We're on a mission

GOCO GROUP

Annual Report & Accounts 2019

Significant growth opportunity

£2bn
overspend every year on household bills and insurance in the UK

3 in 5
households only occasionally switch

15m
households are still on default tariffs and likely overpaying for energy

72%
likely to sign up to an auto-switching proposition

23m
households didn't switch energy supplier in the last 12 months: our incremental growth opportunity

We are building momentum as we transform the Group

£250

value of the free car insurance excess cover with GoCompare

+4%

underlying GoCompare car insurance growth in Q4

£7.0m

of AutoSave revenue in 2019

300,000

live AutoSave customers

x4

year on year increase in number of tech releases

2019:
A year of transformation for GoCo Group.

We are on a mission to help people everywhere find more of the right products, saving them more time and more money.

This year we transformed into a multi-brand Group operating Price Comparison, AutoSave and Rewards businesses.

We are investing in our people and are committed to creating a sustainable culture that fosters creativity and innovation.

2019 Highlights

Investing for sustainable growth

Revenue

£152.4m

2019	£152.4m
2018	£152.6m

AutoSave live customers

300,000

2019	300,000
2018	<1,000

Operating profit

£20.3m

2019	£20.3m
2018	£37.5m

APM

Adjusted operating profit

£26.5m

2019	£26.5m
2018	£44.0m

APM Denotes Alternative Performance Measure
Use of alternative performance measures is detailed on page 13.

- Disciplined financial performance across the Group
- 300,000 live AutoSave customers by 31 December 2019
- Acquisition of Look After My Bills in July, helped drive customer growth
- £7.0m full year AutoSave revenue and breakeven trading profit in H2
- Launch of GoCompare's £250 excess proposition driving underlying car insurance revenue growth +4% in Q4
- GoCompare continued to improve marketing margin +0.6ppt
- Group adjusted operating profit of £26.5m reflecting self-funded investment into AutoSave

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Our mission

GoCo Group is on a mission to help MORE people find MORE of the right products, saving them MORE time and MORE money.

AutoSave	Price Comparison	Rewards
LOOK AFTER MY BILLS weflip	GoCompare	MyVoucherCodes MORE MONEY IN YOUR WALLET

SaveStack™

Our flexible proprietary tech platform enables us to innovate at speed and reach customers, wherever they are.

At a Glance

Addressing inertia

Our vision

To find new ways to free Britain from the boredom of sorting household bills, providing Savings as a Service, via our proprietary technology platform, SaveStack™.

GoCo Group is a tech-led business operating multiple leading brands focused on innovation and disruption with the common mission to help consumers save time and money, sustainably.

What we do

- We use our leading brands to attract millions of consumers to our propositions, we then inform and enable them to save money, from household essentials to retail and leisure
- We support our partners by providing engaged, pre-qualified customers and highly effective acquisitions
- All of this is powered by our proprietary flexible technology platform, SaveStack™, with data at its heart
- Our use of data supports both consumers, to make their experience straightforward, and our partners with the additional customer insight we can provide

People

- Here at GoCo, our staff are at the heart of our business and that's why we make sure they are at the top of their game
- The GoFurther Academy is an initiative that will enable the existing workforce and prospective students to develop and progress in their careers

Platform

- Through the development of SaveStack™, our proprietary technology platform, we have transformed into a data and tech-led business
- This enables us to innovate at speed and reach consumers wherever they are, however and whenever they want, including through brands outside of the Group

Product

- GoCompare, a leading UK financial services, utilities and home services comparison website
- weflip and Look After My Bills, innovative switching services using technology to automatically switch people onto better energy tariffs
- MyVoucherCodes, connecting consumers with money-saving offers from the world's leading brands

Why invest in GoCo Group

Our aim is to transform the Group into a higher and more sustainable margin business, achieved through:

1. GoCompare growth driven by extension of £250 excess proposition to improve consumer preference
2. Positive insurance market dynamics with growth of core car switching volume
3. Significant growth potential for our AutoSave business by expanding the size of the switching market
4. AutoSave diversifies Group revenue with an attractive business model
5. Deliver value through the development of our proprietary technology platform SaveStack™
6. Adopting responsible business practices and delivering sustainable choices

Chairman's Statement 2019

An evolving business, positioning for growth

"

The Group's transformational journey has gathered significant momentum. 2019 represented a year of disciplined performance in the core business, efficient marketing and continuing improvements to conversion, alongside the strategic deployment of capital to grow our AutoSave segment. The management team is delivering against an exciting strategy that provides meaningful long-term benefits to customers, partners, employees and shareholders.

Sir Peter Wood CBE
Chairman

Dear Shareholders,

I'm pleased to present GoCo Group plc's financial results for 2019, another important year in our transformative journey as we became GoCo Group, a name change that reflects the evolving structure of the business. Matthew and the leadership team have continued to progress and deliver the Group's strategy, with the Group positioned well for growth, exiting 2019 having built significant momentum to take into 2020.

Consumer demands and needs are changing fast against financial services and household expenditure categories; we need to both respond to and anticipate these changes. We are conscious that our businesses have a responsibility to ensure the products and services they provide are in their customers' best interests and we recognise that we have a duty to adapt ourselves to an environment which has greater oversight and scrutiny from Government and regulators.

Earlier this year the Executive Director of Strategy and Competition at the FCA, delivered a compelling speech entitled 'Regulation in a changing world', which commented on the move from an era of digitisation with services moving online, to a truly digital industry – one drawing on artificial intelligence (AI) and machine learning. This reflects the development of our businesses and the way we are bringing new products to consumers, both of which will enable us to drive more value from our customer base.

GoCo Group has sought to innovate and drive ahead a new generation of services that help consumers make informed purchases in a world full of more choice. While the internet has made choices more transparent to consumers, to an extent it has also made making decisions more difficult by providing too much choice and data. GoCo Group is focused on helping to address this complexity. This year we have innovated our core GoCompare business, developed our new internal brand weflip and integrated Look After My Bills following its acquisition in July 2019.

As we have expanded the Group, we have introduced ideas that go against industry norms because they aim to solve greater societal challenges. For instance, we have learnt from the success of Look After My Bills how social media can be an effective way to reach new consumers. This has helped us target the remaining 15m households paying a Standard Variable Tariff on their energy bills, increasing the efficiency of our communication with UK households and optimising customer experience across AutoSave.

Taking a disruptive approach to the industry has required a careful balance of investment between both the new and existing businesses, which Matthew and the leadership team have navigated with care. Notably, we have focused our 2019 capital allocation on investment in the core business, GoCompare, and in the AutoSave segment whilst also maintaining a dividend.

Results

In 2019, GoCo Group delivered disciplined financial results which reflect our investment in AutoSave and focus on improving conversion in our core price comparison business. We are confident that this financial discipline is enabling us to deliver near-term profits which are capable of funding sustainable investment which will in turn yield sustainable growth in future profits. Group revenue was flat year-on-year due to this disciplined approach to trading. This strategy resulted in further reduction in unprofitable paid search traffic on GoCompare.com. However, GoCompare car insurance underlying revenue increased in the fourth quarter, reflecting the performance of the free £250 excess proposition for car insurance and the new advertising initiative. Our AutoSave live customer number of 300,000, demonstrates that there is strong consumer appetite for the proposition and places the Group in a good position to continue to invest in our AutoSave segment in 2020.

Regulation and governance

There were a number of key political and regulatory developments in 2019 that impacted on the sectors in which we operate, including energy, insurance and home communications. The implications of the energy price cap continued to shape the market through 2019 and there has been heightened scrutiny over prices for loyal customers following Citizens Advice's super-complaint on the loyalty penalty.

The Government, the Competition and Markets Authority, and our regulators have, and continue to respond with proposals aimed at improving regulation for consumers. Citizens Advice claimed that eight in ten bill payers are charged higher prices when they stay with their existing supplier in at least one essential market and that consumers are not aware that they are being charged for their loyalty.

In the insurance market, GoCompare has proposed a five-point plan to improve insurance renewals. This includes proposals to introduce a new 28-day cooling off period for auto-renewals, limiting cancellation fees and increasing transparency of insurers' websites.

Nick Hugh was appointed to the Board as a Non-Executive Director in February 2019. Nick is CEO at The Telegraph Group Ltd and brings almost 20 years' digital experience from his previous roles at companies that range from global media players including Yahoo to innovative start-ups. Nick provides invaluable insight to our strategic and operational aims, including the delivery of our Savings as a Service strategy.

Evolution to GoCo Group

Further to shareholder approval at the Annual General Meeting, we announced that with effect from 24 May 2019, the name of the Company changed to GoCo Group plc. The Company's trading symbol remained unchanged as GOCO and the ISIN remained the same. The name change reflects the transformation of the Group since we listed on the FTSE in November 2016.

Dividends

An interim dividend of 0.4 pence per share was declared and paid during 2019 and a final dividend of 0.5 pence per share has been recommended by the Board, which will be subject to shareholder approval at the Annual General Meeting. Subject to this approval, the pay-out in respect of 2019 will be 20% of profit after tax (excluding adjusting items and their tax effect). The Group maintains a target dividend pay-out ratio of 20%-40% of post-tax profits, with the pay-out in 2019 reflecting the Group's use of capital to fund our focus on automated savings and the acquisition of Look After My Bills.

Thank you

As the Group continues to transform, I wish to thank our staff that have continued to drive the pace of change and who remain wholly committed to our mission of saving our customers time and money. A big thank you goes to everyone for their considerable efforts in 2019.

Our evolution to GoCo Group – a tech and data-led business with a more diversified revenue base – comes from hard work and commitment across the Group. Our multiple brands – headquartered in Newport with AutoSave and Rewards focused in London – have shown their dedication, adaptability and ability to operate at speed. Our people have helped improve our technology platform 'SaveStack™' and the culture that we create and drive across the Group, enables and fosters innovation that keeps the Group at the forefront of the industries in which we operate.

We remain unwaveringly committed to pursuing long-term, sustainable and profitable growth for our shareholders. It is thanks to an enormous amount of hard work by our people, loyalty from our customers, support from our investors and disciplined strategies led by our Executive team that we have generated a strong operational cash flow and repositioned the Group to deliver long-term shareholder value. On behalf of the Board and me personally, I would like to thank you all for your commitment to our customers and the wider business.

It is an exciting time for GoCo Group plc, and I look forward to reporting on further progress.

Sir Peter Wood CBE
Chairman
3 March 2020

Summary

- Another year of disciplined financial performance for the Group
- Significant strategic progress across AutoSave and core comparison business
- Investment in AutoSave to address the market opportunity
- Considerable momentum across the business to position us to drive our strategy further in 2020

“

An expectation that as a consequence of the insurance sector's information and skills advantages, they have greater responsibilities to ensure the products and services they provide are in their customers' best interests.

Leading the war on regulation, Karina McTeague, Director of General Insurance and Conduct Specialists Supervision at the FCA, May 2019

Market Review

Seizing the opportunity

Household bills are a significant expense with consumers spending an average of £200 per month and many worrying about them. Consumers are still paying more than they need to.

Whilst many consumers have switched at some point, this is by no means a regular occurrence. Our research shows there are three switching mindsets with different perspectives, priorities and behaviours. GoCo Group is on a mission to help people save money and we are transforming the Group to meet their varying needs.

Saving Hobbyists

- Highest level of claimed switching and greatest appetite for future switching
- Needs suitably addressed by traditional price comparison websites

"I always shop around for a better deal"

"I like shopping around to find the best deal"

"I keep a close eye on my own personal financial situation"

"Price is the most important factor in choosing a supplier/ tariff"

- Slightly more affluent and more likely to have a degree
- Average age of 52

1 in 5
switch
every year[1]

Price Comparison

Solid medium-term sustainable, profitable growth

Current size ~£1.1bn[2]

Dominated by 5 key players

Historically limited innovation across the industry over recent years

1. Estimates based on a survey of average switching rates for Car Insurance, Home Insurance & Energy.
2. Across Car Insurance, Home Insurance and Energy.
3. AutoSave segment includes combined numbers on both weflip and Look After My Bills.
4. Implied potential market opportunity for Car Insurance, Home Insurance and Energy based on industry switching rates and average industry switching fees.
5. According to Ofgem's latest State of the Energy Market, 53% of households are on Default Tariffs (October 2019).

Saving Resignists

- Moderate level of current appetite for future switching
- Needs not addressed with traditional price comparison websites

"It is too difficult to change provider or tariff"

"Switching is confusing"

"I worry about how much money I spend on bills"

"There are too many options on the market to choose"

- More likely to be in rented accommodation
- Higher likelihood of being single or with a young family
- Youngest group with an average age of 42

3 in 5

switch **sometimes**[1]

Huge unaddressed opportunity

Huge opportunity through our AutoSave[3] propositions

Potential opportunity 3 – 4x[4] bigger than today

Significant opportunity on energy alone with ~15m households[5] on default tariffs

Saving Resistors

- Lowest level of claimed switching and lowest appetite for future switching

"I would trust my supplier to put me on the right tariff for me"

"I rarely look for opportunities to switch my products and services to get a better deal"

- Most likely to be retired and with no children in their home
- Oldest group with an average age of 59 and 45% are over 65

1 in 5

never switch[1]

Limited switching potential

Typically content with current supplier

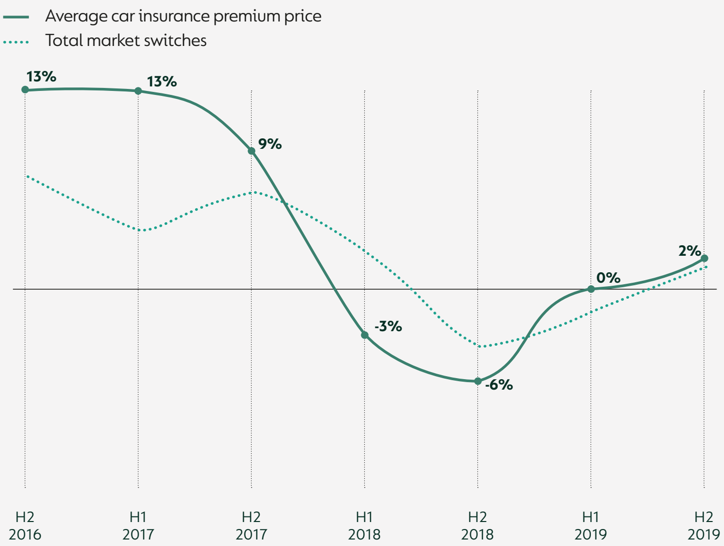
Less likely to switch their household services

Market Review continued

Car insurance review

Car insurance premium price vs. total market sales[1]

% YoY change



1. Based on management estimates

Car insurance premiums

- Through 2019 major insurers continued to report rising claims inflation as repair costs increased, driving a need to review their insurance premium pricing
- On 15 July 2019 the Government also announced an increase in the Ogden discount rate from -0.75% to -0.25%. This was lower than the 0–1% widely anticipated, and further increased the need for higher premiums
- Therefore, following declines in 2018, car insurance premiums returned to growth in 2019 with further increases expected

Car insurance switching volumes

- Latest management estimates indicate car insurance switching volume returned to growth in the second half of 2019; as with premium prices, this is expected to continue into 2020

Car insurance premiums

The car insurance switching market is closely linked to how insurance premiums are changing. As car insurance premiums, and in particular renewal prices, increase there is a greater catalyst for change and consumers are more likely to shop around to try and get the best deal. Conversely, when renewal prices are declining or even flat consumers are less likely to look around, even if they could be making a saving.

Through 2018 insurance premiums declined year on year as pricing for car insurance was impacted by uncertainty about the Civil Liability Bill. This obtained Royal Assent in December 2018 and provided the insurance industry with much needed certainty on the Ogden rate through 2019. As such through 2019 car insurance premiums started to return to growth. However, this growth was slower than many in the industry had predicted and lower than claims inflation, as insurers took a somewhat cautious approach. Industry experts are therefore expecting further increases to car insurance premiums, and renewal prices, through 2020.

Car insurance switching volume

Following a challenging 2018 for our core switching market which coincided with decreasing car insurance premiums, 2019 saw a gradual recovery in the switching market. As car insurance premiums started to increase in the second half of the year, the car insurance switching market returned to growth and delivered the strongest quarterly growth in the final quarter of 2019 for almost two years.

Through this period GoCompare has maintained its disciplined financial approach – rather than chasing unprofitable volume. This puts the business in a strong position to capitalise as the growth in switching volume is expected to continue through 2020, providing a positive tailwind for the Group.

FCA report

On 4 October 2019, the FCA published their interim report into the pricing of home and motor insurance in the UK (full report due Q1 2020).

The FCA estimated 6m policyholders are not getting a good deal, with the potential to save c.£1.2bn a year.

The FCA proposed four potential remedies:

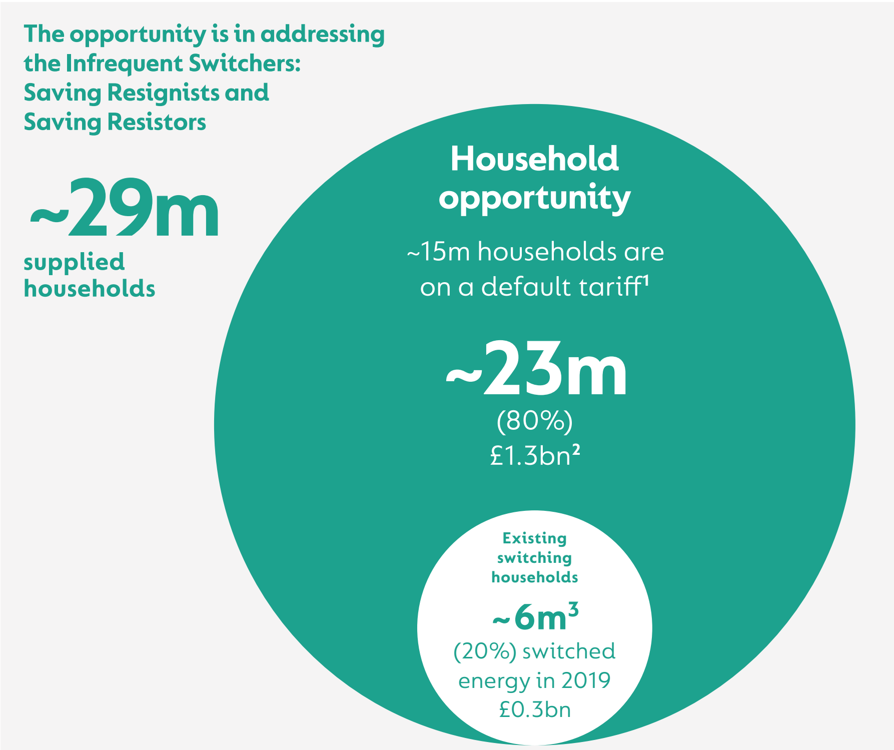
- **Tackle high premiums**
  Potentially restricting the amount insurers can raise prices year on year
- **Encourage switching**
  Restricting the use of 'auto-renewing' policies by insurers
- **Consumer transparency**
  Improving the way insurers communicate with consumers (eg publish price differentials between insurers)
- **Harness innovation**
  Using technological developments, eg open banking, to benefit consumers

Conclusion

The precise impact will only become clear when the full report is published; however, the early recommendations appear positive. Any action that aims to help consumers get a better price on their insurance is welcome. As demonstrated by the proposed remedies, the FCA sees making switching easier as a key way to help consumers be on the best deal.

Switching remains the most efficient way to ensure a customer is getting the right insurance at the right price.

Energy switching review



1. According to Ofgem's latest 'State of the Energy Market', 53% of households are on default tariffs (October 2019).
2. Potential opportunity per annum assuming £30 fee per fuel for 23m households.
3. Number of switches in 2019 based on BEIS/Ofgem data.

Energy switching

According to Energy UK, the number of people switching their energy supplier in 2019 continued to increase and set another record year for energy switching. This record growth comes despite Ofgem introducing an energy price cap on standard tariffs in January 2019 which had been expected to stifle the volume of switching in the market.

The price cap was introduced to prevent the exploitation of loyal customers who do not shop around and hence are on the energy supplier's most expensive tariffs. However, the price cap was increased in February, shortly after its introduction, which appears to have acted as a stimulus for households to switch their energy. Despite strong increases in the number of customers switching their energy over the last 12 months, the majority of households did not switch and, with an estimated 15m households still on the most expensive default tariffs, considerable savings remain.

Energy suppliers

Despite a number of supplier exits in 2019, the total number of suppliers in the UK domestic energy market has remained constant at approximately 60, following a number of new entrants. This has increased significantly from 12 in 2010 (source: Ofgem), and has led to far more consumer choice and competition, reducing the market share of the big six energy suppliers from almost 100% in 2010 to c.75% by 2019.

The increased competition has helped ensure bills remain low, with the average dual fuel bill in 2018 being 8% less than it was in 2013. However, more opportunity remains for competition to benefit customers, with Ofgem data showing that wholesale and network costs represent only 61% of the cost of a bill compared to 70% in 2013 whilst operating costs increased from 13% to 18% over the same period.

