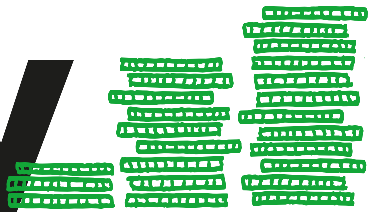
10 amazing years of saving people money

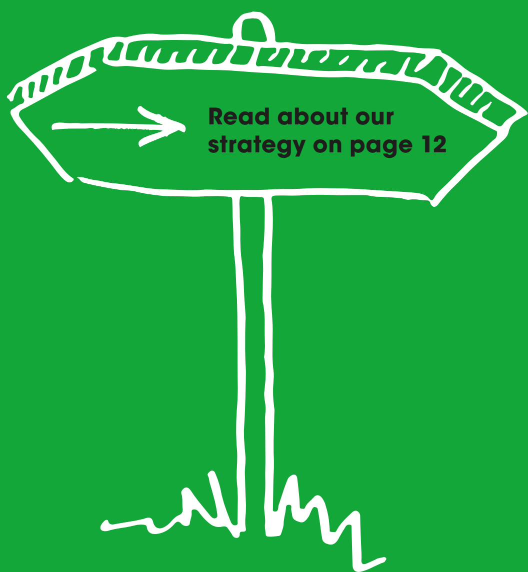


Gocompare.com Group plc
Annual Report 2016

Gocompare.com Group plc operates a leading UK price and product comparison website that attracts approximately five million visits every month and is designed to save people money.

We help people to compare the costs and features of a wide variety of insurance policies, financial products and energy tariffs in a quick and easy way. In short, we help people find and switch to great deals.

Contents



2016 Highlights

2016 was a transformational year in the Group's history. Records were broken, capabilities strengthened and milestones achieved.

- In November, Gocompare.com was demerged from esure Group plc and listed on the Main Market of the London Stock Exchange (GOCO).
- Record revenues of £142m were achieved, with adjusted operating profit at £30m.
- The Board and management team was strengthened to enhance technology, product, commercial and strategic capabilities.
- A landmark was reached – Gocompare.com's tenth anniversary, marking a decade of savings for our customers.

Read more on **page 6**

Revenue

£142.1m

Revenue for the year.

Adjusted operating profit

£30.0m

Operating profit after adding back costs in relation to the listing and Foundation Award share based payment charges. Adjusted operating profit is reconciled to operating profit on page 19.

Customer savings

£1,009m

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

Customer interactions

32.0m

Customer interactions are defined as: (a) for products where the quote process begins on Gocompare.com, 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.com.

Operating profit

£21.9m

Operating profit for the year.

Company Overview

A consumer champion

Five core pillars that drive our ongoing success:

1

Market disruption

- First UK insurance price comparison website to introduce product feature comparisons.
- First UK insurance price comparison website to add independent product ratings from Defaqto.
- A pioneer in the use of independent product reviews from customers.

2

Customer first

- Product feature as well as price comparison.
- Trusted and independent brand in financial services.

3

Iconic brand

- Strong and effective brand with high levels of customer awareness.
- Brand transferable into other product verticals.

4

Entrepreneurial team

- Entrepreneurial approach.
- Simple company structure with small autonomous teams.
- Agile teams can respond rapidly to business needs.

Read more on **page 12**

5

Strong cash generation

- Operating cash flow broadly equivalent to operating profit.
- Allows repayment of debt, payment of dividends and investment in new strategic product initiatives (both organic and inorganic) to drive growth.

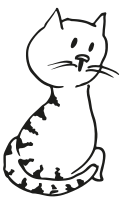
Insurance

Motor

Car, motorbike, van, taxi, motorhome, breakdown

Property

Home, landlord, student



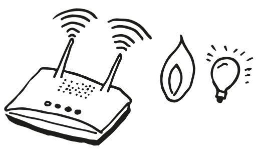
Other

Pet, travel

Strategic Initiatives

Money

Loans, mortgages, credit cards, current accounts, savings



Home services

Gas and electricity, broadband, TV, phone

Other

Life, health, income protection, critical illness, holidays, flights, hotels

2.7m

Average monthly interactions

£4.45

Average revenue per interaction across the year

£1bn

Total of average customer savings for the year (car and home insurance)

No.2

Market position in UK car and home insurance comparison at the year end

£30.0m

Adjusted operating profit

75%

Net promoter score

Chairman's Statement

Shaping the future

Dear shareholder,

I am pleased to present Gocompare.com Group plc's financial results for 2016. The year marked the beginning of a significant new chapter for Gocompare.com as a public company in its own right.

Our demerger from esure Group plc, of which I still serve as founder and Chairman, saw Gocompare.com admitted to the Main Market of the London Stock Exchange on 3 November 2016, with the stock ticker 'GOCO'.

Throughout the demerger process, the team at Gocompare.com remained entirely focused on the task of helping people find and switch to better deals. They did a great job, as you will see from the Group's strong financial results.

With an exceptional leadership team in place and the opportunity to set, and invest in, our own destiny, there is good reason to be excited about Gocompare.com's future.

Results

During 2016, Gocompare.com's Insurance and Strategic Initiatives segments both grew. We enhanced our approach to marketing and product development. We maintained good cash generation with leverage reducing from 2.8x at the time of the demerger to 1.7x at the year-end. With this positive base, we ended the year in a position of strength on which we will build.

The Group achieved revenues of £142.1m, an increase of 19.5% year-on-year. Operating profit decreased from £23.1m to £21.9m, although our adjusted operating profit, which excludes the costs associated with the listing and the Foundation Award share based payment charges, increased by 29.9% from £23.1m to £30.0m.

The Board and leadership team

In June 2016, the month we announced the strategic review that led to the demerger of Gocompare.com from esure Group, Matthew Crummack was appointed as Chief Executive Officer of the Group. Matthew joined us with immense experience and a proven track record as a technology business leader. We are delighted that Matthew joined us in time to steer us through the demerger.

Joining Matthew and me on the Board of Gocompare.com Group plc are Nick Wrighton, Chief Financial Officer; Angela Seymour-Jackson, Deputy Chairman and Senior Independent Director, who chairs the Remuneration Committee and is a member of the Audit and Risk, and Nomination Committees; Zillah Byng-Thorne, Non-Executive Director, Chair of the Audit and Risk Committee and member of the Remuneration and Nomination Committees; and Adrian Webb, Non-Executive Director and member of the Audit and Risk, Remuneration, and Nomination Committees. This is a team that gives me huge confidence and will offer support and experience as we shape the future of our Company.

I also want to thank Stuart Vann, Chief Executive Officer of esure Group, whose commitment and leadership both while esure was a major shareholder of Gocompare.com, and through the period of full ownership that started in March 2015, was pivotal in moving the Company and the brand forward.

"With an exceptional leadership team in place and the opportunity to set, and invest in, our own destiny, there is good reason to be excited about Gocompare.com's future."

Sir Peter Wood
Chairman

Capital management and dividends

Gocompare.com is a highly cash-generative business. This cash will be deployed to meet operational and capital expenditure requirements, the repayment of debt, dividends and strategic investments.

Prior to listing, the Group agreed an £85m loan facility to fund a pre-completion dividend to esure Group and to cover the costs of the strategic review and demerger.

While there will be no final dividend for 2016, the Board has set a target dividend pay-out ratio of 20%–40% of profit after tax. This is in line with what was set out in the Prospectus.

The Board will look to invest surplus cash into strategic ideas and initiatives that will deliver shareholder value over the short to medium term.

Regulation and governance

The Group is committed to observing the highest regulatory, ethical and corporate governance standards in all it does. The Board adheres to the UK Corporate Governance Code and its operating subsidiary, Gocompare.com Limited, is authorised and regulated by the Financial Conduct Authority (FCA) for insurance mediation activity.

Through partnerships with carefully selected sector specialists, the Company also operates in other regulated industries, such as broadband and communications services, domestic and business energy, banking and more. We ensure that the partners we work with to deliver these services to our customers comply with the requirements set out by the relevant regulator(s).

Thank you

Without exceptional employees a business cannot hope to keep its customers happy or deliver value to its shareholders. I'm pleased to say that Gocompare.com's employees have energy and ingenuity in abundance. This strong base provides the right foundations for an exciting and prosperous future, which will be shared by our customers, our Group and our shareholders.

On behalf of all the Board, I would like to stress that we are sincerely grateful to every member of the Gocompare.com team – a team that works tirelessly to save our customers time and money. Their enthusiastic focus has created a fantastic working environment at the Group's home in Newport, South Wales and I know that each of them looks ahead with excitement and anticipation.

I also want to pass on our special thanks to our customers for trusting us to help them find the right insurance policies, banking products, energy tariffs and more. The Board, management team and all of Gocompare.com's employees are committed to finding new and better ways to save them more time and money, more often, and make their lives easier, long into the future.

Sir Peter Wood
Chairman

2016 highlights

- In November, Gocompare.com demerged from esure Group plc and Gocompare.com Group plc listed as a separate company on the Main Market of the London Stock Exchange (GOCO).
- The year closed with Gocompare.com Group plc recording revenues of £142.1m, up 19.6% year-on-year, with adjusted operating profit up by 29.9% at £30.0m.
- The new Board and strengthened management team are highly skilled and experienced with the drive and sector expertise to support the Group's ambitions. Working with the Company's exceptionally talented employees, Gocompare.com is well placed to realise its significant potential as a technology business.
- Gocompare.com has now been in business for over ten years and celebrated its launch anniversary on 6 November.

Chief Executive's Review

Delivering on our strategy

Beyond compare

When I joined Gocompare.com as Chief Executive Officer in June 2016, I was shown a statistic that has stuck with me ever since – that so far that year we had saved our customers more than £30 per second on their car and home insurance policies. By the time you've reached this section of our annual report, thousands of pounds in customer savings will have been achieved. This is remarkable, and testament to the continued focus and hard work of the Gocompare.com team, reinforcing why we believe this consumer service is a genuine force for good.

We see Gocompare.com as a consumer champion, and we take our independence and totally unbiased approach to comparison very seriously. Our analysis shows that there are still material opportunities for UK consumers to save money every day on their personal and household bills. Gocompare.com's business model is one where revenues are largely generated for us when a consumer switches to a better deal, by providing new customers to our business partners and suppliers. This makes our approach honest and equitable – we help consumers find the right product for them, they save time and money, and we provide targeted business for our suppliers.

In 2016 we helped more people find more deals on more products, more efficiently than ever before, which is why we've been able to round off our tenth year by posting strong revenue growth.

Looking ahead – delivering on our strategy

We see a future for our business where Gocompare.com saves billions for people everywhere by simplifying financial choices. We want to challenge interests, disrupt markets and change behaviours. Our strategy to deliver against this ambition is a simple one:

- We are focused first on delivering strong operational leverage on our existing business. We are confident that we can strengthen and build on our position in insurance comparison, investing modestly in faster, continuous improvement of a multi-device customer experience.
- We are also targeting the strategic deployment of capital through venture-style investments into innovative technologies, products and talent. This will help us grow faster in the medium term, diversifying beyond our current comparison business into other products and services.

Importantly, Gocompare.com benefits from having a hard-earned, well-established and enviable level of brand awareness. This has helped cement our position as one of the leading providers of price and product comparison in insurance, and we believe that we can leverage this to enter and grow into other product areas.

Through a reinvigorated marketing campaign, we have been able to grow core insurance revenue in a tough, highly competitive landscape. Interactions are up 20% year-on-year, from 22.5m to 27.1m, which has seen revenues leap 17.4% to £133.7m from £113.9m in 2015. While the lion's share of our insurance revenue comes from car and home insurance switching, only 23.3% of motorists and 7.4% of households in the UK switch their insurance through a price and product comparison website each year, so we believe significant growth opportunities still exist in these areas and we are well placed to take our fair share.

"We see Gocompare.com as a consumer champion, and we take our independence and totally unbiased approach to comparison very seriously."

Matthew Crummack
Chief Executive Officer

We have also made significant inroads into non-insurance product comparison areas and have seen growth from a small base, with interactions increasing by 66% year-on-year, from 3.0m to 4.9m, resulting in revenue growth of 68%, from £5.0m to £8.4m.

It's not the big who beat the small, but the fast who beat the slow

We strengthened the senior team at Gocompare.com, and have brought together strong sector and professional experience, with diverse backgrounds, including in technology start-ups, global brands and companies whose market disruption has led to huge improvements in customers' lives.

Specifically, we have welcomed Faisal Galaria as Chief Strategy and Investments Officer; Richard Harris as Chief Customer Acquisition and Retention Officer; Jackson Hull as Chief Technology Officer; and Nick Edwards as Chief of Staff, General Counsel and Company Secretary. The experience and leadership they provide, coupled with our existing talented team who build, deliver and maintain our industry-leading services, exemplified by Lee Griffin our Chief Operating Officer, will ensure that we can focus on translating the Company's disruptive pedigree into a growth story.

We are entrepreneurs at heart, and take pride in solving tough consumer problems. Speed of thought and action are core values, alongside building trust and showing humility and humour. These values helped us to shake up the insurance market when Gocompare.com launched in 2006, gaining plaudits from industry bodies like the British Insurance Brokers' Association (BIBA) and seeing us change the way that people shop for – and buy – insurance, forever and for the better.

By being the best channel for consumers to find good deals across a wide range of markets, we also become the most valuable source of new business to our insurance, banking, home communications and utilities partners. This will make Gocompare.com synonymous with comparison, value and sustainable growth.

Similarly, our emphasis on attracting, retaining and developing the best talent focuses on making Gocompare.com an employer of choice for the brightest, most ambitious and creative minds. I'd like to see our people prosper, creating the 'Silicon Valleys' in South Wales.

Outlook

We have made strong, fast progress over the last six months. We have recruited some excellent talent, defined our strategy and restructured our tech, product and marketing teams. The Board confirms the guidance for the full year 2017 that was given at the time of the listing. Performance will skew towards the second half of the year as our programme of business transformation takes full effect across our performance metrics. We also expect to deploy capital during 2017 on investments that will drive shareholder value over the medium term.

Summary

By helping people take control of their finances, in 2016 we have helped our customers save over £1 billion on car and home insurance alone. This is impressive but we are determined to do more.

We'll do this through fast, continuous innovation that drives sustainable growth and financial leverage in our core business. This growth can help fund our ambitions through investments into innovation that creates real value for all our stakeholders over the medium term.

We are focused on executing our plan, and I look forward to sharing this journey with you.

Matthew Crummack,
Chief Executive Officer

Fast facts

- Gocompare.com attracts circa five million visits every month.
- The Group holds data on over 20m UK customers.
- In 2016 alone, Gocompare.com saved its insurance customers over £1bn, which is equivalent to more than £30 a second.
- Gocompare.com has 185 employees as of 31 December 2016, the vast majority based at its offices in Newport, South Wales.

Business Model

Attracting customers to transact

Inputs

Brand
Iconic household name, with strong recall

Marketing
Diversified, targeted, always-on, effective

People
Talent, expertise, commitment, entrepreneurial

Product areas
Insurance, banking, home services, travel, communications

The customer journey

Attract customers

Visit gocompare.com

Compare prices and product features

Transfer to provider

Return customer

Re-attract

Our purpose:

1. To help our customers save time and money.
2. To grow a profitable, scalable business.

Technology

- **World-class tech talent pool**
- **Customer-focused**

- **Mobile journeys**
- **Efficient quote engines**

- **Third-party data**
- **Customer reviews**
- **Defaqto ratings**

- **Continuous customer feedback and improvement loop**

Outputs

Customer

Time and money saved finding the right products

Partners

Access to millions of people = efficient customer acquisition

Employees

Purpose, rewards and opportunity to make a difference

Investors

Returns, value

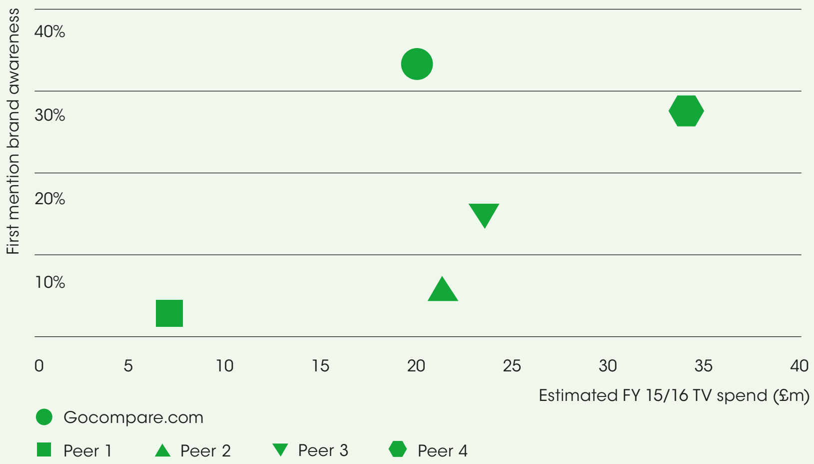
Exploring Our
Business Model

Hitting the high notes

A strong brand and iconic advertising creative provides competitive share of voice relative to spend

Fantastic marketing content to a mass media audience creates unparalleled awareness, driving people through multiple channels to find us and compare products using our services.

Effective marketing spend cuts through a competitive marketplace to generate higher brand awareness

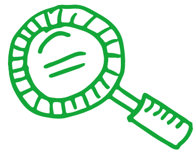


Multi-channel brand awareness

Iconic TV, Radio, Digital, PR, Sponsorship

Our Strategy

Strategic vision



1. Strengthening and building on our position in insurance comparison

Vision

Gocompare.com started life as a car insurance comparison service, and quickly added home, van, motorbike and pet insurance comparison to its core portfolio. In all cases, we disrupted the markets we entered, and drove change that improved competition and benefited consumers. There is room to grow, particularly in car and home, where only 23.3% and 7.4% of policyholders currently switch through a comparison website.

Progress

The number of unique car insurance customers in 2016 was up by almost 15% on the year before, while unique home insurance customers increased by just over 13%.

2. Targeted and effective capital deployment

Vision

Gocompare.com is a highly cash-generative business and, through effective deployment of capital, we will continuously improve our services, reduce leverage, increase shareholder value and invest for future growth. Investment may be through internal development, external acquisitions or a combination of these.

