were reviewed by the Committee in February 2019. They can be viewed at www.gocomparegroup.com.

The Committee is responsible for determining the terms and conditions of employment, and the level and structure of remuneration and benefits of the Chairman of the Board, the Executive Directors, and from 2019 members of the executive committee. The Committee also reviews the remuneration arrangements for senior employees, and is responsible for the determination of all aspects of share-based incentive arrangements. The Committee ensures that it takes into consideration the risk appetite of the Group; alignment to the Company's strategic goals and the remuneration of the wider workforce.

The Committee's activities in 2018:

- Signing off the Directors' Remuneration Report for 2017;
- Signing off the outturns for the 2017 annual bonus;
- Reviewing and discussing the provisional outturn for the Foundation Award;
- Finalising the annual bonus and PSP targets for 2018;
- Reviewing the arrangements for below Board roles, including 2017 bonus outturns and the operation of the 2018 bonus and PSP;
- Reviewing the Executive Directors' salaries and incentive opportunity levels;
- Monitoring performance under the existing unvested incentive schemes;
- Reviewing the appropriateness of the PSP performance measures in the context of 2019 remuneration decisions and consideration of the targets for 2019;
- Reviewing feedback from shareholders after the 2018 AGM and discussing trends from the 2018 AGM season more generally;

Directors' Remuneration Report
continued

- Reviewing the Committee's remuneration advisers;
- Reviewing the Committee's terms of reference;
- Discussing the latest developments in corporate governance, including the reforms to the UK Corporate Governance Code and guidance on pay ratios, employee engagement and gender pay;
- Reviewed the all employee share save proposal;
- Providing guidance to management on linking all employee reward to business performance; and
- Reviewing and discussing the outturn of the Foundation Award.

Support for the Committee
The Chairman, CEO, CFO, Chief of Staff, General Counsel & Company Secretary and Human Resources Director attend meetings by invitation, except when their own remuneration is discussed. No Director is involved in setting his or her own remuneration. None of the Committee members have had any personal financial interest, except as shareholders, in the matters decided.

During the year, Deloitte LLP ("Deloitte") provided advice to the Remuneration Committee and was reappointed by the Committee in the year, following a competitive tender process. Deloitte is a founder member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. As such, the Committee is satisfied that the advice provided by Deloitte is independent and objective.

The total fees paid to Deloitte in relation to the remuneration advice provided to the Committee from 1 January 2018 to 31 December 2018 were £64,050. Fees are predominantly charged on a "time spent" basis. During the year the wider Deloitte firm also provided advisory and compliance services to GoCompare in respect of corporation tax, indirect tax and transaction support services.

2018 AGM
The Committee is always very mindful of the views of shareholders and a consultation was carried out at the start of 2017 on the new Directors' Remuneration Policy and its implementation. The Committee was pleased with the result of the Policy vote at the 2017 AGM and the 2018 AGM vote on remuneration. The Committee reflected on feedback from the AGM during the year, as well as the views of shareholders that were gathered from the 2017 consultation; this was taken into consideration when setting the remuneration for the Executive Directors in 2019.

At the 2018 AGM, shareholders approved the Annual Directors' Remuneration Report. The Directors' Remuneration Policy was approved at the 2017 AGM. The votes cast were as follows:

	For	Against
Directors' Remuneration Report (2018 AGM)	96.49%	2.51%
Directors' Remuneration Policy (2017 AGM)	99.7%	0.3%

For and behalf of the Board

Angela Seymour-Jackson
Chair of the Remuneration Committee
For the year ending 31 December 2018

Directors' Report

The Directors have the pleasure of presenting their annual report for the year ended 31 December 2018. The Directors' Report comprises pages 75 to 79, together with sections of the annual report incorporated by reference.

As permitted by legislation, some of the matters required to be included within the Directors' Report have been incorporated by reference into this report and should be read in conjunction with this report. Specifically, these are:

- Strategic Report – pages 2 to 28
- Chairman's Statement – pages 4 to 5
- Chief Executive Officer's Review – pages 12 to 13
- Financial Review – pages 26 to 28
- Risk management – pages 20 to 23
- Viability statement – page 24
- Corporate Governance Report – pages 43 to 47
- For information relating to social, environmental and ethical matters, please refer to the CSR section on pages 29 to 36.

Board of Directors

The names and biographies of the Board are provided on pages 40 to 41 The details are also available on our website at www.gocomparegroup.com.

Changes to Directors during the year are set out below:

Joe Hurd	Non-Executive Director	Appointed on 22 February 2018

Details of Directors' beneficial and non-beneficial interests in the shares of the Company are shown on page 70. Further details regarding employee share option schemes are given in note 26 to the financial statements.

Appointment, retirement and removal of Directors

The appointment and replacement of Directors is governed by the Company's articles of association (the "Articles"), the 2016 UK Corporate Governance Code, the Companies Act 2006, the Relationship Agreement between Sir Peter Wood and the Company, and related legislation. The Articles may only be amended by a special resolution of the shareholders.

The Board may from time to time appoint one or more Directors to the Board. Any such Director holds office only until the next AGM where they will stand for annual election.

In addition to any power of removal conferred by the Companies Act 2006, the Group may, by special resolution, remove any Director before the expiration of their period of office.

Further details of the re-election and election of the Directors can be found in the notes to the Notice of Meeting sent to shareholders in advance of the 2019 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

Under the Relationship Agreement between Sir Peter Wood and the Company, for so long as Sir Peter Wood or any of his associates, when taken together, hold at least 15% of the shares or voting rights attaching to the shares, Sir Peter Wood will be entitled to appoint, remove and reappoint one person to be a Director, who may be either himself or another person nominated by him.

The governance structure and the activities of the Board's principle Committees are summarised on pages 43 to 74.

Articles of Association

The Company's articles of association can be found on the Company's website www.gocomparegroup.com.

Dividends

The Company may, by ordinary resolution, declare dividends not exceeding the amount recommended by the Board. Subject to the Companies Act 2006, the Board may pay interim dividends and also any fixed rate dividends, whenever the financial position of the Company, in the opinion of the Board, justifies its payment.

Details of dividends declared and paid in the year are set out in note 27 of the consolidated financial statements.

Financial risk management

The Directors confirm that they have undertaken a robust assessment of the principal risks facing the Group. Details of the Group's risk management systems and processes in place in relation to financial risks and its policies for managing exposure to these risks are set out in note 21 of the consolidated financial statements. The principal risks and uncertainties facing the Group ('How we manage risk') are set out on pages 20 to 23.

Power of Directors

The general powers of Directors are contained within relevant UK legislation and the Company's Articles. The Directors are entitled to exercise all powers of the Company, subject to any limitations imposed by the Articles or applicable legislation.

Directors' and Officers' liability insurance and indemnities

The Group maintains Directors' and Officers' liability insurance, which provides appropriate cover should legal action be brought against its Directors. In addition, indemnities are in force under which the Group has agreed to indemnify the Directors against certain liabilities and related costs that they may incur in the execution of their duties. The indemnities do not cover the Directors for fraudulent activities.

Conflicts of interest

The Company has procedures in place to deal with situations where a Director believes they may have an actual or perceived conflict of interest with respect to matters before the Board. Directors have a continuing duty to update any changes to these conflicts.

Specifically, if any matters arise for discussion by the Board in relation to the Group's relationship with esure Group plc whilst Sir Peter Wood is the Chairman of esure Group plc, Sir Peter will recuse himself from any input on such matter (including from voting on such matters).

Directors' Report
continued

Compensation for loss of office
The Company does not have any agreements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Group's share plans may cause options and awards granted under such plans to vest on a takeover. Further information on Directors' service contracts and their notice periods can be found in the Remuneration Report on pages 56 to 74.

Political donations
The Company did not make any political donations or incur any political expenditure during the year ended 31 December 2018. The Company has a policy of not making donations to political organisations or independent election candidates or incurring political expenditure anywhere in the world.

Share capital
The Company's share capital consists of one class of ordinary shares of £0.0002 each. Each share ranks equally and carries the same rights to vote and receive dividends and other distributions declared. There are no restrictions on the transfer or holding of shares of the Company.

As at 31 December 2018, the Company had 418,409,446 ordinary shares in issue. The Company does not hold any shares in Treasury.

The rights attached to shares which are the subject of awards under any of our employee share plans are not available until any award or option is exercised and the shares are allotted or transferred to the relevant individual. The trustee of our employee benefit trust is obliged to act in the best interests of the beneficiaries under our share plans. At general meetings, the trustee may exercise discretion to vote in respect of trust shares although it may not always choose to do so. Where shares are beneficially held by an employee within a share plan, they may direct the trustee to vote on their behalf.

Power of Directors to issue shares
The Directors require express authorisation from shareholders to allot new shares. A shareholder resolution will be proposed at the 2019 AGM to renew this authority to allot shares.

Purchase of own shares
The Company was authorised by the shareholders at the 2018 AGM to purchase in the market up to 10% of its issued share capital, as permitted under the Company's Articles. No shares were bought back under this authority during the year ended 31 December 2018. This standard authority is renewable annually, the Directors will seek to renew this authority at the 2019 AGM.

Further details may be found in the Notice of Meeting sent to shareholders in advance of the 2019 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

Major interests in shares
Information provided to the Group by substantial shareholders pursuant to the Financial Reporting Council Disclosure and Transparency Rules ("DTR") is published on a Regulatory Information Service.

As at 27 February 2019, the Company had been notified of the following interests amounting to 3% or more of the voting rights in the issued share capital of the Company.

Shareholder	No. of shares	% holding	Direct/ indirect interest
Sir Peter J. Wood	107,274,982	25.64	Direct
Artemis Investment Management	30,383,512	7.26	Indirect
Jupiter Asset Management	28,399,648	6.79	Indirect
Deutsche Bank	22,216,881	5.31	Indirect
JPMorgan Chase & Co	17,046,801	4.07	Indirect
Janus Henderson Investors	13,441,340	3.21	Indirect
Kayne Anderson Rudnik Investment Management	12,685,460	3.03	Indirect

Relationship Agreement with controlling shareholder
Sir Peter Wood, the Group's Chairman, is a controlling shareholder of the Group with a total holding of approximately 25.64% of the Company's voting rights.

The Group entered into a Relationship Agreement with Sir Peter Wood on 11 October 2016.

The principal purpose of the Relationship Agreement is to ensure that the Group is capable at all times of carrying on its business independently of Sir Peter Wood and certain persons deemed to be connected with him.

In addition to other undertakings and agreements, the Relationship Agreement contains the following undertakings:

- that transactions and arrangements between the Group and Sir Peter Wood (and/or any of his associates) will be conducted at arm's length and on normal commercial terms;
- that neither Sir Peter Wood nor any of his associates will take any action that would have the effect of preventing the Group from complying with its obligations under the Listing Rules; and
- that neither Sir Peter Wood nor any of his associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

The Board confirms that, since the entry into the Relationship Agreement on 11 October 2016 until 27 February 2019, being the latest practicable date prior to the publication of this annual report and accounts:

- the Group has complied with the independence provisions included in the Relationship Agreement;
- so far as the Group is aware, the independence provisions included

in the Relationship Agreement have been complied with by Sir Peter Wood and his associates; and

- so far as the Group is aware, the procurement obligation included in the Relationship Agreement has been complied with by Sir Peter Wood.

Restrictions on voting rights

All shareholders entitled to attend and vote at a general meeting may appoint a proxy or proxies to attend, speak and vote in their place. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. A proxy need not be a shareholder. Proxy forms must be received by our registrars at least 48 hours before the time appointed for holding a meeting, as set out in any notice or in any form of proxy circulated by us.

The appointment of a proxy does not preclude a shareholder from attending and voting in person at a general meeting.

Further details may be found in the Notice of Meeting sent to shareholders in advance of the 2019 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

Auditor

Resolutions to reappoint KPMG as auditor of the Group and to authorise the Board and Audit and Risk Committee to determine their remuneration will be proposed at the 2019 AGM. The Audit and Risk Committee considers that the relationship with the auditor is working well and remains satisfied with its effectiveness. There are no contractual obligations restricting our choice of auditor.

Disclosure of information to the auditor

Each Director at the date of approval of this report confirms that: (i) so far as he or she is aware, there is no relevant audit information of which the Group's auditor is unaware and (ii) that each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Greenhouse gas emissions

Summarised below is the Greenhouse gas (GHG) mandatory reporting requirement for the Group. The disclosed information is calculated in accordance with the GHG Protocol and Carbon Trust (CT) guidance on calculating organisational footprints. Activity data has been converted into carbon emissions using published emissions factors. The data used has been provided by the Group and sense checked (but not formally verified) by Energy Intelligence Centre Limited (formerly Utilitywise plc). The boundary of the organisation is deemed to be the head office in Newport, being the function over which the Group has direct responsibility. Data presented is for the period 1 January to 31 December which is consistent with the Group's financial year.

Emissions from:

	2018 tCO_2e	2017 tCO_2e
Combustion of fuel and operation of facilities (Scope 1)	**0.0**	**0.0**
Emissions from purchase of electricity, heat, steam and cooling for own use (Scope 2)	**134.5**	**163.7**
Total	**134.5**	**163.7**
Company's chosen intensity measurement: Total tonnes of CO_2 per £m of revenue	**0.88**	**1.10**

In order to express the Group's annual emissions in relation to a quantifiable factor associated with the Group's activities, disclosure is given of total tonnes of CO_2e per £m of revenue. This measure is deemed to be a relevant indicator of the extent of the Group's operations and strategic focus.