New switching services

Automated energy switching is the simplest way for consumers to save money on energy, every year. It's where the switch process is managed for the customer; it's a system that finds the right energy deal and switches them to it automatically. The automated switching process notifies the old supplier that the customer is leaving and sets up the direct debit with the new energy supplier. The service then checks the market to ensure the customer is on a great energy deal, always.

Automated switching enables customers to delegate their responsibility, with the aim of ensuring customers are never on an expensive energy tariff again. Automated energy switching has only been around for a couple of years but has already started to enter the mainstream with hundreds of thousands of customers using these services. There are a number of smaller start-ups that have launched similar propositions, however, GoCo Group is the only major price comparison website with an automated switching service.

Business Model

Creating long-term value

Inputs

Brands

- Established and leading brands in comparison and discount codes through GoCompare and MyVoucherCodes
- Two leading distinctive brands, in the form of weflip and Look After My Bills, targeting the exciting opportunity for automated savings

Product Development

- Customer-led product development to provide the best experience for consumers and improve conversion

Technology

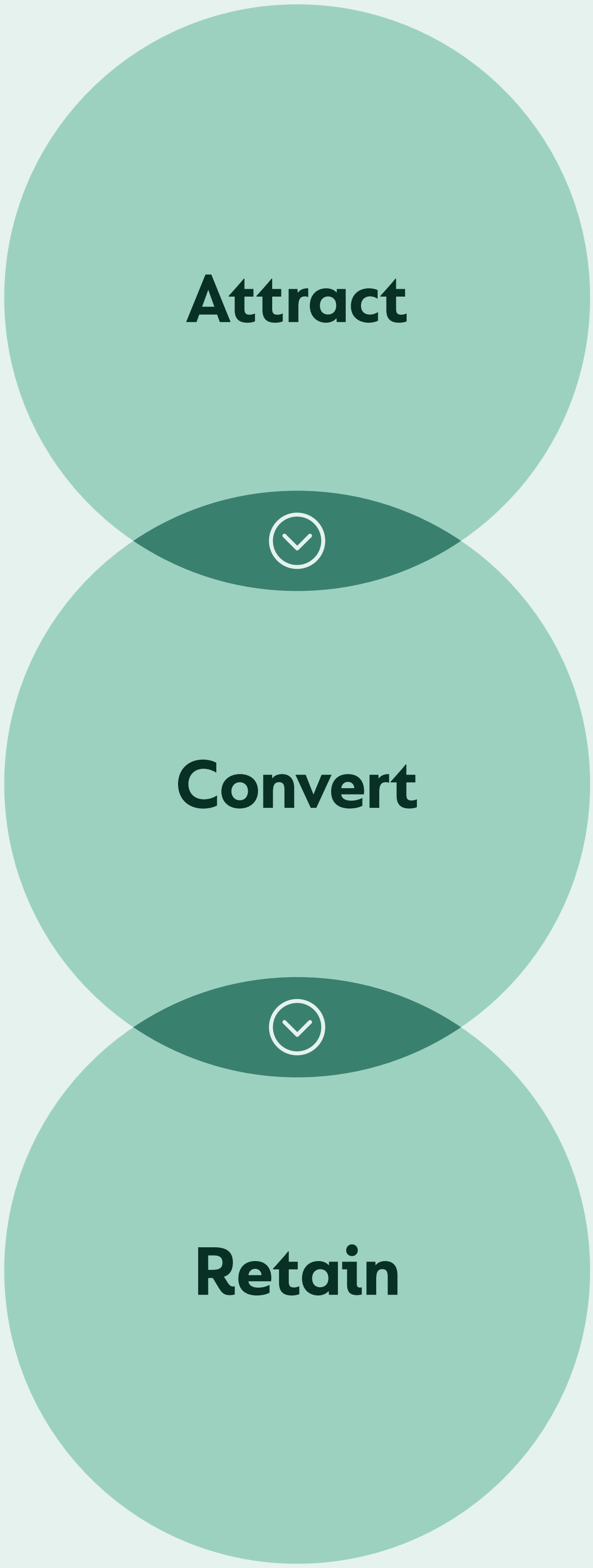
- Transformation into a tech-led business
- Proprietary technology platform, SaveStack™, that enables us to innovate at speed and reach consumers wherever they are

Partnerships

- Deep partner relationships with direct providers and trusted third parties, closely integrated to minimise friction
- A relentless focus on winning partner trust to help unlock greater collaboration and innovation

Our People

- Our people are what make us and that is why they are pivotal to what we do and our success as a Group
- We continue to grow the team, strengthen existing skill sets and build out internal capabilities in areas identified for future success



Attract

- Whether it's customers or employees, investors or partners, our first goal is to make GoCo Group a compelling and attractive proposition to our stakeholders

Convert

- Once we've managed to attract a consumer to the GoCo Group, we need to educate them on saving money whilst providing a best-in-class customer experience, and ultimately enable them to derive value from our proposition
- This approach to providing a best-in-class service is equally valid for all our stakeholders from returning value to our shareholders to developing our employees
- Our partners benefit from engaged, pre-qualified customers, highly effective acquisitions and additional customer insight we can provide

Retain

- The final step, and one of the most important, is retention
- Any loss, whether of a customer, an employee, a partner or the support of a regulator has an effect on the Group so we aim to retain trust and advocacy among all of them
- By continually focusing on ensuring all our stakeholders receive a leading experience with the Group, we aim to ensure they return year after year

Creating value for our stakeholders

Customers

- Secure, quick and easy ways to save time and money across more of the right products
- Ongoing product development centred on doing the right thing by the customer
- GoCompare launched their free £250 excess offer for car insurance, to help customers where they need it most
- Innovative AutoSave business to grow the switching market and help save more customers even more money

Savings made by customers

£1bn

Employees

- Exciting opportunities to motivate and inspire our employees that focus on continual professional development and cross-skilling
- GoFurther Academy enabling existing workforce and prospective students to develop and progress their careers
- Flexible working patterns that enable employees to add value to their life outside the workplace

Employee engagement completion rate

99%

Investors

- A compelling investment proposition aiming to deliver long-term shareholder value
- Extensive programme of investor engagement with access to Directors and senior leaders who can articulate the vision and strategy in the context of the latest financial results

>100

Investor meetings in 2019

Partners

- Supporting our partners in acquiring the right number of customers, with the right profile and at the right price
- Significant investment in our data capabilities to provide greater insight for partners and in our anti-fraud programme to reduce potential fraudulent policies for our partners

>90k

Fraudulent quotes blocked

Regulators

- Close cooperation and collaboration with all key regulators to ensure we are always doing what's best for the customer
- The Group is well placed to help regulators overcome a number of issues they are trying to address (eg Competition and Markets Authority and Financial Conduct Authority looking at the 'loyalty penalty' or the introduction of an energy price cap by Ofgem)

Fines or enforcement action

nil

Strategy and Key Performance Indicators

Delivering disciplined growth

We are delivering an exciting strategy that provides meaningful long-term benefits to all our stakeholders. Our goal is to transform into a higher and more sustainable margin business. This goal is supported by our continued focus on our four key strategic objectives, against which we have made considerable progress over the last 12 months. We are at an exciting point in the Group's transformation and start 2020 having built considerable momentum through the second half of 2019.

Strategic objectives	2019 progress	Future priorities
Disciplined and sustainable financial performance	• Relentless focus on optimising the core business to generate cash to reinvest • Continued improvements to conversion on GoCompare to improve profitability for the segment • Focus on execution and going back to basics for Rewards with a controlled approach in a competitive market • Self-funded AutoSave investment to diversify revenue	• Maintain disciplined and controlled approach to growing revenue and profit • Focus on cash generation to reinvest into the business to deliver considerable long-term shareholder value • Drive long-term sustainability of the Group by aiming to help more customers, save more time and more money
Investment in GoCompare	• Launched new proposition offering free £250 excess protection for car insurance customers, strengthening GoCompare's position as the comparison service that looks after its customers at every stage of the insurance buying process • New advertising campaign and creative that recognises the importance of trust for our customers and underpins our belief that the *'right insurance always costs you less'*	• Extend new brand proposition to support customers through the insurance buying process and to help drive retention • Build upon GoCompare's momentum of car insurance revenue growth in Q4 2019, with marketing prioritised on above-the-line investment, eg television, to improve preference and drive sustainable growth
Innovation with AutoSave to unlock growth	• Full consumer launch of weflip and acquisition of Look After My Bills to be one of the leading providers of automated savings in the market • Strong growth in customers to achieve in excess of 300,000 live customers as of 31 December 2019 • 2019 growth demonstrates the consumer appetite for the proposition and places the Group in a strong position in 2020	• Continue to grow the number of AutoSave customers • Focus on improving lifetime value through higher retention and sustainable increases to customer monetisation
Transformation into a tech-led business	• Strengthened technology leadership with appointment of new Group CTO • Continued development of our proprietary tech platform SaveStack™, a service-based architecture enabling scalability and agility • Integration of SaveStack technology into leading banking apps, Virgin Money and Bud, demonstrates potential for new distribution channels	• Further develop SaveStack™ utilising Group data to serve the most relevant savings opportunities to our customers • Unrelenting approach to efficacy across the Group and ensuring the technology function is operating as efficiently and effectively as possible

KPIs

Revenue
£152.4m

2019	£152.4m
2018	£152.6m

Operating profit
£20.3m

2019	£20.3m
2018	£37.5m

APM
Adjusted operating profit
£26.5m

2019	£26.5m
2018	£44.0m

Earnings per share
3.0p

2019	3.0p
2018	6.5p

APM
Adjusted earnings per share
4.3p

2019	4.3p
2018	7.8p

APM
Price Comparison marketing margin
47.1%

2019	47.1%
2018	46.4%

Savings made by customers
£980m

2019	£980m
2018	£1,026m

GoCompare customer interactions
26.6m

2019	26.6m
2018	27.5m

APM
GoCompare average revenue per interaction
£4.96

2019	£4.96
2018	£5.05

AutoSave live customers
300,000

2019	300,000
2018	<1,000

Changes to KPIs this year
We have updated some of our KPIs to more accurately reflect our strategic priorities.

New KPI
AutoSave Live KPIs: our investment into growing the AutoSave business is a key strategic priority for the Group. The growth in live customers is a key metric demonstrating consumer appetite for the proposition.

KPI removed
Number of partners: we work with a broad range of partners across many categories; however, the total number does not provide a reflection of the strength of these relationships.

Definitions
During 2019 it was identified that interactions for the GoCompare.com website were not being fully captured and as a consequence reporting of this statistic was incomplete for both 2019 and 2018. An alternative source for tracking interactions has now been put in place and interactions for 2018 have therefore been restated to present this statistic on a consistent basis. GoCompare.com interactions for 2018 are now reported as 27.5m (previously 27.1m).

Revenue
Revenue generated in the year.

Operating profit
Operating profit for the year.

Adjusted operating profit
Operating profit after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs, fair value changes in contingent consideration and Foundation Award share-based payment charges. Adjusted operating profit is reconciled to operating profit on page 108.

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

Adjusted earnings per share
Adjusted profit after tax for the year divided by the weighted average number of shares in issue for the year.

Price Comparison marketing margin
Price Comparison marketing margin calculated as the difference between revenue and marketing expenditure divided by revenue for this segment.

GoCompare customer interactions
Customer interactions are defined as:
(a) for products where the quote process begins on GoCompare, as each unique instance of activity within any half-hour period in which a customer initiates such a quote process, although they do not necessarily complete a purchase; and
(b) for the remainder of the Group's products, each instance in which a customer clicks through to a partner website from GoCompare.

During 2019 it was identified that interactions for the GoCompare.com website were not being fully captured and as a consequence reporting of this statistic was incomplete for both 2019 and 2018. An alternative source for tracking interactions has now been put in place and interactions for 2018 have therefore been restated to present this statistic on a consistent basis. GoCompare.com interactions for 2018 are now reported as 27.5m (previously 27.1m).

GoCompare average revenue per interaction
Revenue divided by customer interactions in the year for GoCompare.com.

AutoSave live customers
Customers of the AutoSave business who have provided full switching authority to enable a switch, net of churned customers.

Savings made by customers
Savings include the following across the year:
(a) Car and Home insurance savings calculated by applying the average Consumer Intelligence reported savings per customer; and (b) energy savings from the AutoSave segment across weflip and Look After My Bills.

APM Denotes alternative performance measure

CEO's Statement 2019

Unlocking innovation for growth

"

We are pleased to report results showing strong momentum as our strategy delivers. 2019 was a year of continued transformation into a tech and data-enabled business, positioning us well for medium term growth. We enter 2020 in a strong strategic position and we are encouraged that the market has validated our AutoSave concept.

Our progress over the last 12 months, which includes the growth of our AutoSave business to over 300,000 customers and the successful launch of our customer focused proposition in GoCompare, has demonstrated our ability to invest and innovate to revolutionise the industry.

Matthew Crummack
GoCo Group CEO

Dear Shareholders,

It has been another exciting year as we continue to evolve the Group through the growth of our AutoSave business, whilst generating further momentum on our core GoCompare business. This was especially the case in the second half of the year, as we innovated in the price comparison sector with the relaunch of our GoCompare brand proposition.

We are revolutionising the price comparison industry with the first real innovation in years and we continue to position ourselves for growth beyond insurance comparison.

I am always proud of the GoCo Group team and all their achievements. The Group has a consistent focus on saving customers time and money, and we are all working relentlessly to ensure we have a differentiated offer in an incredibly competitive market. Across all our locations we are unlocking people's potential to outperform, and I am thankful for the hard work and commitment of our staff.

Innovating on the core business

GoCompare operates in a highly competitive price comparison market and we have taken steps to strengthen our position as the comparison service that looks after its customers at every stage of the insurance purchase process. This year, we launched our £250 excess offer for car insurance with a new brand proposition 'When It Matters, GoCompare' to drive awareness and preference, and to lay the foundations for a stronger ongoing customer relationship over time. Although early days, the initial results are positive; car insurance quote conversion has improved and an underlying car insurance revenue growth of +4% in Q4[1] meant we finished the year with good momentum. Despite this investment in the second half of the year, our relentless focus on improving conversion and our continued disciplined approach to profitability mean we have been able to increase marketing margin through the year. We also reallocated spend away from generic Google search to above-the-line advertising focused on driving longer-term brand awareness and preference, leaving the GoCompare business in a far better position to deliver long-term profit growth.

We remain focused on solving consumer inertia

We are on a mission to change the way inertia-hit consumers shop for energy and the Group now operates two AutoSave brands, Look After My Bills and weflip, that fundamentally address this. We remain committed to growing our AutoSave business and are pleased to be progressing against our aim to rapidly scale customer numbers whilst carefully managing the cost of customer acquisition. We achieved in excess of 300,000 live AutoSave customers[2] in 2019, which was more than 80,000 (+37%) ahead of our original expectations. Net growth of 125,000 (+70%) live customers[2] for the Group's AutoSave segment in less than six months demonstrates a strong consumer appetite for a service that reduces the hassle of switching.

The performance of our AutoSave segment and growth in customer numbers put us in a strong position to diversify Group revenue and transform the Group into a higher and more sustainable margin business over the medium term.

Regaining momentum with a fresh strategy for Rewards

The financial performance of the Rewards business was disappointing in 2019, primarily driven by challenges in organic search and the commercial relationships with News UK and Reach plc driving significantly less revenue than we had expected. The challenges on organic search led to revenue from this channel falling by almost 50% in the year.

During the year we welcomed Stefano Perino as the Head of our Rewards business which has invigorated the strategic direction of the business and ensured clear focus has been placed on recovering our historic strength in organic search. This focus began to drive some early signs of improvement towards the end of the year and we are confident that performance will improve in 2020 and beyond. With the renewed focus on organic search optimisation, we have deprioritised the work on white label voucher sites.

We are focused on becoming a data-led, tech-enabled business

We continued to invest in our people, brands and tech platform across the Group. Throughout 2019, we continued to develop our proprietary tech platform SaveStack™ to provide more savings opportunities to more people than ever before. SaveStack™ is a service-based architecture that enables us to innovate faster and reach more consumers wherever they are, however and whenever they want, including through brands outside of the Group.

At the heart of SaveStack™ is our Group data strategy. We launched our award-winning Group Data Platform which delivers customer insights to drive SaveStack™, enabling us to better understand our customers across all brands. We have also future-proofed our foundations for growth through migration to Microsoft Azure, improving site sustainability and availability whilst increasing response times. We welcomed Seb Chakraborty to the Group CTO position in 2019. Seb joins the senior leadership team and brings a wealth of agile- based tech experience. His technical and experienced contribution will help to drive the next stage of the Group's transformation.

Leveraging existing technology assets to tackle a competitive landscape

We remain at the forefront of innovation and have made ongoing improvements to our underlying architecture this year with the SaveStack™ development leading to our first B2B partnerships. Integrating our SaveStack™ technology into leading banking apps – including Virgin Money UK PLC and Bud – aims to make the switching process hassle-free and opens a significant opportunity for their customers to save money by switching. These are industry first partnerships and something we're proud to be leading the way on. I'm excited to see our platform services grow into an exciting industry-leading service over the medium term.

Our businesses are driven by our people

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

We continue to work hard to ensure that GoCo Group is a great place to work. In total, 99% of staff engaged in our 2019 annual staff survey, which is a fantastic achievement. We believe engaged employees are more involved and invested in their roles, which boosts productivity, customer satisfaction and retention. Some 92% take the opportunity to share knowledge with others, 88% have a clear understanding of how their department contributes to the success of the organisation and 97% of our staff are ready and willing to participate in change. All these metrics reinforce that we have the right team in place to drive our business forward.

Our GoFurther Academy is in its second year and has grown beyond the degree-apprenticeship programme it started out as. We remain committed to addressing the skills gap in industry and now focus on training and development for existing GoCompare staff as well as new staff; all part of our vision to find, train and develop the best talent in the UK, and help position South Wales as a tech hotspot. We believe our significant investment will have long-term benefits for talent development, the economy and the growing tech community in South Wales.

Outlook

The Board remains confident of meeting its expectations for the 2020 full year, with performance skewed towards the second half of the year.

In summary: we are delivering an exciting strategy and value for our shareholders

2019 has been a year of continued progress as we evolve into a customer- focused tech business on a mission to help people find the right products, saving them time and money. Over the year, we have seen good discipline across the core business and transformative innovation where we see opportunity for growth.

We delivered in excess of 300,000 AutoSave customers in 2019, which was ahead of the Group's original expectations. We continue to work hard to deliver services that reduce hassle and address the needs of infrequent switchers.

We have seen encouraging progress in our core Price Comparison business. GoCompare's £250 excess proposition has been well received by customers, leading to a strong increase in car insurance conversion and driving underlying revenue growth of +4%[1] in Q4 2019 (vs. Q4 2018) for this part of the business.

We use our technology and scale to inform, inspire and support our partners to drive up standards across the industry. In 2019, we built a strong tech platform to significantly grow our customer base across all our businesses and deliver value for our shareholders.

In 2020, we will continue to highlight our ambition to save as many people as possible, as much money as possible – year after year. Going forward, we are well positioned to unlock our potential, drive growth and execute our Group strategy.

Matthew Crummack
GoCo Group CEO

Summary

- 2019 was another year of transformation for GoCo Group
- Investment in GoCompare with the launch of the new £250 excess protection proposition producing encouraging results
- AutoSave surpassed our expectations achieving 300,000 live customers by the end of the year
- Continued investment in our people and technology to enable our medium to long-term growth and innovation ambitions

Notes:
1. Underlying car insurance revenue growth excluding any one-off adjustments.
2. Live customers are defined as those who have provided full switching authority to enable a switch, net of churned customers.

Financial Review

Disciplined financial performance and investment in AutoSave

"2019 was an important year for the Group as we continued to take a disciplined and controlled approach to Group financials whilst strategically investing into growing our AutoSave business. We start 2020 with good momentum having delivered underlying car insurance revenue growth on GoCompare in Q4 and grown to 300,000 AutoSave customers.

Nick Wrighton
GoCo Group CFO

2019 highlights

£152m
Group revenue

+0.7ppt
Increase in Price Comparison marketing margin

300k
Live AutoSave customers

4.3p
Adjusted earnings per share

£26.5m
Adjusted operating profit

£20.3m
Operating profit

2019 followed a disciplined approach to financial performance, using cash generated from the Price Comparison business to fund expansion of the AutoSave business.

Net debt increased by £4.1m in the year to £71.6m (2018: £67.5m) with the Group having made external dividend payments of £5.0m (2018: £6.3m). Investment in customer acquisition in the AutoSave business has been funded through internal cash generation, delivering growth in live customers from less than 1,000 at the end of 2018 to 300,000 by the end of the year.

Highlights

	2019	2018	Movement
Revenue	**£152.4m**	£152.6m	-0.1%
Price Comparison marketing margin	**47.1%**	46.4%	+0.7%pts
Operating profit	**£20.3m**	£37.5m	-45.9%
Adjusted operating profit	**£26.5m**	£44.0m	-39.8%
Leverage	**2.2x**	1.5x	+0.7x
Basic EPS	**3.0p**	6.5p	-53.8%
Adjusted basic EPS	**4.3p**	7.8p	-44.9%

Group revenue was broadly flat at £152.4m (2018: £152.6m), as the first half of 2019 saw a continuation of the challenging market conditions in Price Comparison experienced during 2018, with falling car insurance premiums reducing the number of consumers switching their car insurance provider. Market conditions improved in the second half of the year and the Group launched a new car insurance proposition, '£250 free excess', which has contributed to a return to modest underlying growth in revenue in this vertical in Q4 2019. The reduction in Price Comparison revenue has been largely offset by AutoSave revenue of £7.0m (2018: £0.0m), reflecting the strong growth in live customers to 300,000 by the end of 2019.