Progress

We have invested in talent acquisition and development, which has already resulted in material changes to the services we provide and has benefited our customers. Leverage has been reduced through cash generation from 2.8x at the time of the demerger from esure Group in November 2016, to 1.7x at year-end.

3. Growth beyond insurance comparison

Vision

By leveraging our iconic brand, strong technical, commercial and marketing capabilities, we will seek growth opportunities through 'Strategic Initiatives' – which include money (loans, mortgages, credit cards, current accounts, savings), home services (gas and electricity, broadband, TV, phone), and other products (travel, protection).

Progress

We revamped customer journeys across credit card, loan and mortgage services in 2016, and launched a dedicated marketing campaign in February 2016. Domestic energy redesign and relaunch in progress, ready to go live in January 2017. Year-on-year, customer interactions across our Strategic Initiatives rose by 66%.

4. Continual improvement of the customer journey

Vision

Using talented people, efficient processes and adaptable technology to adopt an iterative approach to price and product comparison improvements.

Progress

We have already strengthened our tech and product development capabilities at a senior level, and introduced agile working processes to enable us to develop, launch, test and adapt more quickly.

Our strategy is to offer consumers a 'go to' marketplace for price and product comparison. The Group aims to realise its vision and deliver successful and sustainable growth through four areas of strategic focus.

KPIs

Revenue (£m)

Revenue generated in the year.

Adjusted operating profit (£m)

Operating profit for the year, after adding back listing costs and Foundation Award share based payment charges. Adjusted operating profit is reconciled to operating profit on page 19.

Marketing margin (%)

Calculated as the difference between revenue and marketing expenditure divided by revenue.

Average revenue per interaction (£)

Revenue divided by customer interactions in a particular period.

Adjusted basic EPS (pence)

Profit for the year, after adding back listing costs and Foundation Award Share based payment charge (net of tax) divided by the weighted average number of shares in issue for the year. Adjusted basic EPS is reconciled to basic EPS on page 79.

Operating profit (£m)

Operating profit for the year.

Basic EPS (pence)

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

Non-financial KPIs

Customer interactions (m)

Customer interactions are defined as: (a) for products where the quote process begins on Gocompare.com, 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.com.

Number of partners

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

Savings made by cutomers (£m)

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

Our History

Ten amazing years

We've always worked hard to ensure our information is presented in the simplest way possible to save our customers time and money.

Every step we've taken over the past ten years has been driven by a genuine commitment to do the right thing by our customers. This will remain our guiding principle.

We were the first comparison website to make use of customer reviews to bring a new level of transparency to insurance comparison.

We were the first comparison website to focus on showing product features, not just prices.

We launched the UK's first, and still only, midata-powered current account comparison service alongside the Treasury in 2015.

650

Gocompare.com works with over 650 brands to help customers save money and find the right deal on over 40 products including car, life and home insurance, flights, mortgages and broadband.

2006

Gocompare.com launched with six employees on 6 November.

2007

We launched our motorbike, van and home insurance comparison services.

Our first ever TV advert aired.

2008

We were the first (and are still the only) comparison website to be invited to join BIBA in recognition of our 'philosophy of comparing insurance products on their suitability to individuals' requirements as well as price'.

2009

We became the first comparison website to compare over 100 different insurance providers.

We launched our pet insurance comparison service.

Gio Compario was propelled onto the nation's TV screens.

2010

We moved to a bigger office to accommodate our almost 100-strong team.

2011

We hit the one-million-insurance-quotes-in-a-month target.

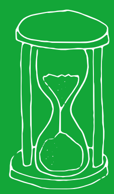
We were awarded Best Companies one-star accreditation and won the 'High Growth Business of the Year' category at the Private Business Awards.

£1bn

In 2016 we saved the UK public more than £1bn on car and home insurance alone.

£30

More than £30 per second.



£113k

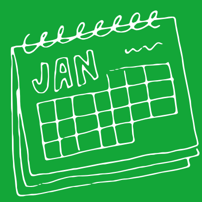
Over £113k per hour.

£2.7m

More than £2.7m per day.

£83m

Over £83m per month.



2012

We achieved the equivalent of one quote per second across all products.

We were awarded the Investors In People Gold Standard in recognition of our commitment to employee development.

2013

We moved to purpose-designed offices to accommodate our bigger team and support future growth.

We were awarded the Gold Corporate Health Standard by the Welsh Government due to our commitment to our people's health and well-being.

2014

We introduced our charity, community relations and employee welfare committee – 'For the Greater Good' (4TGG).

2015

We became part of the esure group of companies.

We won the 'Combatting Fraud – Broking Initiative of the Year' category at Post Magazine's Insurance Fraud Awards.

2016

We demerged from esure Group and listed on the London Stock Exchange as Gocompare.com Group plc.

We celebrated a decade of saving people time and money.

Exploring Our
Business Model

Our dream team

Gocompare.com is a business built by motivated people who work in a nurturing environment and are driven by a real sense of purpose.

We are proud of our unique culture, which we've worked hard to develop since the very beginning. Our culture underpins our success and we take it very seriously, even if we don't always take ourselves too seriously. Ours is a workplace of collegiality, ambition and fun.

Read more on **page 24**

Gocompare.com's values make us proud to work here. We think that working at Gocompare.com is great – but then we would say that! We're clear about the goals that we're trying to achieve and we invest in the people who work here. We genuinely care about providing them with a positive working environment.

Cause for celebration

As well as encouraging and supporting our people to develop new ways to save our customers time and money, we also celebrate the little things in life that are important to us all. One of the highlights of the Gocompare.com calendar is our monthly celebration day. It's an hour that's set aside for everyone to come together and celebrate team and individual achievements – personal and professional. It's also where we announce that month's charity beneficiaries and drum up support for upcoming fundraising and volunteering events that we're taking part in.

Values

We are helpful people who are committed to delivering comprehensive services built on our customers' needs.

We deliver on our promises and show that we're trustworthy in everything we do.

We're dynamic and continually look to improve our services by acting on what our customers say with the energy and passion that runs through our business. We're empowered to make a difference.

We make things personal by being welcoming and approachable. People need clarity and honesty to work together, so when we have something to say, we say it in a straight-talking, kind way.

When we get all these things right our customers can enjoy life a little bit more, and that's why we will be number one in their eyes.

Empowering

Trustworthy

Personal

Dynamic

Straight-talking

Financial Review

Strong foundation for growth

Highlights

Revenue	£142.1m	+19.5%
Marketing margin	38.3%	+1.4%pts
Operating profit	£21.9m	(5.2%)
Adjusted operating profit	£30.0m	+29.9%
Leverage	1.7x	n/a
Basic EPS	3.8p	(17.4%)
Adjusted basic EPS	5.7p	+23.9%

The Group made good progress in 2016 with revenue up 20% to £142.1m and Adjusted operating profit up 30% to £30.0m compared to the same period last year. Operating profit was £21.9m compared to £23.1m as a result of costs associated with the listing.

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 below as necessary.

As part of the demerger from esure Group plc the Group raised an £85m debt facility, of which £75m was drawn down on 1 November 2016. The facility was primarily used to fund a pre-completion dividend of £73.3m to esure Group plc. As at 31 December 2016, the Group had net debt of £54.7m and headroom against its banking covenants.

The Directors have not proposed a final dividend for 2016, which is in line with what was set out in the Prospectus at the time of the demerger. The Group maintains a target dividend pay-out ratio of 20%–40% of post-tax profits.

Revenue

	2016 £m	2015 £m	Movement £m	Movement %
Insurance	**133.7**	113.9	19.8	17.4
Strategic Initiatives	**8.4**	5.0	3.4	68.0
Total	**142.1**	118.9	23.2	19.5

The Insurance segment saw growth in 2016 with revenue up 17% to £133.7m. Growth was partly driven by market factors, with increases in car insurance premiums resulting in more consumers using price comparison websites to switch provider. Revenue was also positively impacted by the continued success of the Group's Gio Compario advertising campaign as well as an increase in both the quantum and effectiveness of digital marketing spend.

The Strategic Initiatives segment also saw growth in 2016 with revenue up 68% to £8.4m as the Group began to explore opportunities to grow non-insurance products. Growth was particularly strong in the first half of the year as revenues from Money products benefitted from focused TV advertising and improvements in the customer journey.

Marketing costs and marketing margin

	2016 £m	2015 £m	Movement £m	Movement %
Cost of sales	**41.2**	31.6	9.6	30.4
Distribution costs	**46.5**	43.4	3.1	7.1
Total marketing spend	**87.7**	75.0	12.7	16.9
Marketing margin	**38.3%**	36.9%	+1.4%pts	

Marketing costs comprising cost of sales and distribution costs, have increased in total by £12.7m to £87.7m in 2016. The increase in marketing costs is largely through online digital marketing spend for both Insurance and certain Strategic Initiatives products as the Group looks to profitably grow revenue. This has been successful, with the percentage increase in total marketing costs being lower than the percentage increase in revenue, translating into an improvement in marketing margin (calculated as the difference between revenue and marketing expenditure divided by revenue) from 36.9% in 2015 to 38.3% in 2016.

Administrative expenses

Administrative expenses include £8.0m of one-off costs in relation to the demerger and separate listing of the Group. Also included is a share-based payment charge of £0.1m in relation to the Foundation Awards that were granted following the demerger. A further £2.1m of costs were incurred in relation to raising the debt facility which have been set against the borrowings and will be amortised over the life of this facility. Excluding these adjusting items, administrative expenses have increased by £3.6m, largely driven by the cost of recruiting and remunerating the new leadership team and Board, and other plc related costs.

Adjusted operating profit, Adjusted EBITDA, and Profit before tax

	2016 £m	2015 £m	Movement £m	Movement %
Revenue	**142.1**	118.9	23.2	19.5
Total marketing spend	**(87.7)**	(75.0)	(12.7)	16.9
Administrative expenses excluding adjusting items, depreciation and amortisation	**(22.8)**	(19.6)	(3.2)	16.3
Adjusted EBITDA	**31.6**	**24.3**	7.3	30.0
Depreciation and amortisation	**(1.6)**	(1.2)	(0.4)	33.3
Adjusted operating profit	**30.0**	**23.1**	6.9	29.9
Professional fees in relation to listing	**(8.0)**	–	(8.0)	100.0
Foundation Award share based payment charge	**(0.1)**	–	(0.1)	100.0
Operating profit	**21.9**	**23.1**	(1.2)	(5.2)
Net finance costs	**(0.3)**	0.2	(0.5)	(250.0)
Profit before tax	**21.6**	23.3	(1.7)	(7.3)

Adjusted operating profit, calculated as operating profit for the year after adding back the £8.1m of costs incurred in relation to the demerger and Foundation Awards, increased by 30% to £30.0m.

Adjusted EBITDA for the year, calculated as Adjusted operating profit for the year after adding back depreciation and amortisation, increased by 30% to £31.6m.

The Group has a light infrastructure and as such has a depreciation charge of £0.4m (2015: £0.4m). The majority of the Group's spend on IT software relates to iterations of the website and customer journey, made on a frequent basis. They are not considered to have a useful life beyond 12 months and as such the costs are not capitalised, with amortisation at £1.2m (2015: £0.8m).

The Group incurred net finance costs of £0.3m during the period compared to £0.2m of net finance income in 2015. The Group drew down £75m of debt on 1 November 2016 and has incurred interest charges since this date. The Group had no borrowings in 2015 or in 2016 prior to 1 November but generated finance income on its cash balances.

Profit before tax of £21.6m is £1.7m lower compared to the same period last year. This reflects the impact of the £8.1m of expenses incurred in relation to the demerger and the £0.5m increase in net finance costs more than offsetting the improvement in Adjusted operating profit.

Income tax expense

The Group's tax charge of £5.8m represents an effective income tax rate of 26.9%. This is higher than the average prevailing tax rate of 20.0% due to the effect of disallowable expenses incurred in relation to the demerger.

Earnings per share

	2016 (pence per share)	2015 (pence per share)	Movement (pence per share)
Basic earnings per share	**3.8**	4.6	(0.8)
Adjusted basic earnings per share	**5.7**	4.6	1.1
Diluted earnings per share	**3.8**	4.6	(0.8)

Earnings per share for 2016 is 3.8pence compared to 4.6pence for 2015. This reduction is as a result of the one-off costs in 2016 associated with the demerger and listing. Adjusted earnings per share, which excludes these adjusting items, is 5.7pence, an increase of 1.1pence (24%) on 2015 and better reflects the earnings generated by the underlying core business.

Cash and leverage

The Group continued to deliver strong operating cash flows during 2016 and at the year end had cash of £18.4m leaving a net debt position of £54.7m. The cash position benefited from a timing difference with £5.1m of fees that were incurred in relation to the demerger not being paid until January 2017. This aside, the cash position at the year end is healthy and after allowing for working capital of £4.0m leaves in excess of £9.0m available for potential investments.

	2016 £m	2015 £m
Net cash generated from/(used in) operating activities	**28.2**	18.7
Net cash (used in)/generated from investing activities	**(1.2)**	(1.1)
Proceeds from issuance of ordinary shares	**0.1**	–
Proceeds from borrowings, net of transaction costs	**73.1**	–
Interest paid	**(0.4)**	–
Dividends paid to owners of the parent	**(85.8)**	(49.4)
Net cash (used in) / generated from financing activities	**(13.0)**	(49.4)
Net increase/(decrease) in cash and cash equivalents	**14.0**	(31.8)
Cash and cash equivalents at beginning of year	**4.4**	36.2
Cash and cash equivalents at end of year	**18.4**	4.4

The leverage at 31 December was 1.7x Adjusted EBITDA, a notable reduction on the 2.8x at the time of the demerger and 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.

	2016 £m	2015 £m
Borrowings	**(73.1)**	–
Cash and cash equivalents	**18.4**	4.4
Net debt	**(54.7)**	4.4
Adjusted EBITDA	**31.6**	24.3
Leverage	**1.7**	n/a

Dividends

The Group paid interim dividends of £12.5m (equivalent to 62.5pence per share) in June 2016 and £73.3m (equivalent to 17.6 pence per share) in November 2016. Dividends per share disclosed are based on the number of shares in issue at the point they were declared and paid. Gocompare.com Group plc issued a number of shares during 2016 as set out in note 20 of the financial statements which has the effect of showing a relatively lower dividend per share in November.

Nick Wrighton
Chief Financial Officer

Principal Risks and Uncertainties

Committed to managing risk

Risk management

The Group has a robust risk management approach that enables us to evaluate and manage the key risks we face. The approach supports us as we tackle our strategic objectives, strive for high-quality outcomes for our customers and comply with applicable laws and regulations. It also 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. In short, risk management is a key part of our operational and strategic decision-making.

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 the effective design and operation of controls;
- Capital and resources are allocated so as to ensure a balance of risk and reward;
- Risk policies and risk appetite statements are approved by directors;
- Risk reporting to management and the Audit and Risk Committee.

Risk governance

The Board ensures that measures are in place to provide independent and objective identification and management of risks through the Audit and Risk Committee. The Committee is responsible for reviewing the effectiveness of internal control and assurance through the reports from internal audit, compliance and risk functions.

Developments in risk management

The Group's risk management framework was reviewed in 2016 by both the business and Internal Audit, with a number of enhancements made, including:

- A review of second line risk management resource and scope;
- Risk management training provided to operational managers;
- Senior management has ownership of principal risks and the design and effective operation of controls;
- 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 2017 our risk management framework will be developed further, by reviewing resource, roles and responsibilities and delivering a programme of risk workshops with management and key stakeholders.

Assessment of principal risks and uncertainties

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

Three lines of defence

The Group applies a three-lines-of-defence approach to risk management and internal control to provide structure, governance and accountability:

1.

First line: Accountability

Senior management is accountable and empowered to assess, manage and control risks as part of day-to-day business operations. Risk is owned and managed in the first line.

2.

Second line: Support and oversight

Oversight functions (including Compliance, Legal and Risk) provide the first line with support to identify, assess and control risks within risk appetite. The second line works constructively with management and first line in control framework design, interpretation and advice on regulatory change and reports risk information to the Audit and Risk Committee.

3.

Third line: Assurance

Independent and objective assurance is provided by the outsourced internal audit function, which reports directly to the Audit and Risk Committee. Internal audit activities are risk-based and flexible to respond to the needs of the business.

Risk	Impact	Mitigation and management
Competitive environment The Group operates in a highly competitive environment and generates a significant proportion of its revenue from car and home insurance comparison.	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 strategy with partners.
Changing customer behaviour The Group relies on online use of its product and price comparison services by customers.	Failure to keep pace with customer behaviour and expectation, including continuous development and optimisation of the website and online journeys may lead to lower market share, revenue and profit.	• Real-time monitoring of core-product journeys. • Continuous-development approach to website journeys to ensure scalable and relevant services and offerings to customers.
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 18 of the financial statements. It is also subject to covenants on its loan facilities.	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.	• Review of creditworthiness of partners prior to joining the panel. • Regular monitoring of debtors and managing prompt payment of these. • Cash flow forecasting and headroom monitoring to manage availability of cash.
Customer acquisition and brand The Group is reliant on customer awareness and appreciation of the Gocompare.com brand including broadcast, online and digital marketing techniques that are cost effective and efficient.	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.
Cyber 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.	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 reputational, financial and regulatory consequences.	• Website and IT estate and 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.
Technology and innovation The Group is reliant on high-performing comparison solutions that meet customer expectations for experience, use and device of choice.	Inability to adapt rapidly to change in customer behaviour and technological changes may have a detrimental effect on current and future financial performance and reputation.	• Mobile-optimised customer journeys. • Comprehensive approach to development and testing across a wide variety of devices and operating systems. • Flexible approach to development website and systems enhancements including organisational and operational changes to maximise delivery and deployment opportunities.