Going concern

In adopting the going concern basis for the preparation of the financial statements, the Directors have considered the business activities as set out on pages 2 to 19 (Strategic Report and Business review), as well as the Group's principal risks and uncertainties as set out on pages 20 to 23. Based on the Group's current financial situation and robust assessment of the Group's projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months.

Long term viability statement

The Directors have assessed the prospects of the Group over a three-year period to 31 December 2021. This has taken into account the business model, strategic aims, risk appetite, and principal risks and uncertainties, along with the Group's current financial position, debt facilities and financing arrangements including the Group's ability to repay debt as required under the Debt Facility Agreement. Given the Group's cash generation and available committed facilities, the Directors have determined that the assumptions in the viability statement are appropriate. Based on the full assessment undertaken, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period under review.

The Group's viability statement is on page 24.

Material contracts and change of control

Save as disclosed below, there are no material contracts (other than contracts entered into in the ordinary course of business) to which the Group is a party and no material contracts to which the Group is a party that take effect, alter or terminate upon a change of control of the Group following a takeover bid:

- The Relationship Agreement between the Company and Sir Peter Wood remains in force until the earlier of: (i) the shares of the Company ceasing to be admitted to the Official List of the FCA and to trading on the London Stock Exchange; or (ii) Sir Peter Wood and any of his associates (together, the "Controlling Shareholder") ceasing to own, when taken together, 15% or more of the shares of the Company or the voting rights attached to the shares of the Company unless at the time the Controlling Shareholder shall cease to own, when taken together, 15% or more of the shares of the Company or the voting rights attaching to the shares of the Company, Sir Peter Wood remains the Chairman of the Company, in which event the Relationship Agreement shall terminate six months after Sir Peter Wood ceases to be the Chairman of the Company.
- On 13 September 2016, GoCompare.com Finance Limited (a wholly owned subsidiary of the Company) (as borrower) and the Company, GoCompare.com Finance Limited and GoCompare.com Limited (as guarantors), entered into a facilities agreement provided by a syndicate of four banks coordinated by Deutsche Bank AG, London Branch with Lloyds Bank plc, The Governor and Company of the Bank of Ireland, Santander UK plc and AIB Group (UK) PLC (all as mandated lead arrangers) and Santander UK plc (as facility agent) (the "Demerger Facilities Agreement"). The Demerger Facilities Agreement contains two facilities, a £75m term loan facility (the "Term Loan Facility") and a £10m working capital facility (the "Working Capital Facility"). The Demerger Facilities Agreement contains a change of control provision under which, upon the occurrence of a change of control of the Company, the lenders may refuse to fund utilisation requests under the Demerger Facilities Agreement, cancel their commitments and require prepayment of all outstanding amounts.

The Term Loan Facility has a five–year term, to be repaid in annual instalments of £10m and the final repayment of the balance is due upon expiry of its term. The Term Loan Facility was used to pay a cash dividend by the Company to esure Services Limited prior to Admission and to cover expenses associated with the demerger and Admission. The Term Loan Facility is not to be used for general corporate purposes. The Working Capital Facility also has a term of five years and is to be used for the Company's general corporate purposes.

On 18 December 2017, the Group executed an Amendment and Restatement of its Debt Facility Agreement which was effective as of 4 January 2018. This increased the Working Capital Facility from £10.0m to £40.0m. No changes were made to the Term Loan Facility. The Amendment and Restatement also included The Royal Bank of Scotland PLC as an additional lead arranger with the syndicate of banks. Further information on Group borrowings is set out in note 19.

Directors' Report
continued

Special rights

There are no persons holding securities that carry special rights with regard to the control of the Group.

Requirements of the Listing Rules

The following table provides references to where the information required by Listing Rule 9.8.R is disclosed:

Listing Rule requirement	Location in annual report
A statement of the amount of interest capitalised during the period under review and details of any related tax relief.	Not applicable.
Information required in relation to the publication of unaudited financial information.	Not applicable.
Details of any long-term incentive schemes.	Directors' Remuneration Report, pages 56 to 74.
Details of any arrangements under which a Director has waived emoluments, or agreed to waive any future emoluments from the Company.	Not applicable.
Details of any non-pre-emptive issues of equity for cash.	Not applicable.
Details of parent participation in a placing by a listed subsidiary.	Not applicable.
Details of any contract of significance in which a Director is or was materially interested.	None, other than the Relationship Agreement referred to on pages 76 to 77.
Details of any contract for the provision of services to the Company (or any of its subsidiaries) by a controlling shareholder.	Not applicable.
Details of waiver of dividends by a shareholder.	Not applicable.
Board statement in respect of Relationship Agreement with the controlling shareholder.	Directors' Report, pages 76 to 77.

This annual report, including this Directors' Report, as well as the (Strategic Report) from pages 2 to 19, and the Corporate Governance Statement from pages 43 to 47, was approved by order of the Board.

Nick Edwards
Chief of Staff, General Counsel and Company Secretary
27 February 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards, including FRS 101 Reduced Disclosure Framework.

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 parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

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

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

The Directors confirm to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Matthew Crummack
Chief Executive Officer

Nick Wrighton
Chief Financial Officer

Financial Statements

Independent Auditor's Report to the Members of GoCompare.com Group plc

1 Our opinion is unmodified

We have audited the financial statements of GoCompare.com Group plc ("the Company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, and Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 2.

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 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit & Risk Committee.

We were appointed as auditor by the directors in 2010 prior to the Company becoming a public interest entity. The period of total uninterrupted engagement is for the 3 financial years ended 31 December 2018 as a public interest entity and 9 years in total. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

The following key audit matters were identified and have been discussed below:

- Accrued Revenue
- Acquisition accounting (NEW)
- Recoverability of goodwill (NEW)
- Recoverability of parent company's investment in subsidiaries

Accrued revenue (£8.5m; 2017: £2.2m); increased risk from prior year
Refer to page 54 (Audit & Risk Committee Report), page 90 (accounting policy) and page 94 (financial disclosures).

The risk:

The majority of the Group's revenue is derived from customers completing transactions with business partners, and the Group relies on sales reports provided by business partners when recognising revenue.

Subjective Estimate

At year-end, the Group estimates the amount of income that has been earned based on available transaction data provided by its partners or internal customer interaction metrics. These amounts are subject to downwards revision, should customers cancel transactions. Historically, this risk was mitigated by the fact that, prior to the issuance of the annual report, the Group had invoiced and received subsequent cash payment on a majority of its customer balances. However, cash settlement for the newly acquired ELX and GVG businesses is not as timely, such that there remains a risk at the report date that the revenue recognised is not appropriate. The effect of this matter is that, as part of our risk assessment for audit planning purposes, we determined that total accrued revenue has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole. In conducting our final audit work, we reassessed the degree of estimation uncertainty to be less than materiality.

Our response:

Our procedures included:

- Control reperformance: Tested the design, implementation, and operating effectiveness of controls over the estimation of accrued income and cancellations, including the reconciliation of post year-end invoicing and cash receipts to accrued income;
- Retrospective review: Compared prior accrual to actual cash received to assess management's ability to estimate the accrued income at year-end;
- Test of detail: tested the reasonableness of the revenue recognised net of an estimate of cancellations by comparing the cash received during each month of the year and subsequent to the balance sheet date against the revenue recorded;
- Test of detail: Tested that uncollected older accrued revenue balances for which cash has not yet been received have been provided against, in line with the bad debt provision policy in place at each company; and
- Assessing transparency: considered the adequacy of the Group's disclosures in respect of the judgment and estimates around revenue recognition.

Our results:

- We found the resulting estimate of accrued revenue to be acceptable (2017: acceptable).

Acquisition Accounting (Acquired intangible assets: £14.2m; 2017: nil)
Refer to page 54 (Audit & Risk Committee Report), page 91 (accounting policy) and pages 99-101 (financial disclosures).

The risk:

The Group made two significant acquisitions in the current year with its purchase of The Global Voucher Group Limited ('GVG') as well as its purchase of Energylinx Limited and Energylinx for Business Limited (together 'ELX').

Accounting treatment

Given the significance of these acquisitions, there is a risk the Group does not apply the principles of IFRS 3 Business Combinations appropriately, which includes identifying a complete population of intangible assets.

Independent Auditor's Report to the Members of GoCompare.com Group plc
continued

Subjective estimate and forecast-based valuation

Additionally, the value of the intangible assets at the acquisition date is subjective due to the inherent uncertainty involved in forecasting and discounting estimated cash flows. The effect of these matters is that, as part of our risk assessment, we determined that intangible assets have a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole.

Our response:

Our procedures included:

- Accounting analysis: Performed an independent accounting analysis to determine whether the Directors had considered and appropriately applied all relevant underlying accounting principles of IFRS 3;
- Our valuation expertise: Utilised valuation specialists to assist in challenging the completeness of the identified intangible assets as well as assessing the appropriateness of the valuation methodologies applied and the financial forecasting assumptions used, including revenue growth, the royalty rate, and the discount rate; and
- Assessing transparency: considered the adequacy of the Group's disclosures in respect of the judgment and estimates around acquisition accounting.

Our results:

- We consider management's application of IFRS 3 to be appropriate and the value of identified intangible assets to be acceptable (2017: n/a).

Recoverability of goodwill (£26.6m; 2017: nil)

Refer to page 54 (Audit & Risk Committee Report), page 91 (accounting policy) and page 103 (financial disclosures).

The risk:

As already noted, the Group made a significant acquisition at the start of the current year with its purchase of GVG. While this acquisition is relatively recent, given the significance of the purchase consideration relative to the net assets acquired, there is a risk that the performance of the business since acquisition and its integration into the wider group might result in a goodwill impairment in the current period.

Subjective estimate

The value in use calculation for the cash-generating unit, which represents the estimated recoverable amount, is subjective due to the inherent uncertainty involved in forecasting and discounting estimated future cash flows. The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the value in use has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole. In conducting our final audit work, we reassessed the degree of estimation uncertainty to be less than materiality.

Our response:

Our procedures included:

- Benchmarking assumptions: Evaluated and challenged management's cash flow forecasts and the discount rate applied using our sector knowledge and expertise, including comparing forecasts against relevant industry data and historical results;
- Sensitivity analysis: Estimated value in use utilising independent and more conservative forecasts and discount rates and assessed whether this resulted in impairment; and
- Assessing transparency: Considered the adequacy of the Group's disclosures in respect of the judgment and estimates around goodwill recoverability.

Our results:

- We found the resulting estimate of the carrying amount of goodwill to be acceptable (2017: n/a).

Recoverability of parent company's investment in subsidiary (£7.2m; 2017: £5.6m); unchanged risk from prior year

Refer to page 115 (accounting policy) and page 116 (financial disclosures)

The risk:

Low risk, high value

The carrying amount of the parent company's investment in its subsidiary represents 61% (2017: 56%) of the company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.

Our response:

Our procedures included:

- Tests of detail: Compared the carrying amount of the total investment balance with the subsidiary balance sheet to identify whether its net assets, being an approximation of its minimum recoverable amount, is in excess of its carrying amount. In addition, we considered the historic profitability and cash flows of the subsidiary, as well as whether the future forecasts underpinning the valuation of the investment were sufficiently supported by historic performance.
- Assessing subsidiary audits: Assessed the work performed on the subsidiary audits and considered the results of that work on those subsidiaries' profits and net assets.

Our results:

We found the group's assessment of the recoverability of the investment in subsidiaries to be acceptable (2017: acceptable).

3 Our application of materiality and an overview of the scope of our audit

Materiality for the group financial statements as a whole was set at £1.4m (2017: £1.4m), determined with reference to a benchmark of group profit before tax, of which it represents 4.1% (2017: 4.5%).

Materiality for the parent company financial statements as a whole was set at £597k (2017: £492k), determined with reference to a benchmark of company net assets, of which it represents 5% (2017: 5%).

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £71k (2017: £68k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group comprises four components (2017: three), which are all audited by the Group audit team. The component materialities ranged from £105K to £1,207K having regard to the size and risk profile of the Group. The Group audit scope covers 100% (2017: 100%) of Group revenues, 100% (2017: 100%) of Group profit before taxation, and 100% (2017: 100%) of total Group assets.

4 We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's available financial resources over this period was:

- The Group's inability to repay their debt obligations as required, or their inability to maintain the required level of earnings and leverage such that they breach the associated covenants

As these were risks that could potentially cast significant doubt on the Group's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of a Brexit, which could result in a rapid reduction of available financial resources.

We are required to report to you if:
- we have anything material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 78 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

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

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:
- the directors' confirmation within the longer term viability statement on page 24 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the assessment of principal risks and uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the longer term viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the longer term viability statement. We have nothing to report in this respect.

Corporate governance disclosures

We are required to report to you if:
- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit & Risk Committee does not appropriately address matters communicated by us to the Audit & Risk Committee.