Despite a step-up in Price Comparison distribution costs in the second half of the year as the Group invested in above-the-line advertising, the disciplined approach to generic paid search has contributed to Price Comparison marketing margin increasing to 47.1% (2018: 46.4%).

The investment in customer acquisition in the AutoSave business has been the primary driver of the £17.2m reduction in operating profit to £20.3m (2018: £37.5m) and the £17.5m reduction in Adjusted operating profit to £26.5m (2018: £44.0m).

Leverage increased to 2.2x Adjusted EBITDA (2018: 1.5x), largely reflecting a reduction in Adjusted EBITDA to £32.3m (2018: £46.3m) primarily as a result of the investment in the AutoSave business, whilst net debt of £71.6m had only increased modestly from £67.5m at the end of 2018.

When reviewing performance, the Directors use several adjusted measures including Adjusted operating profit and Adjusted EBITDA, in order to remove the impact of items which arose due to acquisitions and did not arise from the day-to-day trading activities of the Group to better represent the Group's underlying performance. These are reconciled to their IFRS equivalents in the following tables as necessary.

Operating segments

Price Comparison

	2019 £m	2018 £m	Movement £m	Movement %
Revenue	**138.8**	144.4	(5.6)	(3.9)
Cost of sales	**(36.3)**	(42.8)	6.5	(15.2)
Distribution costs	**(37.1)**	(34.6)	(2.5)	7.2
Trading profit	**65.4**	67.0	(1.6)	(2.4)
Adjusted admin costs	**(14.5)**	(13.2)	(1.3)	9.8
Adjusted operating profit	**50.9**	53.8	(2.9)	(5.4)

The Price Comparison segment relates to the GoCompare price comparison business and the Energylinx price comparison businesses.

Total Price Comparison revenue of £138.8m was £5.6m lower than 2018 of £144.4m, driven by a £6.1m reduction in the revenue of GoCompare. This reduction reflects a combination of external and internal factors. The downward trend in car insurance premiums during the first half of 2019 led to fewer consumers looking to switch their car insurance provider, and consequently drove a reduction in the number of interactions. As in previous years, the Group adopted a disciplined approach to running the Price Comparison business and chose to forego transactions where the marketing cost required to generate a transaction exceeded the revenue generated. This approach resulted in lower cost of sales in the year and further contributed to the overall reduction in interactions of 3%. The unfavourable revenue impact arising from the reduction in interactions was partly offset by higher income per transaction with revenue per interaction broadly flat year on year.

Revenue from the Energylinx businesses in 2019 was £0.6m higher than the previous year, with the positive impact from the Group owning Energylinx for the whole of 2019 (compared to seven months in 2018) being largely offset by a change in the reporting segment for the revenue generated from switching customers of Look After My Bills. From July 2019 it was reported within the Group's AutoSave segment, being the date Look After My Bills was acquired by the Group and became part of the AutoSave business.

Cost of sales of £36.3m were £6.5m lower than 2018, largely as a result of a significant reduction in generic paid search spend on GoCompare during the second half of 2019, partly offset by the fulfilment costs of the free £250 excess proposition. The reduction in overall generic paid search spend reflected a decrease in the volume of spend, partly offset by cost per click inflation. The volume of spend reduced as the Group continued to focus on improving efficiency in paid search and instead increased investment in above-the-line advertising.

Distribution costs of £37.1m were £2.5m higher than the prior year as a result of higher brand paid search costs and increased investment in GoCompare above-the-line advertising in the second half of 2019 to support the launch of the new free £250 excess proposition. This investment is intended to increase consumer awareness and preference of the GoCompare brand.

Financial Review continued

In total, marketing costs in 2019 were £73.4m (2018: £77.4m) and trading profit was £65.4m (2018: £67.0m). The Price Comparison marketing margin in 2019 increased to 47.1% (2018: 46.4%), reflecting the disciplined approach to customer acquisition. Marketing margin is calculated as the difference between revenue and marketing expenditure (trading profit) divided by revenue. Marketing expenditure is defined as the total of cost of sales and distribution costs.

Adjusted admin costs increased by £1.3m to £14.5m in 2019. This reflects inflation, an increase in headcount working on the Price Comparison segment in the year, a full year impact of owning the Energylinx businesses and the impact of amortisation of development costs that were incurred in previous years.

AutoSave

	2019 £m	2018 £m	Movement £m	Movement %
Revenue	**7.0**	0.0	7.0	100.0
Cost of sales	**(5.2)**	–	(5.2)	100.0
Distribution costs	**(8.0)**	(0.1)	(7.9)	100.0
Trading profit	**(6.2)**	(0.1)	(6.1)	100.0
Adjusted admin costs	**(6.1)**	(1.1)	(5.0)	100.0
Adjusted operating profit	**(12.3)**	(1.2)	(11.1)	100.0

The AutoSave segment comprises the Group's weflip proposition, together with Look After My Bills which was acquired in July 2019. During the year, AutoSave has grown from less than 1,000 live customers at the end of 2018 to 300,000 at the end of the year. Revenue of £7.0m has been generated in 2019 (2018: £0.0m) with significant momentum being achieved during the second half of the year. Revenue represents fees paid by energy suppliers in relation to customers switched to them, with most suppliers paying annual fees upfront and a minority paying a monthly tenancy. Whilst customers provide full switching authority when they sign up to Look After My Bills, they are only switched to new energy providers when a new tariff is available which saves them money. Therefore, not all customers acquired in the year were switched to generate revenue for the Group in 2019.

Cost of sales of £5.2m (2018: £nil) relate to the cost of customer acquisition on marketing channels such as: social media, generic paid search and affiliates. The Group believes that an AutoSave customer will, on average, provide a multi-year revenue stream for the Group and thus when considering how much to invest in customer acquisition, consideration is given to the projected lifetime value of a customer and not just the revenue generated from the customer in the first year.

Distribution costs of £8.0m (2018: £0.1m) primarily relate to the cost of creating, producing and airing television adverts for the weflip brand. These costs were largely incurred in the first half of 2019, with spend being significantly reduced in the second half of the year following the acquisition of Look After My Bills and a subsequent change in the customer acquisition strategy for AutoSave.

Total marketing costs in 2019 were £13.2m (2018: £0.1m), all of which were expensed during the year.

Adjusted admin costs of £6.1m (2018: £1.1m) relate to the cost of staff, systems, premises and other costs of operating the AutoSave segment, including the costs relating to Look After My Bills from the date of acquisition. The nature of the AutoSave business demands higher customer phone support than the Price Comparison business, and there has been a steady increase in the size of the customer services team during the year to reflect the growing customer base.

Rewards

	2019 £m	2018 £m	Movement £m	Movement %
Revenue	**6.6**	8.2	(1.6)	(19.5)
Cost of sales	**(2.1)**	(1.8)	(0.3)	16.7
Distribution costs	**(0.9)**	(0.8)	(0.1)	12.5
Trading profit	**3.7**	5.6	(1.9)	(33.9)
Adjusted admin costs	**(2.1)**	(2.8)	0.7	(25.0)
Adjusted operating profit	**1.6**	2.8	(1.2)	(42.9)

The Rewards segment generated revenue of £6.6m and a trading profit of £3.7m in 2019 compared to £8.2m and £5.6m respectively in 2018. The reduction in both revenue and trading profit is largely attributable to a reduction in organic search, reflecting a challenging market. Adjusted admin costs have reduced to £2.1m (2018: £2.8m), primarily as a result of lower headcount and lower systems costs compared to the prior year. Following the integration with the wider GoCo Group, the business now has a reduced cost base with efficiencies being gained with the staff and systems spend.

Administrative expenses

Administrative expenses excluding adjusting items, depreciation and amortisation increased by £4.4m compared to 2018, largely reflecting higher staff and system costs, with a full year of costs associated with the Energylinx businesses and six months of costs for Look After My Bills which was acquired in July 2019. A bad debt charge of £1.2m has also been incurred. This increase is partially offset by charges for the Group's property leases, which are now reflected as a depreciation expense under IFRS 16 and presented separately. The total headcount of the Group increased from 300 at the end of 2018 to 352 at the end of 2019, largely reflecting the acquisition of Look After My Bills (LAMB).

Adjusting items for 2019 include £2.3m of integration, restructuring and other corporate costs, £3.2m for the amortisation of acquired intangibles and £0.6m of transaction costs. The £2.3m of integration, restructuring and other corporate costs include £0.9m in respect of deferred consideration associated with the acquisition of the Energylinx businesses which is deemed to be remuneration related, £0.3m for onerous contracts that the Group has cancelled in the period and is no longer able to derive benefit from and £1.1m incurred in relation to a restructure of the Group's operating model. The £0.6m of transaction costs relate to fees associated with the acquisition of Look After My Bills, which completed in July 2019.

Adjusted operating profit, Adjusted EBITDA and Profit before tax

	2019 £m	2018 £m	Movement £m	Movement %
Revenue	**152.4**	152.6	(0.2)	(0.1)
Total marketing spend	**(89.5)**	(80.1)	(9.4)	11.7
Administrative expenses excluding adjusting items, depreciation, amortisation and loss on disposal	**(30.7)**	(26.2)	(4.5)	17.2
Adjusted EBITDA	**32.2**	46.3	(14.1)	(30.5)
Depreciation and amortisation	**(5.7)**	(2.3)	(3.4)	147.8
Adjusted operating profit	**26.5**	44.0	(17.5)	(39.8)
Amortisation of acquired intangibles	**(3.2)**	(2.3)	(0.9)	39.1
Foundation Award share-based payment charges	**(0.2)**	0.0	(0.2)	(100.0)
Integration, restructuring and other corporate costs	**(2.3)**	(3.6)	1.3	(36.1)
Transaction costs	**(0.6)**	(0.6)	–	–
Reassessment of deferred contingent consideration	**0.1**	–	0.1	100.0
Operating profit	**20.3**	37.5	(17.2)	(45.9)
Net finance costs	**(4.1)**	(3.2)	(0.9)	28.1
Share of loss of associate	**(0.4)**	(0.5)	0.1	(20.0)
Profit before tax	**15.8**	33.8	(18.0)	(53.3)

Operating profit reduced by 45.9% to £20.3m. Adjusted operating profit, calculated as the operating profit for the period after adding back the adjusting items, reduced by 39.8% to £26.5m.

Adjusted EBITDA for the period, calculated as the Adjusted operating profit for the period after adding back depreciation and amortisation, reduced by 30.5% to £32.2m. The reduction is primarily driven by marketing costs which have increased by £9.4m to £89.5m, primarily as a result of the investment to acquire customers in the AutoSave segment.

Depreciation and amortisation of £5.7m has increased by £3.4m (2018: £2.3m) and reflects the impact of the amortisation of capitalised development costs along with the impact of the adoption of IFRS 16 which reclassifies charges previously recognised as operating costs to depreciation. Amortisation of acquired intangibles of £3.2m (2018: £2.3m) relates to the Group's acquisitions of The Global Voucher Group Limited, Energylinx Limited, Energylinx for Business Limited (and its subsidiaries), and The Big Deal Inc. (along with its subsidiaries).

The Group incurred net finance costs of £4.1m, an increase of £0.9m on 2018, reflecting the impact of a higher interest margin with the higher average leverage during the year and the amortisation of fees from the Group's previous debt facility following the refinancing in October 2019. Net finance costs also includes a £0.1m charge for leases accounted for under IFRS 16 and a £0.1m charge unwinding the discount on deferred consideration for the LAMB acquisition.

The share of loss of associate reflects the Group's share of losses from Mortgage Gym Limited, accounted for as an associate of the Group until 5 June 2019.

Profit before tax of £15.8m has decreased by £18.0m (2018: £33.8m). This primarily reflects the investment in the AutoSave segment of £12.3m, higher depreciation and amortisation costs of £5.8m (2018: £2.3m) and higher interest costs.

Income tax expense

The Group's tax charge of £3.1m represents an effective income tax rate of 19.6%. This is higher than the current UK corporation tax rate of 19.0% because of acquisition related costs which are not deductible for tax purposes.

Earnings per share

	2019 (pence per share)	2018 (pence per share)	Movement (pence per share)
Basic earnings per share	**3.0**	6.5	(3.5)
Adjusted basic earnings per share	**4.3**	7.8	(3.5)
Diluted earnings per share	**3.0**	6.3	(3.3)

Basic earnings per share was 3.0 pence for 2019 compared to 6.5 pence for 2018. Adjusted basic earnings per share, which excludes the effect of adjusting items, was 4.3 pence, a decrease of 3.5 pence (44.9%) on 2018 and better reflects the earnings generated by the underlying business.

Cash and leverage

	2019 £m	2018 £m
Net cash generated from operating activities	**21.9**	35.5
Purchase of intangible and tangible fixed assets	**(10.0)**	(8.2)
Purchase of subsidiary investments	**(7.4)**	(45.6)
Purchase of equity investments	**–**	(1.3)
Cash acquired on acquisition	**1.4**	1.3
Net cash used in investing activities	**(16.0)**	(53.8)
Repayment of borrowings	**(5.0)**	(19.0)
Proceeds from borrowings, net of transaction costs	**6.8**	33.5
Payment of lease liabilities	**(0.8)**	–
Interest paid	**(2.4)**	(2.4)
Dividends paid to owners of the Parent	**(5.0)**	(6.3)
Net cash (used in)/generated from financing activities	**(6.4)**	5.8
Net (decrease)/increase in cash and cash equivalents	**(0.5)**	(12.6)
Cash and cash equivalents at beginning of year	**11.9**	24.5
Cash and cash equivalents at end of year	**11.4**	11.9

The Group operational cash flow of £21.9m during 2019 was lower than the £35.5m generated in 2018, reflecting the significant investment in the AutoSave business (£12.3m) (2018: £1.2m).

Net cash used in investing activities of £16.0m includes the purchase of Look After My Bills, the capitalisation of internal development costs as well as the purchase of external tangible and intangible assets. This is £37.8m less than the prior year, primarily due to lower expenditure on purchasing subsidiary investments.

Net cash used in financing activities of £6.4m was £12.2m higher than 2018, which included a net drawdown of £14.5m of borrowings in order to part fund the acquisition of subsidiary investments.

Financial Review continued

At the year end, the Group had cash of £11.4m (2018: £11.9m), with net debt of £71.6m (2018: £67.5m).

	2019 £m	2018 £m
Borrowings	**(83.0)**	(79.4)
Cash and cash equivalents	**11.4**	11.9
Net debt	**(71.6)**	(67.5)
Adjusted EBITDA	**32.2**	46.3
Leverage	**2.2**	1.5

Borrowings at 31 December 2019 were £83.0m, which after allowing for cash and cash equivalents of £11.4m resulted in net debt of £71.6m. The Group refinanced its debt facility in October 2019, securing a new facility of £120.0m, comprising a £105.0m multicurrency revolving credit facility and a £15.0m term loan. The facility runs for four years until October 2023 with the option of extending for a further year. At 31 December 2019, £68.0m of the revolving credit facility had been drawn along with the £15.0m term loan, resulting in total debt of £83.0m.

The Group's leverage at 31 December 2019 was 2.2x Adjusted EBITDA, an increase on the 1.5x at the end of 2018. This was primarily driven by the reduction in Adjusted EBITDA to £32.2m (2018: £46.3m), which reflects the investment in the AutoSave business. The leverage remains well within the banking covenant of <3.0x.

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. During 2019, the Board chose to invest in the AutoSave business as it strongly believes that this business will deliver returns to shareholders in the medium term.

Balance sheet

	2019 £m	2018 £m
Non-current assets	**76.1**	59.6
Trade and other receivables	**25.1**	27.0
Cash and cash equivalents	**11.4**	11.9
Current assets	**36.5**	38.9
Total assets	**112.6**	98.5
Borrowings	**80.0**	44.7
Other non-current liabilities	**7.7**	3.1
Non-current liabilities	**87.7**	47.8
Trade and other payables	**18.9**	23.4
Borrowings	**3.0**	34.7
Other current liabilities	**9.4**	4.6
Current liabilities	**31.3**	62.7
Total liabilities	**119.0**	110.5
Ordinary shares	**0.1**	0.1
Share premium	**2.7**	2.7
Retained earnings	**(9.2)**	(14.8)
Total equity	**(6.4)**	(12.0)
Total equity and liabilities	**112.6**	98.5

The Group's non-current assets of £76.1m (2018: £59.6m) rose in the year due to the purchase of Look After My Bills, additional capitalised development costs for 2019 and the recognition of the Group's property leases as tangibles assets following the adoption of IFRS 16. This has also resulted in the recognition of a lease liability.

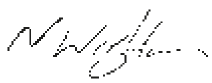
Trade and other receivables decreased to £25.1m (2018: £27.0m). Whilst the total of accrued income and net trade receivables has increased by £1.0m due to the acquisition of Look After My Bills, this has been offset by a lower balance on prepayments, reflecting the timing of costs associated with the Group's adverts.

The decrease in trade and other payables to £18.9m (2018: £23.4m) reflects lower marketing and staff costs accruals. Other current liabilities includes £6.4m of deferred and contingent consideration associated with the Group's subsidiary investments which is payable during 2020.

Total borrowings have increased to £83.0m (2018: £79.4m), reflecting a net drawdown on the borrowing facilities of £3.6m. The reduction in current borrowings to £3.0m (2018: £34.7m) and the increase in non-current borrowings to £80.0m (2018: £44.7m) reflects the change in the debt facility in October 2019 which saw an increase in the revolving credit facility and a reduction in the term loan. The term loan has annual amortisation of £3.0m which is classified as current borrowings with the remainder of the term loan being classified as non-current borrowings. The revolving credit facility is a committed facility for the four year term for which any repayment before the maturity date is at the full discretion of the Group, and therefore the total balance is presented as non-current in the Statement of Financial Position.

Dividends

The Group declared and paid an interim dividend of £1.7m, equivalent to 0.4 pence per share. A final dividend of 0.5 pence per share has been recommended by the Board, which will be subject to approval at the 2020 AGM. Further details will be provided in the Notice of AGM when published. Subject to this approval, the pay-out in respect of 2019 will be 20% of profit after tax (excluding adjusting items and their tax effect). The Group maintains a target dividend pay-out ratio of 20%-40% of post-tax profits.



Nick Wrighton
Chief Financial Officer

Operational Review

Price Comparison

27m
Customer interactions

47%
Marketing margin

+4%
Q4 car insurance revenue growth

Our brand

GoCompare

Introduction

For our GoCompare business, 2019 was another year of disciplined financial performance as the market continued to provide a challenging backdrop driven by an extended downward trend in insurance premiums. The market showed signs of recovery in the second half of the year, coinciding with the launch of our new innovative brand proposition to drive awareness and preference. This has started to gather momentum, putting us in a strong position to deliver in 2020 and beyond.

Disciplined approach to marketing

Through the first six months of the year we maintained our controlled approach to marketing investment, focusing on profitability despite considerable competition. In July 2019 we launched our new brand proposition, the culmination of detailed research and understanding of what the customer wants, with an exclusive incentive directly related to our core product – car insurance.

To support the proposition, we launched the first of our new adverts in August 2019 communicating GoCompare's deep car insurance expertise and promoting our free £250 excess cover incentive by dramatising the events that led to a real car insurance claim. The early results have been promising, with growth in traffic, conversion, brand preference and offer awareness.

Car insurance comparison is a particularly competitive market; however, through our approach to smarter marketing – investing more effectively and optimising spend – and the strength of our brand, we have been able to capitalise on the recent rise in premiums. As the switching market recovers, our breadth of market coverage, strong partner relationships and effective marketing mean we can help more people find the right cover at the right price.

The Price Comparison segment also includes our Energylinx business which we acquired in 2018. The acquisition has been integral in providing direct relationships with energy suppliers for our AutoSave brands and hence in delivering the Group's strategy. 2019 represented the first full year of being under the Group's ownership and we continued to integrate the business to ensure close alignment of objectives to the broader Group strategy.

"

Having been part of the founding team of GoCompare in 2006, it was with great excitement that I took on the role of CEO of GoCompare in 2019. Since then, I have been setting the direction for, and driving the performance of, the business with the support of my senior team.

Having aligned around a central mission – to be the people's insurance champion – we are focusing on car insurance and bringing our extensive experience and heritage as a comparison trailblazer to bear on this market. We have realigned all our teams around this mission, ensuring that 'customer focus' is way more than a glib slogan, and is instead – and again – the driving force behind everything we do.

The entire GoCompare team has worked tirelessly this year, and I'm confident that 2020 will be a transformational year for the business.

Lee Griffin
Founder and CEO, GoCompare

Case studies

A letter to our CEO:

"

I wanted to write to you about my partner's parents, Jane and Simon. I sat down with them and used GoCompare to see if we could find ways to save them money. By going through their bills and helping them to switch with this company, we've saved them £1,395 – which to put it into context is 10% of Jane's annual salary.