Principal Risks and Uncertainties continued

Risk	Impact	Mitigation and management
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.	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. • Access to specialist external advice, when required. • Open and transparent culture. • Comprehensive regulatory training provided to all employees. • Whistleblowing procedures in place.
People, leadership and management The Group's success will depend on the performance of senior management and relies upon the industry, marketing and technical expertise of employees and on the Group's ability to attract, retain and motivate its people.	Lack of experienced, skilled and motivated people at all levels may have a detrimental impact on business and financial performance of the Group.	• Experienced senior team with experience of online businesses – varied backgrounds, refreshed in 2016. • Review and evolution of the employee reward packages at all levels. • Structured approach to learning and development, including a bespoke management development programme. • Varied approach to attracting new talent, including development of an in-house recruitment function. • A review of internal working practices and structures to further strengthen and support agile delivery within the business.
Strategic development and delivery The Group has recognised the significant opportunity in growing the brand beyond motor and home insurance into money, energy and other product and price comparison services and sectors.	Failure to develop and deliver strategic growth may result in lower revenue and profit and an adverse impact on shareholder value and reputation.	• Strategy to diversify revenue streams and products and services. • Continued focus on core home and motor insurance to maintain market share, revenue and profits. • Strategic review initiated to inform three-year business strategy and planning for 2017 and beyond.
Partner The Group is reliant on high quality products and services, and an ability to provide quotations from a range of different insurance partners to generate revenue.	Ineffective management of the partner panel, including reporting, quality and appropriateness of products, may result in damage to reputation, loss of customers and adverse impact on financial performance.	• Monitoring of performance and quality of products and services offered by partners. • Customer services receive, review and resolve complaints and queries from customers. • Partner reviews enable customers to share experience and product performance information to inform approach to partner and product management.
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.	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. The outcome of the referendum for the UK to leave the EU 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.

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 2019 as this aligns with the Group's financial forecasting horizon. 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's significant growth in recent years – from its inception in 2006 to its listing in November 2016 through changes in ownership and control in 2015 and 2016;
- the Group operating 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 Group revitalised its Board and senior management team, making key appointments to maintain and build on its reputation, market share and to deliver strategic growth along with continued investment in people and the working environment; and
- the Group has a track record of growth and profitability combined with strong cash generation.

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. 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.

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 2019.

Corporate Social Responsibility

Being a force for good

Employee numbers

	2015 M	2015 F	2016 M	2016 F
Directors	1	–	**4**	**2**
Senior management	1	1	**5**	**1**
Employees	87	65	**102**	**73**

Company performance

Gocompare.com always aims to be a great place for people to work. A key part of this is knowing that our staff always have the right knowledge and tools to get the job done well. Our culture encourages change and we want our staff to drive this. In 2016, we introduced a new employee engagement survey focused on improving what we do not only for the business and our customers but also with a focus on making Gocompare.com the best place to work. Engagement with the process was fantastic with 94% of the organisation taking part.

Our culture is also what attracts and retains our staff. From monthly celebration days, a suite of health and wellbeing activities ranging from metafit to massage and yoga, our annual family BBQ, fruit drops, or having your birthday off – it all makes for a culture where our staff enjoy coming to work.

In an organisation that is fast paced and focused on change, communication is key. From monthly town halls and formal performance updates to working groups, employee circulars and our intranet site, ensuring our staff are kept up to date and involved in the decision-making process is key to our future success.

As well as being engaged, we want our staff to share in the success of the business. With this in mind we introduced a number of share schemes aimed at allowing our staff to benefit from the future success of the business and drive a greater focus on business performance. Our performance management framework also reinforces the importance of business performance with reward being linked to this. Further work is being undertaken to ensure that all of our staff are motivated and rewarded to drive success for the business.

As a business we believe in celebrating success – be that in our monthly celebration day ceremony, our quarterly awards day or our annual awards night. Our staff know that what they do matters and when they perform, we recognise it.

Disabled persons

Gocompare.com is fully committed to equal opportunities in the workplace and this is evident in all of our policies and procedures.

The Company is committed to eliminating discrimination and encouraging diversity by:

- Creating an environment in which individual differences and the contributions of all employees are recognised and valued.
- Entitling every employee to a working environment that promotes dignity and respect to all.
- Not tolerating any form of discrimination, intimidation, bullying or harassment.
- Ensuring that equality in the workplace is good management practice.
- Endorsing the principle of equal opportunities for work of equal value.

As a business we aim to remove barriers that can hinder a disability to ensure that all of our staff are able to undertake their roles to the best of their ability.

Training and development

At Gocompare.com people are our most valuable asset. We recognise that investment in our staff through learning and development initiatives is key to unlocking their full potential and driving knowledge through the business.

As well as ongoing regulatory training delivered to ensure that all of our staff know what is expected of them, all staff have a personal development plan created at the beginning of each year identifying knowledge gaps or development needs for the coming year. Our approach to staff development is centred around candidate learning preferences and encompasses opportunities ranging from on-site coaching and mentoring to external courses and secondments. Professional qualifications are also supported with a number of our staff undertaking their CIPD, ACI, CIM and LPC courses to name but a few.

Management development is another key area for the business. All Gocompare.com managers undertake our bespoke management development programme consisting of various modules aimed at equipping our managers with the key skills and knowledge to manage our people in a way that gets the best from them.

We also understand that not everything in life can be taught in the classroom and that sometimes, experiences teach us more. It was with this in mind that we introduced our sabbatical scheme. Our staff (providing they meet the requirements) have the option to undertake a sabbatical from their role in order to pursue a challenge close to their hearts, travel or develop from volunteering in the local community.

Code of conduct

Gocompare.com is committed to good business practice and conduct. In 2016, a full review of all staff policies was undertaken ensuring that they remained fair, compliant and relevant to the business. We pride ourselves on being an employer of choice and are committed to employing a culturally diverse set of people that are reflective of our environment and customer base.

All of our staff have access to our policies and procedures via our e-HR system and are reminded of the key policies such as whistleblowing, business and personal conduct on a regular basis. Our whistleblowing policy sets out what staff should do if they would like to raise a genuine concern about malpractice or wrongdoing. Gocompare.com has a zero tolerance approach to improper conduct and wants its staff to be able to raise these concerns if they have them.

All of Gocompare.com's policies and procedures are created, reviewed and amended with the principle of equality in mind.

Modern Slavery Act

Gocompare.com has a zero tolerance policy to modern slavery in the workplace or within any of its supply chains. Following the demerger of the Group, the Board is in the process of conducting a full review to ensure that slavery and human trafficking are not taking place in any of its supply chains. This will be reported on in the next report and accounts.

Corporate social responsibility

Supporting local causes and charities is inherent in what we do within Gocompare.com. Whether it's a team building event within our community, supporting colleagues who are running a marathon for worthy causes, one-off activities, or large company-wide fundraising events, we are committed to giving something back to the community and making a real difference.

All our charitable activities are coordinated through our charity committee called 'For The Greater Good' (4TGG), which consists of a team of volunteers from around the business who are committed to helping and putting others first. The team are responsible for raising awareness and where necessary, supporting and getting involved with fundraising activities and volunteering, as well as promoting our internal health and wellbeing provision.

We have supported many charities this year and continue with our commitment to charity and corporate social responsibility. This year alone the staff have raised over £2,500 by fundraising to support a team of colleagues who walked the Welsh Three Peaks for a local children's charity Ty Hafan, who provide care and support to children with terminal illnesses. We ran a Company-wide Easter Egg Appeal, and following the kind donations from staff we were able to deliver 300 Easter Eggs to the charity. Operation Christmas Child has also been successful this year with 152 shoe boxes filled with presents being donated by staff for children in countries less fortunate than us and we also ran another fundraising activity to donate toys to a local church who hosted a Christmas party for local young children.

On top of all of this, we sponsor a variety of local junior sports teams, many of which are coached by our staff in their free-time. This helps the clubs' finances, so that they can put their funds into developing the children's interest in sport, plus our branding is seen within the communities. We've also supported local schools with their fundraising, from donations to projects such as keep children safe campaigns to hosting a Kids' Driving School which raised over £500.

We also provide donations to customer requests, provide raffle prizes, local business support, partnering with The Big Issue, to name a few. But it doesn't stop there – we also support our insurance partners and journalists if they are taking part in fundraising events.

Giving something back to our staff, the local communities and forging relationships with charities is key to our culture and an important aspect of why Gocompare.com is a great place to work.

Environment

The Group has a number of measures in place in order to help reduce its impact on the environment and promote good practice in this area. These initiatives include:

- Use of energy efficient lighting with automatic switch off sensors.
- Heating and air conditioning timing management to reduce switch on time.
- Introduction of low energy monitors and other technology.
- Recycling of waste paper, including shredded materials.

Greenhouse gas (GHG) emissions

Summarised below is the (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 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 for. Data presented is for the period 1 January to 31 December which is consistent with the Group's financial year.

Emissions from:	**2016 tCO_2e**	2015 tCO_2e
Combustion of fuel and operation of facilities (Scope 1)	**0.6**	85.0
Emissions from purchase of electricity, heat, steam and cooling for own use (Scope 2)	**179.6**	147.0
Total	**180.2**	232.0
Company's chosen intensity measurement: Total tonnes of CO_2 per £m of revenue	**1.27**	1.95

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.

This section, together with the reports set out on pages 1 to 25 of the annual report constitute the strategic report.

Signed on behalf of the Board

Matthew Crummack **Nick Wrighton**

Board of Directors

Meet the Board

5.

1.

4.

6.

3.

2.

Gocompare.com has a highly experienced team made up of Directors with a wealth of experience across a diverse range of industries, markets and professions. They are driven, motivated and entrepreneurial individuals who have been responsible for the success of many well-known and global brands.

1. Sir Peter Wood
Chairman

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

Previously, Peter founded the Direct Line general insurance business in 1985. He built Direct Line up 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.

He oversaw esure Group's acquisition of 50% of Gocompare.com in 2007 and its agreement to acquire the remaining 50% of Gocompare.com in December 2014.

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.

Sir Peter chairs the Nomination Committee and is a member of the Disclosure Committee.

2. Matthew Crummack
Chief Executive Officer

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.

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. 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.

Matthew chairs the Disclosure Committee.

3. Nick Wrighton
Chief Financial Officer

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.

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.com 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.

Nick is a member of the Disclosure Committee.

4. Angela Seymour-Jackson
Deputy Chairman and Senior Independent Director

Angela became a Non-Executive Director of the board of esure Group plc in October 2015 and sits on its remuneration committee and its risk committee. She is also a Non–Executive Director of Henderson Group plc and Rentokil Initial plc where she is a member of the remuneration and risk committees and the remuneration committee, respectively.

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.

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

Angela chairs the Remuneration Committee and is a member of the Audit and Risk Committee and the Nomination Committee.

5. Zillah Byng-Thorne
Non-Executive Director

Zillah became 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.

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.

Zillah has also previously held 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. She is also currently Chief Executive Officer of Future plc, having previously served as Chief Financial Officer.

Zillah chairs the Audit and Risk Committee and is a member of the Remuneration Committee and the Nomination Committee.

6. Adrian Webb
Non-Executive Director

Adrian has 30 years' experience in marketing and communications including 20 years with major financial services brands. 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.

Adrian joined the esure Group 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.

Adrian retired from the esure Group in May 2015 and was appointed a Non-Executive Director of Gocompare.com on 21 July 2015, having worked with the Gocompare.com Group extensively since esure Group plc's first investment in Gocompare.com.

Adrian is a member of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

Executive Committee

Meet the senior team

1.

3.

4.

2.

5.

1. Lee Griffin
Chief Operating Officer

Lee is one of the founding members of Gocompare.com 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.com he worked for Admiral in various business critical roles, culminating in being part of the team that launched Confused.com.

2. Faisal Galaria
Chief Strategy and Investments Officer

Faisal has almost 20 years' experience as a successful entrepreneur, adviser and general manager who has built and been part of some of the world's most loved global consumer technology companies, at every stage from founder, to hyper-growth to massively scaled.

He has successfully led and grown mobile and internet companies in Europe, Asia and the USA, across a range of industries including media, communications and travel. Most recently, as Partner and Managing Director at Alvarez & Marsal, he was instrumental in the digital transformation of private equity-backed companies including ProSiebenSat1, Travelocity, HMV and OLX.

Prior to this Faisal held senior executive positions with Spotify, Skype and Kayak, and was one of the founders of Jaman.com. He has also been a Venture Partner at Octopus Ventures, one of Europe's leading early stage venture capital firms.

3. Richard Harris
Chief Customer Acquisition and Retention Officer

Richard has a wealth of experience across all aspects of marketing, and most recently was Head of the Online Marketing Group and Customer Intelligence at Paddy Power Betfair.

Prior to this Richard spent 12 years within the international marketing team at American Express, working with markets as diverse as Japan, Australia, Mexico and Canada, and latterly in the UK where he was a member of the UK leadership team.

Before joining American Express Richard worked for CACI Information Services and Acxiom Marketing Services, where he provided consultancy for a number of financial services clients across the UK.

He is a Fellow of the Institute of Direct and Digital Marketing and holds the Financial Planning Certificate from the Chartered Institute of Insurance.

4. Jackson Hull
Chief 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 re–built 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.

5. 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.com Nick spent nine years at esure Group, where he was appointed as Head of Legal before being promoted to General Counsel and then Company Secretary. While at esure he led the company's IPO in 2013, as well as the demerger of Gocompare.com from esure Group 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.com 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.

Corporate Governance Report

Chairman's overview

I am pleased to present the Group's Corporate Governance Report for the year ended 31 December 2016.

The Group entered a significant new chapter in its life this year following its demerger from esure Group plc, and listing on the London Stock Exchange in its own right. The lead up to the demerger and listing has involved a number of material changes in the Group's governance which are explained in this report.

The Board is responsible for the leadership of the Group; to ensure the implementation of the Group's strategy whilst discharging its other defined governance and supervisory responsibilities; and above all to promote the long-term success of the Group.

The Group recognises the importance of high standards of corporate governance and maintaining a strong framework for the control and management of the business. Many of the corporate governance practices and principles expected of listed companies were in place prior to the demerger, as the Group has been a regulated entity for some time. A full review of the requirements under the 2014 UK Corporate Governance Code (the 'Code') was conducted prior to the demerger and as a result the Board adopted a number of additional measures with regard to its governance arrangements in order to be in a position to comply with the principles and provisions of the Code.

In respect of compliance with the Code, one of the main focuses of the Group over the second half of the year has been the building of a strong, experienced, diverse and knowledgeable Board which will help ensure the Group's ongoing success as a listed business. Over the next year we will seek to embed the principles of strong corporate governance, and will implement new procedures such as Board evaluations.

Sir Peter Wood
Chairman

UK Corporate Governance Code

This report sets out how the Group applied the principles of the Code and the extent to which the Company complied with the provisions of the Code in the period from demerger on 3 November 2016 to 31 December 2016.

As this is the first year to which the Group was subject to the Code there are certain provisions which were not met during the year, but which are intended to be complied with next year such as the annual re-election of Directors and Board evaluation (please see page 33 for further details). We are, however, pleased to confirm that we complied with all of the provisions set out in the Code for the period under review, except where an explanation is provided. A copy of the Code is available on the Financial Reporting Council's website www.frc.org.uk.

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. Further information on this can be found on page 34 of the corporate governance report. 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 6 to 13, and the key performance indicators that we use to measure both financial and non-financial performance meet this requirement.

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.

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 a comprehensive review process;
- papers prepared by senior management regarding accounting matters and disclosures relevant to the current financial year, including use of alternative performance measures, areas of judgement and estimation;
- the review of the Annual Report and Accounts by the Audit and Risk Committee, and the discussions with both management and the external auditors. Where appropriate, the committee has challenged content and disclosures made; 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 in March 2017 prior to it being signed by the Board.

Leadership

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's judgement. The Board comprises of a non-independent Chairman, two Executive Directors and three independent Non-Executive Directors. The Chairman is not considered independent as a result of his material shareholding in the Company, and has served as Chairman of the esure Group plc Board since 2000 details of which are provided on page 60.

As detailed in the Group's prospectus issued on 11 October 2016, although Angela Seymour-Jackson also serves as a Non-Executive Director of esure Group plc, the Board considers her appointment to the Group's Board is in the best interests of the Group and its shareholders as a result of her extensive experience and detailed knowledge of the business, and particularly in the context of the Group's flotation as a newly listed and publicly traded entity.

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).

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

Corporate Governance Report continued

Specific Director's Responsibilities

Director	Attendance at Board meetings*	Responsibilities
Chairman Sir Peter Wood	2/2	• Overall operation and governance of the Board. • Providing leadership of the Board to ensure it satisfies its duties and responsibilities. • Setting the agenda for the Board. • Ensuring that the Board receives clear, accurate and timely information.
Senior Independent Director Angela Seymour-Jackson	2/2	• 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	2/2	• Responsible for running the Group. • Accountable to the Board for its operational and financial performance. • Primary responsibility for implementing the Group strategy, including ensuring the achievement 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	2/2	• Group financial performance and all required reporting. • Responsible for maintaining a financial control environment capable of delivering robust financial reporting information, to indicate the Group's financial position. • Investor relations. • Leadership of the finance functions.
Non-Executive Directors Angela Seymour-Jackson Zillah Byng-Thorne Adrian Webb	2/2	• Constructively challenge and help 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. – playing a primary role in succession planning, appointing and, where necessary, removing Executive Directors.
Chief of Staff, General Counsel and Company Secretary Nick Edwards	n/a	• Ensuring good quality corporate governance is embedded and implemented across the Group, along with implementation of efficient company administration. • Acting as a confidential sounding board to the Chairman and other Directors. • Ensuring compliance with legislation, regulation and governance.

* 2 meetings held as the Board of Gocompare.com Group plc, the first being the meeting to approve the demerger.

The Board has considered the external positions held by members of the Board, and does not consider any of them a constraint on the time commitment required as a Director of the Company.

Board overview and the role of the Board and its Committees
As a result of the demerger which took place on 3 November, the Group has recently established the formal Board of Directors, along with the Nomination and Remuneration Committees. The Audit and Risk Committee was in place prior to the demerger. Together these form the core of the Group's governance structure, providing a system of challenge, consideration and feedback, which works in collaboration with the senior management team, to help promote ongoing improvements in communications, transparency and standards across the business.