We are required to report to you if the Corporate Governance Report does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of GoCompare.com Group plc
continued

6 We have nothing to report on the other matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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 and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 79, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they 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

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 other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulation that directly affect the financial statements including financial reporting legislation, distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the group's license to operate. We identified the following areas as those most likely to have such an effect: data protection law and, as an intermediary, the major trading business within the Group is subject to authorisation and regulation by the Financial Conduct Authority. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, we with any audit, there remained a higher risk of non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

27 February 2019

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	2018 £m	2017 £m
Revenue	4	**152.6**	149.2
Cost of sales		**(44.6)**	(42.5)
Gross profit		**108.0**	106.7
Distribution costs		**(35.5)**	(46.3)
Administrative expenses		**(35.0)**	(27.4)
Operating profit	5	**37.5**	33.0
Analysed as:			
Adjusted operating profit	6	**44.0**	36.0
Amortisation of acquired intangibles		**(2.3)**	–
Foundation Award share-based payment charges		**0.0**	(2.0)
Integration, restructuring and other corporate costs		**(3.6)**	–
Transaction costs		**(0.6)**	(1.0)
Operating profit		**37.5**	33.0
Finance income	8	**0.0**	0.0
Finance costs	8	**(3.2)**	(2.3)
Share of loss of associate	13	**(0.5)**	–
		(3.7)	2.3
Profit before income tax		**33.8**	30.7
Income tax expense	9	**(6.8)**	(6.3)
Profit for the year		**27.0**	24.4
Other comprehensive income		**0.2**	–
Total comprehensive income for the year		**27.2**	24.4
Earnings per share (pence)	10		
Basic earnings per share		**6.5**	5.8
Diluted earnings per share		**6.3**	5.7

All amounts relate to continuing operations.

The notes on pages 89 to 111 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	2018 £m	2017 £m
Non-current assets			
Investments	12	**1.5**	2.5
Investment in associate	13	**2.0**	–
Goodwill	14	**35.1**	2.5
Intangible assets	14	**18.8**	1.4
Property, plant and equipment	15	**1.5**	1.5
Deferred tax asset	23	**0.7**	0.8
		59.6	8.7
Current assets			
Trade and other receivables	16	**27.0**	18.7
Cash and cash equivalents	17	**11.9**	24.5
		38.9	43.2
Total assets		**98.5**	51.9
Non-current liabilities			
Borrowings	19	**44.7**	54.1
Provisions for liabilities and charges	22	**0.4**	0.4
Deferred consideration		**0.4**	–
Deferred tax liability	23	**2.3**	–
		47.8	54.5
Current liabilities			
Trade and other payables	18	**23.4**	17.8
Current income tax liabilities	18	**3.6**	3.3
Borrowings	19	**34.7**	9.7
Provisions for liabilities and charges	22	**1.0**	0.7
		62.7	31.5
Total liabilities		**110.5**	86.0
Equity attributable to owners of the parent			
Ordinary shares	24	**0.1**	0.1
Share premium	25	**2.7**	2.7
Retained earnings		**(14.8)**	(36.9)
Total equity		**(12.0)**	(34.1)
Total equity and liabilities		**98.5**	51.9

The notes on pages 89 to 111 form part of these financial statements.

The financial statements were approved by the Board on 27 February 2019 and signed on its behalf

Matthew Crummack
Director

Nick Wrighton
Director

Registered no. 06062003

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
At 1 January 2017	0.1	2.7	(61.4)	(58.6)
Profit for the year	–	–	24.4	24.4
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	24.4	24.4
Transactions with owners				
Dividends	–	–	(2.9)	(2.9)
Share-based payments	–	–	2.7	2.7
Deferred tax recognised in equity	–	–	0.3	0.3
Proceeds from shares issued	–	–	–	–
Total transactions with owners	–	–	0.1	0.1
At 31 December 2017	0.1	2.7	(36.9)	(34.1)
At 1 January 2018	**0.1**	**2.7**	**(36.9)**	**(34.1)**
Profit for the year	**–**	**–**	**27.0**	**27.0**
Other comprehensive income for the year	**–**	**–**	**0.2**	**0.2**
Total comprehensive income for the year	**–**	**–**	**27.2**	**27.2**
Transactions with owners				
Dividends	**–**	**–**	**(6.3)**	**(6.3)**
Share-based payments	**–**	**–**	**1.6**	**1.6**
Deferred tax recognised in equity	**–**	**–**	**(0.4)**	**(0.4)**
Proceeds from shares issued	**–**	**–**	**–**	**–**
Total transactions with owners	**–**	**–**	**(5.1)**	**(5.1)**
At 31 December 2018	**0.1**	**2.7**	**(14.8)**	**(12.0)**

The notes on pages 89 to 111 form part of these financial statements.

Consolidated Statement of Cash Flows
As at 31 December 2018

	Note	2018 £m	2017 £m
Cash flows from operating activities			
Profit for the year before tax		**33.8**	30.7
Adjustments for:			
Depreciation of property, plant and equipment	15	**0.5**	0.5
Amortisation of intangible assets	14	**4.2**	0.6
Loss on disposal of tangible assets	15	**–**	0.1
Share-based payment charge	26	**1.4**	2.7
Share of loss of associate	13	**0.5**	–
Net finance costs	8	**3.2**	2.3
Changes in working capital:			
Increase in trade and other receivables	16	**(4.3)**	(2.0)
Increase/(decrease) in trade and other payables	18	**3.4**	(3.4)
Income tax paid		**(7.2)**	(6.1)
Net cash generated from/(used in) operating activities		**35.5**	25.4
Cash flows from investing activities			
Purchase of property, plant and equipment	15	**(0.5)**	(0.8)
Purchase of intangible assets	14	**(7.8)**	(1.5)
Interest received	8	**0.0**	0.0
Acquisition of subsidiary investments	11	**(45.6)**	–
Cash acquired on acquisition	11	**1.3**	–
Purchase of associate investment	13	**(1.3)**	–
Purchase of equity investments	12	**–**	(2.5)
Net cash used in investing activities		**(53.9)**	(4.8)
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs	19	**33.5**	–
Repayments of borrowings	19	**(19.0)**	(10.0)
Interest paid		**(2.4)**	(1.6)
Dividends paid	27	**(6.3)**	(2.9)
Net cash generated from/(used in) financing activities		**5.8**	(14.5)
Net (decrease) / increase in cash and cash equivalents		**(12.6)**	6.1
Cash and cash equivalents at beginning of year		**24.5**	18.4
Cash and cash equivalents at end of year		**11.9**	24.5

The notes on pages 89 to 111 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2018

1. General information

GoCompare.com Group plc ("the Company") and its subsidiaries (together, "the Group") provide internet based platforms which enable consumers to save time and money on financial and non-financial products.

The Company is a public limited company, which is listed on the London Stock Exchange and is incorporated in England and Wales. Its registered office is Imperial House, Imperial Way, Newport, NP10 8UH.

All of the Company's subsidiaries are located in the United Kingdom.

2. Summary of significant accounting policies

Basis of preparation

These financial statements present the GoCompare.com Group plc consolidated financial statements for the year ended 31 December 2018, comprising the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and related notes, as well as comparatives for the year ended 31 December 2017.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for certain financial assets that are measured at fair value.

The preparation of the financial statements in conformity with IFRS 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 3.

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

The financial statements have been presented in Sterling and rounded to the nearest hundred thousand. Throughout these financial statements any amounts which are less than £0.05m are shown by 0.0, whereas a dash (-) represents that no balance exists.

New accounting standards effective in this reporting period

The Group has adopted IFRS 15 – Revenue from contracts with customers and IFRS 9 – Financial instruments from 1 January 2018.

IFRS 15

The Group has assessed its accounting policies which applied under IAS 18 and determined that the adoption of IFRS 15 does not have a significant impact on the way that the Group recognises revenue, in terms of both value and timing.

IFRS 9

IFRS 9 replaces IAS 39 and sets out requirements for recognising and measuring financial assets and financial liabilities. The standard largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities and has not had a significant effect on the Group's accounting policies for financial assets or financial liabilities. With the exception of the investments in equity investments, the Group only holds basic financial instruments which will be classified as held at 'amortised cost'. For the Group's investments in equity instruments, the Group has made an irrevocable election for any changes in fair value to be recognised in Other Comprehensive Income. This is consistent with the accounting policy previously adopted under IAS 39 as the assets were classified as 'available for sale' with changes in fair value recognised through Other Comprehensive Income.

IFRS 9 also replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model which applies to financial assets measured at amortised cost and means that credit losses are recognised earlier than under IAS 39. The Group has not identified a material difference in recognition of losses for its financial assets compared to what was previously recognised under IAS 39.

Going concern

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Directors have assessed the Group's forecasts and projections, taking account of reasonably possible changes in trading performance and cash flows. Consideration of cash flows includes those arising from operating activities, repayment of debt (see note 21) and dividends. Having assessed the principal risks and the other matters discussed in connection with the robust assessment as set out in the viability statement, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. The assessment of the Group's prospects and viability has considered the three-year period to 31 December 2021.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it 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. Subsidiary companies are consolidated using the acquisition method.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated.

Notes to the Financial Statements continued

For the year ended 31 December 2018

2. Summary of significant accounting policies continued

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. Under this method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in net assets of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from an associate reduce the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Gains and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Revenue

The Group recognises revenue in accordance with IFRS 15 – Revenue. The significant revenue streams and their recognition are as follows:

Price comparison – revenue represents amounts receivable for insurance, utilities and other product introductions. The Group recognises this revenue when a policy is sold, a consumer signs up to a new tariff or in limited cases when a customer clicks through to the partner website. Revenue is measured at the fair value of the consideration received or receivable, net of an estimate of cancellations during the cooling-off period. Where revenue is accrued, this is estimated based on underlying metrics of customer interactions and is subsequently validated through sales data submissions made by the partners.

Rewards – revenue is generated through both commission and tenancy arrangements. For commissions, revenue is recognised when a consumer selects and uses an online voucher. Revenue is measured at the fair value of the consideration received or receivable, net of an estimate of cancellations. Revenue is accrued and validated through data and ultimately cash receipts received from the networks facilitating the transactions. Tenancy income represents income received for advertising and is recognised over the period the advert or campaign is made available of the website.

Cost of sales, Distribution and Administrative Expenses

Cost of sales comprise all costs which are directly attributable to marketing of a specific product. Payments made to affiliates as a result of a sale which they have referred onto the Group are also recognised as cost of sales.

Distribution costs comprise all other marketing costs incurred which cannot be attributed to a specific product. Costs associated with the production of adverts are recognised in the Consolidated Statement of Comprehensive Income once the advert is available to the Group in a format ready for use, having been approved for airing or display. Costs associated with the broadcasting of adverts are expensed over the period in which the advert is aired or displayed.

Administrative expenses comprise all other staff, systems and remaining costs incurred.

Taxation

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable income for the year. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the reporting date. Current tax assets and liabilities also include adjustments in respect of tax expected to be payable or recoverable in respect of previous periods.

Current tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate.

Deferred tax

Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences arising between the carrying amount of assets and liabilities for accounting purposes, and the amounts used for taxation purposes. It is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recovered, using tax rates enacted or substantially enacted by the reporting date.

2. Summary of significant accounting policies continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is recognised in profit or loss except to the extent it relates to a business combination, in which case the deferred tax is included as part of the assets and liabilities assumed for the purposes of calculating goodwill. Deferred tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Intangible assets
Purchased software and licences are initially recorded at historical cost and subsequently amortised over their useful life, which is typically up to 3 years. Amortisation is calculated on a straight-line basis and these assets are carried at cost less accumulated amortisation and any impairment charges. The carrying value is reviewed at every reporting date for evidence of impairment and the value being written down if any impairment exists.

Costs associated with maintaining computer software programs and incremental development of the existing website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable, unique software products or transformation of website capabilities are recognised as intangible assets when the criteria required by IAS38 are met. This means that it is technically feasible to complete the product or capability, that there are demonstrable economic benefits to the Group and that the Group has sufficient resources in order to complete the development.

The cost of internally generated software and website costs comprise directly attributable costs which are related to that product or capability. This includes the costs of the staff associated with the development work and an apportionment of certain overheads which are deemed to be directly attributable to the development work. From the point the intangible asset comes into use, it is then amortised over its expected useful life on a straight-line basis, which is typically up to three years. The intangible asset is reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Other development costs which do not meet the capitalisation criteria in IAS38 are recognised as an expense as incurred.

Acquired intangibles
Intangible assets acquired as part of a business combination are recorded at fair value at the date of acquisition. Intangible assets are subsequently stated at initial value less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of the intangible assets, which are as follows:

Brand	5 – 10 years
Customer relationships	5 – 10 years
Technology and databases	5 years

Business combinations
The Group applies the acquisition method of accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary's financial information prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values. Contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration is recognised in profit or loss.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of consideration transferred, over the Group's share of the acquisition-date fair values of identifiable net assets. After initial recognition, goodwill is measured at cost less accumulated impairment losses. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Property, plant and equipment
Property, plant and equipment comprise fixtures, fittings and equipment (including computer hardware). Replacement or major inspection costs are capitalised when incurred if it is possible that future economic benefits associated with the item will flow to the entity and the costs can be measured reliably.

Notes to the Financial Statements continued

For the year ended 31 December 2018

2. Summary of significant accounting policies continued

These assets are stated at cost less depreciation and accumulated impairment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated using the straight-line method to write off the cost less residual values of the assets over their economic lives. This has been set between three and ten years.

Residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the year in which the asset is derecognised.

Impairment and revaluation of property, plant and equipment
Carrying values are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indications exist, the asset's recoverable amount is estimated and compared to the carrying value. The recoverable amount is the higher of the fair value of the asset, less costs to sell and the asset's value in use. Impairment losses are recognised through the Consolidated Statement of Comprehensive Income. Impairment may be reversed if conditions subsequently improve.