Martyn

"

Thank you very much for saving me so much money on my car insurance. My renewal premium was £1,964.73, I ended up getting a quote of £967.02 from GoCompare. I've also been given £250 excess discount if ever I need to claim.

Josh

Operational Review continued

AutoSave

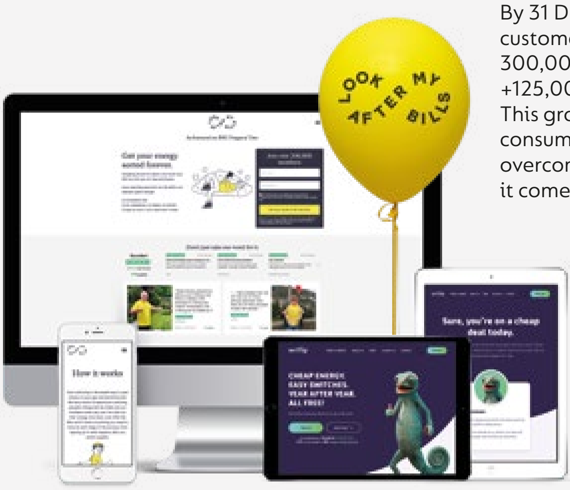
£7m

AutoSave revenue

300,000

Live customer numbers

Our brands



Introduction

Over 60% of UK households are still overpaying on at least one household bill. For many, the perceived effort of switching means it is an admin task that always remains on the bottom of the to do list. This inertia enables suppliers to lure customers in on cheap tariffs before increasing their pricing, often significantly above the best in market alternatives, knowing the customer may take years to do anything about it.

Customers are incredibly frustrated about the unfairness of the system, and that new customers are paying less than loyal customers, yet still the effort of changing is too much 'bother' despite the saving opportunity often being hundreds of pounds.

We wanted to solve this problem, using automation to both find people the best tariffs, and to switch them onto them, without the consumer having to do a thing. Our mission is to bring every household in Britain fair tariffs, forever.

Our first vertical – energy

2019 has been an exciting first full year for our AutoSave business. Having soft-launched our AutoSave brand, weflip, in October 2018, we began to invest in marketing the brand at the start of the year. Then in July, we acquired Look After My Bills which had successfully built a customer base in excess of 150,000 live customers[1] at the point of acquisition. The Look After My Bills team brought considerable operational and marketing expertise and a proven capability for switching customers, delivering a strong customer experience and acquiring a significant customer base at low cost of acquisition.

By 31 December 2019, our live AutoSave customer[1] number had surpassed 300,000, representing growth of +125,000 (+71%) in less than six months. This growth demonstrates the strong consumer appetite for a service that overcomes consumers' own inertia when it comes to proactive re-switching.

"

For too long, big companies have taken advantage of misplaced customer loyalty, creating a billing system that rewards the minority of consumers that regularly spend time shopping around. I'm delighted that we have created a 'hack' to the system, enabling the vast majority of consumers to enjoy the best in market tariffs effortlessly.

Zoe Harris
CEO of AutoSave

"

Look After My Bills is on a mission to ensure no one gets ripped off again, ever. We are proud to share that vision with some of Britain's best-known brands in the GoCo Group, and to match our expertise in auto-switching with the ambition of GoCo, which has built a famous brand in the comparison space.

Henry de Zoete and Will Hodson
Founders of Look After My Bills

"

Saves trawling through endless deal breakers, job was done in minutes and saved us over £300.

Lynda, Customer feedback

With Ofgem reporting that 53% of Britain's 29m households are on a poor value default tariff, and that around 23m households have not switched their energy provider in the last 12 months, there is significant headroom for further growth at continuing pace over the year ahead.

Our customer numbers have exceeded expectations and demonstrate the momentum we are building into 2020. The performance of our AutoSave segment strengthens our position as we continue to diversify and transform the Group.

1. Live customers are defined as those who have provided full switching authority to enable a switch net of churned customers.

Rewards

£115m+

total sales delivered to our partners and customers

8m+

customers driven to retailers

Our brand

MyVoucherCodes
MORE MONEY IN YOUR WALLET

Introduction

MyVoucherCodes is a digital media and affiliate marketing specialist connecting people with money-saving offers from the world's leading brands. MyVoucherCodes offers consumers savings on a range of necessary and discretionary spending – particularly retail, travel and recreation. With over 2,500 brands, MyVoucherCodes is one of the UK's leading destinations for free vouchers, discounts and deals and each week over 4m subscribers receive newsletters with offers across fashion, restaurants, electronics, travel, beauty and more.

Driving growth under new leadership

Organic traffic to the MyVoucherCodes website is a key driver of performance. The business experienced declines through 2018 which continued in H1 2019. The commercial relationships with News UK and Reach plc which were new in 2018 drove significantly less revenue than we had expected and will be deprioritised in 2020. However, in the first half of the year we also welcomed Stefano Perino as the Head of our Rewards. Stefano brought with him considerable experience of optimising and driving growth in transactional businesses. Since arriving Stefano has invigorated the strategic direction of the business with a focus on going back to basics. This has helped us improve our speed of response in a dynamic market and resulted in organic traffic stabilising in H2 with a return to modest growth in Q4.

Another key area of focus for 2019 was on maximising the return of each consumer visiting the site. We focused our efforts across three key metrics: improving conversion, increasing the commission we receive from retailers and ultimately driving higher revenue per visit.

There is considerable overlap between GoCompare and MyVoucherCodes with over half a million shared customers. This provides a number of exciting opportunities as both optimise within their respective markets. Rewards is increasingly well positioned to support our strategy across the Group.

"2019 has been a challenging year but we finished in a better position than when we started. It was a very busy year of change to stabilise the business and position it for growth. We have new technologies and a refreshed team and look to enter 2020 with confidence. We are aiming for a year of solid execution and rewarding success.

Stefano Perino
VP of MyVoucherCodes

"MyVoucherCodes are responsive and astute in the way they have assessed the opportunity of partnering with new brands and they demonstrate flexibility in producing a commercial package fit for advertisers working with MyVoucherCodes for the first time.

They consistently utilise their data and experience to enable effective and ROI focused marketing campaigns for our advertisers. We look forward to continued success with MyVoucherCodes in 2020 and beyond.

Adtraction, partner feedback

"Great site to help save you money. Always check it out first before you buy anything.

Anne-Marie, Customer feedback

2019 was a year of significant optimisation. We exit the year in a stronger position with a clear strategy for the business to return to growth.

We're on a mission...

A growing, disruptive portfolio

We continue to innovate the price comparison industry, whilst building our auto-switching capabilities through AutoSave.

In 2019, we delivered our strategy through diversified revenue streams. Our opportunities and services are delivered through our award-winning brands.

A year ago, we had recently acquired MyVoucherCodes and weflip had just launched. Now we have four household brands that have gained traction and are revolutionising their industries.

Comparison

GoCompare, a leading UK financial services, utilities and home services comparison website.

GoCompare has a central mission – to be the people's insurance champion – we are focusing on car insurance and utilising our extensive experience to ensure the customer is at the heart of everything we do.

In August 2019, we launched our innovative proposition, offering up to £250 free excess protection for car insurance customers; strengthening our position as the comparison service that looks after its customers at every stage of the insurance buying process. The early results are promising, with growth in traffic, conversion, brand preference and offer awareness since the television adverts first aired in early H2.

AutoSave

weflip and Look After My Bills: innovative switching services using technology to automatically switch people onto better energy tariffs.

As 2019 got underway, weflip had a phenomenally successful launch and gained momentum with strategic television advertising. Whilst our mid year acquisition of Look After My Bills has been an incredibly valuable asset to the business, surpassing AutoSave customer number expectations in the second half of the year.

Building our capabilities in energy, the acquisition of one of the fastest-growing energy savings services, Look After My Bills, means the GoCo Group now has a combined customer base across Look After My Bills and weflip in excess of 300,000 live customers.

Rewards

MyVoucherCodes, connecting consumers with money-saving offers from the world's leading brands.

Each week, MyVoucherCodes sends a variety of emails with the best selection of deals, vouchers and offers across fashion, restaurants, electronics, travel, beauty and more to its 8m email subscribers. With over 9,000 brands, MyVoucherCodes is the UK's #1 online destination for free vouchers, discounts and deals. MyVoucherCodes continues to build on its inherent brand equity, and is growing in a crowded landscape.

Platform services

GoCo Group continues to find new ways to free customers from the boredom of sorting household bills. We are leveraging our SaveStack™ platform, to provide our four brands with great distribution potential through other brands. The competitive landscape has evolved, and we are tackling a significant opportunity by integrating our technology into leading banking apps.

300k

live AutoSave customers

+4%

Q4 car insurance revenue growth on GoCompare

£115m+

sales delivered to our partners via Rewards businesses

We're on a mission...

Keeping it fresh and agile

Here at GoCo Group, our staff are at the heart of our business. That's why we make sure that they are at the top of their game. We support our people, not only through their professional development and clear career pathways, but their work-life balance; staff health and wellbeing are key to both individual effectiveness and the success of our businesses.

We embrace the paradox of individuality and Group identity; we encourage all staff to be their authentic selves, to amplify, innovate and challenge themselves in a trusted environment. We have highly engaged and loyal employees, contributing far more than 'business as usual'; our people help us to fulfil our mission.

We're a home for talent
In the last 12 months we've focused on several key areas that span diversity and inclusion, and introduced several initiatives designed to help the Group become a home for the most talented people based solely on merit. We rolled out Company-wide unconscious bias training, implemented blind CVs in the recruitment process and introduced monitoring software to ensure job descriptions and job adverts aren't inadvertently off-putting. Our people are our competitive advantage; naturally we want fresh and agile teams, built with talented and energised people to drive our inclusive business into 2020.

Our parental leave policies are unrivalled
Understandably, we are very proud of our enhanced parental leave policies, which are unrivalled. In 2019, we were referenced in the House of Commons and the Welsh Assembly for both our parental leave and flexible working policies; we enable those taking maternity, shared parental or adoption leave to receive up to nine months at full pay, and those taking paternity leave to take four weeks at full pay. We have had 100% of new fathers adopt the enhanced paternity leave policy, some of whom have also taken shared parental leave. All employees taking adoption leave have taken the full nine months and all new mothers took at least the fully paid nine months maternity leave. Retaining talent is important for us; we support staff so they can take the time to be a primary care giver, and know there is a career waiting when they come back.

Addressing the skills gap
The GoFurther Academy is an initiative that will enable the existing workforce and prospective students to develop and progress in their careers. The breadth of opportunities within the Academy demonstrates our continued commitment to developing our local talent pool and helps shape and grow the tech community in South Wales.

Working patterns that add value
We are upfront about our commitment to flexible working and this has transformed our business for the better; it has enabled us to attract the best talent, in varied working patterns and not restrict our staff to traditional full-time, set hours. We saw an increase in female applicants in the last 12 months; there was an upwards trend from c.40% female applicants to c.58% female by year end. We believe flexible patterns support modern ways of working that will benefit the UK economy if adopted as a 'normal way to work'. We encourage all our staff to work in patterns that add value to their life outside the workplace, as work-life balance is so important to the wellbeing of our team.

100%

post-parental leave retention rate in 2019 +40% from 2018

Over

£280,000

investment in GoFurther in 2019

200+

applications for our degree apprenticeship

30+

STEM mentors giving guidance on career pathways

10

trainee software engineer degree apprentices

We're on a mission...

Thinking like a customer

Whether our customers are looking to find the right insurance policy, energy tariff or good deal on something they want to enjoy, GoCo Group has the answer – and it's all thanks to our proprietary tech platform, SaveStack™.

How our tech makes things easy

Through development of our proprietary technology platform, GoCo Group is transforming into a modern technology and data-led business, based on cloud services, big data and automation.

Whether it's our real-time quoting engines which power comparison, our dynamic switching platforms that flip you to a better energy provider or our easy-to-integrate platforms for our B2B customers; our platforms will always be built for cloud scale, fast to deploy and based on insights.

We can innovate at speed and reach consumers wherever they are, however and whenever they want, including through brands outside of the Group.

Data gives us a 360° view of the customer

Our award-winning Group Data Platform is central to SaveStack™, allowing us to better tailor the offerings to our customer – through enhanced customer insight – across all brands. We are on a mission to use data to give our customers and partners the power to make informed decisions.

For all our businesses, data is a strategic asset.

Tech-enabled, people-powered

Continued investment in top talent has seen us strengthen our dedicated data science, engineering and tech teams. Our Engineering squads are led by product owners who are consciously crafting the sprints, setting direction and the overall pace of delivery. We continue to invest in the longevity of our talent pool through our GoFurther Academy and have seen improvements in the retention of our people.

Customer-focused experiences

We always view things through the lens of the customer, doing everything we can to understand them and what they are trying to do. That's where good design and UX are crucial. To make the technology disappear into the background so what a customer experiences is fantastic, regardless of what mobile device, browser or web page they are on.

Platform services

In 2019 we partnered with both Virgin Money UK PLC and Bud, to bring market-leading energy switching to their customers.

Virgin Money UK's digital banking service, B, has over 300,000 users nationwide. Of the B customers with energy direct debits, 76% are currently with one of the UK's 'big six' energy suppliers, so there is a substantial opportunity for its customers to save money by switching. Powered by SaveStack™, customers can quickly and easily find and switch to better energy deals, all within the B mobile banking app; customer details are used to pre-populate a lot of the questions needed to carry out an accurate comparison, making the process as hassle-free as possible.

"

Partnering with GoCo has allowed us to deliver a new digital experience which goes beyond banking. The GoCompare app allows our customers to save money on their energy bills in the convenience of their banking app.

Sam Bedford
Head of Open Banking & New Ways of Working, Virgin Money

"

We are customer obsessed to help 'people save more time and money' and this simple mission is central to how we are evolving SaveStack™ to be built as our modern, robust and flexible platform architecture, to enable rapid innovation around business models and for our highly skilled teams to be brilliant in product and engineering.

Seb Chakraborty
Group CTO

~20%
Our tech workforce has grown significantly this year

x4
year on year increase of tech releases

20m

customer data profiles collected to continually improve our proposition

5m+

visitors every month across our sites

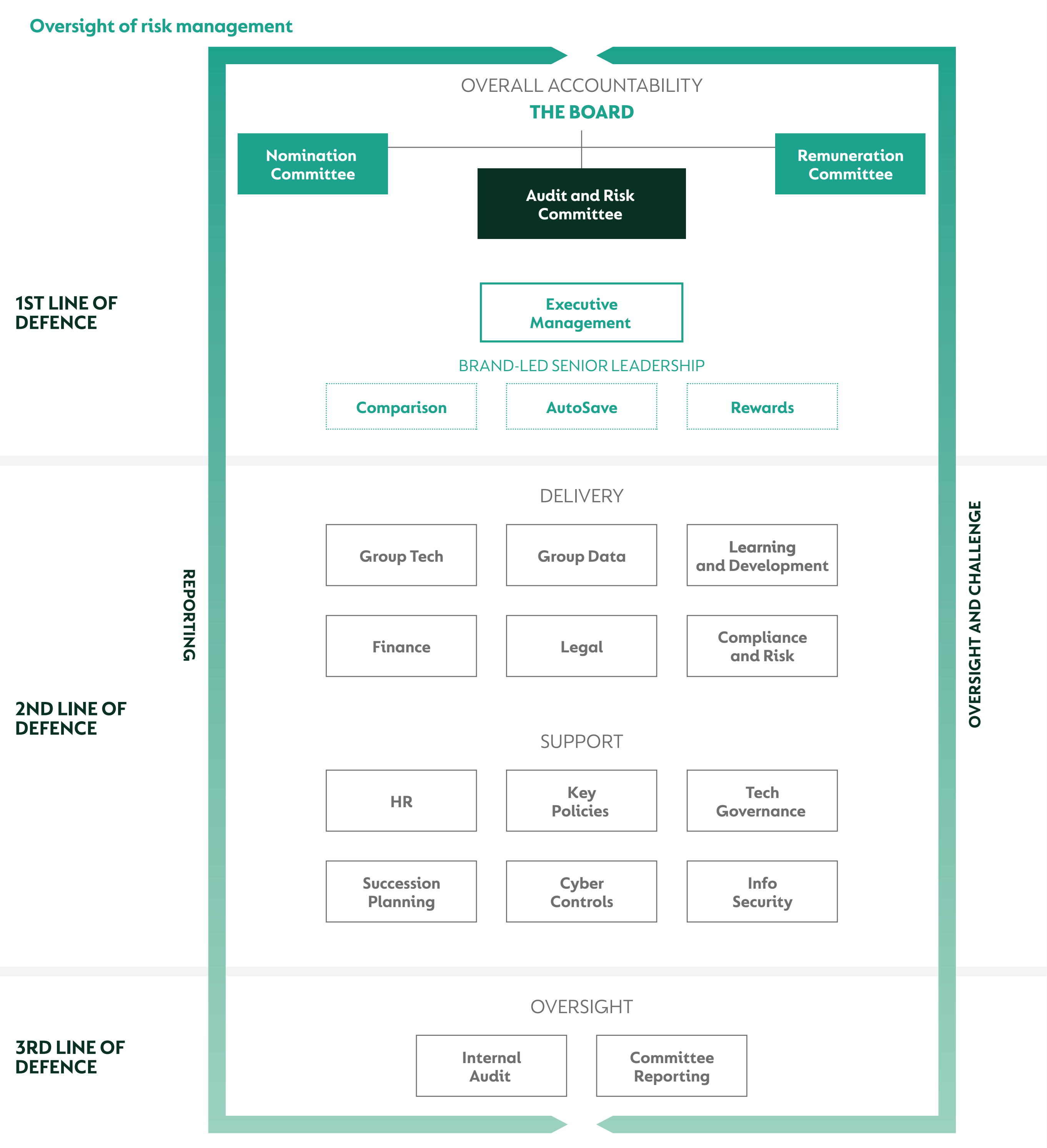
300k

Virgin Money plc digital bank customers have access to switch energy tariffs in their banking app, using our SaveStack™ platform

Opportunities, Risks and Uncertainties

Managing our risks

Our robust approach to risk management enables us to evaluate and manage the key risks to our business as well as support us in delivering against our strategic objectives, provide high-quality outcomes for our customers and comply with applicable laws and regulations.



The Board recognises that informed and carefully judged risk taking combined with an appropriate risk management framework is key to the successful delivery of the Group's strategic objectives.

The Group's principal risks and uncertainties are developed, documented and updated regularly with the operational risk owners, then reviewed and ratified by the Executive team. Ultimately, each risk is assessed by the Audit and Risk Committee, who provide oversight and challenge on risk performance.

In 2019 a process has been established to identify and report on emerging risks, which is reflected in changes to the risk register presented to the Audit and Risk Committee at each of its meetings.

Risk governance

The Board has overall responsibility for determining the nature and extent of the risks the Group is willing to take in pursuit of its strategic objectives, for maintaining a sound risk management framework and ensuring robust internal control processes are in place to effectively manage the risks across the Group.

Risk appetite

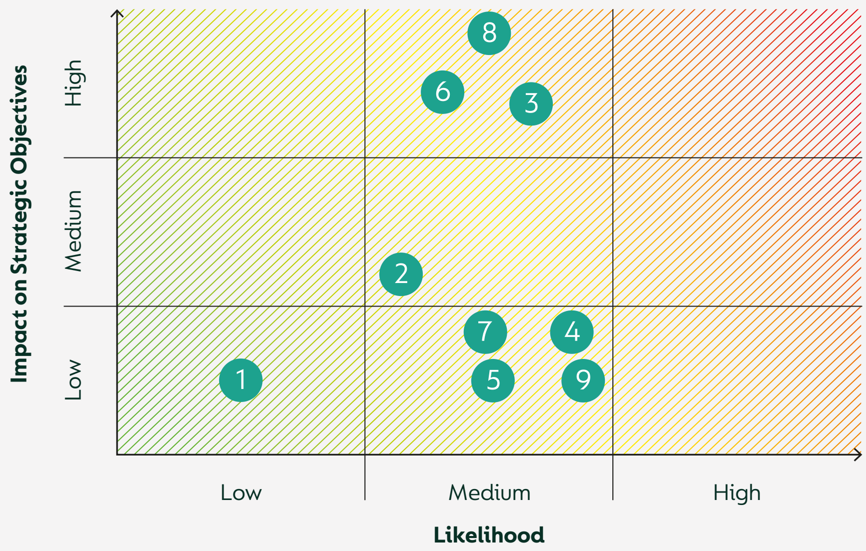
The Group's risk appetite statements are reviewed by the Audit and Risk Committee (on behalf of the Board) regularly during the year. The risk appetite statements are designed to be dynamic; they change to reflect the Group's strategic drivers, business performance and developments in the external environment.

The risk appetite statements are considered for each of the Group's principal risks at key points of the strategic performance life cycle which include setting of strategic objectives, delivery of business performance and monitoring of those risks. Combined, these provide the Board with a holistic view of risk and risk performance.