The Board is responsible for the stewardship of the Group, along with the Group's corporate governance structure, and ensuring the implementation of appropriate controls and measures to facilitate the achievement of the strategy and objectives of the Group. In order to achieve this, the Board will meet 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. To enable the Board to function effectively, full and timely access to all relevant information is given to the Board. The Chairman of each Board Committee also reports to the Board on its proceedings after each Committee meeting, which provides the Board with oversight, and enables full transparency between the Committees and the Board. 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 37 to 40, the Remuneration Committee on pages 41 to 57 and the Nomination Committee on pages 35 to 36.

Each Committee has adopted terms of reference, which will be reviewed on an annual basis. In addition to a formal schedule of matters reserved for the Board, which was adopted on 28 September 2016, 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 ensure they are embedded within the business. Specific responsibilities reserved for the Board include, but are not limited to:

- responsibility for the overall management of the Group;
- approving the Group's long-term objectives and commercial strategy;
- approving the Group's annual budgets, financial statements and policies;
- reviewing operational and financial performance;
- approving major acquisitions, disposals and capital projects;
- reviewing the Group's systems of internal control and risk management;
- reviewing the environmental, health and safety policies of the Group;
- approving appointments to, and removals from, the Board and of the Company Secretary;
- approving policies relating to Directors' remuneration; and
- reviewing the dividend policy and determining the amounts of dividends.

Board activity during 2016
The Board held two meetings during 2016, during which a range of strategic, financial, operational and governance matters were discussed and debated. The agenda for meetings was dominated by the demerger, and establishing the governance structure, such as the Board, adopting terms of references and setting up Committees.

Board priorities for 2017
In 2017, the Board will continue to focus on driving performance and innovation as well as reviewing, discussing and approving matters including:

- Group strategy;
- the Group's full year and half-yearly results, and annual report and financial statements;
- the Group's risk profile, principal risks, risk management and internal control systems;
- succession planning of the Board, its committees and senior managers; and
- conduct an internal Board evaluation.

Board meetings
The Board meet regularly, and during the period since demerger there have been two formal meetings (including the meeting to approve the demerger). In 2017, informal meetings will also take place. Informal meetings include meetings between the Chairman and individual Directors, Board dinners, or meetings to discuss general governance issues. This mixture of formal and informal meetings will help to establish a strong, honest and open relationship and dialogue between the Board members. Details of attendance are provided in the table above detailing Directors' responsibilities.

Directors' training
As part of the demerger from esure Group plc, and subsequent listing of the Group in its own right, the Directors have been provided with training regarding the overall Group, the role of the Board, and matters reserved for its decision. Terms of reference for the committees of the Board have also been reviewed and discussed, along with corporate governance requirements and processes. In addition to this, and specifically in respect of the listed environment, the Board has received guidance on the legal and regulatory duties of a UK listed company, conflicts of interest, and requirements of the Market Abuse Regulations, including procedures for dealing in Company shares, and inside information.

Performance evaluation
As the Group demerged from esure Group plc in November 2016, the Group has not previously been subject to annual performance evaluations. However, in accordance with the Code, an internal evaluation of the Board will be undertaken during 2017.

Diversity
The Board is fully committed to selecting all future Directors and employees based on merit and with regards to diversity, including gender. Between the period of demerger to the year end, the Board comprised 33% women members. As a result of the Group only becoming subject to the Code in November 2016, the Board will report on its diversity policy in the next annual report and accounts.

Corporate Governance Report continued

Shareholder engagement and communications

As part of our management of the Group, the Board recognises the importance of regular, open dialogue with shareholders and key stakeholders to build strong working relationships, and collaboration. During the year, the Directors have met with a substantial number of shareholders and potential future shareholders during investor roadshows, and held subsequent one-to-one discussions regarding the demerger of the Group from esure Group. This is the start of the Company's life as a publicly traded entity, and therefore we look forward to enhancing this programme, and working in partnership with our shareholders in the future.

Annual general meeting

The 2017 AGM will be held at the offices of Deutsche Bank AG, The Auditorium, 1 Great Winchester Street, London, EC2N 2DB on 25 May 2017 at 4.00pm. 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 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 Directors' outlined the initial dividend policy in the Prospectus issued on 11 October 2016, which stated that assuming sufficient distributable reserves are available at the time, and subject to any regulatory capital requirements, the Directors initially intend to target a dividend between 20% – 40%. of the Group's annual reported profits after tax adjusted for any exceptional items.

The Directors are not intending to pay a final dividend for the year ended 31 December 2016 given the short period between admission to the Stock Exchange and the end of the financial year.

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 a comprehensive review process;
- papers prepared by senior management regarding accounting matters and disclosures relevant to the current financial year, including use of alternative performance measures, areas of judgement and estimation;
- the review of the Annual Report and Accounts by the Audit and Risk Committee, and the discussions with both management and the external auditors. Where appropriate, the committee has challenged content and disclosures made; 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 in March 2017 prior to it being signed by the Board.

Nick Edwards
Chief of Staff, General Counsel and Company Secretary
1 March 2017

Nomination Committee

Balance and Experience

Composition and meetings

Chair:	Sir Peter Wood
Members:	Angela Seymour-Jackson
	Zillah Byng-Thorne
	Adrian Webb

The Nomination Committee (the 'Committee') will meet at least twice a year, and more frequently if required. The Board has adopted terms of reference, which is available to view on the following website: www.gocomparegroup.com. There have been no meetings of the Committee in 2016, due to its formation in November 2016.

Sir Peter Wood, the Chairman of the Board, chairs the Committee, except when the matters under consideration relate to him or succession to his role. Appointments to the Committee are made by the Board, and are for a period of up to three years (which may be extended for further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership). The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 26 to 27).

Responsibilities

The responsibilities of the Committee include:

- Reviewing the size, structure and composition of the Board and ensuring that the Board comprises the right balance of skills, knowledge, diversity and experience.
- Identifying and nominating for approval candidates to fill any vacancies on the Board.
- Giving full consideration to succession planning for the Group.
- Making recommendations to the Board concerning membership of the Audit and Risk Committee and the Remuneration Committee.

The Committee's Chair reports formally to the Board on its proceedings after each meeting.

Nomination Committee continued

Before any appointments are made by the Board, the Committee will evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment and as required, approve the formal job profile for such role. In identifying suitable candidates the Committee intends to:

- use open advertising or the services of external advisers to facilitate the search;
- consider candidates from a wide range of backgrounds;
- consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

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.

All existing Directors were appointed pre-demerger and before the establishment of the Committee, however, as reported in the Prospectus the Board intends to recruit an additional independent Non–Executive Director within 12 months from 3 November 2016. This appointment will be led by the Committee, who will make a recommendation to the Board.

No external advice has been taken by the Committee since the Group became subject to the Code.

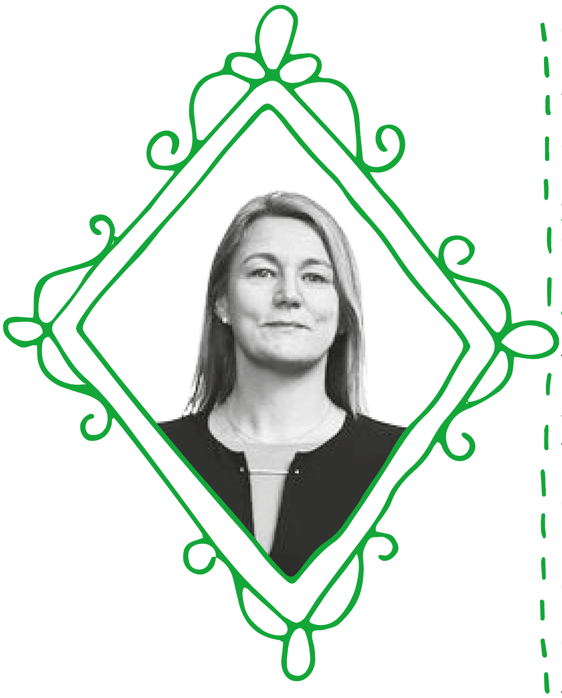
Committee's activities during the year:
As a result of the Committee only having been established in November 2016, the Committee has not met. A full report will be provided in the 2017 annual report.

On behalf of the Nomination Committee

Sir Peter Wood
Chair of the Nomination Committee

Audit and Risk Committee

Review and Report



Composition and meetings

As Chair of the Audit and Risk Committee, I am pleased to present the Audit and Risk Committee report for the year ended 31 December 2016.

Composition		Attendance at meetings
Chair:	Zillah Byng-Thorne	1/1
Members:	Angela Seymour-Jackson	1/1
	Adrian Webb	1/1

The Audit and Risk Committee (the 'Committee') met once in 2016 given the short period between the Group's listing and year end. Going forwards, the Committee will meet at least four times a year, and more frequently if required. In addition to the members of the Committee attending the meetings, the Chairman and some members of the senior management are invited to attend the Committee meetings to provide technical business information as required. These individuals include the Chief Executive Officer, the Chief Financial Officer, the Head of Finance, the Head of Compliance and Risk, the General Counsel and Company Secretary, as well as senior representatives from both external and internal audit. 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 Chief Financial Officer also meet regularly. The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 26 to 27) and that the skills, qualifications and commercial experience of its members are sufficient for it to be able to perform its duties. This includes appropriate financial experience with Zillah Byng-Thorne being a Chartered Accountant and having previously held Chief Financial Officer positions.

The Committee has adopted a terms of reference, which is available to view on the following website: www.gocomparegroup.com.

Audit and Risk Committee continued

Responsibilities

The key responsibilities of the Committee include:

- Receiving and reviewing reports from the Group's external auditor, monitoring their effectiveness and independence and making recommendations to the Board in respect of their remuneration, appointment and removal.
- Monitoring and reviewing internal audit activities, reports and findings.
- Reviewing the financial statements of the Group, including accounting policies and key areas of judgement or estimation.
- Overseeing the Group's procedures for detecting fraud, preventing bribery and non-compliance with law and regulation.
- Reviewing, on behalf of the Board, 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.
- Overseeing the implementation and maintenance of the overall risk management framework and systems.
- Reviewing the Group's risk assessment processes and capability to identify and manage new risks.

The Committee's Chairman formally reports to the Board on its proceedings after each meeting.

Specific activities/key actions during the year

The Committee only met once in 2016 following the demerger and listing of the Group. The focus of this meeting was as follows:

- approval of the Internal Audit plan for 2017 and review of key findings from 2016 audits;
- discussion and review of the approach to 2016 year–end financial reporting with specific focus on profit metrics (and use of adjusted measures), treatment of costs relating to the demerger and share scheme accounting;
- review of the external audit plan for 2016, including key audit risks and preliminary audit findings;
- review of the approach to prepare the Annual Report and Financial Statements for 2016, to ensure compliance with the Corporate Governance Code; and
- approval of the Group's risk management framework, risk appetite and risk register.

Risk management, internal control and internal audit

A full review of the Group's risk management framework and governance is provided on pages 20 to 23.

In December 2016, the Audit and Risk Committee received reports from the Head of Compliance and Risk and Internal Audit. The internal audit function is fulfilled by a third-party organisation, Mazars LLP. 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. No significant failings or weaknesses were identified.

Effectiveness of internal audit

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. 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.

Significant issues

The Committee has reviewed the following significant issues in respect of the financial statements for the year ended 31 December 2016. 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.

Matter considered	Committee review
Revenue	
The Group generates revenue from insurance and other product introductions, when a customer clicks through to a Partner website and completes a transaction. The Group accrues revenue based on available data of transactions made through its Partners. Amounts estimated are 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. Assurance over revenue is also provided by the work performed by the Partner Assurance team to ensure that data provided by the Group's partners is accurate. The Committee reviewed managements' paper on the approach to provisioning for sales not subsequently taken up. This included assessing the assumptions used in determining this estimate. The Committee has also 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.
Treatment of costs relating to the demerger and listing	
The Group incurred professional fees as a result of its demerger and listing and raising of debt finance. Expenses which were incurred in relation to the debt costs have been allocated against borrowings, with the remainder of fees recognised in the Consolidated Statement of Comprehensive Income	The Committee has reviewed the accounting treatment for the costs incurred in relation to the listing and their presentation in the financial statements. The Committee is satisfied with the approach taken.
Share scheme accounting	
The Group has entered into a number of equity settled share based payment arrangements in the year. The accounting for these involve a number of assumptions with regards to the model inputs, vesting period and expected performance of the business.	The Committee has considered the accounting treatment for the Foundation and Free Share Awards and the basis for the assumptions applied in determining the share-based payment charges. The Committee is satisfied that this is appropriate. The Committee also reviewed the presentation of the charge for the Foundation Awards and this being excluded from the Adjusted operating profit metric along with the listing costs.
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.	The Committee has reviewed managements' paper on the viability statement 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 cashflows and covenant headroom. The Committee is satisfied that an appropriate assessment to test the resilience of the business model has been undertaken.

External auditor

The Committee is also responsible for the development, implementation and monitoring of the Group's appointment of the external auditor. Responsibility for monitoring the independence, objectivity and compliance with ethical and regulatory requirements is overseen by the Committee, and day-to-day responsibility by the Chief Financial Officer. The external auditor is jointly responsible to the Board and the Committee, with the Committee being the primary contact. The policy also sets out the categories of non-audit services which the external auditor will and will not be allowed to provide to the Group, subject to de minimis levels.

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

- the external auditor's plan for the 2016 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.

As a result of the recent demerger, and the Group's structural change to an independent, stand-alone group, no evaluation of the auditor has taken place to date, but such an evaluation will take place on an annual basis in the future to assess aspects including:

- their independence and objectivity;
- fulfilment of the agreed audit plan and any variations from the plan;
- robustness and perceptiveness of the auditor in its handling of the key accounting and audit judgements; and
- the content of the external auditor's reporting on internal control.

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 welcomes KPMG's policy of audit partner rotation every five years, which 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 last year, and therefore has experience of the Group prior to the demerger. The Committee is satisfied with the performance and effectiveness of KPMG and 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 LLP (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.

Non-audit services

During the year the auditor provided non-audit services in relation to its work as reporting accountants in connection with the Group's demerger and listing. The fees for these services totalled £1,028,000 compared to the fee for the statutory audit of £120,000.

KPMG were considered best placed to carry out this work given their knowledge of the Group's operations and financial information. The Directors gave approval for the services after satisfying themselves that the work would not compromise their independence as statutory auditor. These services are exceptional in nature given the listing transaction is a one–off.

The Committee has also considered the recent EU Audit Reform guidance in relation to non-audit fees. Fees which contribute towards the total 'non-audit services' do not include those for services which are required by national or EU legislation and KPMG's work in their capacity as Reporting Accountants for the Prospectus is deemed to meet this categorisation.

The recent EU Audit Reform also 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.

As a result of its work during the year, the Committee has concluded that it has acted in accordance with its terms of reference. The Chair of the Committee will be at the AGM to respond to any questions from shareholders about the activities of the Committee.

On behalf of the Audit and
Risk Committee

Zillah Byng-Thorne
Chair of the Audit and Risk Committee

Directors' Remuneration Report

Policy and framework

Annual statement from the Remuneration Committee Chair

I am delighted to introduce the first Directors' Remuneration Report for Gocompare.com and my first as Remuneration Committee Chair, for the year ended 31 December 2016.

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:

- This Remuneration Committee Chair annual statement
- The Directors' Remuneration Policy – this is our first remuneration policy and as such will be subject to a binding shareholder vote at our 2017 Annual General Meeting
- The Annual Report on Remuneration – this sets out how we will be implementing our policy for 2017, together with details of remuneration outturns for 2016. This report will be subject to an advisory shareholder vote at the 2017 AGM.

Designing the remuneration policy

2016 has been a year of significant change for Gocompare.com, with the second half of the year spent preparing for the demerger from esure Group and Admission to the UK Main Market. This included the appointment of a mostly new executive team, including the Chief Executive Officer in June and the Chief Financial Officer in September.

In the run-up to Admission, the Committee gave careful consideration to the design of the remuneration policy, ensuring that the size and structure of the Executive Directors' packages were appropriate for Gocompare.com as a listed Group and supported the strategy of the business going forward.

The Board has set high growth targets for the coming years. Pay decisions have therefore been made in the context of both Gocompare.com's current business and also the anticipated changes to the business over the life of the policy. Decisions have also been governed by our core remuneration principles of aligning executive pay both to shareholder returns and the reward structure in the broader workforce, creating a strong link between pay and performance, supporting the attraction and retention of high calibre individuals and designing reward structures that are simple and easily understood.

Directors' Remuneration Report continued

We have also taken into account prevailing market practice and shareholder expectations on key design features of executive remuneration and have incorporated the following:

- Three-year deferral of 30% of the annual bonus, released in equal tranches over three years
- A two-year post-vesting holding period on PSP awards made under the first Policy i.e. from 2018 (awards granted prior to the Policy taking effect will be subject to a phased release which is described below)
- Malus and clawback provisions for all variable pay
- A shareholding requirement of 200% of salary

PSP awards granted in early 2017 prior to our AGM will be subject to a phased two-year holding period post-vesting, with awards released in two phases: 50% after one year and 50% after two years. This is a transitional arrangement for our first year following Admission. However, in recognition of shareholder expectations on time horizons for long-term incentives, awards granted after the new Policy takes effect (i.e. from 2018) will all be held for a full two years following vesting, resulting in a total of five years between grant and release of all awards.

Overview of executive remuneration in 2017

Salaries for the Executive Directors were disclosed in the Prospectus and reflect the size and scope of the role as well as the experience of the individual. The Committee reviewed salaries in early 2017. No changes to the CEO's salary were proposed as a result of that review; however, the Committee agreed to award the CFO a salary increase of 15.5% to reflect his performance to date and the size and scope of his role. Therefore his salary increased from £225,000 to £260,000, effective 1 January 2017. The Committee does not intend to make any further increases for 2017, though salaries will be reviewed again in 2018.