Financial assets
Recognition and initial measurement
Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
The Group has elected to classify its equity investments as measured at FVOCI. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

All other financial assets, which comprise trade and other receivables and cash at bank, are classified as measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group determines the classification of its financial assets at initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Impairment of financial assets
The Group assesses at each balance sheet date whether any financial assets held at amortised cost are impaired. Financial assets are impaired where there is evidence that one or more events occurring after the initial recognition of the asset may lead to a reduction in the estimated future cash flows arising from the asset. Impairment losses on financial assets classified as loans and receivables are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses and any reversals of impairments are recognised through the Consolidated Statement of Comprehensive Income. Objective evidence of impairment may include default on cash flows from the asset and reporting financial difficulty of the issuer or counterparty.

Derecognition of financial assets
A financial asset is derecognised when the rights to receive cash flows from that asset have expired or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

Financial liabilities
Classification, initial recognition and subsequent measurement
The Group's financial liabilities comprise borrowings and trade and other payables and are classified as measured at amortised cost. Financial liabilities are measured initially at fair value less directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Consolidated Statement of Comprehensive Income.

2. Summary of significant accounting policies continued

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, the Group has a currently enforceable legal right to offset the recognised amounts and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Consolidated Statement of Comprehensive Income unless required or permitted by any accounting standard or interpretation.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the expenditure required to settle a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

The Group discloses a contingent liability where it has a possible obligation as a result of a past event that might, but will probably not, require an outflow of economic benefits, or where there is a probable outflow of economic benefits which cannot be reliably measured.

Employee benefits

Pensions

The Group contributes to a defined contribution scheme for its employees. The contributions payable to this scheme are charged to the income statement in the accounting period to which they relate.

Bonus arrangements

The Group provides an annual bonus arrangement for employees. The levels of bonus paid is dependent on both the performance of the business and each individual's performance review. Bonuses are paid in respect of each calendar year and therefore an accrual is made based on the estimate of amounts to be paid subsequent to the year end.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group.

Equity-settled share-based payments to employees are measured at the grant date at the fair value of the equity instruments (excluding the effect of non-market vesting conditions but including the effect of market vesting conditions). Fair value is not subsequently remeasured.

The fair value of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, based on the best estimate of the number of awards which will ultimately vest unconditionally with employees. The estimate of the number of awards expected to vest (excluding the effect of market vesting conditions) is revised at each reporting date, with any consequential changes to the charge recognised in profit and loss.

Where equity-settled share-based payments are modified, any incremental fair value is expensed on a straight-line basis over the revised vesting period.

Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other assets to holders of the financial instruments.

Leases

Company as a lessee – operating leases

Leases which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Finance costs

Finance costs comprise interest paid which is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

Notes to the Financial Statements continued

For the year ended 31 December 2018

2. Summary of significant accounting policies continued

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss other than differences arising from the translation of equity investments which are recognised in Other Comprehensive Income (OCI), except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss.

Use of non-GAAP performance measures

In the analysis of the Group's results, certain financial performance measures are presented which may be prepared on a non-GAAP basis. The Board believes that these measures provide a useful analysis, allow comparability of performance year on year and present results in a way that is consistent with how information is reported internally. Items that are excluded from our adjusted measures include items which arose due to acquisitions or do not arise from the day-to-day trading activities of the Group. The Group separately considers transaction costs associated with strategic investments (minority investment interests) which are not adjusted from those which arise from significant acquisitions which materially change the Group and are adjusted for.

The key non-GAAP measures presented by the Group are:

- Adjusted operating profit: defined as Operating profit after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs and Foundation Award share-based payment charges
- Adjusted EBITDA: defined as Adjusted operating profit after adding back depreciation and amortisation
- Adjusted basic EPS: defined as Profit for the year, excluding adjusting items (after their tax effect) divided by the weighted average number of shares in issue for the year
- Marketing margin: calculated as the difference between revenue and marketing expenditure divided by revenue. Marketing expenditure is defined as the total of cost of sales and distribution costs.

The value and nature of all adjusting items are disclosed in note 6. Adjusted basic EPS is disclosed in note 10.

Adjusted EBITDA is a measure which is used in calculating one of the Group's financial covenants on its borrowings as well as a factor in determining the coupon rate. Adjusted operating profit is one of the factors used in assessing performance to determine remuneration for the Executive Directors and Senior Management. Marketing margin is used as a measure of the return the business makes on its marketing costs and therefore can be used to assess the effectiveness of the Group's marketing expense to generate revenue.

Standards, amendments and interpretations in issue but not yet effective

A number of new standards, amendments to standards and interpretations will be effective for annual periods beginning after 1 January 2019 and have not been applied in preparing these financial statements.

IFRS 16 (Leases) will be adopted from 1 January 2019. This will require the recognition of the leased asset and lease liability in the Statement of Financial Position. At 1 January 2019, the impact has been assessed as recognising a total lease asset of £3.9m, a lease liability of £4.8m and a £0.9m adjustment to equity. The impact on the Statement of Comprehensive Income will not lead to a significant change in the profit or loss recognised. A depreciation charge and interest cost will be recognised which will be materially comparable in total to the operating lease charge currently recognised.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- IFRIC 23 *Uncertainty over Tax Treatments*
- *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*
- *Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)*
- *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)*
- *Annual Improvements to IFRS Standards 2015 – 2017 Cycle – various standards*
- *Amendments to References to the Conceptual Framework in IFRS Standards*
- IFRS 17 *Insurance Contracts*

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates; however, the financial statements presented are based on conditions that existed at the balance sheet date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Critical accounting judgements and estimates continued

Key sources of estimation uncertainty and critical judgements in applying the Group's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at each balance sheet date are discussed below:

Revenue recognition

The majority of the Group's revenue is derived from customers completing transactions with product providers (partners) and revenue is recognised at this point. The Group accrues revenue based on available data of transactions made through its partners. Any amounts estimated are based on underlying metrics of customer interactions which is subsequently validated through sales data submissions made by the partners. In addition, customers have the right to cancel their purchase of products during the cooling-off period, for which an estimate of the deduction to revenue is made for likely cancellations based on historical run rates for the various products. Whilst revenue is a significant balance for the Group and involves a level of estimation, the Directors have assessed that any reasonable change to this estimate would not lead to a material change in the amounts recognised.

Acquisitions

The process of determining the fair value and useful life of assets and liabilities acquired is inherently judgemental and there is a risk that the assumptions applied or basis of methodology could lead to the valuation of acquired intangibles or goodwill being misstated. The details of the assets and liabilities recognised are set out in note 11.

Impairment of goodwill and acquired intangibles

The Group holds goodwill and acquired intangibles in respect of business combinations which have occurred. In 2018, the Group recognised acquired intangible assets of £13.9m and goodwill of £32.6m in respect of the acquisition of The Global Voucher Group Limited, Energylinx Limited and Energylinx for Business Limited. Acquired intangibles include acquired brands, customer relationships, supplier relationships, databases and technology. The Group is required to review goodwill annually for impairment and assess at each reporting period whether there is any indication that an asset may be impaired. Determining whether goodwill and intangible assets are impaired or whether a reversal of impairment of intangible assets should be recorded requires an estimation of the recoverable value of the relevant cash-generating unit, which represents the higher of fair value and value in use. The value in use calculation requires estimation of the future cash flows expected to arise from the cash-generating unit, discounted using a suitable discount rate to determine if any impairment has occurred. No indications of impairment of goodwill or intangibles have been identified at 31 December 2018.

Share-based payments

The Group has entered into a number of equity-settled share-based payment arrangements in the current and prior year. The accounting for these involves a number of assumptions with regards to the model inputs, vesting period and expected performance of the business. The Group determines the inputs based on historical, forecast and market data sources as applicable. Fair value of the awards at the point of grant are valued using either Black-Scholes or Monte-Carlo simulation models. Details of these share schemes, inputs and modelling are set out in note 26.

Valuation of investments

The Group holds minority shareholding investments in companies which are unquoted. The process of determining the fair value of these equity investments is inherently judgemental due to the companies being unquoted and by virtue of them being in a start-up phase. The fair value of the investments has been determined with reference to financial forecasts and achievement of key milestones compared to the timings of those set out at the point of GoCompare's investment. The Directors have also considered the valuation determined by reference to the purchase price paid by other investors. Details of the investments and basis for the determined valuation are set out in note 12.

Accounting for capitalised development costs

The Group has an accounting policy to capitalise internally generated development costs where they are directly attributable to the creation of identifiable, unique software products or transformation of website capabilities. Identified costs include staff costs and an allocation of overheads deemed to be directly attributable to the development work. The Group has a policy to amortise the costs identified in relation to these projects over a period of 3 years. The net book value of intangible assets is assessed for impairment where such a risk arises.

4. Segment information

Information reported to the Board (the Chief Operating Decision Maker) for the purposes of the assessment of segment performance is focused on the types of products customers have purchased. The Chief Operating Decision Maker reviews profit and loss items to operating profit at a segment level but does not review the assets and liabilities of the Group by reportable segments. Therefore assets and liabilities are reported on an aggregated basis for the Group. They are reported on the same basis as disclosed in the Consolidated Statement of Financial Position.

In January 2018, the Group acquired The Global Voucher Group Limited and its subsidiaries, which represents a new source of revenue and costs. From this point, the information reported to the Board (the Chief Operating Decision Maker) for the purposes of the assessment of segment performance was amended to reflect the updated operating structure. The weflip segment relates to the Group's Savings as a Service business including the weflip proposition that the Group soft launched on 15 October 2018. This is an area of strategic growth identified by the Group and is therefore being reported separately as an operating segment. The Group's reportable segments under IFRS 8 are as follows:

- "Price comparison";
- "Rewards"; and
- "weflip".

The identification and disclosure of the Group's segments has changed from those detailed in the consolidated financial statements of the Group for the year ended 31 December 2017. The results of the "Insurance" and "Strategic Initiatives" segments reported to this period are now disclosed as a combined operating segment, "Price comparison". The comparative information has therefore been restated in order to present on a comparable basis with the new segmental reporting.

Notes to the Financial Statements continued

For the year ended 31 December 2018

4. Segment information continued

The accounting policies of the reportable segments are the same as the Group's accounting policies disclosed in note 2. The Group is considered to have one service, being that of providing an internet-based product and price comparison website. All sales were made to external customers in the current and prior year.

2018	Price comparison £m	Rewards £m	weflip £m	Total £m
Revenue	144.4	8.2	0.0	152.6
Cost of sales	(42.8)	(1.8)	–	(44.6)
Distribution costs	(34.6)	(0.8)	(0.1)	(35.5)
Trading profit	67.0	5.6	(0.1)	72.5
Adjusted admin costs	(13.2)	(2.8)	(1.1)	(17.1)
Adjusted operating profit	53.8	2.8	(1.2)	55.4
Group costs				(11.4)
Group Adjusted operating profit				44.0

2017	Price comparison £m	Rewards £m	weflip £m	Total £m
Revenue	149.2	–	–	149.2
Cost of sales	(42.5)	–	–	(42.5)
Distribution costs	(46.3)	–	–	(46.3)
Trading profit	60.4	–	–	60.4
Adjusted admin costs	(13.6)	–	–	(13.6)
Adjusted operating profit	46.8	–	–	46.8
Group costs				(10.8)
Group Adjusted operating profit				36.0

5. Operating profit

Operating profit is stated after charging:

	2018 £m	2017 £m
Employee benefit expense (note 7)	22.2	15.2
Share-based payment charges	1.4	2.7
Transaction costs (note 6)	0.6	1.0
Integration, restructuring and other corporate costs (note 6)	3.6	–
Depreciation of property, plant and equipment	0.5	0.5
Amortisation of intangible assets	1.8	0.6
Amortisation of acquired intangible assets	2.3	–
Loss on disposal of tangible assets	–	0.1
Operating lease payments	0.8	0.4
Impairment of trade receivables	–	0.0
Auditors' remuneration		
Audit of the consolidated and Company financial statements	0.1	0.1
Audit of financial statements of subsidiaries of the Company	0.1	0.0
Total audit fees	0.2	0.1
Fees for interim review	0.0	0.1
Other	0.0	0.0
Total non-audit fees	0.0	0.1
Total Group auditor remuneration	0.2	0.2

6. Adjusted operating profit

The following transactions occurred during the year which have been added back to operating profit in arriving at Adjusted operating profit:

	2018 £m	2017 £m
Amortisation of acquired intangibles	**2.3**	–
Foundation Award share-based payment charges	**(0.0)**	2.0
Integration, restructuring and other corporate costs	**3.6**	–
Transaction costs	**0.6**	1.0
	6.5	3.0

The Group acquired The Global Voucher Group Limited on 10 January 2018 and recognised acquired intangible assets of £10.8m as a result of this transaction. On 13 June 2018 the Group acquired Energylinx Limited and Energylinx for Business Limited in relation to which intangible assets of £3.1m were recognised. The intangible assets are being amortised over 5 or 10 years depending on their nature and the accounting charge, a non-cash item which arises on consolidation, is excluded from our Adjusted operating profit.