The Board has defined its risk appetite for the following identified risks:

- Competitors and the competitive environment
- Customer acquisition
- Cyber security and data
- Legal and regulatory
- Financial
- Brand performance
- Technology and innovation
- People, leadership and management

Risk matrix



Key

1. Economic conditions
2. Legal and regulatory
3. Comparison
4. AutoSave
5. Rewards
6. Tech, innovation and customer expectations
7. People
8. Cyber and data
9. Financial

Strategic priorities

The Group's principal risks have been linked to strategic priorities:

- **Disciplined and sustainable financial performance**
- **Investment in GoCompare**
- **Innovation with AutoSave to unlock growth**
- **Transformation into a tech-led business**

Developments in 2019

The Group's risk management framework remains under regular review by the Executive team and senior leadership to ensure that risk reporting to the Audit and Risk Committee and the Board, is relevant, accurate and reflective of wider operational performance of the Group's businesses and developments in the external environment. In 2019 the framework has been enhanced through:

- Reviewed and refined risk appetite statements in line with strategic priorities and objectives
- Refreshed risk reporting to the Audit and Risk Committee to reflect strategic priorities and developments
- Continued focus on and investment in cyber risk controls, monitoring and reporting
- Brand-focused risk reporting to provide differentiation in content and commentary

Looking forward to 2020 and beyond

Good progress has been made to ensure that risk governance and reporting is appropriate, agile and dynamic and reflective of the Group's changing strategic focus on disciplined financial performance, innovation on GoCompare and investment in AutoSave. In 2020 we will continue to focus on regulatory developments, particularly embedding the FCA's Senior Manager and Certification Regime (SMCR), proactive engagement with Ofgem, energy supplier due diligence and monitoring and continued evolution of the Group's tech functions to deliver market-leading solutions, simplified customer experience and leading-edge data science capabilities.

Principal Risks and Uncertainties

Managing our risks

Strategic objectives

Disciplined and sustainable financial performance

Investment in GoCompare

Innovation with AutoSave to unlock growth

Transformation into a tech-led business

External

Economic conditions and Brexit

The Group's income is principally derived from commission earned from the provision of comparison and switching of financial and non-financial products for consumers in the UK.

Impact
A contraction in the UK economy, changes to fiscal policy or unexpected developments linked to Brexit may lead to worsening economic conditions and performance of the Group and its brands.

Mitigation
- Regular review of market conditions
- Flexible cost base
- Diversity of revenue streams through acquisitions and internal initiatives
- Investment in scalable solutions across verticals and products

Developments in 2019
- Acquisition of Look After My Bills (LAMB)
- Development of the Group's AutoSave business with the Look After My Bills and weflip brands
- Increased focus on the energy comparison sector which has led to concentration of credit risk with some suppliers at certain points in time

Risk movement
Stable

Risk owner
Matthew Crummack, Group CEO

Legal and regulatory

The Group operates in a number of regulated markets, including insurance, utilities and money products. It is also subject to competition and data protection laws.

Impact
Failure to comply with existing or adapt to changes in future regulatory requirements may have a fundamental impact on the Group's business model, reputation, operational and strategic and financial performance.

Mitigation
- Open and transparent culture
- Regular contact with regulators
- Specialist in-house Legal and Compliance resource with access to specialist external advice, when required
- Regulatory training and development

Developments in 2019
- Engaged closely with the FCA, particularly with the implementation of the Insurance Distribution Directive
- Enhanced the Group's relationship with Ofgem, the energy regulator
- Implemented the FCA's SMCR regime
- Contributed to the CMA's 'online platforms and digital advertising' study

Risk movement
Stable

Risk owner
Nick Edwards, Group General Counsel

Strategic

Comparison

The Group's GoCompare brand operates in highly competitive markets and generates a significant proportion of revenue from car and home insurance comparison.

Impact
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.

Mitigation
- GoCompare is well established in the price comparison sector
- Experienced customer acquisition team.
- Comprehensive mix of offline, online, brand and non-brand marketing activities to drive cost-effective and efficient customer acquisition
- Strong relationships with partners and product providers to drive value-led pricing strategies

Developments in 2019
- The Comparison vertical remains extremely competitive and is dominated by four key players, including GoCompare
- New incentive launched in July 2019 to offer consumers up to £250 free excess cover to differentiate the brand and provide consumers with a reason to choose GoCompare
- Outsourced the provision of pet and bike insurance comparison to continue key focus on developing car and home insurance comparison proposition
- Investment in data science capabilities, enhancement of customer journeys and underlying technology capabilities

Risk movement
Stable

Risk owner
Lee Griffin, CEO GoCompare

AutoSave

The Group has invested significantly in the domestic energy comparison and switching sector. Through the launch of weflip and acquisition of Look After My Bills, the Group is seeking to tackle customer inertia for these products.

Impact
A lack of suitable breadth of suppliers and partnerships, technology, effective customer acquisition strategies and consumer trust in the AutoSave concept may have a negative impact on market share, revenue and profit.

Mitigation
- Creation of the AutoSave segment to operate the weflip and LAMB brands in order to focus sector specific skills, knowledge and management in one location
- Separation of AutoSave marketing activity from the Group to enable sector specific approach

Developments in 2019
- Acquisition of LAMB to grow the AutoSave segment
- Continued development of SaveStack™, the Group's core technology platform, to support the AutoSave proposition
- Energy Partnerships team manages these relationships across all of the Group's energy comparison brands
- Work continues on aligning Energylinx and Look After My Bills to Group functions

Risk movement
New

Risk owner
Zoe Harris, CEO AutoSave

Rewards

The Rewards segment, which includes the MyVoucherCodes brand, increases the breadth of customers and savings opportunities within the Group although the voucher codes market is highly competitive.

Impact
Failure to develop and deliver compelling offers, maintain retailer panel strength and ensure a breadth of cost-effective marketing activities may have a negative effect on market share, revenue and profit.

Mitigation
- Rewards is fully integrated with the Group's support functions
- Dedicated marketing resource to provide bespoke solutions for Rewards

Developments in 2019
- Further strengthened the Rewards marketing team resource with leads for each of the key areas of marketing
- Dedicated Tech resource for continual improvement in content automation and accessibility of the website

Risk movement
Stable

Risk owner
Stefano Perino, VP Rewards

Principal Risks and Uncertainties continued

Managing our risks

Operational

Tech, innovation and customer expectations

The Group is reliant upon high-performing tech and data science solutions in order to meet customer expectations for performance and experience through their device of choice.

Impact
Insufficient investment in systems, databases, infrastructure and data science-led capabilities could lead to a negative impact on market share, revenue and profit.

Mitigation
- Comprehensive approach to development and testing across a wide range of devices and operating systems
- Flexible approach to change delivery, testing and release management
- Continued development in core tech infrastructure to support the Group's brands and platforms

Developments in 2019
- Recruitment of a new CTO
- Nearshore outsourcing proof of concept to increase pace of delivery in an efficient way and to supplement existing Tech team skills

Risk movement
Stable

Risk owner
Seb Chakraborty, Group CTO

People

The Group's success depends on its ability to attract, retain, motivate and develop people across the organisation. Performance is dependent on the industry, marketing and technical expertise of senior management and individuals at all levels within their teams.

Impact
A lack of experienced, skilled and motivated people at all levels may have a detrimental impact on business and financial performance.

Mitigation
- Skilled executive and senior leadership team with experience in running online brands and businesses
- Regular review of, and updates to, our reward packages
- Varied approach to talent acquisition.
- Regular employee engagement activities that result in action and change
- Evolutionary approach to working practices to take advantage of emerging best practice, challenges, learning and success within the Group

Developments in 2019
- Employee engagement survey completed by 99% of employees
- Action plans to address findings already underway
- Refresh of the annual performance management approach

Risk movement
Stable

Risk owner
Matthew Crummack, Group CEO

Cyber and data

The Group derives its revenue principally through online interaction by customers with partners. The Group is exposed to a variety of cyber threats including DDoS attacks, malware and hacking that may result in the compromise of commercial and customer data.

Impact
Failure to manage, mitigate and respond to cyber-related incidents may lead to the unavailability of services and the unauthorised access or loss of data, leading to reputational damage, regulatory intervention and a negative effect on market share, revenue and profit.

Mitigation
- Continuous monitoring of the cyber threat landscape
- Dedicated in-house information security resource
- Business continuity and service resilience capabilities are tested regularly
- Comprehensive cyber threat monitoring and alert systems
- Use of external cyber specialists to undertake regular testing of the Group's websites and tech infrastructure
- Group-wide Data Protection Officer in post
- Established incident response management procedures embedded across the Group

Developments in 2019
- Transfer of the GoCompare website to hybrid hosting arrangements
- Continued investment in cyber threat management solutions

Risk movement
Stable

Risk owner
Seb Chakraborty, Group CTO

Financial

The Group is exposed to a number of financial risks; principally credit risk, liquidity risk and interest rate risk. The Group is also subject to covenants on its lending facilities.

Impact
Failure to manage financial risks appropriately could lead to an adverse impact on the Group's financial performance and availability of cash.

Should the Group breach its lending covenants, its debt facility could be repayable immediately.

Mitigation
- Creditworthiness and due diligence checks on partners, suppliers and third parties
- Regular monitoring of debtors and managing prompt payment of these
- Cash flow forecasting and headroom monitoring to manage cash availability
- Regular and timely reporting of Group financial performance to the CFO, Executive team and Board

Developments in 2019
- The Group completed the refinancing of its debt facility
- Integration of all the Group's finance activities into head office
- Launch of new integrated finance, HR and payroll system across the Group
- Recruited to further strengthen the finance team to support Group functions

Risk movement
Stable

Risk owner
Nick Wrighton, Group CFO

Viability Statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code the Directors have assessed the Group's current position and prospects, principal and emerging risks and strategic plans.

The Board confirms that it has carried out a robust assessment of the principal and emerging 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 2022 as this is considered a reasonable timeframe. It gives the Board sufficient visibility on the future and the position of the Group within its markets. This period is fully covered by the Group's current financing arrangements, which mature in October 2023.

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 track-record of adopting a disciplined approach to balancing revenue growth and margin improvement, which has resulted in delivery of increased profitability and strong cash generation from the Price Comparison businesses in a competitive, fast-paced and changing environment. This has required agility and continuous improvement to meet the demands of changes to technology, product development, consumer behaviour and market conditions;
- the Group continuing to strengthen its Board and senior management team over the last 12 months, making key appointments to maintain and build on its current position;
- the Group's recent acquisition of This Is The Big Deal Limited (trading as Look After My Bills) and subsequent growth in the AutoSave segment provides further diversification of Group revenue; and
- the Group having successfully completed its refinancing in October 2019 which provided an increase in both the Revolving Credit Facility and in the leverage covenant and covers a 4-year term with an option to extend for a further year.

Sensitivity analysis has been undertaken to stress test the resilience of the Group's business model to identify the potential impact of the principal and emerging 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.

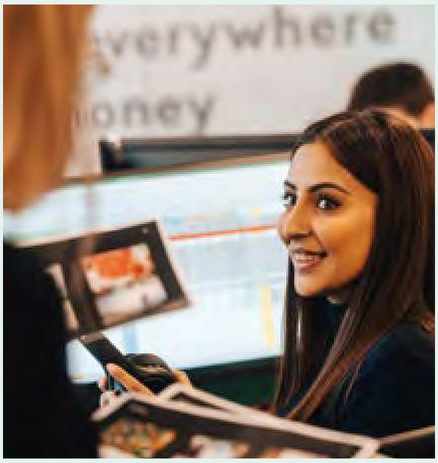
On the basis of this sensitivity analysis, combined with the business plan, financial forecasting and other matters taken into consideration the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and financial obligations as they fall due over the three-year period to 31 December 2022. The financial statements for the year ended 31 December 2019 have therefore been prepared on a going concern basis.

Corporate Social Responsibility

Working responsibly and sustainably

Summary

- GoCo Group is committed to using our data and technology platforms to save people time and money across all of our brands
- Removing hassle and ensuring access to better, more financially inclusive and sustainable products is at the heart of everything we do
- We are aligning our values and approach to the United Nations Sustainability Development Goals



“From supporting our local community to minimising our environmental impact, our aim is to ensure our actions have a positive impact on society.

Our sustainability commitments and ambitions underpin our actions across the Group. We are committed to adopting responsible business practices, delivering sustainable choices, making a difference and improving lives.

We are aligning our ambitions with our activities and initiatives across our functions; defining our targets and how we measure our progress against them; and driving an internal understanding and change within the Group.

Our values align to the United Nations Sustainability Development Goals (SDGs). This ensures that we are contributing to wider societal targets that will help us to achieve our mission of saving people time and money, everywhere.

Our customers

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Page 37

Our people

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY

Page 38

Our community

11 SUSTAINABLE CITIES AND COMMUNITIES

Page 39

Our environment

13 CLIMATE ACTION

Page 39

FTSE4Good

SUSTAINABLE DEVELOPMENT GOALS

Our customers

7 AFFORDABLE AND CLEAN ENERGY

Working towards affordable energy for all

£40m

AutoSave 2019 customer saving

Our AutoSave business is a key part of our strategy and is focused on bringing affordable and sustainable energy for the UK. We harness our technology to save people time and money on their energy bills and utilise data and insight to support customers on an ongoing basis, sustainably.

Through Look After My Bills and weflip, our AutoSave business has already helped over 300,000 customers save an average of £200 on their bills. The technological advances we have made in automated energy switching allow us to take the hassle out of switching for our customers; we are providing choice for customers and have a goal to bring affordability and sustainability to all UK households.

We are united by the belief that making saving easier will bring down bills for everyone, forever.

See AutoSave operational review: **Page 22**

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovating our industry

Innovation and disruption is key to how the Group operates. Utilising innovation to better serve our customers has been a fundamental belief of the Group since the launch of GoCompare 13 years ago. We were the first price comparison website to introduce Defaqto ratings, we continue our innovation to this day with the launch of our free £250 car insurance excess proposition and the growth of our disruptive AutoSave business.

GoCompare provides open-access to affordable policies. We are committed to improving customer experience and making saving easier. Our innovative £250 excess policy helps when the unexpected happens.

Internally we support innovation and technology through our Innovation Lab and our internal 24 hour hackathons.

Our innovative AutoSave brands have an accessible technology promoting sustainable switching. In 2019, weflip was named New Product of the Year at the Wales FinTech awards.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Transparent and responsible working

nil

fines or enforcement action

The Group's brands operate in a number of consumer markets, regulated by the Financial Conduct Authority (FCA), Ofgem, and also the Information Commissioner's Office (ICO) in relation to our approach to data related matters. All employees are expected to behave in such a way so as not to compromise the rules and regulations outlined.

We are committed to complying with all national, local and industrial laws and rules that affect us and our customers.

See Our Stakeholders: **Page 49**

Corporate Social Responsibility continued

Our people

3 GOOD HEALTH AND WELL-BEING

Health and wellbeing of our people

100%

post-parental leave retention rate

We are committed to encouraging a safe and pleasant working environment for all employees. We encourage a workplace where everyone is treated with dignity, respect and fair treatment. Our code of conduct policy helps benchmark this for all employees.

- Fully subsidised Company counsellor and 15 mental health first aiders
- All managers invited to undertake mental health training to support their teams
- Private healthcare for all
- Free flu jabs for all
- Enhanced parental leave
- Free fruit, healthy snacks and subsidised canteen
- Monthly workplace massages
- Subsidised metafit, circuits and yoga
- Staff sports teams
- Dedicated onsite health and wellbeing room for nursing mums, administering medication and a quiet area for prayer

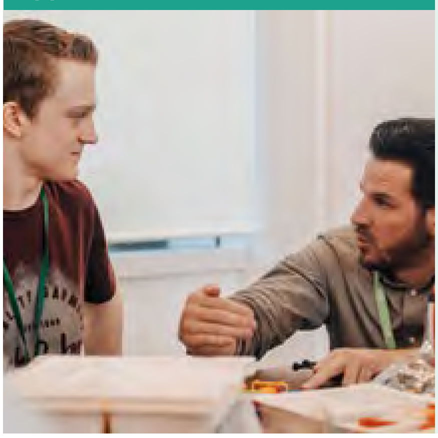
See Investing in Our People: **Pages 40 to 47**

4 QUALITY EDUCATION

Empowering our people

12,000

apprentice hours



Our GoFurther Academy has ambition to ensure inclusive and equitable quality education. We promote lifelong learning opportunities for all employees.

We are working hard to attract the next generation of STEM employees and reduce the skills gap in South Wales.

We know the importance of using our position as a leading tech employer in South Wales, and trained 30 staff to be STEM ambassadors in 2019. Passionate members of our workforce that share our vision of enhancing awareness of STEM within the education system, they are engaging our wider communities.

We sponsored the Applied Entrepreneurship module at Swansea University Business School, injecting money into the Swansea community by funding nine start-ups in 2019.

- Over £280,000 investment in GoFurther in 2019
- 10 X internal career changers
- Eight academic partnerships

See Investing in Our People: **Pages 40 to 47**

5 GENDER EQUALITY

Working towards achieving gender equality

- Whole organisation gender split 59% male: 41% female
- AutoSave leadership 50% male: 50% female
- Price Comparison leadership 56% male: 44% female

We have made tremendous strides in internal awareness of the gender gap and continue to work to ensure this improves. We implemented recruitment processes that remove gender and unconscious bias from job adverts and operate blind CVs in the short-listing process. We promote our inclusive working practices and operate equal pay across our businesses in like for like roles. We also strive to lead the way for women in tech, sponsoring Digital Women Wales, a monthly meet-up for women in tech, raising awareness of opportunities for women in Wales and the south west of England. We also sponsored a girl guiding cyber security badge for Brownies this year and have a wide commitment to empowering all women and girls.

In 2019 we celebrated LGBT+ history month, Pride Cymru, International Women's Day, International Men's Day, World Mental Health Day, International Day of Persons with Disabilities (IDPD), Mental Health Awareness Week, Children's Mental Health Week and Time to Talk day.

Different backgrounds, experiences and mindsets make for a productive, varied and effective workforce – not only is encouraging and supporting diversity and equality the right thing to do, it makes good business sense.

See Investing in Our People: **Pages 40 to 47**

Our community

11 SUSTAINABLE CITIES AND COMMUNITIES

Doing what's right, the GoCo way

+£45k

raised for local charities

See Investing in people: Pages 40 to 47

Our corporate social responsibility strategy is focused on adding value to the communities in which we live and work. As a long-term sustainable business, we want to do more to maximise the social value that we create. Our culture is based on individual accountability, we encourage our people to support and engage with local activities and charities. From sponsorship of grassroots sports clubs nominated by our people, to volunteering, our business is built on the foundation of giving back and helping those less fortunate. We have a dedicated charity committee, For The Greater Good, which helps coordinate our efforts. Over the year it has driven the following:

- GoCoGiving donated £1,500 each month to charities chosen by our people
- Over £45,000 raised for local charities
- 65+ nationwide and local charities supported

Our environment

13 CLIMATE ACTION

Tackling climate action

10.92

total tonnes recycled

Throughout 2019, we have undertaken a drive on waste, including internal education around recycling and placement of individual recycling containers at all breakout areas. Our goal is to ensure recycling is a seamless part of everyday life.

We are proud that throughout our offices, all food waste is sent to compost and not to landfill. This reduces our plastic mix and further energy consumption. In 2019, 10.92 tonnes of waste was recycled.

We are committed to reducing our single use plastic consumption, and are on a mission to become free from single use plastic for our onsite food production in 2020.

We are working alongside our parking provider, to provide staff with electric car charging points, and expect this to be in place mid-2020.

GoCo Group remains committed to better understanding our contribution to climate change and working collaboratively with stakeholders to reduce potential impacts.

We have an environmental policy which recognises our responsibility to the environment beyond legal and regulatory requirements. We are dedicated to reducing our environmental impact and continually improving our environmental performance as an integral part of our business strategy and operating methods, with regular review points. We encourage customers, suppliers and other stakeholders to do the same.

All our lights are on passive infrared sensors (PIRs), which ensures that lights are turned off when there is no movement – small, but important steps, to save energy and tackle the impact of our large office spaces. In our London office, we have installed LED lighting which will reduce our energy consumption going forward and this is something we aim to achieve Group-wide.

Total GHG emissions data for 1 January 2019 to 31 December 2019

GoCompare.com UK based international marketing services group	Tonnes of carbon dioxide equivalent (tCO_2e)				
Emissions from:	2016	2017	2018 (LB)	2018 (MB)	2019
Scope 1 – Combustion of fuel and operation of facilities	0.6	0.0	0.0	0.0	0.0
Scope 2 – Electricity, heat, steam, cooling purchased for own use	179.6	163.7	134.5	145.7	151.3
Company's chosen intensity measurement	tCO_2e/£mTurnover	tCO_2e/£mTurnover	tCO_2e/£mTurnover	tCO_2e/£mTurnover	tCO_2e/£mTurnover
tCO_2e/£mTurnover	1.27	1.10	0.88	0.96	0.99
tCO_2e/Employee	1.04	0.78	0.49	0.53	0.51
tCO_2e/m^2	0.07	0.06	0.04	0.04	0.05

Notes:
The scope of the GoCo Group emissions inventory extended to two additional offices in London and Alloa following our acquisitions. We are unable to track the energy use and/or carbon emissions from the leased office in Alloa and as such the associated emissions have not been included above and as such the intensity metric of employee number and occupied floor area have been adjusted to include the Newport and London offices only.
LB – Location Based Emissions; these figures should be used when comparing year on year emissions variations.
MB – Market Based Emissions.