The Committee is very mindful of the current executive pay environment and recognises shareholders' concerns about increases which are in excess of those seen elsewhere in the workforce. The CFO's salary was set on his appointment in the context of his role and responsibilities at that time and his experience to date, with the intention that his salary would be increased over time as he developed in the role, so that in due course his package would become more reflective of a typical CFO role. This decision reflects our approach to setting salaries as described in the Policy table on pages 44 to 47. The Committee considers the CFO's performance since his appointment to have been particularly impressive and, in line with our philosophy of linking pay for performance, determined that an increase in salary was warranted. We were also aware that his pay was below the market rate for a CFO role at an organisation of Gocompare.com's size and, while this was not the primary reason for the increase, the Committee is mindful that one of our remuneration principles is the attraction and retention of our high-performing individuals.

The maximum bonus that can be achieved in respect of 2017 will be 100% for the CEO and 75% for the CFO, and 30% of any bonus earned in 2017 will be subject to deferral provisions. The annual bonus will be based on a combination of financial and non-financial (including strategic) measures. In 2017, financial performance will be assessed with reference to adjusted operating profit targets, and non-financial performance to the achievement of stated business objectives around our people, our customers, our culture and the delivery of key strategic milestones. The annual bonus targets have not been disclosed in advance as the Board considers them to be commercially sensitive. However, the Committee is mindful of the view of shareholders regarding the disclosure of annual bonus targets and will aim to disclose all targets at the earliest opportunity. Timelines for disclosure are set out in the Annual Report on Remuneration.

The Performance Share Plan ('PSP') was adopted at the time of Admission and the first typical annual PSP awards will be granted to the Executive Directors and a selection of other senior individuals in 2017 (the Foundation Awards described below were one-off awards also granted under the PSP shortly after Admission). The maximum PSP opportunity in 2017 will be 200% of salary for the CEO and 150% for the CFO. Performance will be measured over three years with reference to two equally-weighted measures:

- the Group's total shareholder return performance relative to the FTSE 250 excluding investment trusts and Gocompare.com; and
- challenging Earnings per Share growth targets.

The CEO and CFO's awards will be subject to a holding period post-vesting.

Other arrangements introduced at Admission

Shortly after Admission, the Executive Directors and a selection of other senior individuals were awarded one-off Foundation Awards to drive the delivery of high financial growth targets over the next two years. Details of these awards including the opportunities for the Executive Directors were set out in the Prospectus and further information is provided on page 53.

The Board and I are delighted that a large number of employees have elected to become owners in the Group through our newly-introduced all-employee share plans, thus aligning their interests to our financial success and motivating them to focus on their personal contribution to business outcomes. All eligible employees were offered an award of free shares under a new Share Incentive Plan ('SIP') in late 2016. This award of £1,500 worth of shares is subject only to continued employment at Gocompare.com over the next three years, and over 98% of employees accepted the offer. A partnership and matching scheme was also launched in December under the SIP, where employees can buy shares in Gocompare.com and receive further shares on a 1:1 matching basis. Finally, a Sharesave Plan was introduced in December, in which employees can invest up to £500 per month in the business tax-free. 73% of eligible employees have opted to participate in the partnership scheme and/or the Sharesave.

Performance outturns for 2016

During 2016, the Executive Directors participated in a transitional discretionary annual bonus scheme. The maximum award was 100% of salary for the CEO and 75% of salary for the CFO, with performance assessed based on the Committee's view of performance during the year with reference to strategic and personal objectives for 2016.

The Group's financial performance in 2016 has been strong, with the delivery of £30m in adjusted operating profit and £142m in revenue; furthermore, we made good progress in delivering our strategy. The Executive Directors played a crucial role in managing the business through the demerger and Admission to the Main Market and made a strong impact in the year on the development and implementation of strategic initiatives, including the recruitment of a new executive team to drive the strategy. In view of this strong performance, the Committee elected to award bonuses of 100% of maximum to the CEO and 100% of maximum to the CFO. Further details are provided on page 52.

No long-term incentive awards were due to vest to the CEO and CFO in 2016.

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 since Admission. I welcome any comments you may have and look forward to seeing shareholders at the 2017 AGM, where I hope you will support our proposals.

Angela Seymour-Jackson
Chair of the Remuneration Committee

Directors' Remuneration Report continued

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 to approve the Policy will be proposed at the 2017 AGM. It is intended that this Policy takes effect from the date of the 2017 AGM, subject to shareholder approval. If approved, the Committee would then put a policy to shareholders again no later than the end of the 2020 financial year.

Remuneration principles

Remuneration at Gocompare.com 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 (e.g. 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.

Directors' Remuneration Report continued

Element and link to strategy	Operation	Opportunity	Performance measures
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 (e.g. 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 Annual Remuneration Report on page 56.
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 (e.g. 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 described on page 53 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 Annual Remuneration Report on page 56.

Element and link to strategy	Operation	Opportunity	Performance measures
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.

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 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,

Directors' Remuneration Report continued

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:

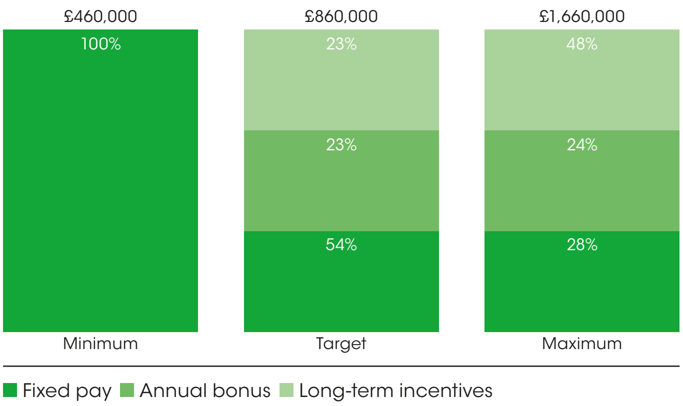
- where there is a material misstatement of any Group member's financial results;
- where an error in assessing performance conditions is discovered;
- misconduct on the part of the individual; and
- where a material failure of risk management by a Group member is identified, or in the event of serious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

Remuneration scenario charts

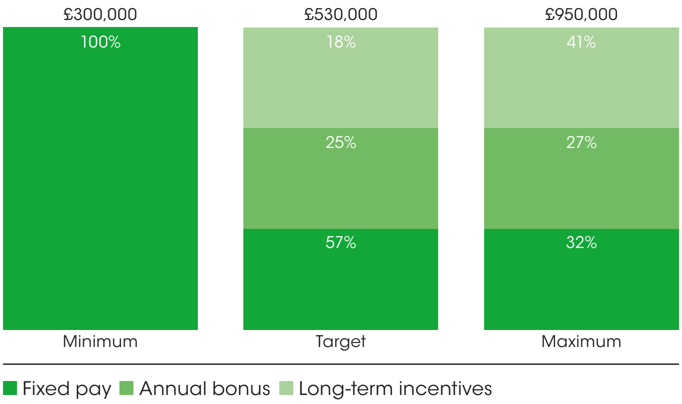
The following charts illustrate how much the Executive Directors could receive for varying levels of performance in respect of the first year in which the Policy is to be effective. The charts are based on the following assumptions:

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
All scenarios exclude share price growth and dividends	

Chief Executive Officer



Chief Financial Officer



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 Chairman and Executive Directors do not have a specific duration but can be terminated in the case of the Executive Directors by not less than three 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 equivalent to up to 12 months' salary and contractual benefits.

The 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.

Directors' Remuneration Report continued

	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
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 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.

Annual report on remuneration

This section of the Directors' Remuneration Report sets out the remuneration paid in 2016. Both the CEO and CFO were appointed during the year and therefore the information contained in this section refers to their remuneration from appointment to the end of the year. This section will be put to an advisory shareholder vote at the 2017 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 2016 and 2015.

	Salary/fees		Taxable benefits		Pension		Short-term incentives		Long-term incentives		Other emoluments		Total remuneration	
Individual	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Executive Directors														
Matthew Crummack[1]	**206,282**	–	**52**	–	**16,503**	–	**212,500**	–	**-**	–	**-**	–	**435,337**	–
Nick Wrighton[2]	**56,250**	–	**416**	–	**4,500**	–	**98,438**	–	**-**	–	**-**	–	**159,604**	–
Jon Morrell[3, 8]	**84,000**	100,000	**8,297**	9,957	**6,825**	8,190	**67,708**	108,237	**36,577**	39,598	**-**	–	**203,407**	265,982
Total													**798,348**	265,982
Non-Executive Directors														
Sir Peter Wood[4]	**104,167**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**104,167**	-
Zillah Byng-Thorne[5]	**33,333**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**33,333**	-
Angela Seymour-Jackson[6]	**52,083**	–	**-**	–	**-**	–	**-**	–	**-**	–	**-**	–	**52,083**	-
Adrian Webb[7]	**42,667**	6,750	**-**	44	**-**	–	**-**	–	**-**	–	**-**	–	**42,667**	6,794
Total													**232,250**	6,794

1 Matthew Crummack was appointed to the Board on 20 June 2016.
2 Nick Wrighton was appointed to the Board on 12 September 2016.
3 Jon Morrell left the Board on 31 May 2016.
4,5,6 Sir Peter Wood, Zillah Byng-Thorne and Angela Seymour-Jackson were appointed to the Board on 12 September 2016. As stated in the Prospectus, for remuneration purposes, the appointment of each of the Non-Executive Directors was deemed to have taken effect on 1 August 2016 to reflect work undertaken by each of them in connection with the demerger before their appointments could be finalised. The values in the table therefore reflect the period from 1 August to 31 December 2016.
7 Adrian Webb was appointed to the Board on 21 July 2015, while Gocompare.com was still a subsidiary business of esure Group, and his appointment continued following Admission. From July 2015, Adrian Webb received a fee only in respect of the days worked; from April 2016 he received a fee defined on an annual basis.
8 Jon Morrell received a long-term incentive award in 2014 under the esure Performance Share Plan which vested on the demerger in November 2016. Of that portion, two thirds was based on earnings per share growth and the remaining third on relative TSR performance. The EPS threshold target of 15% was not met and so that portion of the award lapsed in full. Relative TSR was measured with reference to the FTSE 250 excluding investment trusts and esure Group, with 25% vesting for median performance and 100% vesting for upper quartile performance, and straight-line vesting in between. Relative TSR was between the median and upper quartile of the peer group resulting in 75.3% vesting of the TSR portion and 25.1% vesting of the overall award. The value of the award includes dividend equivalents earned on the shares vesting. Jon Morrell also received an award in 2015 under the same plan. 50% of this award was not subject to performance conditions and this portion is shown in the 2015 column above. The remaining portion of the award is subject to performance conditions and will vest on the original vesting date. Jon Morell was entitled to receive a bonus award pro-rated to reflect the portion of the year where he served on the Board; this totalled £67,708. At the time of his resignation, Jon Morrell held outstanding awards under the esure Group Performance Share Plan in respect of the 2014 and 2015 grant years. On departure, he was treated as a good leaver. His 2014 award vested at the time of the demerger on 3 November and the value of his award was £36,577. Details of the performance conditions which applied are described in the footnotes to the single figure table. His 2015 award will vest on the original vesting date, pro-rated up to his date of departure by reference to the proportion of the vesting period that has elapsed. The same performance conditions as for the 2014 award will apply.

Directors' Remuneration Report continued

Notes to the table (audited)

Base salary

The Executive Directors' salaries were reviewed at the time of the Group's Admission. Their annualised salaries were published in Gocompare.com's Prospectus and were as follows:

	Annualised base salary
Matthew Crummack	£400,000
Nick Wrighton	£225,000

Details of the salaries that will apply in 2017 are provided on page 56.

Annual bonus

For the 2016 financial year, the Executive Directors were entitled to participate in a transitionary bonus arrangement to ensure the successful demerger from esure Group and Admission of Gocompare.com to the main market and the continued development of the business beyond Admission. The annual bonus awards were based on a full-year opportunity of 100% of salary for the CEO and 75% of salary for the CFO, which were pro-rated to reflect the time served in the year.

As this was a transitional arrangement set prior to Gocompare.com becoming a publicly listed Group, no deferral arrangements were put in place for the awards in respect of 2016. In recognition of shareholder expectations for listed companies, a deferred element will apply from the 2017 performance year onwards (see the section 'Implementation of the Policy in 2017').

A summary of the key achievements of the Executive Directors in the year is as follows:

Matthew Crummack

- Delivered adjusted operating profit of £30m
- Delivered key objectives in relation to the successful completion of the demerger from esure Group and Admission to the Main Market
- Recruited and developed a strong leadership team to drive the business to achieve its ambitious strategic growth plans, through the appointment of key senior individuals
- Established a strong culture of risk appropriate business behaviours, ensuring key business decisions are made in the context of a risk appetite appropriate to the business
- Produced and presented a proposed set of expansion/growth opportunities for the medium to long term

Nick Wrighton

- Delivered adjusted operating profit of £30m
- Secured a strong debt facility
- Delivered key financial objectives in relation to the successful completion of the demerger from esure Group and Admission to the Main Market
- Established a focused finance team with a clear mission and culture, enabling the delivery of key financial achievements
- Strengthened the finance team through new talent acquisition in order to support business objectives

Based on the achievements listed above, the Committee agreed that the final vesting under the 2016 bonus would be 100% of maximum for Matthew Crummack and 100% of maximum for Nick Wrighton.

	Portion vesting (% of maximum)	Total award	Portion vesting (% of salary)
Matthew Crummack	100%	£212,500[1]	53.1%
Nick Wrighton	100%	£98,438[1]	43.7%

1 Awards were pro-rated in line with contractual commitments.

Annual incentive awards for 2017 will be based on a combination of financial and non-financial measures and are described further on page 56.

Performance Share Plan

At the time of Admission, shareholders approved the introduction of a Performance Share Plan for Executive Directors and other senior staff. Awards under this plan are expected to be made annually from 2017.

No Gocompare.com performance-based awards were due to vest in 2016.

Foundation Awards

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. Details of these awards were set out in the Prospectus and shareholders have already been advised of the award sizes and performance periods.

The Foundation Awards are one-off awards for 2016 only. The Foundation Awards were made in Gocompare.com shares and are subject to stretching financial targets.

	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	£3,000,000	750%	4,285,714	£0.70	25%	100%	1 January 2017–31 December 2018
Nick Wrighton		£1,000,000	444%	1,428,571				

1 The share price used to calculate the number of performance shares was the average share price over the first five days following Admission (£0.70). The spot share price on the date of grant was £0.63.

The awards are subject to adjusted operating profit targets for 2017 and 2018, with a performance underpin consisting of other key financial measures to ensure that awards only reward strong business performance in the round. Details of the targets have not been disclosed owing to their commercial sensitivity.

The Committee will disclose the targets once they are no longer deemed to be commercially sensitive, which is expected to be following the publication of the 2018 annual results.

Performance will be assessed after confirmation of the Group's financial results for 2018, upon which awards will vest (if performance is at or above threshold). Awards will then be subject to a one-year holding period post vesting. Malus and clawback provisions also apply; details were supplied in the Prospectus.

All-employee share plans

In addition to the arrangements described above and to encourage employees to be owners in the company, the Board approved two all-employee share plans in 2016: the Share Incentive Plan ('SIP') and the Sharesave Plan.

Under the SIP, free share awards of £1,500 were 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).

In late 2016, 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. Nick Wrighton chose to participate in the plan and details of his awards are as follows.

	Type of award	Face value	Face value (% of salary)	Number of shares granted	Exercise price[1]	Threshold vesting (% of face value)	Maximum vesting (% of face value)	Performance period
Nick Wrighton	HMRC tax-advantaged discounted option	£22,500	N/A	36,000	£0.50	N/A	N/A	N/A

1 The share price used to calculate the exercise price for the Sharesave was the three-day average prior to issuing the invitation to eligible employees to participate. In line with HMRC guidance and prevailing market practice, Sharesave options were granted to all eligible employees who applied at an exercise price set at a 20% discount to the prevailing share price.

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 £49,000. He is also a director at 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)

Jon Morrell resigned from the Board on 31 May 2016. Under the terms of his departure, he was entitled to receive a payment in lieu of notice for his 12 month notice period, totalling £200,000. He also received a termination payment of £79,500.

The Group also covered the legal costs in relation to his departure.

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 2016 by Executive Directors are shown in the table below. No awards vested or lapsed in the year.

Director	Scheme	Grant date	Exercise price	Number of shares at 1 January 2016	Granted during the year	Vested/ exercised during the year	Lapsed during the year	Number of shares at 31 December 2016	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
Nick Wrighton	PSP (Foundation Award)	15.11.16	n/a	–	1,428,571	–	–	1,428,571	31.12.18	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)

In order to align the Executive Directors' remuneration structure with shareholder expectations for a Main Market-listed company, the Committee elected to introduce share ownership requirements for Executive Directors. Executive Directors will be expected to build and hold Gocompare.com 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 2016 are set out in the table below:

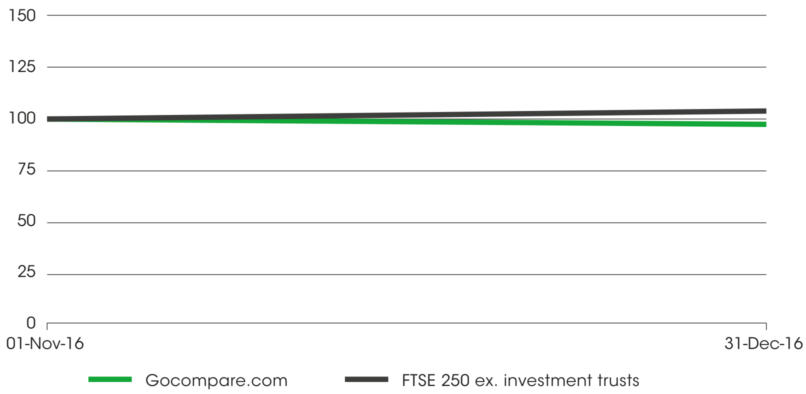
	Shares owned outright at 31 December 2016	Interests in share incentive schemes subject to performance conditions at 31 December 2016	Shares owned outright on 3 November (at Admission)	Shareholding requirement as a % of salary	Shareholding as a % of salary achieved at 31 December 2016[1]
Current Directors[2]					
Matthew Crummack	–	4,285,714	–	200%	0%
Nick Wrighton	44,160	1,428,571	44,160	200%	14%
Sir Peter Wood	128,609,655	–	128,609,655	–	–
Zillah Byng-Thorne	84,322	–	–	–	–
Angela Seymour-Jackson	36,973	–	–	–	–
Adrian Webb	985,195	–	985,195	–	–

1 Calculated using a share price of £0.71 (as at 31 December 2016).
2 Jon Morrell ceased to be a director prior to the admission to trading of Gocompare.com shares.