Included within the acquisition purchase price of Energylinx Limited is £1.8m of deferred consideration payable to the former shareholders of the company. This payment will be made 2 years post completion date subject to the former Director remaining employed by GoCompare at that point in time. Owing to this condition, the substance of this arrangement is deemed to be remuneration related and is therefore expensed over the two year period of employment. In the year to 31 December 2018, an amount of £0.4m has been recognised in respect of this. This charge has been excluded in arriving at Adjusted operating profit on the basis that it relates directly to the acquisition of the Energylinx businesses, represents a one -off remuneration arrangement that is outside of the Group's normal policies and will not recur subsequent once the contingent consideration is paid at the end of the earnout period. The charge has been included within the category of integration, restructuring and other corporate costs. This line also includes £1.3m incurred in relation to the two acquisitions that were completed during the year, £0.5m in relation to the restructuring of the Group marketing function and £1.0m in relation to VAT for prior financial periods following the conclusion of discussions with HMRC over the Group's use of a special method.

The £0.6m of transaction costs relate to fees associated with the acquisition of Energylinx Limited and Energylinx for Business Limited, which completed in June 2018. These costs are one-off in nature, non-recurring and have therefore been excluded from our Adjusted operating profit.

In November 2016, the Group issued a number of Foundation Awards in the form of free shares to the Executive Directors and Senior Management. These were awarded as a result of the Group's successful listing and will vest after 2 years subject to the achievement of certain stretching performance criteria. In the year to 31 December 2018, a share-based payment credit of £0.0m (2017: £2.0m) has been recognised in the Consolidated Statement of Comprehensive Income in relation to the Foundation Awards. See note 26 for further details of the awards made. The charges arising from these Awards are treated as an adjusting item by the Group in arriving at Adjusted operating profit, by virtue of their association with the listing, the quantum of shares and individual size of the Awards made in addition to the fact that they vest over a shorter 2 year period. Furthermore, the Foundation Awards are non-recurring (although accounting charges will follow until they vest) and the Directors do not, therefore, consider these Awards to be part of the ongoing trading performance of the business.

7. Employee benefit expense

Staff costs, including Directors' remuneration, were as follows:

	2018 £m	2017 £m
Wages and salaries	**18.4**	13.5
Social security costs	**1.9**	1.4
Share-based payment charge	**1.4**	2.7
Other pension costs	**0.5**	0.3
	22.2	17.9

The average monthly number of employees, including Directors, during the year was:

	2018 No.	2017 No.
Service provision	**223**	160
Administration	**46**	40
Total	**269**	200

Notes to the Financial Statements continued

For the year ended 31 December 2018

8. Net finance costs

	2018 £m	2017 £m
Bank interest income	**(0.0)**	(0.0)
Interest expense on bank borrowings	**3.2**	2.3
Net finance costs	**3.2**	2.3

9. Taxation

Analysis of the tax charge

The tax charge on the profit before income tax for the year was as follows:

	2018 £m	2017 £m
Current tax	**7.1**	6.6
Deferred tax	**(0.3)**	(0.3)
Income tax expense	**6.8**	6.3

The tax rate used for the calculations is the corporate tax rate of 19.00% (2017: 19.25%) payable by the corporate entities in the UK on taxable profits under tax law in that jurisdiction. The rates used are those that apply to the year the tax charge or credit is expected to materialise.

The expense for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	2018 £m	2017 £m
Profit before income tax	**33.8**	30.7
Tax calculated at 19.00% (2017: 19.25%)	**6.4**	5.9
Effect of:		
Expenses not deductible	**0.4**	0.3
Adjustments in respect of prior years	**(0.1)**	0.0
Tax rate changes	**0.1**	0.1
Other		
Income tax expense	**6.8**	6.3

The Budget on 8 July 2015 announced changes in the main UK corporation tax rate which reduced to 19% with effect from 1 April 2017. The Budget on 16 March 2016 announced further changes in the main UK corporation tax rate. The effective rate of 18% from 1 April 2020 was to be further reduced to 17%. This further reduction in tax rates was included in the 2016 Finance Act which was substantively enacted for the purpose of IFRS and UK GAAP on 6 September 2016.

10. Earnings per share

a) Basic

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2018	2017
Profit from continuing operations attributable to owners of the parent (£m)	**27.0**	24.4
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
EPS (pence per share)	**6.5**	5.8

b) Diluted

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2018	2017
Profit from continuing operations attributable to owners of the parent (£m)	**27.0**	24.4
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
Adjustment for share options (m)	**9.3**	9.9
Weighted average number of ordinary shares for dilutive earnings per share (m)	**427.7**	428.2
Dilutive EPS (pence per share)	**6.3**	5.7

c) Adjusted basic EPS

	2018	2017
Profit from continuing operations attributable to owners of the parent (£m)	**27.0**	24.4
Adjustment for amortisation of acquired intangibles, Foundation Awards, integration costs and transaction fees, net of tax (note 6) (£m)	**5.5**	2.7
Adjusted profit from continuing operations attributable to owners of the parent (£m)	**32.5**	27.1
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
Adjusted EPS (pence per share)	**7.8**	6.5

d) Adjusted diluted EPS

	2018	2017
Profit from continuing operations attributable to owners of the parent (£m)	**27.0**	24.4
Adjustment for amortisation of acquired intangibles, Foundation Awards, integration costs and transaction fees, net of tax (note 6) (£m)	**5.5**	2.7
Adjusted profit from continuing operations attributable to owners of the parent (£m)	**32.5**	27.1
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
Adjustment for share options (m)	**9.3**	9.9
Weighted average number of ordinary shares for dilutive earnings per share (m)	**427.7**	428.2
Adjusted EPS (pence per share)	**7.6**	6.3

11. Business combinations

a) The Global Voucher Group Limited

On 10 January 2018 the Group acquired 100% of the share capital of The Global Voucher Group Limited (and its subsidiaries) trading as 'MyVoucherCodes' which is an online voucher code aggregator based in the UK. The business was acquired for cash consideration of £36.9m and the Group incurred direct costs of £0.8m in relation to the transaction which were charged to the income statement in the prior year.

MyVoucherCodes' strong position in retail vouchers is highly complementary to GoCompare's position as a leading provider of financial services and utilities comparison. GoCompare believes the acquisition will increase the opportunities for frequency of engagement with consumers who use both comparison and voucher websites, introduce offers to incentivise conversion on both GoCompare and MyVoucherCodes, and provide a new channel for existing GoCompare partners.

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. In calculating the goodwill arising on acquisition, the fair value of net assets acquired was assessed and no material adjustments from book value were made to existing assets and liabilities. Separately identifiable intangible assets were recognised as part of the acquisition as detailed further below.

Notes to the Financial Statements continued

For the year ended 31 December 2018

11. Business combinations continued

The net assets acquired and goodwill are as follows:

	On acquisition £m
Purchase consideration	36.9
Fair value of assets acquired (summarised below)	10.3
Goodwill	26.6

The goodwill recognised is attributable to The Global Voucher Group Limited's profitability and its position as a leading UK voucher code site. The acquisition also benefits from various value creation synergies including interchange of traffic between GoCompare's and The Global Voucher Group Limited's websites and various cross-sell opportunities.

The fair value of assets and liabilities arising on acquisition have been determined as follows:

	Fair value £m
Cash and cash equivalents	0.7
Property, plant and equipment	0.0
Software	0.1
Intangibles – Brand name	0.9
Intangibles – Customer relationships	7.8
Intangibles – Technology	2.1
Trade and other receivables	2.5
Trade and other payables	(1.9)
Deferred tax arising on acquired intangibles	(1.9)
Fair value of net assets acquired	10.3

The fair value of trade and other receivables acquired is £2.5m, which has a gross contractual value of £2.7m. The best estimate at the acquisition date of the contractual cash flows not to be collected is £0.2m.

In the period from acquisition to 31 December 2018, the acquired business generated revenue of £8.2m and trading profit of £5.6m. Had the acquisition completed on 1 January 2018, and the results consolidated from the commencement of the 2018 financial year, the acquired business would have generated revenue of £8.4m and £5.6m of trading profit.

Intangible assets recognised on consolidation

i) Brand

£0.9m has been recognised in respect of the acquired brand name, representing its inherent value. MVC is one of the UK's leading voucher codes businesses with circa 2.5m monthly visits. The brand valuation has been determined using a relief from royalty approach. A brand royalty rate of 3.5% and a post-tax discount rate of 11.7% have been applied. The useful economic life has been assessed as 5 years.

ii) Customer relationships

£7.8m has been recognised in respect of the customer relationships held by The Global Voucher Group Limited. The intangible value has been determined using a multi-period excess earnings model. A post-tax discount rate of 11.7% has been applied to forecast cash flows relating to the existing customers. The useful economic life of the customer relationships has been assessed as an average of 5 years.

iii) Technology

£2.1m has been recognised in respect of the technology acquired in the acquisition. The entity has a website, mobile app and supporting infrastructure in order to enable customers to use the vouchers. The software infrastructure can also be used as a white label product to other providers. A post-tax discount rate of 11.7% has been applied. The useful economic life has been assessed as 5 years.

b) Energylinx Limited and Energylinx for Business Limited

On 13 June 2018 the Group acquired 100% of the ordinary share capital of Energylinx Limited and Energylinx for Business Limited (and its subsidiaries) for total consideration of £10.4m. Cash consideration of £8.2m was paid upfront, a working capital adjustment of £0.4m was paid in October following agreement of the completion balance sheet, and £1.8m deferred consideration is payable after 2 years if key personnel remain with the business. The purchase will be accounted for as a business combination under the acquisition method in accordance with IFRS 3.

Energylinx is a leading UK energy switching and price comparison service with strong commercial relationships. The business complements GoCompare's core price comparison services, provides a number of key partnerships in this sector and supports the Group's automation strategy, Savings as a Service.

11. Business combinations continued

The net assets acquired and goodwill are as follows:

	On acquisition £m
Purchase consideration	8.7
Fair value of assets acquired (summarised below)	2.8
Goodwill	5.9

The goodwill recognised is attributable to the profitability of the Energylinx businesses and its leading position as an energy price comparison website. The Group also expects to benefit from synergies, including Energylinx becoming the provider for GoCompare's energy comparison services.

The fair value of assets and liabilities arising on acquisition have been determined as follows:

	Fair value £m
Cash and cash equivalents	0.5
Property, plant and equipment	0.0
Intangibles – Brand name	0.7
Intangibles – Technology	1.0
Intangibles – Database	0.3
Intangibles – Customer relationships	1.1
Trade and other receivables	1.3
Trade and other payables	(1.6)
Deferred tax arising on acquired intangibles	(0.5)
	2.8

The fair value of trade and other receivables acquired is £1.3m, which have a gross contractual value of £1.5m. The best estimate at the acquisition date of the contractual cash flows not to be collected is £0.2m.

In the period from acquisition to 31 December 2018, the acquired businesses generated revenue of £6.4m and trading profit of £2.1m. Had the acquisition completed on 1 January 2018, and the results consolidated from the commencement of the 2018 financial year, the acquired business would have generated £8.8m and £3.7m of trading profit.

Intangible assets recognised on consolidation

i) Brand

£0.7m has been recognised in respect of the acquired brand name, representing its inherent value. The brand valuation has been determined using a relief from royalty approach. A brand royalty rate of 4.0% and a post-tax discount rate of 13.4% have been applied. The useful economic life has been assessed as 10 years.

ii) Technology

£1.0m has been recognised in respect of the Technology acquired in the acquisition. There is value to the website infrastructure for both Energylinx and Energylinx for Business which is used to provide the capability for the price comparison services. This technology is licensed to customers as a white label site through which Energylinx generates licence fee income. The technology valuation has been determined using a relief from royalty approach. A technology royalty rate of 8.0% has been applied, being the expected return generated from licensing this capability. A post-tax discount rate of 13.4% has been applied. The useful economic life has been assessed as 5 years.

iii) Databases

£0.3m has been recognised in respect of the databases acquired in the acquisition. Energylinx provides pricing data to energy partners and other customers. The valuation of the database has been determined using a relief from royalty approach. A database royalty rate of 2.0% and a post-tax discount rate of 13.4% have been applied. The useful economic life of the database has been assessed as 5 years.

iv) Customer relationships

£1.1m has been recognised in respect of the customer relationships held by Energylinx. The intangible value has been determined using a multi-period excess earnings model. A post-tax discount rate of 13.4% has been applied to forecast cash flows relating to the existing customers. The useful economic life of the customer relationships has been assessed as an average of 10 years.

None of the business combinations that completed during the year had any goodwill that is expected to be deductible for tax purposes.

Notes to the Financial Statements continued
For the year ended 31 December 2018

12. Investments in equity instruments
On 30 June 2017 the Group acquired a minority shareholding in Mortgage Gym Limited (MGL) for consideration of £1.0m. On 10 October 2017 the Group acquired a minority shareholding in Souqalmal Holdings Limited for consideration of £1.5m.

On 30 July 2018, the Group acquired additional shares in MGL, increasing the shareholding to 26%. As a result, the investment in MGL has been recognised as an associate from this point.

	2018 £m	2017 £m
At 1 January	**2.5**	–
Additions	**–**	2.5
Fair value gains	**0.2**	–
Reclassification of investment to investment in associate	**(1.2)**	–
At 31 December	**1.5**	2.5

The equity investments are identified as follows:

	2018 £m	2017 £m
Mortgage Gym Limited	**–**	1.0
Souqalmal Holdings Limited	**1.5**	1.5
	1.5	2.5

The equity investment in Souqalmal Holdings Limited is classified as measured at FVOCI and is unquoted. Fair value is classified as level 3 within the IFRS7 fair value hierarchy, as the inputs for their fair values are not based on observable market data.