Investing in Our People

#LifeAtGoCo

"Our people are what make us and that is why they are central to everything that we do. Our aim is to recruit, develop, engage and retain the best talent to allow us to continue in our mission to save people time and money.

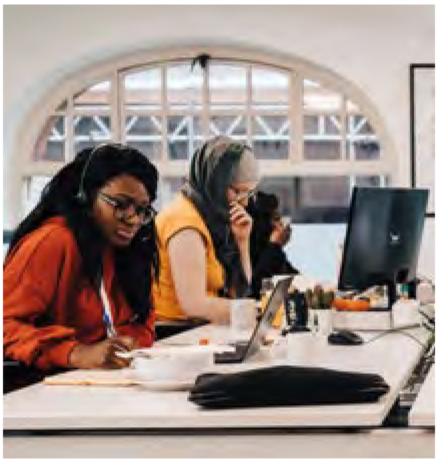
Alex Currie
VP of People and Talent, GoCo Group

£423,000

Total spend on learning and development

c.98%

of Group employees and NEDs undertook learning and development in 2019



Our people

Ensuring that our people were structured in the right way was of critical importance to us as we moved from a matrix management structure to brand segmented teams. The leadership team spent significant time on organisational design to ensure that each brand was organised in the most effective way and with the best talent in place to manage our ambitious strategy. As part of the organisational design work, new senior roles were created to ensure that appropriate levels of skill and knowledge were in place across core brand areas.

When it comes to learning, we are proud to invest heavily in the development of our people as it directly impacts our business capability. This ranges from soft skills support to bespoke designed programmes focusing on neuroscience and the benefits that can be driven from its use. During 2019 we worked in close collaboration with local higher educational providers to design and develop people development programmes that drive real value to the profit of the Group.

Welcome to the Group

In 2019 we welcomed Look After My Bills to GoCo Group. As was the case with our previous acquisitions, our aim was to integrate its team as quickly as possible but with minimal impact. During the first 90 days following acquisition, terms, benefits and processes were harmonised, allowing us to support the Look After My Bills team with a consistent and structured approach.

Our culture

We are proud of our culture and know that it takes a certain kind of someone to be a true GoCo'er. Our team are passionate about our mission to save people time and money, and actively seek to agitate the way that things have always been done in the hope of finding new and innovative ways of doing things. We fail fast but learn faster. We believe strongly that no one should feel ashamed of making mistakes so long as we learn from it and put that new-found knowledge to good use.

Our team are guided by our clear sense of purpose driven from our mission and vision.

Our move to a segmented brand-led approach gave us the opportunity to start thinking about how, whilst all brands within the Group have a savings thread that holds them together, each has its own micro-culture and nuances that help guide the way that things are done. Work continues into 2020 on defining these micro-cultures and harnessing the sense of belonging that they bring to our teams.

Engagement is where it's at

Having a team that is engaged with our business, its mission, its vision, its customers and their roles is not just best practice, but also makes sound business sense. We spend significant time and resource ensuring that we have engagement from across the Group through structured communication and events.

We actively seek to engage at all levels of the Group through:

- **Board and leadership visibility**
  Our NEDs are regular visitors onsite, holding one-on-one meetings, Group learn sessions and talks. Our Executive Directors and broader leadership team also host regular employee touch-point sessions.
- **Regular communication**
  From offsite strategy days to regular all-hands meetings, communication is key for us in ensuring that our teams remain engaged with what is going on.
- **Role design**
  We invest significant time in role design to ensure our teams feel stretched and challenged in their day-to-day role.

> GoCo has supported me to study and sit four accountancy exams this year! My team are really supportive offering advice and support through the modules.

Kevin
Studying ACCA

> I am delighted that GoCo invested in me through this course. Automated testing has been on the agenda for some time and this course gave me insights into how to make future decisions around test automation at GoCompare.

Jude
ISTQB Certified Tester, Advanced Level

> I am given one day off a fortnight to attend college, it gave me a massive confidence boost in my abilities because my manager thought I was worth investing in and makes me feel there is a long-term future for me at GoCo.

Jess
Studying CIPD level 5 at college

> I took two weeks initially and then spread the other two weeks over the rest of the year. It's great to have this flexibility and support from my employer, enabling me to spend more time with the baby over a longer period of time.

Mike
Four weeks paid paternity leave

> Before I interviewed, GoCo was upfront about its flexible working policies and offered me the opportunity to work condensed hours to accommodate my life outside of work – flexible working is adopted as the norm at GoCo.

Tori
Flexible working pattern

Investing in Our People continued

Doing what's right, the GoCo way

We can't get enough of giving at GoCo Group and 2019 was no exception. From marathon running to blood donations, Tough Mudder to our annual Christmas toy appeal. If there's one thing a GoCo'er can get behind, it's charity.

Tough Mudder, where the team battled the obstacles to raise over £1,500 for Help for Heroes.

GoCompare FOR THE GREATER GOOD #4tgg

£10k

raised for NSPCC Cymru

+£45k

donated to charities in 2019

65+

national and local charities supported

Upping the ante on 2018, our CEO, Matthew Crummack, joined several of our colleagues to run the 2019 Newport marathon. Never one to do things by halves, Matthew ran the 26.2 mile course in an inflatable Gio Compario suit branded with sponsored partner logos. Matthew and the team put in a sterling effort, raising over £10,000 for NSPCC Cymru.

Our budding charitable athletes went on to participate in the St David's Foundation Tour de Gwent, cycling the beautiful hills and mountains of South Wales and raising £2,500 for the Foundation. For those who weren't up for a two-wheel adventure, there was always Tough Mudder, where the team battled the obstacles to raise over £1,500 for Help for Heroes.

As well as physical involvement, the team have sponsored a number of employees involved in grassroots sports clubs with kit, equipment and transport.

#4TGG

Our For the Greater Good Committee has been busy during 2019 helping people less fortunate than most. With everything from organising regular food bank donations and volunteering sessions to our monthly staff charity of choice giveaway where we pledge £1,500 to causes close to our colleagues' hearts.

The team have helped support in excess of 65 national and local charities with various initiatives.

Health and wellbeing

We offer a diverse range of health and wellbeing activities to ensure our people are healthy in body, mind and spirit. From social and fitness groups including cycling, climbing, walking, running, football, metafit and circuit training to awareness campaigns discussing the impacts of alcoholism, breast cancer awareness and mental health. During 2019 we continued to provide free flu jabs, private medical cover for all staff, workplace massages, eyecare vouchers and onsite Welsh Blood Service blood donations.

Diversity

We recognise both the benefit and power of a rich and diverse workforce and creating an environment where everybody feels as though they can be their authentic self. This year we have continued to work on our own diversity and inclusion initiatives internally, whilst still supporting external movements and support groups.

Gender diversity

As part of our continued commitment to increasing the acquisition and development of gender diversity, we have continued to utilise blind CVs, gender language software and data-driven assessment methods to ensure everyone is assessed fairly and on an even footing.

Our benchmarking, succession planning and talent management frameworks also require our managers to focus on the issue of gender diversity and challenge their thinking.

To further crystallise our commitment to driving diversity across the Group, we launched and headline sponsored the initiative, Digital Women Wales. This is a monthly meet-up in conjunction with tech enablers, Innovation Point, across the South Wales community. We are committed to building a strong, visible support network available to those women who want to be a part of our industry across Wales. The event regularly subscribes to capacity with attendance in the region of 60-70 people.

We have showcased how we support our initiatives and working practices such as how to effectively support flexible working and accelerating your career through employee speaker slots from data through to marketing departments.

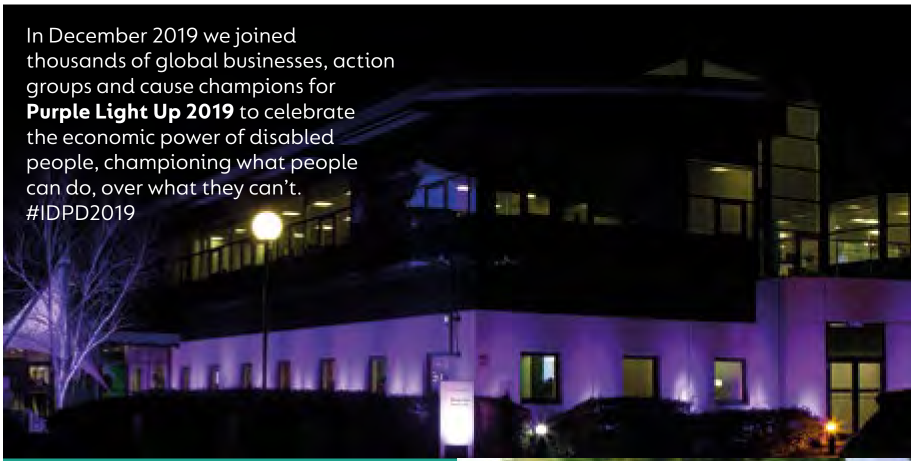
Mental health and disability

2019 was the year of mental health awareness and support. From mental health awareness training for managers across the Group to open-door therapy sessions with qualified counsellors as part of the Time to Talk campaign. The team stepped up their approach to tackling mental health and support in the workplace. Some of the team took part in mental health first aid training whilst others joined staff from across the Group to undertake our fully-funded MoodMaster programme designed to proactively support our employees with good mental health.

Raising awareness and championing the issues of under-represented groups is also something we are passionate about. In December 2019 we joined thousands of businesses, action groups and cause champions for Purple Light Up 2019 to celebrate the economic power of disabled people. Different backgrounds, experiences and mindsets make for a productive, varied and effective workforce – not only is encouraging and supporting diversity the right thing to do, it makes good business sense. Joining the Purple Light Up was our way of showing solidarity with this important cause; one that reflects our Company values and champions what people can do, over what they can't.

Pride

Throughout February we joined thousands of businesses to stand shoulder to shoulder with our LGBTQ+ colleagues to fly the flag in recognition of LGBTQ+ history month. Later in the year, some of the team draped themselves in the rainbow flag and joined the parade to celebrate each other's uniqueness.



In December 2019 we joined thousands of global businesses, action groups and cause champions for **Purple Light Up 2019** to celebrate the economic power of disabled people, championing what people can do, over what they can't. #IDPD2019

Our CEO, Matthew Crummack, joined several of our colleagues to run 26.2 miles in a partner-sponsored inflatable Gio Compario suit at the **Newport marathon**. Collectively, they raised over £10,000 for NSPCC Cymru!

At GoCo we celebrate everyone's uniqueness and diversity in the workplace, and encourage everyone to be their authentic selves at work. We feel strongly that we should raise awareness of LGBTQ+ rights and attending **Pride Cymru** is one of the ways we do this. #ProudToBeMe

Over 25 staff took part in the 2019 **Tour de Gwent.** Cycling various distances – up to 93 miles – around south east Wales. Collectively, they raised money for local hospice, the St David's Hospice Foundation Care.

Investing in Our People continued

GoFurther – the home of homegrown talent

"

It's exciting to look back at what we've achieved since launching the GoFurther Academy 12 months ago: expanding partnerships with colleges, schools and universities has given opportunities to local talent, whilst continuing to see the benefits of our investment in the great team we already have at GoCo Group.

Alex Currie
VP of People and Talent, GoCo Group plc

In just over 12 months we have achieved so much...

8

Academic partnerships

1st

Cyber security internship

£280,000

investment in the GoFurther Academy

In a little over a year, the GoFurther Academy has evolved from an initial pilot scheme focused on addressing the skills gap to the winner of a Highly Commended Academic Programme award at the FinTech Wales Awards 2019.

As access to entry-level talent becomes increasingly difficult, we continue to invest heavily in innovative, creative, progressive and exciting roles, ensuring that GoCo Group plays its role in addressing the tech skills gap. At the outset of the GoFurther Academy we committed ourselves to four key areas: apprenticeships, internships, graduate schemes and work placements.

Throughout the past year, we have spoken to a number of prospective candidates for our degree apprenticeship programme who are either self-taught coders or have dabbled with tech in the past but were looking to retrain in a more structured setting. So as not to rest on our laurels, and in the spirit of continual improvement, we continue to build on the academy foundations laid out in 2018 and have added a fifth key area of focus: career changers.

Sponsored degree apprenticeship

A year on...
Last year saw the GoFurther Academy kick-start our first-ever degree apprenticeship in partnership with Aston University. Five local students joined GoCompare as Trainee Software Engineers alongside studying for a BSc Hons in Digital and Technology Solutions. A year on and all five have passed their first-year exams with flying colours and have well and truly embedded themselves within our engineering department.

"

The past year since starting the degree apprenticeship has flown by. I love working at GoCompare, I can't believe how much I've already learnt and grown as a person and I can't wait to see what the next year will bring.

Hayley Simpson, 22, Cardiff

"

This year has been very inspirational as I have been able to meet a variety of important people inside and outside of work. The apprenticeship at GoCompare has been such an amazing opportunity for me to be able to grow as a person and to be able to gain loads of technical knowledge from people at different stages of their career.

Rifath Ahmed, 25, Bristol

Welcome to the class of 2019

This year the GoFurther Academy partnered with Swansea University to provide the degree portion of our degree apprenticeship. Swansea University, the top-ranked university in Wales in the Times University of the Year 2019, boasts the latest high-quality teaching and research equipment in a brand new £32.5m Computational Foundry.

We had an overwhelming response to our advertisement for our second year of degree apprentices, with close to 200 applications for five spaces. After interviewing 40 shortlisted candidates, we worked with Swansea University to whittle it down to our class of 2019.

Fran

Tell us a bit about yourself.
I am originally from Italy and I've been living in the UK for five years. I came to the UK to do a master's degree in Politics, Media and Performance at Aberystwyth University, after completing a bachelor degree in what is known in Italy as Modern Letters.

What were your thoughts when you first heard about the opportunity?
My first thoughts were: "I am definitely too old, and I don't have the right background to get this position!" I was slightly intimidated because of my background and lack of conventional training.

What does it mean to you being successful and on the course?
I gained a great deal of confidence in my ability to show my commitment and enthusiasm. I feel that, more than ever before, I have been able to communicate the things that are important to me. Starting this course and this journey also means that I can concentrate on building knowledge on an everyday basis without too many distractions. Being able to work with what you are studying is a great privilege, and as someone who has always funded her studies with jobs that were unrelated to the subjects studied, this route gives you a great advantage!

Why GoCompare?
The difference between a company that goes forward and one that stays behind is believing and scouting talent. In the first week we were made aware of all the steps that the Company takes to make sure its employees are happy, stimulated and well trained on any aspect of the fast-growing technology that makes the business thrive.

Benjamin

What were your thoughts when you first heard about the opportunity?
I had just started my second year of A-Levels when I first heard about the opportunity. Everyone in my Sixth Form was applying to university and there was an overall focus on the students being encouraged to go to university.

I had never been fussed about furthering my education through the traditional university route (due to the debt incurred, no workplace skills and no regular income) but at the time it didn't feel like there were many other options available. I started applying for higher apprenticeships, but degree apprenticeships seemed hard to come by.

When I saw that GoCompare was advertising a degree apprenticeship I saw it as a great opportunity to start my career in software development.

What does it mean to you being successful and on the course?
My main ambition over the last few years, was to get on a program like this. Better yet at a company like GoCompare – which gives its staff a huge amount of support from day one. To me, it means that I can focus on working towards getting my degree whilst also learning invaluable workplace skills and getting myself ready for a kick-started career.

Why GoCompare?
Having gone through numerous recruitment processes, seeing what qualifications were at hand, what the Company itself offered to my individual growth and development, and doing some research, I chose GoCompare because I felt it was the company in which I would benefit most as an individual whilst also feeling valued in my role. I also felt that GoCompare had more to offer than just the competitive salary and benefits pack which made the decision a no-brainer.

Investing in Our People continued

GoFurther – the home of homegrown talent continued

Internships

Landing your first job out of university is a tough learning curve for recent graduates with limited work experience, and often, a resource drain on their teammates to get them up to speed on work environment basics.

We have seen first-hand the benefit of soft skills being favoured over technical skills in graduate employees. Skills such as communication, problem solving and teamwork can all be acquired through an internship. This has ultimately led to a boom of internship opportunities available industry-wide as a means of pipelining work-ready early careers talent.

Jamie Pine,
Junior Cyber Security Engineer

Jamie Pine started 2019 on our first cyber security internship through the GoFurther Academy to complement his undergraduate studies exploring the world of cyber. Jamie's keen interest in finding out, and applying, how businesses combat cyber security issues led him from intern to a full-time role at GoCompare.

Graduate schemes

The GoFurther Academy teamed up with the Welsh Contact Centre Forum to aid the education of the next generation of data scientists.

The initiative included other data-driven, well-established Welsh companies involved as the employer that the graduates work for four days a week alongside studying an MSc in Data Science at the University of South Wales.

GoCompare agreed to host two people per eight-month rotation. The first rotation saw Gerard Church win Best New Talent at the Wales Technology Awards. We then welcomed Kieran Billingham and Chelsea Brain to join us for rotation two. Both Kieran and Chelsea have been an asset to our data science provision since day one, and we are delighted to have offered them both full-time employment as Junior Data Scientists upon completion of their masters.

> "The training, encouragement and nurturing of talent involved in the data science programme is something that GoCo Group and the data science team takes very seriously. We believe it is important to give something back to the community, by supporting and accelerating the data science talent pool in South Wales.
>
> **Natalie Jakomis**
> Group Director of Data

Work placements

We're delighted to have launched a first-of-a-kind work exchange programme with our London-based technology partner Rackspace. The pilot programme saw two of our degree apprentices spend two weeks with Rackspace at its 'Rackspace University', learning all about the world of infrastructure. We replicated this and had two Rackers on our work exchange programme 'GoDiscover' in November 2019.

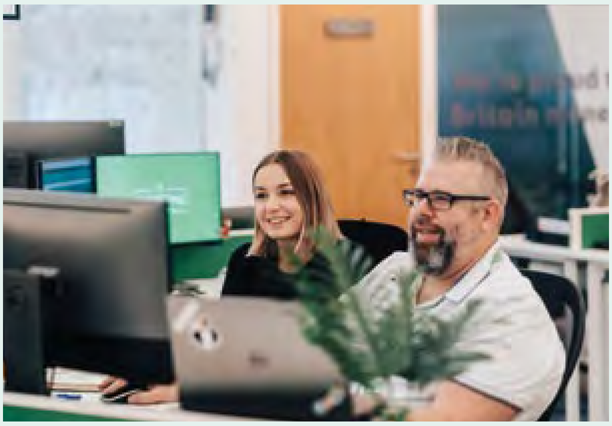
Our new GoDiscover programme allows apprentices and graduates from our partners to immerse themselves in the GoCo Group business and culture for a fortnight, which is proving to be invaluable experience for our junior employees.

Career changers

It's not just about furthering our talent in technology disciplines.

This year we have started to focus on career changers, and are looking forward to exploring this area of people development over the coming months. There is a wealth of stats depicting the high percentage of the population that want to change careers. The challenge here is two pronged. How do employers keep the talent that they have in-house, and how do we support external talent in sectors that they may not have had previous experience in?

This year we have seen colleagues from marketing backgrounds move into our people team. We've supported a customer service assistant to upskill and join our front-line tech team. And we have recruited science and maths undergrads with no data science experience to join us as full-time employees in our data science team. The GoFurther Academy team are on a mission to make sure that those with the right transferable skills, attitude and aptitude find themselves in the careers they want to be in.



Emma Coombes
Legal Assistant

How long have you worked at GoCompare?
I've worked at GoCompare for three years. I started as a Customer Service and Complaints Assistant, which I did for two years. Then I became a Business Service Advisor, where I concentrated on obtaining quality and accurate data from our insurance partners. This year I moved to the legal team as a Legal Assistant.

What got you interested in law?
I really enjoyed law as a subject in school, when an incident occurred whereby I felt justice was not done. This made me want to learn about the English and Welsh legal system more and gave me the utmost respect for the law.

Reading law can be difficult and complex, which is why I love it! I like the challenge of figuring out the true meaning intended.

Did you feel supported by GoCompare to study whilst working here?
I felt very supported by GoCompare to study whilst working. The flexible working policy meant I could go to the University of South Wales one day a week to complete the Legal Practice Course. My manager was very supportive, especially when it came to exam periods and I needed to take various days as annual leave or change my university day off.

The VP of Governance provided mentoring to me during my studies. I am proud to have qualified whilst working at GoCompare. I am grateful they encouraged and supported my ambition to become a solicitor.

Did you feel supported to move from your current role to the legal team?
Both my manager and the VP of Governance were very supportive of my move to the legal team. The transition was made easier as it was gradual. I trained someone to complete my role in customer services whilst starting to attend legal team meetings. This made my move over that bit smoother as I already felt included.

What does it mean to you to be able to continue working at GoCompare and move departments?
GoCompare has been a great company to work for so it would have been very hard to leave! The fact I can gain the experience in the field I want to go into and stay within the Company is more than I could have hoped for. I'm very grateful to have been given such a fantastic opportunity and to gain such invaluable experience.