The CFO also participates in the Share Incentive Plan. As at 28 February 2017, Nick Wrighton had acquired 388 shares at their prevailing market value and had received 388 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.com's TSR performance from Admission to 31 December 2016 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 Chief Executive's remuneration for 2016:

Chief Executive Officer	2016
Chief Executive Officer single figure of remuneration	**£435,337**
Annual bonus payout (as a % of maximum opportunity)	**100%**
PSP vesting out-turn (as a % of maximum opportunity)	**N/A**

No data for prior years is available.

Percentage change in Chief Executive Officer's remuneration

Given the very different nature of the CEO role in 2015, when Gocompare.com was a subsidiary of esure Group plc, and in 2016, where the CEO is a Main Board role responsible for setting the Group's strategic direction, the Committee does not consider the two roles to be comparable. Therefore, this information has not been disclosed this year.

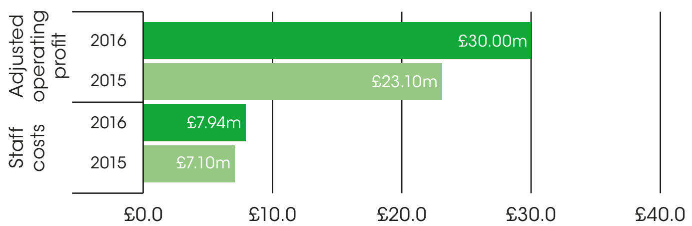
Arrangements for the wider workforce

When setting the remuneration for the Executive Directors, the Committee takes into account the arrangements for the broader workforce to ensure these are aligned as much as possible. In addition to the free share awards and the opportunity for employees to invest in the company through the partnership share plan and the Sharesave, employees all receive a salary at or above the National Living Wage, and many full-time employees are eligible to receive a performance-related incentive.

The Board and management are committed to making Gocompare.com a great place to work. Staff benefit from a broader reward package which includes an extra day off on their birthday, monthly celebration days, a sabbatical programme, participation in fundraising initiatives, a number of health and wellbeing activities and events such as the annual family barbecue. The Group is committed to training and developing employees, and offers regular regulatory training as well as tailored personal development plans, mentoring, coaching and secondments. Many staff have also been supported through their professional qualifications. In 2016 an employee engagement survey was introduced, to seek employees' views on working for Gocompare.com and to ensure it remains a great place to work.

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.



Note: Prior to and as part of the demerger, dividends totalling £85.8m were paid to esure Group in 2016. However, there were no distributions to individual shareholders by way of dividend or share buyback in 2015 or 2016 and therefore this information has not been included in the above chart.

Directors' Remuneration Report continued

Implementation of the Policy in 2017

Salaries

The Executive Directors' salaries were set on Admission in late 2016. The Committee reviewed the salaries in early 2017 and determined that an increase was warranted for the CFO, to reflect his development in the role since appointment, his strong performance to date and the market rate for a typical CFO role. After due care and consideration the Committee agreed to award the CFO an increase of 15.5%, resulting in a new salary of £260,000.

The Committee determined that the CEO's salary was appropriate for the size and scope of his role and therefore this was not increased following the review in early 2017.

	Salary as at 3 November 2016	Salary as at 1 January 2017	Increase
Matthew Crummack	£400,000	£400,000	0%
Nick Wrighton	£225,000	£260,000	15.5%

The Committee will continue to review salaries on a regular basis and may make further increases in future years as the CEO and CFO's roles develop.

Pension

The maximum employer contribution is 16% of salary. For 2017, Executive Directors will receive a contribution of 8% of salary.

Benefits

These will be awarded in line with the policy.

Annual bonus

The Chief Executive Officer and will be entitled to a maximum annual bonus equal to 100% of salary for 2017. The Chief Financial Officer 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%
Personal and strategic	Based on a basket of measures focusing on people, customer and culture metrics and the delivery of key projects	50%

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 at the earliest opportunity and no later than in the 2017 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. The Committee intends to award shares of 200% of salary to the Chief Executive Officer and 150% of salary to the Chief Financial Officer in 2017. Awards will be subject to a three-year performance period beginning on 1 January 2017. Following vesting, they will be subject to a subsequent holding period of two years, with half of any award vesting released after one year and the remaining half after two years. This is a transitional approach for 2017 and it is the Committee's intention that awards made from 2018 will all be subject to a two-year holding period, with no early release, following vesting.

The performance conditions for 2017 awards are as follows:

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

Chairman and Non-Executive Director fees

The fees for the Chairman and Non-Executive Directors were set on Admission and no changes are proposed for 2017. The fees which will apply in 2017 are as follows:

Chairman fee (all-inclusive fee)	£250,000
Deputy Chairman and Senior Independent Director fee (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 receives 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 49.

The Remuneration Committee

The Remuneration Committee's Terms of Reference were approved on 10 October 2016 and 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 certain senior management. The Committee also reviews the remuneration arrangements for all other members of the Executive Committee, and is responsible for the determination of all aspects of share-based incentive arrangements.

The below table lists the members of the Committee during 2016 and the number of meetings they attended in the year. Two meetings of the Committee took place between the Group's listing on 3 November and 31 December 2016.

Member	Number of meetings attended
Angela Seymour-Jackson (Chair)	2 out of 2
Zillah Byng-Thorne	2 out of 2
Adrian Webb	2 out of 2

Support for the Committee

The Chairman, Chief Executive Officer, Chief Financial Officer and Chief of Staff, General Counsel & Company Secretary 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') was appointed to advise the Remuneration Committee. 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 November to December were £31,950. Fees are predominantly charged on a "time spent" basis. During the year the wider Deloitte firm also provided corporation tax and VAT, advisory and compliance services to Gocompare.com.

A Seymour-Jackson

Angela Seymour-Jackson
Chair of the Remuneration Committee
For and on behalf of the Board

Directors' Report

The Directors' Report for the year ended 31 December 2016 comprises pages 58 to 63, 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 4 to 17
- Chairman's statement – pages 4 to 5
- Chief Executive Officer's review – pages 6 to 7
- Financial review – pages 18 to 19
- Risk management – pages 20 to 23
- Viability statement – page 23
- Corporate governance report – pages 30 to 34
- For information relating to social, environmental and ethical matters, please refer to the CSR section on pages 24 to 25.

Board of Directors

The names and biographies of the current Directors are provided on pages 26 to 27 and are incorporated into this report by reference. The details are also available on our website at www.gocomparegroup.com/about-us/board-and-management/our-board.

Changes to Directors during the year under review are provided below:

Name	Role	Effective date of appointment/resignation
Matthew Crummack	Chief Executive Officer and Executive Director	Appointed 20 June 2016
Sir Peter Wood	Chairman	Appointed 12 September 2016
Angela Seymour-Jackson	Non-Executive Director	Appointed 12 September 2016
Zillah Byng-Thorne	Non-Executive Director	Appointed 12 September 2016
Nick Wrighton	Chief Financial Officer and Executive Director	Appointed 12 September 2016
Jon Morrell	Chief Executive Officer and Executive Director	Resigned 31 May 2016
Nicholas Edwards	Esure Nominated Director	Resigned 12 September 2016 (currently Chief of Staff, General Counsel and Company Secretary)
Stuart Vann	Esure Nominated Director	Resigned 12 September 2016

Details of Directors' beneficial and non-beneficial interests in the shares of the Company are shown on page 54. Further details regarding employee share option schemes are given in note 22 to the financial statements.

Dividends

Details of dividends declared and paid in the year are set out in note 23 of the consolidated financial statements.

Financial risk management

Details of the Group's exposure to financial risks and its policies for managing exposure to these risks are set out in note 18 of the consolidated 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 UK Corporate Governance Code (the '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 has the power to appoint additional Directors or to fill a casual vacancy amongst the Directors. Any such Director holds office only until the next AGM and may offer himself/herself for election.

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 Code recommends that all Directors of FTSE 350 companies should be subject to annual re-election by shareholders. Accordingly, all Directors will stand for re-election at the 2017 AGM. 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 his or her 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 2017 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

The governance structure and the activities of the Board's governance committees are summarised on pages 30 to 34.

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' insurance and indemnities

The Group maintains Directors' and officers' liability insurance, which gives 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 all liabilities and related costs that they may incur in the execution of their duties. Copies of these indemnities are kept at our registered office and are open for inspection by any member. 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.

Specifically, if any matters arise for discussion by the Board in relation to the Group's relationship with esure Group plc whilst each of Sir Peter Wood and/or Angela Seymour-Jackson remain, respectively a Director of esure Group plc, Sir Peter and/or Angela will recuse themselves from any input on such matter (including from voting on such matters).

Compensation for loss of office

There are no agreements in place 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 41 to 57.

Political donations

No political donations were made during the year. The Company has a policy of not making donations to political organisations or independent election candidates.

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.

Prior to the demerger of the Group from esure Group plc and admission on 3 November 2016, the Group was wholly owned by esure Services Limited. At completion of the demerger and at admission the Group was admitted to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.

As at 31 December 2016, the Company had 418,257,875 ordinary shares in issue. The Company does not hold any shares in Treasury.

Directors' Report continued

During the year under review the following share movements took place:

Share capital at 1 January 2016	Change	Date of change	Resulting share capital
20,000,000 ordinary shares of £0.0001 each			
	20,000,000 ordinary shares of £0.0001 each were the subject of a share consolidation effected by consolidating every two ordinary shares of £0.0001 each into one ordinary share of £0.0002 each	9 September 2016	10,000,000 ordinary shares of £0.0002 each
	406,864,465 ordinary shares of £0.0002 each were created and allotted to esure Services Limited for the total nominal value of £81,373	9 September 2016	416,864,465 ordinary shares of £0.0002 each
	1,050,234 ordinary shares of £0.0002 each were created and allotted to esure Services Limited for the total nominal value of £210	1 November 2016	417,914,699 ordinary shares of £0.0002 each
	343,176 ordinary shares of £0.0002 each were created and allotted for the total nominal value of £69 in satisfaction of the issue of free shares under the Company's SIP.	16 December 2016	418,257,875 ordinary shares of £0.0002 each

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, he or she may direct the trustee to vote on his or her 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 2017 AGM to renew this authority to allot shares.

Purchase of own shares

The Directors require express authorisation from shareholders to purchase our own shares. Accordingly, at the 2017 AGM, the Group proposes to renew the authority granted by esure Services Limited on 28 September 2016, in its capacity as sole shareholder of the Company at the time, to repurchase up to a maximum of 10% of its issued share capital. At the present time, the Group has no plans to exercise this authority and did not exercise the authority during 2016.

Further details may be found in the Notice of Meeting sent to shareholders in advance of the 2017 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

Substantial shareholdings

As at 31 December 2016, and so far as is known to the Company by virtue of the notifications made to the Group and to esure Group plc prior to the demerger and admission, pursuant to the Companies Act 2006, MAR and/or the Disclosure Guidance and Transparency Rules, the following, directly and indirectly, are interested in 3% or more of the issued share capital of the Company:

Shareholder	Number of ordinary shares held	% total of voting rights
Sir Peter Wood	128,609,655	30.75%
Toscafund Asset Management	59,091,414	14.13%
FIL Investments International	39,297,873	9.40%

These figures represent the number of shares and percentage held of shares of the Company as at the date of notification.

In accordance with MAR and/or the Disclosure Guidance and Transparency Rules, in the period between 1 January 2017 and 1 March 2017, being the latest practicable date prior to the publication of this annual report and accounts, the following notifications were received:

Shareholder	Number of ordinary shares held	% total of voting rights
Sir Peter Wood	128,609,655	30.75%
Toscafund Asset Management	86,600,000	20.70%
FIL Investments International	39,297,873	9.40%

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 30.75% 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 1 March 2017, 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.

Takeover Panel – Rule 9

Prior to Admission of the Group on 3 November 2016, the Panel on Takeovers and Mergers (the 'Panel') waived any obligation which would otherwise require Sir Peter Wood and any person deemed to be acting in concert with Sir Peter Wood to make a mandatory offer under Rule 9 of the Takeover Code on the grounds that his or their interest in the Group has increased only as a result of the purchase by the Group of its own shares pursuant to the authorisation passed as a written resolution by esure Services Limited on 28 September 2016 in its capacity as sole shareholder of the Company at the time (the 'Whitewash').

At the 2017 AGM, the Group will seek renewal of the Whitewash from shareholders together with an equivalent waiver in respect of any renewed authority to purchase shares of the Company. The granting of the waiver will then also be subject to renewed approval from the Panel, without which Rule 9 of the Takeover Code will apply with respect to increases in interests in shares of the Company.

Further details may be found in the Notice of Meeting sent to shareholders in advance of the 2017 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

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 2017 AGM, a copy of which is also available on our website at www.gocomparegroup.com.

Auditor

Auditor resolutions to reappoint KPMG LLP as auditor of the Company and to authorise the Audit and Risk Committee to determine their remuneration will be proposed at the 2017 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.

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 4 to 19 (strategic report and business review), as well as the Group's principal risks and uncertainties as set out on pages 20 to 22. Based on the Group's current financial situation and robust assessment of the Group's future, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months.

Directors' Report continued

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 £75million term loan facility (the 'Term Loan Facility') and a £10million 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 £10million 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.

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 41 to 57.
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 page 61.
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, page 61.

This annual report, including this Directors' report, as well as the (strategic report) from pages 6 to 25, and the corporate governance statement from pages 26 to 57 was approved by order of the Board.

Nicholas Edwards
Chief of Staff, General Counsel and Company Secretary
1 March 2017

Statement of Directors' Responsibilities in respect of the Annual Report and Accounts

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, whose names and functions are listed in the Directors' report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

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 and position, business model and strategy.

Matthew Crummack
Chief Executive Officer

Nick Wrighton
Chief Financial Officer
1 March 2017

Independent Auditor's Report to the members of Gocompare.com Group Plc only

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Gocompare.com Group plc for the year ended 31 December 2016 set out on pages 66 to 94. 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 2016 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.

2 Our assessment of risks of material misstatement

Revenue £142.1m (2015: £118.9m)
Refer to page 39 (Audit Committee report), page 70 (accounting policy), and page 75 (key sources of estimation uncertainty).

The risk:

Although we do not consider revenue to be an area with a high risk of significant misstatement, or requiring a significant level of judgement, it is considered to be one of the key drivers of results and as such had the greatest effect on our audit and allocation of resources in planning and completing our audit.

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.

At year end the Group estimates the amount of revenue not yet reported by business partners based on available data of transactions using underlying metrics of customer interaction. In addition, the Group estimates adjustments for the repayment of revenue in relation to insurance policies not taken up or cancelled within the 14-day cooling off period after sale or, for life assurance products, cancellation within 4 years of sale.

Our response:
Our procedures included:

- assessing the operating effectiveness of IT systems used with support of our own IT specialists to determine underlying data on customer interaction;
- testing the operating effectiveness of controls over the sales reporting process including the reconciliation of the business partner sales report to the Group's estimates;
- agreeing total revenue recognised to cash receipts received in the year, with reference to the movement of trade receivables and accrued income.
- testing the reasonableness of the estimated revenue earned but not reported at year end by comparing the estimates prepared by the Group against historic trends;
- assessing the reasonableness of the methodology and assumptions used in the calculation of the estimated provisions for policies not taken up and repayment for life products; and
- considering the adequacy of the Group's disclosures in respect of the judgment and estimates around revenue recognition.

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 £1.25m (2015: £1.0m), determined with reference to a benchmark of group profit before tax, normalised to exclude the impact of one-off items in relation to the listing of the Group as disclosed in Note 6, of £29.7m. Materiality represents 4% of the normalised benchmark (2015: 5% of group profit before tax). The Group team performed procedures on the items excluded from normalised profit before tax.

We reported to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £63k (2015: £50k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group comprises three reporting components, which are all audited by the Group audit team using the materiality levels set above. 100% of the Group revenues are generated from the main trading component, Gocompare.com Limited. The Group audit scope covers 100% (2015: 100%) of Group revenues, 100% (2015: 100%) of Group profit before taxation, and 100% (2015: 100%) of total Group assets.

4 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports;
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

5 We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the directors' longer-term viability statement on page 23, concerning the principal risks, their management, and, based on that, the directors' assessment and expectations of the group's continuing in operation over the next three years to 31 December 2019; or
- the disclosures in note 2 of the financial statements concerning the use of the going concern basis of accounting.

6 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our 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 Audit and Risk Committee Report does not appropriately address matters communicated by us to the Audit and Risk Committee

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.

Under the Listing Rules we are required to review:

- the directors' statements, set out on pages 61 and 23, in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement on page 31 relating to the company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 63, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

1 March 2017

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	**2016 £m**	2015 £m
Revenue	4	**142.1**	118.9
Cost of sales		**(41.2)**	(31.6)
Gross profit		**100.9**	87.3
Distribution costs		**(46.5)**	(43.4)
Administrative expenses		**(32.5)**	(20.8)
Other operating income		**–**	–
Operating profit	5	**21.9**	23.1
Analysed as:			
Adjusted operating profit		**30.0**	23.1
Professional fees in relation to listing		**(8.0)**	–
Foundation Award share based payment charges		**(0.1)**	–
Operating profit		**21.9**	23.1
Finance income		**0.1**	0.2
Finance costs		**(0.4)**	–
		(0.3)	0.2
Profit before income tax		**21.6**	23.3
Income tax expense	9	**(5.8)**	(4.2)
Profit for the year		**15.8**	19.1
Other comprehensive income		**–**	–
Total comprehensive income for the year		**15.8**	19.1
Earnings per share (pence)	10		
Basic earnings per share		**3.8**	4.6
Diluted earnings per share		**3.8**	4.6

All amounts relate to continuing operations.