At the year end, fair value has been determined based on an assessment of the financial forecasts of the businesses on which a risk weighting has been applied. The Directors have also considered the valuation determined by reference to the purchase price paid by other investors and the achievement of key business milestones for each of the two companies. The investment in Souqalmal Holdings Limited is held in US Dollars; therefore this investment is also subject to US$/GBP exchange rate movements. Taking into account all of these factors, the Directors consider that the fair value disclosed represents a materially reasonable valuation of the equity investment held.

13. Investment in associates
On 30 July 2018, the Group's equity interest in Mortgage Gym Limited (MGL) increased to 26% and it became an associate of the Group from that date.

MGL is a digital mortgage robo-adviser based in the UK and is a private entity that is not listed on any public exchange.

The Group's interest in MGL is accounted for using the equity method in the consolidated financial statements.

The following table summarises the financial information of MGL as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in MGL. The information for 2018 presented in the table includes the results of MGL only for the period from 30 July to 31 December 2018, because MGL became an associate on 30 July 2018.

	2018 £m	2017 £m
Non-current assets	**0.9**	–
Current assets	**1.5**	–
Non-current liabilities	**–**	–
Current liabilities	**(0.4)**	–
Net assets (100%)	**2.0**	–
Group's share of net assets (26%)	**0.5**	–
Revenue	**0.0**	–
Profit from continuing operations (100%)	**(1.9)**	–
Other comprehensive income (100%)	**–**	–
Total Comprehensive Income (100%)	**(1.9)**	–
Group's share of total comprehensive income for the year (26%)	**(0.5)**	–

14. Intangible fixed assets

	Goodwill £m	Acquired intangibles £m	Software and website costs £m	Total £m
Cost				
At 1 January 2017	2.5	–	1.8	4.3
Additions	–	–	1.5	1.5
Disposals	–	–	(1.1)	(1.1)
At 31 December 2017	2.5	–	2.2	4.7
Additions	32.6	13.9	7.8	54.3
Disposals	–	–	(0.3)	(0.3)
At 31 December 2018	**35.1**	**13.9**	**9.7**	**58.7**
Accumulated amortisation				
At 1 January 2017	–	–	1.3	1.3
Amortisation charge	–	–	0.6	0.6
Disposals	–	–	(1.1)	(1.1)
At 31 December 2017	–	–	0.8	0.8
Amortisation charge	–	2.4	1.8	4.2
Disposals	–	–	(0.2)	(0.2)
At 31 December 2018	**–**	**2.4**	**2.4**	**4.8**
Net book value				
At 31 December 2018	**35.1**	**11.5**	**7.3**	**53.9**
At 31 December 2017	2.5	–	1.4	3.9

Capitalised development costs are not treated as a realised loss for the purpose of determining distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

Goodwill recognised includes amounts arising on the acquisitions of GoCompare.com Limited, The Global Voucher Group Limited, Energylinx Limited and Energylinx for Business Limited. Goodwill is allocated to separate cash-generating units as appropriate. The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

For the assessment carried out at 31 December 2018, the recoverable amounts of each separate cash-generating unit are based on their value in use, which is determined using cash flow projections derived from financial plans approved by the Board covering a three-year period. They reflect the Board's expectations of revenue, EBITDA growth, capital expenditure, working capital and operating cash flows which are based on past experience and future expectations of performance. Cash flows beyond the three-year period have been extrapolated using perpetuity growth rates.

A terminal value growth rate of 2% (2017: 3%) has been applied in each period to extrapolate the cash flows into perpetuity. Growth has been capped at this rate so as not to exceed the long-term expected growth rate of the UK where the cash-generating units operate. The pre-tax discount rate used was 13% (2017: 13%) which is based on the Group's weighted average cost of capital plus a risk premium. The Board is comfortable that a reasonable change in the underlying assumptions would not indicate an impairment.

During the year, the Group incurred £nil external research and development expenditure (2017: £0.2m). Amounts incurred in respect of internally capitalised development costs are included within the 'Software and website costs' category of the intangibles table above.

Notes to the Financial Statements continued

For the year ended 31 December 2018

15. Property, plant and equipment

	Fixtures, fittings and equipment £m	Total £m
Cost		
At 1 January 2017	2.3	2.3
Additions	0.8	0.8
Disposals	(0.3)	(0.3)
At 31 December 2017	2.8	2.8
Additions	0.5	0.5
Disposals	(0.3)	(0.3)
At 31 December 2018	**3.0**	**3.0**
Accumulated depreciation		
At 1 January 2017	1.0	1.0
Depreciation charge	0.5	0.5
Disposals	(0.2)	(0.2)
At 31 December 2017	1.3	1.3
Depreciation charge	0.5	0.5
Disposals	(0.3)	(0.3)
At 31 December 2018	**1.5**	**1.5**
Net book value		
At 31 December 2018	**1.5**	**1.5**
At 31 December 2017	1.5	1.5

16. Trade and other receivables

	2018 £m	2017 £m
Trade receivables	**12.0**	12.5
Less: provision for impairment of trade receivables	**(0.3)**	(0.1)
Trade receivables – net	**11.7**	12.4
Prepayments	**6.8**	4.1
Accrued Income	**8.5**	2.2
	27.0	18.7
Analysis of past due debt:		
1-30 days overdue	**0.7**	3.8
31-60 days overdue	**0.4**	0.2
61-120 days overdue	**0.5**	0.1
	1.6	4.1

17. Cash and cash equivalents

	2018 £m	2017 £m
Cash at bank	**11.9**	24.5

18. Trade and other payables

	2018 £m	2017 £m
Trade payables	**7.7**	5.4
Corporation tax	**3.6**	3.3
Social security and other taxes	**3.1**	3.6
Accrued expenses	**11.9**	8.8
Deferred income	**0.7**	–
	27.0	21.1

19. Borrowings

	2018 £m	2017 £m
At 1 January	**63.9**	73.1
Changes from financing cash flows		
Repayment of term loan borrowings	**(10.0)**	(10.0)
Draw down of borrowings under revolving credit facility	**34.0**	–
Repayment of borrowings under revolving credit facility	**(9.0)**	–
Interest paid on term loan	**(1.7)**	(1.4)
Total changes from financing cash flows	**13.3**	(11.4)
Other changes		
Accrued interest on term loan	**2.2**	2.2
Total other changes	**2.2**	2.2
At 31 December	**79.4**	63.9

In 2016, the Group executed a Debt Facility Agreement which included a term loan borrowing of £75.0m and a £10.0m committed revolving credit facility. The term loan was fully drawn on 1 November 2016 and is repayable in £10.0m annual instalments with a balancing payment due by 1 November 2021. Interest is payable at LIBOR plus a margin which is dependent on the leverage of the Group's consolidated net borrowings.

On 18 December 2017 the Group executed an Amendment and Restatement of its Debt Facility Agreement effective as of 4 January 2018. This increased the committed revolving credit facility from £10.0m to £40.0m along with the provision of a further uncommitted Accordion facility of £20.0m. No changes to the covenants or repayment terms were made.

As at 31 December 2018, the Group had £25.0m drawn under the revolving credit facility, with £15.0m available to be drawn. The current interest rate is 1.90% plus LIBOR. An analysis of the Group's gross contractual liabilities are shown in note 21. The borrowings are unsecured.

20. Financial instruments

The following table sets out the financial assets and financial liabilities of the Group at year end. The carrying amounts of the Group's financial instruments are considered to be a reasonable approximation of their fair value and therefore no separate disclosure of fair values is given.

	2018 £m	2017 £m
Financial assets:		
Investments in equity instruments	**1.5**	2.5
Trade and other receivables	**20.2**	14.6
Cash and cash equivalents	**11.9**	24.5
	33.6	41.6
Financial liabilities:		
Trade and other payables	**19.6**	14.1
Deferred consideration	**0.4**	–
Borrowings	**79.4**	63.9
	99.4	78.0

The assumptions used in determining the fair value of the Group's investments in equity instruments, which are classified as level 3, are set out in note 12.

21. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Group's financial risk management strategy is focused on maintaining effective working capital management. This includes managing repayment of the Group's borrowings to meet covenants and minimise leverage, ensuring cash is available for the payment of dividends to shareholders and having cash which could be used for potential investment opportunities. Financial risk management is the responsibility of the Finance department under policies approved by the Board of Directors. The Board receives timely information regarding the Group's exposures and the mitigating actions taken to manage to financial risk.

The Group has limited exposure to foreign currency risk as substantially all of the Group's income and expenditure is denominated in Pounds Sterling.

Notes to the Financial Statements continued
For the year ended 31 December 2018

21. Financial risk management continued

Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due in accordance with the term of the contract, causing the Group to incur a financial loss. The Group's primary exposure to credit risk is the amounts due from its Partners.

The creditworthiness of potential Partners is reviewed as part of a detailed due diligence check prior to becoming accepted as a partner. The integrity and creditworthiness of Partners is regularly reviewed as part of the Partner audit process. An analysis of all trade receivables past due is produced on a monthly basis and there is proactive engagement with any partner who has a balance outstanding that is outside the agreed terms. The Group has a small allowance for doubtful accounts and has not had any material bad debts during the current or prior period. An analysis of trade receivables past due is included within note 16.

Liquidity risk

Liquidity risk is the risk that the Group, although solvent, may not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The primary liquidity risk of the Group is its obligation to pay amounts due to suppliers as they fall due and to ensure that the interest and principal repayments on its debt facility are also paid as they fall due. The Group is cash generative and has 30-day payment terms with all its key Partners. Liquidity risk is managed through a regular performance monitoring process which includes cash flow forecasting against actuals. The Group plans its repayment of borrowings and dividend payments in line with cycles of cash generated from operations and also has access to draw down on available committed borrowings facilities should this be required. The Group has in place a £40.0m committed revolving credit facility which is available to be drawn and repaid as required. At 31 December 2018, the Group had £25.0m drawn under this facility which, in the absence of a renewal being instructed by the Group, would require repayment. The Group has the ability and the expectation to renew the draw down and therefore this balance will remain drawn until such a time that the Group chooses to repay the debt either in part or in full.

The table below provides a maturity analysis of the Group's financial liabilities:

	Balance sheet amount £m	Gross contractual cash flows £m	Less than 3 months £m	Between 3 months and 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
At 31 December 2018							
Trade and other payables	**22.8**	**22.8**	**20.5**	**2.3**	**–**	**–**	**–**
Deferred consideration	**0.4**	**0.4**	**–**	**–**	**0.4**	**–**	**–**
Borrowings	**79.4**	**83.6**	**25.0**	**11.5**	**11.2**	**35.9**	**–**
At 31 December 2017							
Trade and other payables	17.8	17.8	15.5	2.3	–	–	–
Borrowings	63.9	69.6	0.4	11.3	11.2	46.7	–

Interest rate risk

The Group's interest rate risk arises from its borrowings, which are issued at a variable rate of interest and therefore net finance costs could be adversely impacted by an increase in the LIBOR rate. In addition, the coupon rate applied to the debt varies depending on the leverage of the Group's borrowings. The Group has considered a reasonably possible scenario of interest rates rising by 1% over the next 12 months which would lead to an additional interest cost of £0.8m (2017: £0.6m) based on the principal of borrowings outstanding at the year end. Whilst the Group has an exposure to interest rate risk, hedging has not been applied. In line with the Group's financial risk management strategy, the potential impact of a reasonably likely increase in interest rate is deemed to be acceptable in the context of the Group's overall forecast earnings and hedging is not currently deemed to be a cost-effective way of managing this risk.

The Group has the ability to repay borrowings early and considers the benefit of doing this as part of its wider working capital management and investment strategy.

Capital management

The Group's objective in managing capital is to safeguard its ability to continue as a going concern and for it to deliver on its strategic objectives. This includes ensuring there are sufficient funds for the repayment of the Group's borrowings, payment of dividends to shareholders, capital investment and to have funds available for potential investment opportunities. The Group is subject to financial covenants as part of its Debt Facility Agreement and therefore capital resources are also managed to ensure that these are complied with. Additionally, one of the Group's subsidiaries is subject to regulatory capital requirements and this is also taken into account when managing the Group's capital resources.

Capital comprises share capital, share premium and reserves (together, total equity as set out in the Statement of Changes in Equity) as well as borrowings.

22. Provisions for liabilities

	Provisions £m
At 1 January 2017	1.0
Released/utilised in the year	(0.9)
(Credited)/charged to profit and loss in the year	1.0
At 31 December 2017	1.1
At 1 January 2018	**1.1**
Released/utilised in the year	0.4
(Credited)/charged to profit and loss in the year	(0.1)
At 31 December 2018	**1.4**

Included within provisions are amounts for:
'Not taken up' provision – an estimate is made for policies which may be cancelled within the 14-day cooling-off period;
Life clawback provision – an estimate of amounts of commission which may need to be paid back for life insurance policies that may be cancelled;
Dilapidation provision – an estimate of rectification work associated with one of the buildings leased by the Group; and
Media provision – variable payment associated with the Group's advertising costs.

The 'not taken up' and media provisions are expected to be settled fully within 12 months. The dilapidation provision is expected to be utilised or released at the point the Group vacates those premises – the lease for which runs to 2028 with a break clause in 2023. A portion of the life clawback provision is expected to be utilised in the next 12 months, with the remainder in the subsequent three years.