Our Stakeholders

Engaging with our stakeholders

We have a unique network of stakeholder relationships which helps set us apart. We value these relationships as they are fundamental to achieving our objectives in our mission to continue to build a unique and sustainable business.

Supporting the ethos of Section 172

As a Board, we believe in leading by example – setting the highest possible standards for conduct and behaviour for our colleagues, employees, customers and partners. We understand that our business can only grow and prosper over the longer term if we understand and respect the views and needs of our customers, colleagues and communities in which we operate, and our shareholders and partners to whom we are accountable.

We acknowledge that the decisions and actions we take must have the utmost best intentions behind them. We believe this helps and not hinders us to deliver on our strategy. Additionally, adhering to FCA regulations means we, as the Board, foster a cooperative and proactive working relationship with industry regulators to further ensure that the highest standards are met.

On these pages, we outline examples of how the Board considered all stakeholders when making key decisions during the year. Consideration of the long-term impact of decisions is integral to the approval and development of our strategy, and our strategic progress in FY2019 is disclosed with the Board activities over the year on page 63.

In summary, as outlined under Section 172 of the Companies Act 2006 in the UK, a director of a company must act in the way they consider is in good faith and would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, among other matters, to the:

- Likely consequences of any decisions in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Company' reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

Shareholders

What matters:

- Financial and social performance
- Business model and strategy
- Dividends
- Longevity & sustainability

How and why we engage:

During the year, the CEO and CFO took time to meet with existing shareholders and potential new shareholders through formal events, investor roadshows, small group discussions and one-to-one investor meetings. The Chairman also met both individual shareholders and large institutional investors to discuss Group strategy and aspects of the business.

The Company's 2019 AGM and proposed resolutions were well received, with a key shareholder communication programme implemented prior to the event.

At the 2020 AGM, we will be requesting approval for a new Directors' Remuneration Policy and we will engage with shareholders to ensure that their views are taken into consideration when formalising this Policy.

The Investor Relations team along with the CEO and CFO, maintain a regular dialogue with key institutional investors. Over the year, the team met with over 100 investors and participated in three roadshows, in the UK and US, and attended five investor conferences, including two internationally.

With this being our fourth year since listing on the London Stock Exchange, our shareholder base and thus our shareholder engagement increases.

Customers

What matters:

- Product range and price
- Platform accessibility and usability
- Customer service
- Security of personal data
- Longevity and sustainability

How and why we engage:

We are continually investing in the business, reviewing new opportunities and growing our offerings to enable our customers to make better educated and more informed choices, helping them to reduce their overall bills and costs, whether it be car insurance, financial health or utility bills.

Our businesses utilise powerful tools which enable us to achieve our goals which in turn help our customers save time and money – analysing thousands of products from hundreds of suppliers to find the best product to suit the customer's goals, lifestyle and pocket. We continually develop our technologies to give us the competitive edge and truly place our customers first.

Technology is about ensuring smooth interaction and everything we do is developed from a customer's point of view, taking into consideration customer behaviours and trends. Appreciating that our customers lead busy lives, we use our technology to make things simple and clear to understand.

Suppliers & Partners

What matters:
- Fair deals and payment terms
- Long-term partnerships
- Sustainable and collaborative working relationships

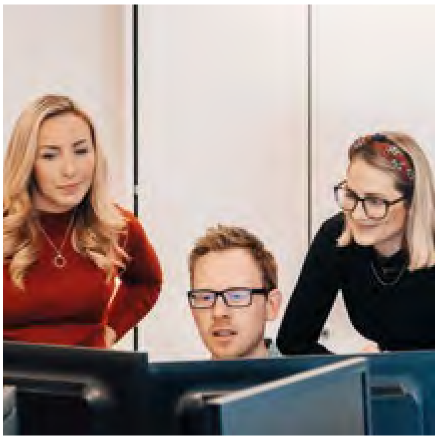
How and why we engage:
We rely on several key suppliers and partners to provide business-critical infrastructure services and certain outsourced operations. It is through these key relationships with our suppliers and partners that we can offer a wide and ever-changing range of services and products to our customers.

Conversely, we are a significant source of engaged and motivated customers for our partners.

We work closely with our large panel of insurance providers to bring to the market the best breadth of products for our customers to choose from. We continuously challenge ourselves and our partners to work collaboratively to identify ways in which we can use our data and insight capabilities to improve pricing and targeted offers for customers. Over the past two years we have also collaborated on fraud prevention and detection, and have taken a leading role within the industry on this topic.

In consideration of our full supply chain, we take our responsibilities seriously in regard to the Modern Slavery Act 2015 and introduced our Anti-Slavery and Human Trafficking Policy and revealed the accompanying statement on our website. All employees are required to read and confirm their understanding of this annually. This policy goes hand-in-hand with our Whistleblowing Policy, under which, employees are encouraged to report any signs of abuse and wrong doing in the Company.

Regulators



What matters:
- Regulators are positively pre disposed towards the Group's comparison services, savings opportunities and where regular switching remains a challenge
- Proactive and ongoing engagement
- Timely and informative involvement in requests for information, thematic reviews and responses to consultations
- Focus on developing products and services that promote regular switching and deliver good outcomes for customers, partners and other stakeholders

How and why we engage:
The Group's brands operate in a number of consumer markets, regulated by the Financial Conduct Authority (FCA), Ofgem, and also the Information Commissioner's Office (ICO) in relation to our approach to data related matters.

We regularly engage with the regulators to better understand and respond to their views and concerns and receive feedback on our ways of working. We maintain a close relationship with the FCA to ensure that we are constantly upholding the highest standards in the way we work in the financial services sector. In 2019, we contributed towards the FCA's pricing practices for home and motor insurance, our work on achieving compliance with the Insurance Distribution Directive and implementation of the Senior Manager and Certification Regime (SMCR).

Energylinx engages regularly with Ofgem to ensure energy comparison services comply with the Confidence Code and applicable energy Standard Licence Conditions.

The Board is kept informed of all discussions with the FCA as well as with other regulators through regular Compliance and Risk updates.

Employees

What matters:
- Opportunities for training, progression and development
- Agile and flexible manner of working
- Opportunity to share ideas and opinions
- Diversity and inclusion
- Working for an ethical and responsible business
- Competitive pay and benefits

How and why we engage:
Our employees truly are our most prized asset. Our people have drive and experience that is second to none and we offer them plenty of free-thinking space, fostering an entrepreneurial spirit.

Our working spaces are completely open, with our colleagues sitting amongst our Executive team, allowing an open, collegiate and free-thinking environment where everyone is treated the same, no matter their position. Our distinctive businesses hold regular 'huddles' for updates and receive updates as necessary from senior management and the Board on the Group's overall progress.

See Investing in Our People:
Pages 40 to 47

Our Stakeholders continued

Case study

FCA

	Throughout the year, the Group takes an active role in engaging with the FCA through various studies and reviews in the insurance industry. We provide input both on a proactive and reactive basis with the aim of helping the FCA develop strategies that can best protect the consumer through the complicated world of their household spending. Our aim is to support the FCA in their goal to make financial markets work well so consumers get a fair deal.
Q1 to Q2	General Insurance Pricing Practices: request for information to support the FCA market study, comprising an initial request for information and follow-up reviews. The business also took the opportunity of meeting with the FCA in June, to present our views and input into the study.
Q1 to Q4	Insurance Distribution Directive (IDD) We engaged with the FCA as part of our ongoing implementation of IDD. This included correspondence, conference calls and face-to-face meetings to ensure the FCA was kept up to date on progress and to ensure that our approach reflected any feedback received from the regulator.
Q1	Identification and Fair Treatment of Vulnerable Customers: GoCompare participated in PwC research interview on the behalf of the FCA.
Q2	FCA request for tariff data for calculation of fees and levies payable.
Q4	Strategy meeting with the FCA: meeting to discuss the Group's strategy and how it can support the FCA's business plan relating to 'Innovation, Data and Data Ethics'.

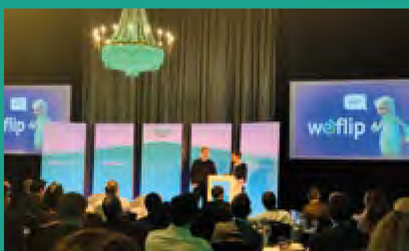
Case study

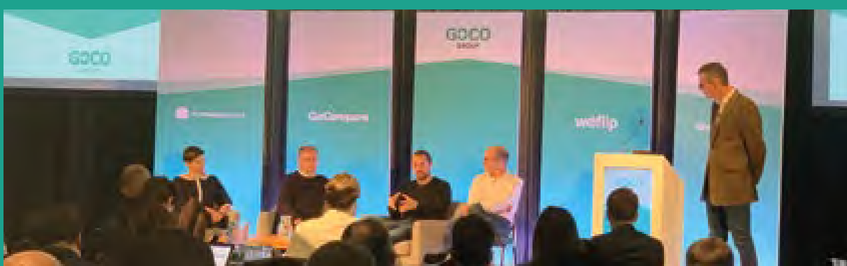
Capital Markets Day

The Group held its first Capital Markets Day for investors and analysts on 20 March 2019.

This was hosted by Matthew Crummack, CEO, with members of the Executive and senior leadership team, including Lee Griffin, Zoe Harris and Nick Wrighton.

It was attended by over 60 investors and analysts, and provided further information on the Group's businesses and strategy. As well as covering the core GoCompare business, the event went into further detail on our AutoSave strategy and the SaveStack™ technology platform that underpins the Group.





Our activities throughout the year

Investor events		Results, reports and presentations
	Jan 2019	
	Feb 2019	2018 Full Year Results
	Mar 2019	GoCo Group Capital Markets Day
	Apr 2019	
	May 2019	GoCo Group AGM
Barclays European Internet Conference Peel Hunt TMT Conference	Jun 2019	
	Jul 2019	2019 Interim Results Acquisition of Look After My Bills
	Aug 2019	
	Sep 2019	RNS: AutoSave live customers surpass 220,000
Berenberg UK Opportunities Conference	Oct 2019	RNS: Refinancing of Group debt facilities
Morgan Stanley European TMT Conference	Nov 2019	
Stifel UK Internet Conference	Dec 2019	

Non-Financial Information Statement

Doing the right thing

GoCo Group plc complies with the requirements of sections 414CA and 414CB of the Companies Act 2006 and the 2018 Non-Financial Reporting Directive by including certain non-financial information within the Strategic Report. The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters.

Reporting requirement	Where to find further information for a better understanding of our business	Relevant information
Environmental matters	Pages 36 to 39	
Employees	Employee Handbook, which includes: • Code of Conduct • Whistleblowing Policy	Operating responsibly for our stakeholders – Investing in our people
Social matters	Pages 36 to 39	Operating responsibly for our stakeholders
Anti-bribery and corruption	Employee Handbook, which includes: • Anti-Bribery and Corruption Policy • Code of Conduct	Operating responsibly for our stakeholders
Human rights	• Modern Slavery Statement • Data governance • Privacy	Operating responsibly for our stakeholders
Business model	Pages 10 to 11	
Principal risks	Pages 30 to 35	
Non-financial KPIs	Page 13	

Chairman's Corporate Governance Statement

Aligning governance with our strategy

Dear Shareholder

On behalf of the Board, I am pleased to present the Group's Corporate Governance Report for the financial year ended 31 December 2019.

Board changes

We were delighted to appoint Nick Hugh as a Non-Executive Director in February 2019. Nick was formerly appointed to the Board following approval by the shareholders in May 2019. I am pleased to report that Nick has integrated well and contributes fully to Board discussions and helps to provide support and constructive challenge to management. Further information on succession planning and the Board appointment can be found in the Nomination Committee Report on pages 64 to 65 and Nick's biography, together with biographies for the rest of the Board, can be found on page 54.

Enhancing governance

We have continued to develop our governance processes and are reporting this year against the requirements of the 2018 UK Corporate Governance Code (the Code) and compliance with the Code is set out on page 53, applying to the financial year beginning 1 January 2019. The Corporate Governance Report, incorporating the reports of the Audit and Risk, Nomination and Remuneration Committees respectively, describes how the Group has applied the main principles and complied with the relevant provisions of the Code or has explained if and where provisions have not been complied with. The Code is publicly available at www.frc.org.uk.

Wider workforce engagement and a diverse workforce

When considering the methods for engagement with the wider workforce, the Board considered at length each of the potential arrangements referenced as being appropriate in the Code. The Board ultimately decided that each Board member should have responsibility for workforce engagement. This approach was felt to be most consistent with and reflective of the open culture fostered and endorsed by the Board since listing in 2016 and would continue to ensure that all employees have the opportunity and feel able to speak up.

The Group's Wider Workforce Engagement programme has continued to be developed throughout the year to ensure that the Board receives focused information to help increase its understanding of employee views and opinions. Further information on how the Board has engaged with the wider workforce can be found on page 61.

Diverse leadership

Since listing, GoCo has championed the benefits of diversity. Our Board has consistently had over 30% female representation and as at the date of this report, we are pleased that female Directors comprise 33% of our Board. In addition, we are compliant with the targets of the Parker and Hampton-Alexander reviews.

On a wider Group level, the Board has continued to oversee the Group's diversity initiatives as part of the Wider Workforce Engagement programme.

Our culture

Our industry is competitive and fast moving and to be successful it is vital that we foster a culture that identifies and recruits potential, helps to develop individuals, retains highly talented people and rewards success. During 2019 we continued to develop a range of initiatives designed to ensure a successful and progressive working culture across each of our unique businesses and offices, which is aligned to our value as a business and links in to our strategic objectives, as outlined on page 12.

Shareholder engagement

In early 2019, prior to our AGM, Angela Seymour-Jackson, Chair of our Remuneration Committee, undertook a shareholder consultation exercise in relation to the Remuneration Report Resolution and we were delighted that many of our shareholders took the time to share their views. The resolution ultimately received strong support at the subsequent AGM in May 2019, although we do recognise and are disappointed that a number of shareholders felt unable to support the resolution.

We will be seeking approval for a new Directors' Remuneration Policy at our AGM in 2020, in line with the normal cycle for renewal. As part of the development of the new Policy, Angela Seymour-Jackson has once again undertaken a consultation exercise and held meetings with many of our larger shareholders whose views have been taken into consideration when developing our Remuneration Policy. The Policy will put for shareholder approval at the 2020 AGM. More information on the proposed Directors' Remuneration Policy can be found on pages 70 to 89.

I would like to thank our shareholders for their engagement and constructive feedback over the past year. We continue to be committed to maintaining ongoing dialogue with our shareholders and to proactively addressing any issues in a timely manner.

Board evaluation

In late 2019 we held our first externally facilitated Board evaluation since we listed in 2016, which was conducted by Jon Edis-Bates Associates. I am pleased to report that the conclusion was that the Board and Committees were found to be operating effectively. As a Board, we continue to recognise the value of objective findings and areas of improvement. More information on the evaluation process can be found on page 60 to 61.

The Board views the Group's effective governance framework as an essential pillar of the Group's core values, in turn underpinning the overall strategic direction of the Group.

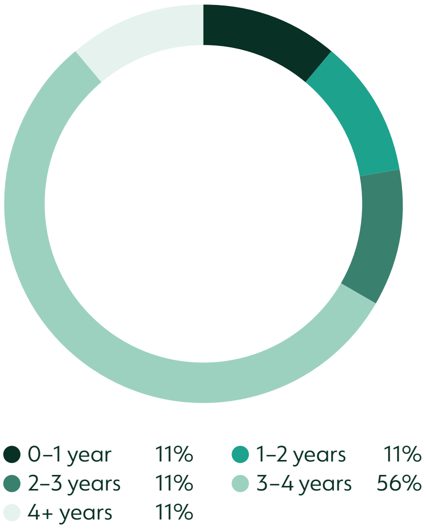
The year ahead

We remain a fast-paced and tech-focused business, which is set on helping our customers find the best deals for them and their lifestyles. Through everything we do, from the way we think and work, to the rules and regulations put in place to help us achieve our best in a safe and secure manner, we are aligned with our values to help people everywhere save time and money.

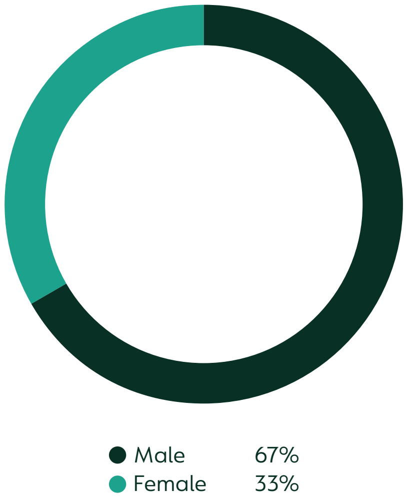
I would like to take this opportunity to thank our shareholders for their support.

Sir Peter Wood
Chairman

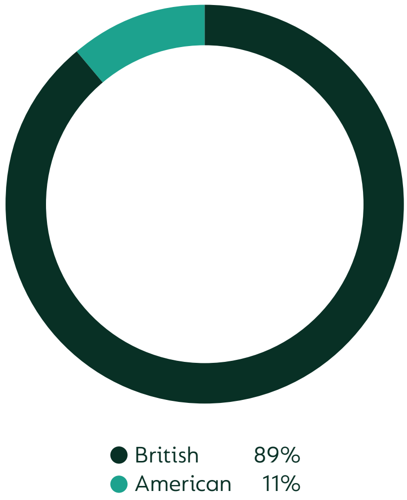
Director tenure



Male/female



Nationality



Governance and Compliance Statement

This report sets out how the Group applied the principles of the 2018 UK Corporate Governance Code (the Code) and complied with the provisions of the Code between 1 January 2019 and 31 December 2019. Where any provisions were not complied with, we have explained why this is so.

The Board believes that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. It provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The information in the Strategic Report on the Group's strategy and business model set out on pages 10 to 11 and the key performance indicators that we use to measure both financial and non-financial performance meet this requirement.

In this report we have used the core principles of the Code as the framework to explain our governance practices. You can find further information on each of the principles in the table below.

Leadership and purpose	**Division of responsibilities**	**Composition, succession and evaluation**	**Audit, risk and internal control**	**Remuneration**
Focus on strategy and its execution, showcasing culture	Highly experienced, open-minded and effective Board	Diverse, entrepreneurial and collegiate Board	Financial health, business risks and control mechanisms	Oversight of executive and non-executive remuneration
Page 58	Pages 59 to 62	Pages 64 to 65	Pages 66 to 69	Pages 70 to 89

The Board

Experienced leadership

GoCo's Board members are highly experienced, with relevant skills and knowledge obtained from a wide range of industries and professions

Sir Peter Wood, CBE
Chairman

Committee memberships

N

Board appointment
Appointed as Chairman of GoCompare in September 2016.

Key strengths
Sir Peter has many years of experience founding and leading insurance organisations. He has long-standing UK plc experience and is GoCo's largest shareholder.

Career and experience
Sir Peter founded esure in February 2000, serving as Chief Executive Officer from April 2006 until February 2012. Previously, Sir Peter founded the Direct Line general insurance business in 1985. Sir Peter 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. Sir Peter retired as Chairman of Direct Line in June 1997. During the 1990s, Sir Peter also served as a director of Bankinter SA in Spain and founded three other insurance companies around the world, including Linea Directa Aseguradora, a company serving the Spanish direct insurance market. Sir Peter also founded Privilege Insurance with Royal Bank of Scotland.

Between 1996 and 2000, Sir Peter was a Non-Executive Director of Centrica plc. In 1998, he was appointed as a Non-Executive Director to the board of the Economist Group, where he served until March 2004.

In 1996, Sir 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.

Angela Seymour-Jackson
Deputy Chair and Senior Independent Director

Committee memberships

R A N

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

Key strengths
Angela has extensive experience gained from a multitude of industries and sectors, including the insurance market. Through her other current directorships, Angela has relevant experience with audit and remuneration committees.

Career and experience
Angela is a Non-Executive Director of Janus Henderson Group plc, as well as the PageGroup plc and Rentokil Initial plc where she is a member of the Remuneration and Audit Committees and the Remuneration Committee, respectively. In March 2019, Angela joined the Trustpilot Board as an independent Non-Executive Director. Angela is also the Deputy Chair or Pikl, a start-up insurance business.

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, where she ran the direct personal lines business, General Accident, CGNU and Aviva. Angela was the Senior Adviser to Lloyds Bank (Insurance) from November 2016 to November 2017. From 2015 to December 2018, Angela was a Non-Executive Director of esure Group plc and member of the Remuneration Committee and its Risk Committee.

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

Matthew Crummack
Chief Executive Officer

Board appointment
Appointed to the Board of GoCo as CEO in June 2016.

Key strengths
Matthew has relevant experience from high-profile international positions in consumer product and digital service industries. Matthew has extensive operational and executive experience of technical operations and online customer sales and marketing platforms.

Career and experience
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 and is a member of the Remuneration and Safety and Environment Committees. He is also a Director of his own UK-based company, Interventus Limited.

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

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

Nick Wrighton
Chief Financial Officer

Board appointment
Appointed as GoCo Chief Financial Officer in September 2016.