The notes on pages 70 to 87 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2016

	Note	**2016 £m**	2015 £m
Non-current assets			
Goodwill	11	**2.5**	2.5
Intangible assets	11	**0.5**	0.8
Property, plant and equipment	12	**1.3**	1.3
Deferred tax asset	19	**0.3**	0.1
		4.6	4.7
Current assets			
Trade and other receivables	13	**16.7**	15.6
Cash and cash equivalents	14	**18.4**	4.4
		35.1	20.0
Total assets		**39.7**	24.7
Non-current liabilities			
Borrowings	16	**63.4**	–
Provisions for liabilities and charges	19	**1.0**	1.2
		64.4	1.2
Current liabilities			
Trade and other payables	15	**21.3**	10.6
Current income tax liabilities	15	**2.9**	1.7
Borrowings	16	**9.7**	–
		33.9	12.3
Total liabilities		**98.3**	13.5
Equity attributable to owners of the parent			
Ordinary shares	20	**0.1**	0.0
Share premium	21	**2.7**	2.7
Retained earnings		**(61.4)**	8.5
Total equity		**(58.6)**	11.2
Total equity and liabilities		**39.7**	24.7

The notes on pages 70 to 87 form part of these financial statements.

The financial statements were approved by the Board on 1 March 2017 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 2016

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
At 1 January 2015	0.0	2.7	38.8	41.5
Profit for the year	–	–	19.1	19.1
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	19.1	19.1
Transactions with owners				
Dividends	–	–	(49.4)	(49.4)
Share-based payments	–	–	–	–
Total transactions with owners	–	–	(49.4)	(49.4)
At 31 December 2015	0.0	2.7	8.5	11.2
At 1 January 2016	**0.0**	**2.7**	**8.5**	**11.2**
Profit for the year	**-**	**-**	**15.8**	**15.8**
Other comprehensive income for the year	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**15.8**	**15.8**
Transactions with owners				
Dividends	**-**	**-**	**(85.8)**	**(85.8)**
Share-based payments	**-**	**-**	**0.1**	**0.1**
Proceeds from shares issued	**0.1**	**-**	**-**	**0.1**
Total transactions with owners	**0.1**	**-**	**(85.7)**	**(85.6)**
At 31 December 2016	**0.1**	**2.7**	**(61.4)**	**(58.6)**

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

	Note	**2016 £m**	2015 £m
Cash flows from operating activities			
Profit for the year before tax		**21.6**	23.3
Adjustments for:			
Depreciation of property, plant and equipment	12	**0.4**	0.4
Amortisation of intangible assets	11	**1.2**	0.8
Impairment of intangible assets	11	**–**	0.2
Share-based payment charge	22	**0.1**	–
Net finance costs	8	**0.3**	(0.2)
Changes in working capital:			
(Increase)/decrease in trade and other receivables	13	**(1.0)**	(3.9)
Increase/(decrease) in trade and other payables	15	**10.4**	3.6
Income tax paid		**(4.8)**	(5.5)
Net cash generated from/(used in) operating activities		**28.2**	18.7
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(0.4)**	(0.2)
Purchase of intangible assets	11	**(0.9)**	(1.1)
Interest received	8	**0.1**	0.2
Net cash (used in)/generated from investing activities		**(1.2)**	(1.1)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**0.1**	–
Proceeds from borrowings, net of transaction costs	16	**73.1**	–
Interest paid	8	**(0.4)**	–
Dividends paid to owners of the parent	23	**(85.8)**	(49.4)
Net cash (used in)/generated from financing activities		**(13.0)**	(49.4)
Net increase/(decrease) in cash and cash equivalents		**14.0**	(31.8)
Cash and cash equivalents at beginning of year		**4.4**	36.2
Cash and cash equivalents at end of year		**18.4**	4.4

The notes on pages 70 to 87 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. General information

Gocompare.com Group plc ('the Company') and its subsidiaries (together, the 'Group') provide an internet-based price comparison website for 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 2016, 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 2015.

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.

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. 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 2019.

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.

A new company, Gocompare.com Finance Limited, was incorporated on 11 June 2016. It is a direct subsidiary of Gocompare.com Group plc and the Parent Company of Gocompare.com Limited, the Group's trading subsidiary.

Revenue

Revenue represents amounts receivable for insurance and other product introductions, including click through fees. The Group recognises this revenue when a policy is sold 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 reported cancellations during the 14-day cooling off period.

2. Summary of significant accounting policies continued

Cost of sales, distribution, and administrative expenses

Cost of sales comprise all costs which are directly attributable to marketing of a specific product.

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.

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 licenses are initially recorded at historical cost and subsequently amortised over their useful life which is typically up to three 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 programmes 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. 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.

Notes to the Financial Statements continued

For the year ended 31 December 2016

2. Summary of significant accounting policies continued

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 accordance with IAS 39 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 (ie 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.

These assets are stated at cost less depreciation and accumulated impairment. Depreciation of an asset begins when it is available for use, ie 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 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

Classification

Financial assets falling within the scope of IAS 39 are designated as 'loans and receivables'. The Group determines the classification of its financial assets at initial recognition. During the years ended 31 December 2016 and 31 December 2015 the Group did not classify any financial assets 'at fair value through profit or loss', 'available-for-sale' or 'held to maturity'.

The Group's financial assets as at 31 December 2016 and 31 December 2015 include trade and other receivables and cash at bank which were classified as loans and receivables.

Initial recognition of financial assets

The Group's financial assets are initially recognised at fair value, plus any directly attributable transaction costs. If the Group determines that the fair value of a financial asset on initial recognition differs from its transaction price, but the fair value measurement is not evidenced by a valuation technique that uses only data from observable markets, then the 'day-one gain' is deferred and is subsequently recognised as investment income only to the extent that it arises from a change in factor (including time) that a market participant would consider in setting a price.

2. Summary of significant accounting policies continued

Subsequent measurement

Loans and receivables are measured at amortised cost less accumulated impairment losses using the effective interest method.

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

Financial liabilities falling within the scope of IAS 39 are classified as 'other financial liabilities'. The Group determines the classification of its financial liabilities at initial recognition.

The Group's financial liabilities at 31 December 2016 and 31 December 2015 include borrowings and trade and other payables.

Initial recognition

Other financial liabilities are measured initially at fair value less directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Consolidated Statement of Comprehensive Income when the liabilities are derecognised.

Amortised cost is calculated by taking into account any fees or costs that are an integral part of effective interest rate, transaction costs and all other premiums and discounts. The amortisation is included in finance costs in the Statement of Comprehensive Income.

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.

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.

Notes to the Financial Statements continued

For the year ended 31 December 2016

2. Summary of significant accounting policies continued

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.

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.

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.

The key non-GAAP measures presented by the Group are:

- Adjusted operating profit: defined as Operating profit after adding back costs in relation to the listing 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 costs in relation to the listing and Foundation Award share based payment charges (adjusted for tax) divided by the weighted average number of shares in issue for the year.

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.

2. Summary of significant accounting policies continued

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 2017 and have not been applied in preparing these financial statements. The adoption of IFRS16 is not expected to have a material impact on the Group's profit and loss, although it will require recognition of the leased asset and lease liability in the Statement of Financial Position. The adoption of the remaining changes to standards are not expected to have a material impact on the Group financial results or disclosures.

	EU effective date – periods beginning on or after
IAS 7 (amendment) 'Statement of Cash Flows' – Disclosure initiative	*Not yet endorsed by the EU*
IAS 12 (amendment) 'Income Taxes' – Recognition of deferred tax assets for unrealised losses	*Not yet endorsed by the EU*
IFRS 9 'Financial Instruments'	*Effective for periods beginning on or after 1 January 2018*
IFRS 15 'Revenue from Contracts with Customers'	*Effective for periods beginning on or after 1 January 2018*
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	*Not yet endorsed by the EU*
IFRS 2: Classification and Measurement of Share-based Payment Transactions	*Not yet endorsed by the EU*
IFRS 16 'Leases'	*Not yet endorsed by the EU*
Annual improvements 2014-2016	*Not yet endorsed by the EU*

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.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

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 a 14–day 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.

Goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in to note 2. The recoverable amounts of cash generating units have been determined based on value in use calculations which require the use of estimates.

Notes to the Financial Statements continued

For the year ended 31 December 2016

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, does not review profit and loss items below cost of sales nor the assets and liabilities of the group by reportable segments and therefore they 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.

The Group's reportable segments under IFRS 8 are as follows:

Insurance customers and activities (Insurance); and Strategic Initiative customers and activities (Strategic Initiatives).

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 (sales to the Group's former ultimate controlling party are shown in note 26) in the current and prior year. The segments disclosed comprise Insurance, which includes all general insurance products, the core of the Group's business and secondly Strategic Initiatives which primarily includes money, energy, home services, life and protection insurance products.

Year ended 31 December 2016

	Insurance £m	**Strategic initiatives £m**	**Total £m**
Revenue	**133.7**	**8.4**	**142.1**
Cost of sales	**(35.0)**	**(6.2)**	**(41.2)**
Gross profit	**98.7**	**2.2**	**100.9**
Distribution expenses			**(46.5)**
Administrative expenses			**(32.5)**
Other operating income			**-**
Operating profit			**21.9**
Analysed as:			
Adjusted operating profit			**30.0**
Professional fees in relation to listing (note 6)			**(8.0)**
Foundation Award share based payment charges			**(0.1)**
Operating profit			**21.9**
Net finance income/(costs)			**(0.3)**
Profit before tax			**21.6**

Year ended 31 December 2015

	Insurance £m	Strategic Initiatives £m	Total £m
Revenue	113.9	5.0	118.9
Cost of sales	(28.7)	(2.9)	(31.6)
Gross profit	85.2	2.1	87.3
Distribution expenses			(43.4)
Administrative expenses			(20.8)
Other operating income			–
Operating profit			23.1
Net finance income/(costs)			0.2
Profit before tax			23.3

5. Operating profit

Operating profit is stated after charging:

	2016 £m	2015 £m
Employee benefit expense (see note 7)	**11.4**	9.8
Professional fees in relation to listing (note 6)	**8.0**	–
Foundation Award share based payment charges	**0.1**	–
Depreciation of property, plant and equipment	**0.4**	0.4
Operating lease payments	**0.4**	0.4
Amortisation of intangible assets	**1.2**	0.8
Impairment of intangible assets	**-**	(0.2)
Impairment of trade receivables	**-**	–

Auditors' remuneration

	2016 £m	2015 £m
Audit of the consolidated and Company financial statements	**0.1**	0.0
Audit of the financial statements of subsidiaries of the company	**0.0**	0.0
Total audit fees	**0.1**	–
Reporting accountant services in relation to listing	**1.0**	–
Total non-audit fees	**1.0**	–
Total Group auditor remuneration	**1.1**	0.0

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:

	2016 £m	2015 £m
Professional fees in relation to listing	**8.0**	–
Foundation Award share-based payment charges	**0.1**	–
	8.1	–

The Group incurred professional fees during the year in relation to its listing. This is a one-off event which resulted in non-recurring expenses of £8.0m being charged to the Consolidated Statement of Comprehensive Income. A further £2.1m was incurred which related to the raising of the debt facility and has been set against borrowings in the Statement of Financial Position.

In addition to the professional fees incurred, 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 two years subject to the achievement of certain stretching performance criteria.

The Awards have been 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 two 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.

In relation to the Foundation Awards for the year to 31 December 2016, a share based payment charge of £0.1m has been recognised in the Consolidated Statement of Comprehensive Income. See note 22 for further details of the awards made.

Notes to the Financial Statements continued

For the year ended 31 December 2016

7. Employee benefit expense

Staff costs, including Directors' remuneration, were as follows:

	2016 £m	2015 £m
Wages and salaries	**10.0**	8.7
Social security costs	**1.0**	0.8
Share-based payment charge	**0.1**	–
Other pension costs	**0.3**	0.3
	11.4	9.8

The average monthly number of employees, including Directors, during the year was:

	2016 Number	2015 Number
Service provision	**95**	101
Administration	**77**	75
Total	**172**	176

8. Net finance costs

	2016 £m	2015 £m
Bank interest income	**0.1**	0.2
Interest expense on bank borrowings	**(0.4)**	–
Net finance costs	**(0.3)**	0.2

9. Taxation

Analysis of the tax charge

The tax charge on the profit before income tax for the year was as follows:

	2016 £m	2015 £m
Current tax	**6.0**	4.3
Deferred tax	**(0.2)**	(0.1)
Income tax expense	**5.8**	4.2

The tax rate used for the calculations is the corporate tax rate of 20.0% (2015: 20.25%) 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:

	2016 £m	2015 £m
Profit before income tax	**21.6**	23.3
Tax calculated at 20.0% (2015: 20.25%)	**4.3**	4.7
Effect of:		
Expenses not deductible	**1.4**	–
Disallowable items	**-**	(0.6)
Group relief	**-**	(0.1)
Other	**0.1**	0.2
Income tax expense	**5.8**	4.2

The Budget on 8 July 2015 announced changes in the main UK corporation tax rate. The rate (currently 20%) will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. The reduction in tax rates was included in the 2015-2016 Finance Act which was substantively enacted on 26 October 2015. 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 on 6 September 2016.

10. EPS

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.

	2016	2015
Profit from continuing operations attributable to owners of the parent (£m)	**15.8**	19.1
Weighted average number of ordinary shares in issue (m)	**418.3**	418.3
EPS (pence per share)	**3.8**	4.6

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. These include the maximum number of shares which may vest as a result of the share awards made under the Foundation Awards (see note 22 for further details).

	2016	2015
Profit from continuing operations attributable to owners of the parent (£m)	**15.8**	19.1
Weighted average number of ordinary shares in issue (m)	**418.3**	418.3
Adjustment for share options (m)	**1.7**	–
Weighted average number of ordinary shares for dilutive earnings per share (m)	**420.0**	418.3
Dilutive EPS (pence per share)	**3.8**	4.6

c) Adjusted basic EPS

	2016	2015
Profit from continuing operations attributable to owners of the parent (£m)	**15.8**	19.1
Adjustment for listing costs and Foundation Awards charge, net of tax (note 6) (£m)	**8.0**	–
Adjusted profit from continuing operations attributable to owners of the parent (£m)	**23.8**	19.1
Weighted average number of ordinary shares in issue (m)	**418.3**	418.3
Adjusted EPS (pence per share)	**5.7**	4.6

11. Intangible fixed assets

	Goodwill £m	Software and website costs £m	Total £m
Cost			
At 1 January 2015	2.5	1.1	3.6
Additions	–	1.1	1.1
Disposals	–	(0.6)	(0.6)
At 31 December 2015	**2.5**	**1.6**	**4.1**
Additions	**-**	**0.9**	**0.9**
Disposals	**-**	**(0.7)**	**(0.7)**
At 31 December 2016	**2.5**	**1.8**	**4.3**
Accumulated amortisation			
At 1 January 2015	–	0.4	0.4
Amortisation charge	–	0.8	0.8
Impairment	–	(0.2)	(0.2)
Disposals	–	(0.2)	(0.2)
At 31 December 2015	**-**	**0.8**	**0.8**
Amortisation charge	**-**	**1.2**	**1.2**
Disposals	**-**	**(0.7)**	**(0.7)**
At 31 December 2016	**-**	**1.3**	**1.3**
Net book value			
At 31 December 2016	**2.5**	**0.5**	**3.0**
At 31 December 2015	2.5	0.8	3.3

Notes to the Financial Statements continued

For the year ended 31 December 2016

11. Intangible fixed assets continued

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.

The goodwill acquired on the acquisition of Gocompare.com Limited has been allocated to one cash-generating unit. 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 2016, the recoverable amount of the cash-generating unit is based on its 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 growth rate of 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 country and industry the cash-generating unit operates in. The pre-tax discount rate used was 13%. The Board is comfortable that a reasonable change in the underlying assumptions would not indicate an impairment.

12. Property, plant and equipment

	Fixtures,fittings and equipment £m	Total £m
Cost		
At 1 January 2015	2.1	2.1
Additions	0.2	0.2
Disposals	(0.1)	(0.1)
At 31 December 2015	**2.2**	**2.2**
Additions	**0.4**	**0.4**
Disposals	**(0.3)**	**(0.3)**
At 31 December 2016	**2.3**	**2.3**
Accumulated depreciation		
At 1 January 2015	0.6	0.6
Depreciation charge	0.4	0.4
Disposals	(0.1)	(0.1)
At 31 December 2015	**0.9**	**0.9**
Depreciation charge	**0.4**	**0.4**
Disposals	**(0.3)**	**(0.3)**
At 31 December 2016	**1.0**	**1.0**
Net book value		
At 31 December 2016	**1.3**	**1.3**
At 31 December 2015	1.3	1.3

13. Trade and other receivables

	2016 £m	2015 £m
Trade receivables	**12.7**	12.6
Less: provision for impairment of trade receivables	**(0.1)**	(0.1)
Trade receivables – net	**12.6**	12.5
Prepayments and accrued income	**4.1**	3.0
Other receivables	**-**	0.2
	16.7	15.7
Analysis of past due debt:		
01–30 days overdue	**2.6**	3.1
31–60 days overdue	**0.5**	1.2
61–120 days overdue	**0.5**	0.2
	3.6	4.5

14. Cash and cash equivalents

	2016 £m	2015 £m
Cash at bank	**18.4**	4.3

15. Trade and other payables

	2016 £m	2015 £m
Trade payables	**3.3**	2.1
Corporation tax	**2.9**	1.7
Social security and other taxes	**3.1**	1.4
Accrued expenses	**14.8**	7.0
Other payables	**0.1**	0.1
	24.2	12.3

16. Borrowings

	2016 £m	2015 £m
At 1 January	**-**	–
Draw down of borrowings, net of transaction costs	**73.1**	–
Accrued interest	**0.4**	–
Amounts repaid	**(0.4)**	–
At 31 December	**73.1**	–

On 1 November 2016, the Group drew down bank borrowings of £75.0m. Interest is payable at LIBOR plus a margin which is dependent on the leverage of the Group's consolidated net borrowings. As at 31 December 2016, the rate is 2.40% plus LIBOR. The debt is repayable in instalments by 1 November 2021 – an analysis of the Group's gross contractual liabilities are shown in note 18. The borrowings are unsecured.