Analysis of total provisions:

	2018 £m	2017 £m
Current	**1.0**	0.7
Non-current	**0.4**	0.4
Total	**1.4**	1.1

23. Deferred tax

	Deferred tax asset £m	Deferred tax liabilities £m
At 1 January 2017	0.3	–
Released/utilised in the year	(0.3)	–
Credited/(charged) to profit and loss in the year	0.5	–
Credited/(charged) to equity in the year	0.3	–
At 31 December 2017	0.8	–
At 1 January 2018	**0.8**	**–**
Arising on acquisition	–	(2.5)
Released/utilised in the year	–	–
Credited/(charged) to profit and loss in the year	0.5	0.2
Credited/(charged) to equity in the year	(0.6)	–
At 31 December 2018	**0.7**	(2.3)

Deferred tax balances are attributable to:

	2018 £m	2017 £m
Accelerated capital allowances	**–**	0.1
Share-based payments	**0.6**	0.7
Other timing differences	**0.1**	0.0
Total deferred tax asset	**0.7**	0.8
Accelerated capital allowances	**(0.3)**	–
Acquired intangibles	**(2.0)**	–
Total deferred tax liability	**(2.3)**	–

Notes to the Financial Statements continued

For the year ended 31 December 2018

24. Share capital

	2018 £m	2017 £m
Called up and fully paid 418,409,446 Ordinary shares of £0.0002 each *(2017: 418,338,382 of £0.0002 each)*	**0.1**	0.1

The Group has a number of equity-settled share schemes in place. The maximum number of shares that may be issued under these existing award schemes is set out in note 26.

25. Share premium

	2018 £m	2017 £m
Share premium	**2.7**	2.7

26. Share-based payments

The Group has a number of equity-settled, share-based compensation plans. Since admission of the Group to the London Stock Exchange, arrangements have been put in place for employee incentives in GoCompare.com Group plc shares. These include the Executive Foundation Awards and the 2017 Performance Share Plan (PSP), as well as the Free Share Awards, Partnership and Save As You Earn shares under the all-employee Share Incentive Plan (SIP). Details of the share-based compensation plans and their financial effect are set out below.

The share-based payment charge recognised in the Statement of Comprehensive Income is attributed to each of the schemes as shown:

	2018 £m	2017 £m
Foundation Awards	**(0.0)**	2.0
2017 PSP	**0.6**	0.5
2018 PSP	**0.6**	–
Free Share Awards	**0.0**	0.0
Partnership Shares	**0.1**	0.1
Save As You Earn – 2016	**0.1**	0.1
Save As You Earn – 2017	**0.0**	0.0
Save As You Earn – 2018	**0.0**	–
	1.4	2.7

The following table shows the number of share options awarded, exercised and outstanding at the year end.

Thousands of shares	Foundation Awards	2017 PSP	2018 PSP	Free Share Awards	SAYE schemes	Total
At 1 January 2017	13,600	–	–	343	–	13,943
Awards granted during the period	–	3,502	–	–	1,414	4,916
Awards exercised during the period	–	–	–	–	–	–
Awards forfeited during the period	(143)	(26)	–	(39)	(86)	(294)
At 31 December 2017	13,457	3,476	–	304	1,328	18,565
Awards granted during the period	–	–	3,259	–	300	3,559
Awards exercised during the period	–	–	–	–	–	–
Awards forfeited during the period	(321)	(426)	(470)	(37)	(115)	(1,369)
At 31 December 2018	**13,136**	**3,050**	**2,789**	**267**	**1,513**	**20,755**

26. Share-based payments continued

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Exercise price (£)	Vesting date
Foundation Awards	**nil**	**2019**
2017 PSP	**nil**	**2020**
2018 PSP	**nil**	**2021**
Free Share Awards	**nil**	**2019**
Save As You Earn – 2016	**0.50**	**2019–2021**
Save As You Earn – 2017	**0.90**	**2020–2022**
Save As You Earn – 2018	**0.95**	**2021–2023**

a) Foundation Awards

The Foundation Awards were issued under the Performance Share Plan (PSP), which is a discretionary share plan for the Group's Executive and Senior Management. The Foundation Awards were granted on 15 November 2016, save for one award which was granted on 1 December 2016. The awards are subject to financial performance conditions and other criteria, against which performance as been tested at the end of 2017 and 2018. The Remuneration Committee has confirmed a vesting level of 24% and an extension from a one year post vesting holding period to a two year period from the vesting date of 28 February 2019 for the Executive Directors. Further information is set out in the Directors' Remuneration Report.

In addition, the Foundation Awards are subject to an additional term, which will allow the Board to lapse the awards in their entirety or reduce the level of vesting of each award if it considers that the vesting level is not appropriate having regard to the underlying financial performance of the Company over the performance period has not been satisfactory. The awards are also subject to malus and clawback provisions.

The awards are subject to an operating financial profit performance condition and the fair value of the awards was estimated using a Black-Scholes valuation model. The inputs into the model were:

Grant date	15 Nov 2016
Share price at grant	£0.63
Exercise price	£nil
Volatility % p.a.	50.0%
Dividend yield % p.a.	nil
Risk-free rate %	0.20%
Expected life	2.3 yrs

b) 2017 Performance Share Plan (PSP)

The Group has awarded an equity settled Performance Share Plan (the 2017 PSP) to the Executive Directors and Senior Management. The 2017 PSP Awards were granted on 29 March 2017, save for one award which was granted on 5 April 2017. The awards are subject to an EPS growth performance condition, for which the fair value of the awards was estimated using a Black-Scholes valuation model, and a total shareholder return (TSR) condition, which has been valued using a Monte-Carlo simulation. The inputs into the model were:

Share price at grant – 29 March 2017	£0.92
Share price at grant – 5 April 2017	£0.93
Exercise price	£nil
Volatility % p.a.	34.0%
Dividend yield % p.a.	nil
Risk-free rate %	1.10%
Expected life	3yrs
Fair value per share – TSR	£0.54
Fair value per share – EPS	£0.92

c) 2018 Performance Share Plan (PSP)

The Group has awarded an equity settled Performance Share Plan (the 2018 PSP) to the Executive Directors and Senior Management. The 2018 PSP Awards were granted on 28 March 2018. The awards are subject to an EPS growth performance condition, for which the fair value of the awards was estimated using a Black-Scholes valuation model, and a total shareholder return (TSR) condition, which has been valued using a Monte-Carlo simulation. The inputs into the model were:

Share price at grant – 28 March 2018	£1.13
Exercise price	£nil
Volatility % p.a.	32.6%
Dividend yield % p.a.	nil
Risk-free rate %	1.10%
Expected life	3yrs
Fair value per share – TSR	£0.66
Fair value per share – EPS	£1.13

Notes to the Financial Statements continued
For the year ended 31 December 2018

26. Share-based payments continued
d) Share Incentive Plan – Free shares
Upon listing on the London Stock Exchange in 2016, the Group offered all eligible employees a free shares award, granting shares to each eligible employee free of charge, subject to a three year service period. The details of the award are set out below:

Grant date	16 Dec 2016
Share price at grant	£0.70
Exercise price	£nil
Volatility % p.a.	50.0%
Dividend yield % p.a.	nil
Risk-free rate %	0.20%
Expected life	2.3 yrs

The volatility assumptions for the Awards are based on an annualised rate of historical share price movements for the Group.

e) All employee Save As You Earn scheme
The Group operates a Save As You Earn scheme whereby eligible employees are able to save between £5 and £500 a month for a three or five year period in order to use those savings to purchase shares at an exercise price which may not be manifestly less than 80% of the market value of a share at the date of invitation.

f) All employee Share Incentive Plan (SIP) partnership and matching shares
Eligible employees are able to buy shares using their pre-tax salary at their prevailing market value at acquisition. For every partnership share bought, employees are granted an additional free matching share. The plan is restricted to the lower of £1,800 and 10% of the employee's salary. Acquisitions of partnership shares take place on a monthly basis with matching shares vesting three years after grant, subject to ongoing employment and retention of the partnership shares. Any dividends payable on the partnership and matching shares are reinvested in dividend shares.

g) 2017 Deferred Bonus Plan (DBP)
A portion of the annual bonuses for the Executive Directors are deferred into a share based award (DBP Award) under the DBP. The intention is that DBP Awards will normally vest in three equal tranches on the first, second and third anniversaries of the grant date although the DBP will allow for the DBP Awards to be subject to different vesting schedules at the Board's discretion. If Awards are made as nil-cost options, they will normally be exercisable (to the extent vested) from vesting until the tenth anniversary of the grant date.

Scheme limits
The rules of the various Plans described above provide that, in any 10 year rolling period, not more than 10%. of the Company's issued ordinary share capital may be issued under the combined Plans and under any other employee share plan adopted by the Company. In addition, the rules of the PSP and the DBP provide that, in any 10 year rolling period, not more than 5%. of the Company's issued ordinary share capital may be issued under these two schemes (and any other discretionary employee share plan adopted by the Company).

GoCompare.com shares transferred out of treasury under the Plans will count towards these limits for so long as this is required under institutional shareholder guidelines. GoCompare.com Shares issued or to be issued pursuant to awards granted before Admission or in relation to the Foundation Awards (described above) will not count towards these limits. In addition, awards which are relinquished or lapse will be disregarded for the purposes of these limits.

27. Dividends

	2018 £m	2017 £m
Dividends paid during the year	**6.3**	2.9

In October 2017, a dividend of £2.9m was paid equivalent to 0.7 pence per share.
In May 2018, a dividend of £2.9m was paid, equivalent to 0.7 pence per share.
In September 2018, a dividend of £3.3m was paid, equivalent to 0.8 pence per share.

28. Operating lease commitments
The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2018 £m	2017 £m
Land and buildings		
Within 1 year or on demand	**0.9**	0.4
More than 1 year but less than 5 years	**2.5**	1.8
More than 5 years	**–**	0.1
	3.4	2.3

The operating leases relate to buildings that the Group occupies. The accounting for the leases will fall within the scope of IFRS 16 – Leases, which the Group will adopt from 1 January 2019.

29. Contingent liabilities

The Group occasionally encounters claims arising from disputes incidental to its operations, potentially resulting in cash outflows and additional cost being recognised in the Statement of Comprehensive Income. At the point of signing these financial statements such disputes exist, but the Group does not believe it has a liability and has not made a provision. The estimated extent of the possible aggregated liability ranges from zero to a maximum of £1m and is not expected to have a material adverse effect on the Group.

30. Related parties

These financial statements consolidate the results of the Company and its subsidiaries. The nature of the Group's subsidiaries and their principal activities are set out in note 31. Intercompany transactions between entities that are members of the Group at year end and have been eliminated on consolidation are not disclosed, as per the exemption available in IAS24.

The following transactions took place with related parties during the year:

a) Key management compensation

Key management includes the Executive and Non-Executive Directors of GoCompare.com Group plc. The remuneration received by these Directors is disclosed in the Remuneration Report. The share-based payment charge in relation to Executive Directors is £0.5m (2017: £1.1m).

b) Other related party transactions

The Group paid fees of £88,000 (2017: £40,000) to companies in which one of the Directors of the Group has a controlling interest. The arrangements were made under normal commercial terms with consideration settled in cash. The amount outstanding at each period end was £nil (2017: £nil).

31. Ultimate parent company

GoCompare.com Group plc is a public limited company listed on the London Stock Exchange.

This is the largest and smallest group to consolidate the results of the company and its subsidiaries at 31 December 2017 and 31 December 2018.

32. Related undertakings

Set out below are the related undertakings of the company at 31 December 2018:

	Country of incorporation	Class of shares held	Principal activity	Percentage of shares held
Direct undertakings				
GoCompare.com Finance Limited	United Kingdom	Ordinary	Financing company for the Group	100%
Indirect undertakings				
GoCompare.com Limited	United Kingdom	Ordinary	Internet-based price comparison website	100%
Gio Compario Limited	United Kingdom	Ordinary	Dormant	100%
Go Compare Limited	United Kingdom	Ordinary	Dormant	100%
The Global Voucher Group Limited	United Kingdom	Ordinary	Online voucher code aggregator	100%
Last Second Ticketing Limited	United Kingdom	Ordinary	Non-trading	100%
Revivve Limited	United Kingdom	Ordinary	Non-trading	100%
Happiour Limited	United Kingdom	Ordinary	Non-trading	100%
Energylinx Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Trading Limited	United Kingdom	Ordinary	Non-trading	100%
Business Energy Online Limited	United Kingdom	Ordinary	Dormant	100%

The registered office of Energylinx Limited, Energylinx for Business Limited, Energylinx for Business Trading Limited and Business Energy Online Limited is The E-Centre, Cooperage Way Business Village, Alloa, Clackmannanshire, FK10 3LP.

The registered office of the Group's remaining undertakings is the same as the Group's registered address: Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

Company Statement of Financial Position

As 31 December 2018

	Note	2018 £m	2017 £m
Fixed assets			
Investments	6	**7.2**	5.6
Current assets			
Debtors	7	**4.7**	4.2
Cash and cash equivalents		**0.0**	0.1
		4.7	4.3
Creditors – amounts falling due within one year	8	**0.0**	0.1
Net current assets		**4.7**	4.2
Total assets less current liabilities		**11.9**	9.8
Net assets		**11.9**	9.8
Capital and reserves			
Called up share capital	9	**0.1**	0.1
Share premium	11	**2.7**	2.7
Profit and loss account	11	**9.1**	7.0
Total shareholders' funds		**11.9**	9.8

The notes on pages 114 to 118 form part of these financial statements.