At 31 December 2016, the Group had committed undrawn borrowing facilities of £10.0m expiring on 1 November 2021.

17. 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.

	2016 £m	2015 £m
Financial assets:		
Trade and other receivables	**13.9**	13.6
Cash and cash equivalents	**18.4**	4.3
	32.3	17.9
Financial liabilities:		
Trade and other payables	**18.2**	9.2
Borrowings	**73.1**	–
	91.3	9.2

18. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, 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 Sterling.

Notes to the Financial Statements continued

For the year ended 31 December 2016

18. 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 13.

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 the obligation to pay amounts due to suppliers 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 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 2016							
Trade and other payables	**21.3**	**21.3**	**21.3**	**-**	**-**	**-**	**-**
Borrowings	**73.1**	**80.4**	**0.5**	**11.2**	**11.3**	**57.4**	**-**
At 31 December 2015							
Trade and other payables	10.6	10.6	10.6	–	–	–	–
Borrowings	–	–	–	–	–	–	–

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 £0.7m 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.

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.

19. Provisions for liabilities and deferred tax

	Deferred tax £m	Other provisions £m	Total £m
At 1 January 2015	(0.0)	0.8	0.8
Released/utilised in the year	0.0	(0.5)	(0.5)
(Credited)/charged to profit and loss in the year	(0.1)	0.8	0.7
At 31 December 2015	(0.1)	1.1	1.0
At 1 January 2016	**(0.1)**	**1.1**	**1.0**
Released/utilised in the year	**-**	**(0.8)**	**(0.8)**
(Credited)/charged to profit and loss in the year	**(0.2)**	**0.7**	**0.5**
(Credited)/charged to equity in the year	**(0.0)**	**-**	**(0.0)**
At 31 December 2016	**(0.3)**	**1.0**	**0.7**

Included within Other 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 the building which is leased by the Group;
Media provision — contingent payment associated with the Group's advertising costs.

The provisions set out above are expected to be settled within 12 months of the balance sheet date.

Deferred tax assets are attributable to:

	2016 £m	2015 £m
Accelerated capital allowances	**(0.3)**	(0.1)
Total deferred tax	**(0.3)**	(0.1)

20. Share capital

	2016 £m	2015 £m
Called up and fully paid		
418,257,875 Ordinary shares of £0.0002 each (2014 and 2015: 20,000,000 of £0.0001 each)	**0.1**	0.0

On 9 September 2016, the issued and fully paid share capital of the Company was the subject of a share consolidation effected by consolidating every two Gocompare.com shares of £0.0001 each into one Gocompare.com share with a nominal value of £0.0002 each. On the same day, the Company created and allotted a further 406,864,465 Gocompare.com shares with a nominal value of £0.0002 each for the total nominal amount of £81,373.

On 1 November 2016, an additional 1,050,234 shares were created and allotted by the Company. On 16 December 2016, an additional 343,176 shares were created and allotted by the Company.

The combination of these transactions has resulted in the Company having in issue 418,257,875 shares with a total aggregate share capital of £83,652 at year end.

21. Share premium

	2016 £m	2015 £m
Share premium	**2.7**	2.7

Notes to the Financial Statements continued

For the year ended 31 December 2016

22. 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 free shares issued under the all employee Share Incentive Plan ('SIP'). In addition to these one-off awards, ongoing equity-settled share incentive schemes are planned for the future but these do not have an accounting impact in 2016.

Details of the share-based compensation plans and their financial effect in the current year are set out below:

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. Awards have been made under the PSP as follows:

	2016 Number of awards	2015 Number of awards
M Crummack	**4,285,714**	–
N Wrighton	**1,428,571**	–
Senior management	**7,885,711**	–
	13,599,996	–

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, against which performance will be tested at the end of 2017 and 2018 and will vest, subject to that performance, as soon as possible after the year ended 31 December 2018 and be released following a one-year post-vesting holding period. The financial performance conditions are based on the achievement of stretching financial targets and underpinned by certain financial metrics.

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, in respect of those granted to the Executive Directors.

	2016 Foundation Awards
Grant date	15 Nov 2016
Number granted	13,599,996
Forfeited/lapsed during the year	–
Vested during the period	–
Number outstanding at 31 December	13,599,996
Vesting period	2.3 yrs

Valuation of Foundation Awards

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:

	2016 Foundation Awards
Cost	
Share price at grant	£0.63
Exercise price	nil
Volatility % pa	50.0%
Dividend yield % pa	nil
Risk-free rate %	0.20%
Expected life	2.3 yrs

In the year to 31 December 2016, the Group recognised a share-based payment charge of £0.1m in respect of the Foundation Awards (2015: £nil).

22. Share-based payments continued

b) Share Incentive Plan – Free shares

Upon listing on the London Stock Exchange, 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:

	2016 Free Share Awards
Date of grant	16 Dec 2016
Number granted	343,176
Forfeited/lapsed during the year	–
Vested during the period	–
Number outstanding at 31 December 2016	343,176
Contractual life	3 yrs

In the year to 31 December 2016, the Group recognised a share-based payment charge of £0.0m in respect of the Free share awards (2015: £nil).

Other share-based payment schemes which do not have an accounting impact in 2016:

c) All-employee Stock Purchase Plan ('SPP')

Under the SPP, eligible employees will be 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.

d) 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 or 10% of the employee's salary. Acquisitions of partnership shares will 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 will be reinvested in dividend shares.

Scheme limits

The rules of the various plans described above provide that, in any ten 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 ten 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.

Notes to the Financial Statements continued

For the year ended 31 December 2016

23. Dividends

	2016 £m	2015 £m
Dividends paid during the year	**85.8**	49.4

In November 2016, a dividend of £73.3m was paid, equivalent to 17.65pence per share. In June 2016, a dividend of £12.5m was paid, equivalent to 62.5pence per share.

Dividends were paid in respect of the year ended 31 December 2015 of 247 pence per share, amounting to a total dividend of £49.4m.

Dividends per share disclosed are based on the number of shares in issue at the point they were declared and paid. Gocompare.com Group plc issued a number of shares during 2016 as set out in note 20 which has the effect of showing a relatively lower dividend per share for the November dividend.

24. Contingent liabilities

The Group had no contingent liabilities at the year end (2015: £nil).

25. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016 £m	2015 £m
Land and buildings		
Within one year or on demand	**0.4**	0.3
More than one year but less than five years	**1.8**	1.8
More than five years	**0.6**	1.0
	2.8	3.1

The operating lease relates to a building the Group occupies. The Group signed a 15-year lease with a break clause at 10 years on 24 April 2013.

26. Related parties

For the period to 2 November 2016, the Company was a wholly-owned subsidiary of esure Group plc. The Company was demerged from esure Group plc and became a public limited company listed on the London Stock Exchange on 3 November 2016. 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 28. 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) Transactions with former ultimate controlling party

	2016 £m	2015 £m
Sales made to esure Group plc	**10.5**	5.9
Intra-Group recharges to esure Group plc	**1.9**	–
Intra-Group recharges from esure Group plc	**1.6**	–
Amounts due from/(payable to) esure Group plc at year end	**0.7**	0.1

Transactions with esure Group plc are unsecured and settlement made in cash.

b) 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 Directors Remuneration Report.

c) Other related party transactions

During the year, the company paid fees of £2,098 (2015: £nil) to W-One International Services Limited, a company for which Sir Peter Wood is a Director. Fees related to the provision of agency services for sourcing additional office space for the Group, taken out under normal commercial terms with consideration settled in cash. The amount outstanding at the year end was £nil (2015: £nil).

27. Ultimate parent company

For the period from 31 March 2015 to 2 November 2016, the Company was a wholly-owned subsidiary of esure Group. On 3 November 2016, the Company was demerged from esure Group plc and became 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 2016.

28. Related undertakings

Set out below are the related undertakings of the Company:

	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 registered address for each of the related undertakings for the Company is the same as that of the Company. This is disclosed on page 96.

Company Statement of Financial Position

As at 31 December 2016

	Note	**2016 £m**	2015 £m
Fixed assets			
Investments	6	**2.8**	2.7
Current assets			
Debtors	7	**0.8**	0.4
Cash and cash equivalents		**5.3**	–
		6.1	0.4
Creditors – amounts falling due within one year		**(5.1)**	–
Net current assets		**1.0**	0.4
Total assets less current liabilities		**3.8**	3.1
Net assets		**3.8**	3.1
Capital and reserves			
Called up share capital	9	**0.1**	0.0
Share premium	11	**2.7**	2.7
Profit and loss account	11	**1.0**	0.4
Total shareholders' funds		**3.8**	3.1

The notes on pages 90 to 94 form part of these financial statements.

The financial statements were approved by the Board on 1 March 2017 and signed on its behalf.

Matthew Crummack
Director

Nick Wrighton
Director

Company Statement of Changes in Equity

For the year ended 31 December 2016

	Share capital £m	Share premium £m	Profit and loss account £m	**Total equity £m**
Year ended 31 December 2015				
At 1 January 2015	0.0	2.7	0.9	3.6
Profit for the year	–	–	48.9	48.9
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	48.9	48.9
Transactions with owners:				
Dividends	–	–	(49.4)	(49.4)
Total transactions with owners	–	–	(49.4)	(49.4)
At 31 December 2015	0.0	2.7	0.4	3.1
Total shareholders' funds	**0.0**	**2.7**	**0.4**	**3.1**
Profit for the year	**-**	**-**	**86.3**	**86.3**
Other comprehensive income for the year	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**86.3**	**86.3**
Transactions with owners:				
Dividends	**-**	**-**	**(85.8)**	**(85.8)**
Share-based payments charge	**-**	**-**	**0.1**	**0.1**
Proceeds from shares issued	**0.1**	**-**	**-**	**0.1**
Total transactions with owners	**0.1**	**-**	**(85.7)**	**(85.6)**
At 31 December 2016	**0.1**	**2.7**	**1.0**	**3.8**

Details of dividends declared and paid in 2016 and 2015 are set out in note 10.

Notes to the Company Financial Statements

For the year ended 31 December 2016

1. General information

Gocompare.com Group plc is a non-trading holding company of a trading subsidiary whose principal activity is that of an internet–based price comparison website for financial and non-financial products.

The Company changed its name on 13 September 2016 from Gocompare.com Holdings Limited to Gocompare.com Group plc and also changed from being a private company limited by shares to a public company. On 3 November 2016, the Company listed on the London Stock Exchange. It 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. Accounting policies

Basis of preparation

These financial statements present the Gocompare.com Group plc Company financial statements for the year ended 31 December 2016, the Statement of Financial Position, the Statement of Changes in Equity and related notes, as well as comparatives for the year ended 31 December 2015.

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.

2. Accounting policies continued

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.

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 of 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

Classification

Financial assets falling within the scope of IAS 39 are designated as 'loans and receivables'. The Company determines the classification of its financial assets at initial recognition. During the years ended 31 December 2016 and 31 December 2015 the Company did not classify any financial assets 'at fair value through profit or loss', 'available-for-sale' or 'held to maturity'.

The Company's financial assets as at 31 December 2016 and 31 December 2015 include trade and other receivables which were classified as loans and receivables.

Initial recognition of financial assets

The Company's financial assets are initially recognised at fair value, plus any directly attributable transaction costs. If the Group determines that the fair value of a financial asset on initial recognition differs from its transaction price, but the fair value measurement is not evidenced by a valuation technique that uses only data from observable markets, then the 'day-one gain' is deferred and is subsequently recognised as investment income only to the extent that it arises from a change in factor (including time) that a market participant would consider in setting a price.

Subsequent measurement

Loans and receivables are measured at amortised cost less accumulated impairment losses using the effective interest method.

Impairment of financial assets

Objective evidence of impairment may include default on cash flows from the asset and reporting financial difficulty of the issuer or counterparty.

The Company 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 statement of profit and loss.

Notes to the Company Financial Statements continued

For the year ended 31 December 2016

2. Accounting policies continued

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.

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 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 auditor in respect of services provided to the Company in the current and preceding financial year was borne by another Group company. An estimate of the fee in relation to the Company is £5,000 (2015: £5,000).

5. Remuneration of Directors
The remuneration received by the Directors of the Company is disclosed in the Directors Remuneration Report on pages 41 to 57.

6. Investments

	Shares in Group undertakings
Cost	
At 1 January 2016	2.7
Additions – share-based payments	0.1
At 31 December 2016	**2.8**
Provisions	
At beginning and end of year	–
Net book value	
At 31 December 2016	**2.8**
At 31 December 2015	2.7

Fixed asset investments relate to unlisted equity investments recorded at cost.

6. Investments continued

On 11 June 2016, the Company incorporated Gocompare.com Finance Limited as a direct subsidiary investment for consideration of £1. On 9 September, Gocompare.com Finance Limited acquired 100% of the ordinary share capital of Gocompare.com Limited from Gocompare.com Holdings Limited at a cost of £199,999,999. The Company therefore disposed of its direct investment in Gocompare.com Limited as part of this capital reorganisation. Payment was satisfied through the issue of 199,999,999 Gocompare.com Finance Limited Ordinary shares of £1 nominal value to Gocompare.com Holdings Limited.

Included in the cost of investments in Group undertakings is £0.1m 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 the note 22 to the consolidated financial statements.

Set out below are the related undertakings of the Company at 31 December 2016:

	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%

7. Debtors – amounts falling due within one year

	2016 £m	2015 £m
Prepayments	**0.2**	–
Amounts due from other group companies	**0.6**	0.4
	0.8	0.4

The amounts due to group undertakings are legally due on demand and are thus due within one year, although it is not expected that a demand for these amounts will be made within the next year.

8. Creditors – amounts falling due within one year

	2016 £m	2015 £m
Accrued expenses	**5.1**	–
	5.1	–

9. Share capital

	2016 £m	2015 £m	2014 £m
Authorised, allocated, called up and fully paid			
418,257,875 Ordinary shares of £0.0002 each (2014 and 2015: 20,000,000 of £0.0001 each)	**0.1**	0.0	0.0

On 9 September 2016, the issued and fully paid share capital of the Company was the subject of a share consolidation effected by consolidating every two Gocompare.com Group plc shares of £0.0001 each into one Gocompare.com Group plc share with a nominal value of £0.0002 each. On the same day, the Company created and allotted a further 406,864,465 Gocompare.com Group plc shares with a nominal value of £0.0002 each for the total nominal amount of £81,373.

On 1 November 2016, an additional 1,050,234 shares were created and allotted by the Company. On 16 December 2016, an additional 343,176 shares were created and allotted by the Company.

The combination of these transactions has resulted in the Company having in issue 418,257,875 shares with a total aggregate share capital of £83,652 at year end.

Notes to the Company Financial Statements continued

For the year ended 31 December 2016

10. Dividends

	2016 £m	2015 £m
Dividends	**85.8**	49.4

In November 2016, a dividend of £73.3m was paid, equivalent to 17.6pence per share. In June 2016, a dividend of £12.5m was paid, equivalent to 62.5pence per share.

Dividends were paid in respect of the year ended 31 December 2015 of 247pence per share, amounting to a total dividend of £49.4m.

Dividends per share disclosed are based on the number of shares in issue at the point they were declared and paid. Gocompare.com Group plc issued a number of shares during 2016 as set out in note 9 which has the effect of showing a relatively lower dividend per share for the November dividend.

11. Reserves

	Share premium account £m	Profit and loss account £m
At 1 January 2016	2.7	0.4
Profit for the year	–	86.2
Dividends	–	(85.8)
Gain on corporate restructuring, recognised in equity	–	197.4
Share-based payments charge	–	0.1
At 31 December 2016	**2.7**	**198.3**

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 £86.2m (2015: £48.9m).

12. Guarantees

The Company acts as a guarantor to certain banks in respect of credit facilities granted to its subsidiary, Gocompare.com Finance Limited. The facilities are for an amount of £85m, of which £75m has been drawn down as at 31 December 2016.

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 51, along with that of the Executive Directors.

Shareholder Information

Notice concerning forward-looking statements

This Annual Report contains forward-looking statements. Although the Company 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 22 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.

Website

Gocompare.com Group's website www.gocomparegroup.com gives additional information on the Company. Information made available on the website does not constitute part of this Annual Report.

Shareholder information

Registrars

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)371 384 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.

Dividend

A Dividend has not been announced for the year ended 31 December 2016, but dividends may be made in the future. 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.

Share dealing

Shareholders have the opportunity to buy or sell Gocompare.com Group plc shares using a share dealing facility operated by our registrars Equiniti. Internet and telephone dealing are available via Investor Centre www.shareview.co.uk.

Internet dealing – The fee for this service will be 1.50% of the value of each sale or purchase of shares (subject to a minimum of £45). Stamp duty of 0.5% is also payable on all purchases.

Telephone dealing – The fee for this service will be 1.50% of the value of the transaction plus £60. Stamp duty of 0.5% is also payable on all purchases. To use the service please call +44 (0)345 603 7037 and have your SRN to hand.

This service is available Monday to Friday from 8.00am to 4.00pm.

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 £14million 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.

Shareholder Information continued

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.

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.

Tips on protecting your shareholding

- Ensure that all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee.
- Keep all correspondence from Equiniti in a safe place, or destroy correspondence by shredding it.
- If you change address inform Equiniti. If you receive a letter from Equiniti regarding a change of address and you have not recently moved, contact them immediately.
- Know when the dividends are paid and consider having your dividend paid directly into your bank. If you change your bank account, inform Equiniti of the details of your new account. Respond to any letters Equiniti send to you about this.
- If you are buying or selling shares, only deal with brokers registered in the UK or in your country of residence.

Contact details

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
T: +44 (0)871 384 2030 (shareholders) or
+44 (0)845 601 8884 (commercial solutions)
Online: www.equiniti.com
Stock code: GOCO

Auditors

KPMG LLP
15 Canada Square
London
E14 5GL
T: +44 (0)20 7311 1000

Investor Relations

Nick Wrighton, Chief Financial Officer
T: +44 (0)1633 655 051
E: ir@gocompare.com

Media Relations

Anders Nilsson, Head of PR
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

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

gocompare.com
GROUP