The financial statements were approved by the Board on 27 February 2019 and signed on its behalf.

Matthew Crummack
Director

Nick Wrighton
Director

Company Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
Year ended 31 December 2017				
At 1 January 2017	0.1	2.7	1.0	3.8
Profit for the year	–	–	6.2	6.2
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	6.2	6.2
Transactions with owners:				
Dividends	–	–	(2.9)	(2.9)
Share-based payments charge	–	–	2.7	2.7
Proceeds from shares issued	–	–	–	–
Total transactions with owners	–	–	(0.2)	(0.2)
At 31 December 2017	0.1	2.7	7.0	9.8
Year ended 31 December 2018				
At 1 January 2018	**0.1**	**2.7**	**7.0**	**9.8**
Profit for the year	**–**	**–**	**6.8**	**6.8**
Other comprehensive income for the year	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**6.8**	**6.8**
Transactions with owners:				
Dividends	**–**	**–**	**(6.3)**	**(6.3)**
Share-based payments charge	**–**	**–**	**1.6**	**1.6**
Proceeds from shares issued	**–**	**–**	**–**	**–**
Total transactions with owners	**–**	**–**	**(4.7)**	**(4.7)**
At 31 December 2018	**0.1**	**2.7**	**9.1**	**11.9**

Details of dividends declared and paid in 2018 and 2017 are set out in note 10.

Notes to the Company Financial Statements

For the year ended 31 December 2018

1. General information

GoCompare.com Group plc is a non-trading holding company which indirectly owns trading subsidiaries that provide internet-based platforms which enable consumers to save time and money on financial and non-financial products.

The Company is incorporated in England and Wales and its registered office is Imperial House, Imperial Way, Newport, NP10 8UH.

All of the Company's subsidiaries are located in the United Kingdom.

2. Accounting policies

Basis of preparation

These financial statements present the GoCompare.com Group plc Company financial statements for the year ended 31 December 2018, the Statement of Financial Position, the Statement of Changes in Equity and related notes, as well as comparatives for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared under the historical cost convention, except for certain financial assets that are measured at fair value, and in accordance with the Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently in the current and prior period.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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 3.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- Disclosure of the compensation of Key Management Personnel;
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments'
- IFRS 7 'Financial Instruments: Disclosures;
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities; and
- The effects of new but not yet effective IFRSs

As permitted by Section 408(3) of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented.

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board has reviewed the Company's projections for the next 12 months and beyond, including cash flow forecasts. Consequently, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been presented in Sterling and rounded to the nearest hundred thousand. Throughout these financial statements any amounts which are less than £0.05m are shown by 0.0, whereas a dash (-) represents that no balance exists.

Dividends

Dividends receivable are recognised when the Company's right to receive payment is established. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Taxation

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the reporting date. Current tax assets and liabilities also include adjustments in respect of tax expected to be payable or recoverable in respect of previous periods.

Current tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate.

2. Accounting policies continued

Deferred tax

Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences arising between the carrying amount of assets and liabilities for accounting purposes, and the amounts used for taxation purposes. It is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recovered, using tax rates enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Investments in group undertakings

Investments in group undertakings are stated at cost, less any provision for impairment.

Capital reorganisations

When the company transfers its investment in a subsidiary to another subsidiary in exchange for shares of the transferee, the carrying amount of the transferred investment is derecognised and added to the cost of investment in the transferee.

Financial assets

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

The Company's financial assets as at 31 December 2018 and 31 December 2017 which comprise trade and other receivables and cash at bank are classified as measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group determines the classification of its financial assets at initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Impairment of financial assets

The Group assesses at each balance sheet date whether any financial assets held at amortised cost are impaired. Financial assets are impaired where there is evidence that one or more events occurring after the initial recognition of the asset may lead to a reduction in the estimated future cash flows arising from the asset. Impairment losses on financial assets classified as loans and receivables are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses and any reversals of impairments are recognised through the Consolidated Statement of Comprehensive Income. Objective evidence of impairment may include default on cash flows from the asset and reporting financial difficulty of the issuer or counterparty.

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from that asset have expired or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, the Company has a currently enforceable legal right to offset the recognised amounts and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of profit and loss unless required or permitted by any accounting standard or interpretation.

Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other assets to holders of the financial instruments.

Notes to the Company Financial Statements continued

For the year ended 31 December 2018

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates; however, the financial statements presented are based on conditions that existed at the balance sheet date.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors deem the key estimate for the Company to be the carrying value of the Company's estimate in its subsidiary, GoCompare.com Finance Limited. The Directors use forecasts to assess whether any impairment to the carrying value is required.

4. Expenses and Auditor's remuneration

The remuneration of the auditors in respect of services provided to the company in the current and preceding financial year was borne by another group company. The fee in relation to the company is £5,000 (2017: £5,000).

5. Remuneration of directors

The remuneration received by the Directors of the Company is disclosed in the Directors' Remuneration Report on pages 56 to 74.

6. Investments

	Shares in Group undertakings £m
Cost	
At 1 January 2018	5.6
Additions – share awards	1.6
At 31 December 2018	**7.2**
Provisions	
At beginning and end of year	0.0
Net Book Value	
At 31 December 2018	**7.2**
At 31 December 2017	5.6

Fixed asset investments relate to unlisted equity investments recorded at cost.

Included in the cost of investments in Group undertakings is £4.5m (2017: £2.8m) in relation to the cost of the share schemes for the benefit of the employees of GoCompare.com Limited to be settled in the shares of GoCompare.com Group plc. Details of these awards are disclosed in note 26 to the consolidated financial statements.

6. Investments continued

Set out below are the related undertakings of the company at 31 December 2018:

	Country of incorporation	Class of shares held	Principal activity	Percentage of shares held
Direct undertakings				
GoCompare.com Finance Limited	United Kingdom	Ordinary	Financing company	100%
Indirect undertakings				
GoCompare.com Limited	United Kingdom	Ordinary	Internet-based price comparison website	100%
Gio Compario Limited	United Kingdom	Ordinary	Dormant	100%
Go Compare Limited	United Kingdom	Ordinary	Dormant	100%
The Global Voucher Group Limited	United Kingdom	Ordinary	Online voucher code aggregator	100%
Last Second Ticketing Limited	United Kingdom	Ordinary	Non-trading	100%
Revivve Limited	United Kingdom	Ordinary	Non-trading	100%
Happiour Limited	United Kingdom	Ordinary	Non-trading	100%
Energylinx Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Trading Limited	United Kingdom	Ordinary	Non-trading	100%
Business Energy Online Limited	United Kingdom	Ordinary	Dormant	100%

The registered office of Energylinx Limited, Energylinx for Business Limited, Energylinx for Business Trading Limited and Business Energy Online Limited is The E-Centre, Cooperage Way Business Village, Alloa, Clackmannanshire, FK10 3LP.

The registered office of the Group's remaining undertakings is the same as the Group's registered address: Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

7. Debtors – amounts falling due within one year

	2018 £m	2017 £m
Prepayments	**0.1**	0.2
Amounts due from other group companies	**4.6**	4.0
	4.7	4.2

The amounts due from group undertakings are legally due on demand and are thus due within one year.

8. Creditors – amounts falling due within one year

	2018 £m	2017 £m
Accrued expenses	**0.0**	0.1
Amounts owed to group undertakings	**–**	0.0
	0.0	0.1

9. Share capital

	2018 £m	2017 £m
Authorised, allocated, called up and fully paid		
418,409,446 Ordinary shares of £0.0002 each		
(2017: 418,338,382 Ordinary shares of £0.0002 each)	**0.1**	0.1

During the year, the Company created and allotted 71,064 shares, which has resulted in the Company having in issue 418,409,446 shares with a total aggregate share capital of £83,682 at year end.

Notes to the Company Financial Statements continued

For the year ended 31 December 2018

10. Dividends

	2018 £m	2017 £m
Dividends	**6.3**	2.9

In October 2017, a dividend of £2.9m was paid, equivalent to 0.7 pence per share.
In May 2018, a dividend of £2.9m was paid, equivalent to 0.7 pence per share.
In September 2018, a dividend of £3.3m was paid, equivalent to 0.8 pence per share.

11. Reserves

	Share premium account £m	Profit and loss account £m
At 1 January 2018	2.7	7.0
Profit for the year	–	6.8
Dividends	–	(6.3)
Share-based payments charge	–	1.6
At 31 December 2018	**2.7**	**9.1**

As permitted by Section 408(3) of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented. The profit attributable to shareholders, dealt with in the financial statements of the Company, is £6.8m (2017: £6.2m).

12. Guarantees

The Company acts as a guarantor to certain banks in respect of credit facilities granted to its subsidiary, GoCompare.com Finance Limited. At 31 December 2018, the facilities include an original £75m term loan, of which £20m has been repaid, and a revolving credit facility of £40m, of which £15m remains undrawn at 31 December 2018.

13. Related party disclosures

The Executive Directors are remunerated by the Company's subsidiary, GoCompare.com Limited and no allocation of their costs are recharged to the Company. The Non-Executive Directors are remunerated by the Company and details of their remuneration is disclosed on page 73, along with that of the Executive Directors.

Shareholder Information

Financial calendar 2019

2018 full-year results	28 February 2019
Ex-dividend date for final dividend	9 May 2019
Record date for final dividend	10 May 2019
Annual General Meeting	23 May 2019
Payment date for final dividend	28 May 2019
2019 interim results	25 July 2019
Ex-dividend date for interim dividend	12 September 2019
Record date for interim dividend	13 September 2019
Payment date for interim dividend	4 October 2019

Dividend

The Directors have proposed a final dividend of 0.8 pence per share to be paid in respect of the year ended 31 December 2018. This will be paid on 28 May 2019 to all shareholders on the register on 9 May 2019. Shareholders can arrange for dividends to be paid by mandate directly to a UK bank or building society account through the BACSTEL-IP (Bankers' Automated Clearing Services) system. You can register your bank or building society details online at www.shareview.co.uk or contact Equiniti for a dividend mandate form. If you wish to receive your dividends in a different currency, you will need to register for the global payments service provided by Equiniti. Further information can be found on the Equiniti website

Useful contacts

Registered office and head office

GoCompare.com Group plc
Imperial House
Imperial Way
Newport
Gwent
NP10 8UH
T: +44 (0)1633 654 060
Registered Number: 06062003
www.gocomparegroup.com
Online: www.equiniti.com
Stock code: GOCO

Investor Relations

Alex Jessop
T: +44 (0)1633 654 060
E: ir@gocompare.com

Media Relations

Anders Nilsson, Head of External Communications
T: +44 (0)1633 654 054/7841 698 642
E: anders.nilsson@gocompare.com

Citigate Dewe Rogerson (PR agency)
T: +44 (0)20 7638 9571
E: gocompare@citigatedr.co.uk

Auditors

KPMG LLP

Remuneration Adviser

Deloitte LLP

Brokers

Deutsche Bank AG
Peel Hunt LLP

Solicitor

Slaughter and May LLP

Registrars

Equiniti Limited

Shareholder Information continued

Shareholder queries

All general enquiries concerning holdings of ordinary shares in GoCompare.com Group plc should be addressed to our registrars, Equiniti Limited ("Equiniti"): Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Helpline: +44 (0)871 384 2030. Website: www.equiniti.com. The shareholder helpline is available between Monday and Friday, 8.30am to 5.30pm (excluding UK public holidays).
To access your shareholding details online, go to www.shareview.co.uk. To register to use the website, you will need your Shareholder Reference Number ("SRN") as shown on your share certificate. The website enables you to:

- view and manage all of your shareholdings;
- register for electronic communications;
- buy and sell shares online with the dealing service; and
- deal with other matters such as a change of address, transfer of shares or replacing a lost certificate.

Electronic shareholder communications

As part of GoCompare's Corporate Social Responsibility programme and in particular our ongoing commitment to reduce our environmental impact, we offer all Shareholders the opportunity to elect to register for electronic communications. For further information please visit www.equiniti.com.

ShareGift

ShareGift (registered charity no. 1052686) is an independent charity which specialises in accepting donations of small numbers of shares which are uneconomic to sell on their own. ShareGift is particularly designed to accept unwanted shares and uses the ultimate proceeds to support a wide range of UK charities. Over £14m has been given by ShareGift so far to over 1,700 different UK charities. Further information about ShareGift can be found on its website, www.ShareGift.org, or by calling 020 7930 3737.

Protecting your investment from share register fraud

Over the last few years a number of companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from brokers who target existing shareholders offering to sell what often turn out to be worthless or high risk shares in US or UK investments. They can be extremely persuasive and very persistent. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free Company reports. If you receive any unsolicited investment advice:

Make sure you get the correct name of the person and organisation.

Check that they are properly authorised by the FCA before getting involved. You can check at www.fca.org.uk.

Report the matter to the FCA by completing an online form at www.fca.org.uk.

Inform Equiniti on +44 (0)371 384 2030.

Notice concerning forward-looking statements

This annual report contains forward-looking statements.
Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms 'expect', 'estimate', 'believe', 'should be', 'will be' and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under 'Principal Risks and Uncertainties' on pages 20 to 23 of this annual report. The forward-looking statements contained in this annual report speak only as of the date of publication of this annual report. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.