Key strengths
Nick has a proven track record in senior financial positions in various insurance companies in the UK. Part of the key management team during the demerger from esure in 2016, Nick has deep knowledge of the business.

Career and experience
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 in 2014.

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

Zillah Byng-Thorne
Non-Executive Director

Committee memberships
A N R

Board appointment
Appointed to the Board as a Non-Executive Director in September 2017.

Key strengths
Zillah is a qualified accountant who has held various senior level financial positions in different industries and sectors. Zillah also has extensive knowledge of the digital markets as well as a wealth of non-executive director expertise.

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

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

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

Joe Hurd
Non-Executive Director

Committee memberships
N R

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

Key strengths
Joe has a wealth of experience gained from his entrepreneurial ventures in the technology and digital start-up world. He has in-depth understanding of the difficulties facing young and ambitious fintech companies.

Career and experience
Joe is the Global Managing Director, Corporate Development for SOSV, a business accelerator for early-stage technology companies and the founder and managing partner of The Katama Group LLC, a consultancy based in Los Altos, California. He is also a Venture Partner with Good Growth Capital, a venture capital platform focused on early-stage technology companies. Joe is a Silicon Valley-based angel investor and entrepreneur, serving on the advisory boards of a number of technology companies, including Pactio (local journalism), RydeOn (mobility) and DynoVC (autonomous vehicle fund). Prior to SOSV, Joe was the Senior Vice President, Business Development at Techstars. Between 2009 and 2012, Joe was an Obama Administration appointee in the Commerce Department and served on the White House Business Council. Joe held senior executive roles at Facebook, Gannet, VideoEgg, Friendster and AOL. He started his professional career in London as a corporate securities lawyer at Linklaters.

Joe is a member of the Council on Foreign Relations, the Trilateral Commission and a member of two non-profit boards, Bullis Charter School (Chair) and the American Swiss Foundation. He received an A.B. cum laude from Harvard, an M.I.A from Columbia, and a J.D. from Harvard Law School.

The Board continued

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

Dr Ashley Steel
Non-Executive Director

Committee memberships
A R

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

Key strengths
Ashley brings valuable international experience and skills to the Board, including tech-focused knowledge and through her other directorships, quality experience of Board level committees and how they function.

Career and experience
Ashley is a Non-Executive Director on the Board of National Express plc where she Chairs the Remuneration Committee and is a member of the Safety & Environment and Audit Committees. In addition, Ashley is a Non-Executive Director on the BBC Board and is Chair of the England Committee.

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

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

Adrian Webb
Non-Executive Director

Committee memberships
N

Board appointment
Adrian was appointed to the Board as a Non-Executive Director in July 2015.

Key strengths
With extensive experience in traditional and digital marketing, communications, technology strategy and PR, Adrian brings valuable insight and knowledge to the Board.

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

Nick Hugh
Non-Executive Director

Committee memberships
None

Board appointment
Nick was appointed to the Board as a Non-Executive Director in February 2019.

Key strengths
Nick brings with him years of highly valuable digital experience from start-ups to well established companies, including Yahoo.

Career and experience
Nick has been Chief Executive Officer of the Telegraph Media Group since June 2017 and has responsibility for the whole business, across the newspapers (Daily Telegraph and Sunday Telegraph), digital, events, subscriptions and commerce, managing a team of approximately 1,100 people across three different offices in the UK. Nick was a Non-Executive Director of esure Group plc from June 2018 until December 2018.

Nick has almost 20 years' digital experience with companies that range from global media players to innovative start-ups. Before joining the Telegraph Media Group, Nick worked at Yahoo! for eight years, with his final position as Yahoo!'s Vice President for EMEA. He previously spent more than 15 years at various companies, including BT and advertising technology specialist Phorm.

Nick is a highly experienced leader within the media industry, having worked at various internet companies over the last 15 years (starting at Excite @ Home in 1999). Nick also has an MBA from INSEAD, one of the leading business schools in the world, and a BA Hons degree from the University of Manchester, England.

Executive Team

Leading an innovative business

Our entrepreneurial Executive team is tasked with daily oversight and operation of the business, ensuring we remain focused on our strategic objectives.

Nick Edwards
General Counsel and Company Secretary

Nick is an experienced commercial lawyer and has many years experience of operating at the highest levels of governance and compliance. Prior to joining GoCo, Nick spent nine years at esure Group, where he was initially appointed as Head of Legal before being promoted to General Counsel and then General Counsel and Company Secretary.

During his tenure at esure, he managed the Company's IPO in 2013, as well as the demerger of GoCo from esure Group in 2016. He was also a member of esure Group's Executive and Operational Executive Committees.

Upon qualifying as a lawyer in 1998, Nick spent six years with a City law firm in London and spent time as Principal Legal Counsel at a European media group. At GoCo, Nick has overall responsibility for our governance functions, including legal, company secretariat, compliance and risk.

Lee Griffin
CEO and Founder of GoCompare

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.

Zoe Harris
CEO of AutoSave

Zoe is a growth and transformation specialist, developing compelling fast-scaling propositions that resonate with mainstream Britain, normalising new behaviours and driving word of mouth at the kitchen tables, school gates and pubs across the country.

Prior to joining GoCo, Zoe was CMO & Head of Invention at Reach plc, the largest multimedia publishers in the UK, where she was responsible for building its portfolio of national and regional news brands cross platform.

Throughout her career, Zoe has led teams to deliver creative and disruptive business models and products for the likes of The Mirror, Sky, Channel 5 and MTV, often which have democratised products for a mass-market audience.

Seb Chakraborty
Group Chief Technology Officer

Seb has extensive senior leadership experience in IT, strategy and architecture and has a long history in software with a background in computing and artificial intelligence.

Prior to joining GoCo, Seb was Global CTO of Centrica Hive Ltd where he was part of the founding team, building complex distributed platforms, with massive data sets for IOT, smart metering and diagnostics. Before Hive, he was Chief Architect and then Group CTO for Telefónica UK Ltd's (O2) businesses with their technology scaling and integration challenges, and also spent many years in senior roles across T-Mobile Group.

He has worked in academic research, holds a masters qualification in Knowledge Based Systems and is both a Fellow of the British Computer Society and a Chartered IT Practitioner (FBCS CITP).

Board Leadership and Company Purpose

Promoting our purpose

Each member of the Board is aware of their individual responsibilities under section 172 of the Companies Act 2006. Collectively, the Board is responsible for the longer-term success of the Group, including formulation of the overall strategy and helping to deliver GoCo's mission to save people everywhere time and money.

Purpose

The Board has defined the Group's 'purpose', namely 'to use our propositions and technology to inform our customers better and enable them to save money'. This is supported by our business model, which defines how we do what we do and how we create value for all our stakeholders. All members of the Board and the Executive team are expected to act as role models in aligning our business model with our values, and all our employees are appraised against them.

Culture

The Board is comprised of diverse, vastly experienced, high-achieving individuals, capable of providing support and challenging the Board as necessary. Their entrepreneurial backgrounds are in line with and very much help set the tone for, the Group's overall culture. The Board and senior management team deliver a flat hierarchy, encouraging openness, uniqueness and collegiality.

Our management team and employees are motivated by the collective sense of purpose and vision that drives us forward.

Our individual businesses bring with them their own unique cultures. As a Group, we continue to define and harness the powerful impact that these unique 'micro-cultures' bring to the table.

Composition of the Board

The 2018 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'. Further information of the assessment of independence is set out on page 61.

The Board is comprised of a non-independent Chairman, two Executive Directors and six independent Non-Executive Directors. The Chair is not considered independent as a result of his material shareholding in the Company and because he served as Chairman of esure Group plc Board until November 2019. Further details are provided on page 61.

The Board delegates specific responsibilities to each of the Nomination, Audit and Risk and Remuneration Committees and reports for each are set out on pages 64, 66 and 70 respectively. The Chairman of each Committee also reports to the Board on its proceedings after each Committee meeting, providing the Board with complete transparency and oversight. The key policies and practices of the Group are also set out in this Corporate Governance Report.

The Group's Executive team, detailed on page 57, are responsible for our day-to-day management and oversight of the businesses that make up GoCo Group and report directly into either the CEO or CFO as appropriate. Separately, our General Counsel and Company Secretary works closely with the Chairman to ensure sound and proper governance is pursued and that the Board is well managed.

The composition of the Board is subject to continual review and appointments result from a combination of comprehensive succession planning and formal and rigorous searches, responsibility for which is delegated to the Nomination Committee. Further details can be found in the Nomination Committee Report.

Induction for new Directors

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

The selection process for a new Non-Executive Director is outlined in the Nomination Committee Report.

Ongoing training for new and existing Directors is available at the request of each Director and training is provided by the Company Secretary, advisers and other parties as relevant. The requirement for training is discussed at Board and Committee meetings to ensure that the Directors have all the right tools and information at their disposal to discharge their duties.

Diversity

The Board is committed to selecting Directors and employees based on merit and with regard to diversity, including gender. As part of our ongoing commitment to diversity, 33% of Board positions are held by women. We continue to review and assess the diversity of the Board to ensure that we have a broad range of experience and opinions from a wide range of backgrounds.

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

Further information on Board diversity is set out in the Nomination Committee Report.

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

Board experience and knowledge

The Group Board and Committees comprise Directors with vastly diverse knowledge, expertise and experiences.

The Board's composition is kept under review, forming part of the annual evaluation.

Division of Responsibilities

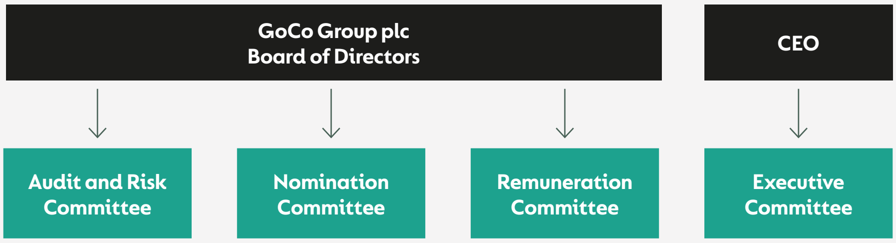
Responsible governing

Directors attendance table (and responsibilities)

Director	Attendance at Board meetings	Responsibilities
Chairman		
Sir Peter Wood	6/6	• Oversees operation and effective governance of the Board. Ensures that the views of all stakeholders as outlined in the Strategic Report are considered and understood • Leads the Board to ensure it satisfies its duties and responsibilities properly • Encourages contribution from all Directors, ensuring scheduled meetings are efficient, effective and promote healthy debate • Sets Board meeting agenda items to ensure sound decision making and all important items are covered as appropriate throughout the year • With the help of the Company Secretary, ensures that the Board receives clear, accurate and timely information
Senior Independent Director		
Angela Seymour-Jackson	6/6	• Meets shareholders on request • Is the primary 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 • Brings issues raised by major shareholders to the attention of the Chairman and the Board for discussion
Chief Executive Officer		
Matthew Crummack	6/6	• Responsible for, and has oversight of, the operation of the Group's businesses • Leads the Executive Committee, which oversees the day-to-day operational and financial performance and any issues facing the Group • Has overall responsibility for implementing the Group strategy, including ensuring the optimisation of the Group's resources in line with budget, managing the Group's risk profile and appetite and identifying and executing new business opportunities
Chief Financial Officer		
Nick Wrighton	6/6	• Oversees the Group's finance function, financial performance and all required reporting • Maintains a financial control environment capable of delivering quality financial reporting to indicate the Group's financial position • Has oversight of relations with key/large investors
Non-Executive Directors		
Zillah Byng-Thorne Joe Hurd Dr Ashley Steel Adrian Webb Nick Hugh	6/6 6/6 6/6 6/6 6/6	• Using prior experience to help challenge and develop Group strategy including: – playing a primary role in succession planning, appointing and, where appropriate and necessary, removing Executive Directors; – ensuring management perform adequately to meet agreed goals and objectives; – monitoring the reporting of performance; – challenging the integrity of financial information; – ensuring that financial controls and systems of risk management are adequate for the business, robust and defensible; and – determining appropriate and competitive levels of remuneration of Executive Directors.

Division of Responsibilities continued

Corporate governance structure



Matters reserved for the Board

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

In addition to a formal schedule of matters reserved for the Board, the Board is also responsible for ensuring that clear and appropriate values, ethics and behaviours are both agreed and adopted, and relevant procedures, policies and training are in place to help embed them within the business. The Board reviewed and approved the 'Schedule of matters reserved for the Board' in February 2019.

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

Board meetings

The Board met formally six times during 2019. In addition to the scheduled meetings, several informal meetings were held, including meetings between the Chairman and individual Directors, Board dinners, or meetings to discuss business, governance and regulatory issues and developments.

Between scheduled Board meetings, an update call between the CEO and Non-Executive Directors was held to cover key business developments and provide the opportunity to discuss emerging issues.

This mix of formal and informal meetings has helped to establish a strong and open relationship between the Board members. Details of attendance are provided in the table on page 59, with details of the Directors' responsibilities.

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

Board activity

At Board meetings, the Directors consider and discuss all scheduled matters relating to the business, financial and operational updates and each of the Board committees has a schedule of standing items to ensure that all areas of the Board's responsibility are reviewed during the year.

The Chairman, with assistance from the Company Secretary, is responsible for ensuring Directors receive papers for consideration at Board meetings in a timely manner in advance of the meetings for proper consideration, giving them an opportunity to digest the information and prepare questions. More information about the Board's activities can be found on page 63.

Board strategy

The Board reviews and sets the Group strategy through an annual strategy session falling outside of the regular Board meetings, discussing long-term opportunities and challenges for the Group. The 2019 Board strategy review was held in September 2019. As pre-reading for this, the Executive team provided the Board with a comprehensive analysis of the external operating environment, relevant macro and industry developments, long-term opportunities and challenges of the Group and proposed discussion themes for the meeting.

Performance against agreed strategy is subsequently reviewed as part of future Board meetings.

Board objectives

The Board sets an annual plan and budget ensuring sufficient resources are available to deliver against the Group's objectives and strategy. Performance against clear objectives is measured and monitored throughout the year through financial forecasts and operational performance KPIs.

Board evaluation

The Board's first externally facilitated evaluation was carried out in late 2019. The overall process and results are as follows:

1. Selection of external evaluation provider

An external evaluator was engaged to conduct the 2019 Board evaluation. The selection process was led by the Chairman and Company Secretary and after review, Edis-Bates and Associates were appointed. Jon Edis-Bates has extensive experience of conducting Board surveys and evaluations. A seasoned lawyer and ex-Company Secretary, his expertise lies in UK corporate governance consultancy, including board evaluations, training for company secretaries and directors and consultation on all matters governance and compliance.

2. Agree scope and remit of the evaluation

Initial meetings between the Chairman, the Company Secretary and Jon Edis-Bates, were used to agree the purpose, scope, timing and practicalities of the evaluation.

3. Information gathering

Each Director completed a questionnaire which had been developed by Jon Edis-Bates in consultation with the Chairman and the Company Secretary.

Views were then gathered through one-to-one meetings with each member of the Board and key personnel within the Group.

4. Feedback and report findings

Initial findings and a draft of the evaluators report were discussed at a meeting between Jon Edis-Bates, the Chairman and the Company Secretary in January 2020. A finalised report of the findings was presented to the Board in February 2020.

Findings

The Board

The evaluation found that the Board performed strongly in the following areas:

- Diversity: the Board was found to have a strong Board with diversity in backgrounds, experiences, skills and knowledge;
- Values: The Board was found to adopt responsible values and uphold high ethical standards in all of its businesses;
- Culture: The Board encouraged and monitored appropriate culture across each of the Group's businesses while respecting that each business had its own micro-culture;
- Chairman and CEO relationship: There was a sound working relationship between the Chairman and the CEO.

Conclusion of findings

The evaluation concluded that the Board was operating effectively.

Time commitment

All Directors had been advised of the time required to fulfil their roles prior to appointment and had confirmed that they could make the required commitment. This requirement was also in the letters of appointment. The Board is satisfied that the Chairman and each of the Non-Executive Directors are able to devote sufficient time to Company business.

Although Zillah Byng-Thorne has both an external executive and a non-executive director position in addition to her being a Non-Executive Director with the Group, the Chairman and the Board consider that she is able to provide sufficient time to her responsibilities. Like all our Chairs, she spends the appropriate amount of time outside of meetings preparing and meeting with key internal and external stakeholders.

Board independence

The Board reviews the independence of its Non-Executive Directors as part of its annual board effectiveness review. It is the view of the Board that each of the Non-Executive Directors is independent. Full biographies of each of the Directors are on pages 54 to 56.

Sir Peter Wood, the Group's Chairman, was not considered independent on appointment, as outlined in Provision 9 of the Code, as a result of his material shareholding in the Group with a total holding of 29.86% of the Company's voting rights. The Group entered into a Relationship Agreement with Sir Peter to ensure that the Group is capable at all times of carrying on its business independently of Sir Peter and certain persons deemed to be connected with him. Further information on the Relationship Agreement can be found on page 91.

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

Nick Hugh was appointed to the Board in February 2019. He had previously been a Non-Executive Director of esure Group plc from June to December 2018. Nick is considered an independent Non-Executive Director and his appointment is outlined further in the Nomination Committee Report.

The performance of each individual Director was reviewed, including whether they continued to be effective and demonstrate commitment to their roles. All Directors are considered by the Board to be fully effective. This supports the proposal for the Directors standing for reappointment at the 2020 AGM.

All Directors have access to the advice of the Group's General Counsel and Company Secretary, as well as receiving regular updates on developments in areas of governance and compliance. Additionally, any Director has the option to take independent professional advice on any matter at the Group's expense in furtherance of their duties. During 2019, no Director took such advice.

Wider workforce engagement

As part of its review of compliance with the Code, the Board undertook an evaluation of its current approach to wider workforce engagement. The Board was pleased that it had already adopted several of the best practice ideas relating to engagement with the wider workforce and as such, adopted option four under the guidelines: an alternative arrangement. The Board agreed that responsibility for wider workforce engagement should be overseen by all of its members.

Whilst the Board and the various Committees already received a number of reports and updates relating to the wider workforce such as pay and conditions, employee engagement and training, it was decided that a formalised approach to Board updates would be adopted. The Board now receive regular updates on a number of people and engagement metrics at its meetings twice a year. Coupled with this, our Board members take an active approach to engagement with the wider workforce through regular visits to our various business segments to talk to our employees face to face.

Modern Slavery and Human Trafficking

The Group is committed to acting ethically and responsibly in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place in our business or any of our supply chains. To meet the requirements of the Modern Slavery Act 2015, GoCo produces an annual Anti-Slavery and Human Trafficking Statement which can be found on www.gocogroup.com. Training is provided to all employees on issues of modern slavery at induction in conjunction with the Ethical Standards training modules.

Fair, balanced and understandable

The Director's 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 position and performance, business model and strategy.

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

The Audit and Risk Committee reviewed and approved the final version of the Annual Report and Accounts at its meeting on 2 March 2020 prior to it being signed by the Board.

Annual General Meeting (AGM)

The venue, date and time of the 2020 AGM, along with the resolutions to be proposed for approval by shareholders, will be communicated in due course.

Division of Responsibilities continued

Dividend

The Group declared and paid an interim dividend of 0.4 pence per share. A final dividend for the year ending 31 December 2019 of 0.5 pence per share has been recommended by the Board, which will be subject to approval at the 2020 AGM. Further details will be provided in the Notice of AGM when published. Subject to this approval, the pay-out in respect of 2019 will be 20% of profit after tax (excluding adjusting items and their tax effect). The Group maintains a target dividend pay-out ratio of 20%-40% of post-tax profits.

Conflicts of interest

The Company's articles of association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. Potential and actual conflicts of interest of Directors' current and proposed roles with other organisations are regularly reviewed and audited. The Directors' conflicts of interest are considered at each Board meeting.

Janus Henderson are, at the date of sign-off of this report, a top five shareholder. Angela Seymour-Jackson is a Director of Janus Henderson, however, has no influence on fund strategy or stock picking and thus the Board does not consider this to be a conflict.

Nick Edwards
General Counsel and Company Secretary

2019 Board Activities

Holistic governance

Board activity during 2019

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

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

1. Strategy and Business review

- Regular Chief Executive Officer's Report circulated
- Approval of the financial and strategic plan
- Strategy session and follow-up
- Look After My Bills (LAMB) acquisition approval

Read more:
Pages 14 to 15

2. Financial

- Regular Chief Financial Officer's reports including financial performance circulated
- Approval of the 2018 year-end results, the Annual Report and Accounts and dividends
- Approval of the 2019 interim results and review of trading statements
- Approval of the viability statement and going concern
- Completed the refinancing of its bank facilities

Read more:
Pages 16 to 20

3. Internal controls and risk management

- Regular reviews and updates of the Group's Principal Risks
- Reviewed the compliance, risk and data governance reports

Read more:
Pages 30 to 35

4. Stakeholders and governance

- Updated Board procedures and Committees' terms of reference in response to the 2018 UK Corporate Governance Code
- Received investor relations reports and shareholder analysis
- Consideration of Board and Executive succession and diversity
- Modern Slavery and Human Trafficking statement
- Reviewed and approved the Notice of AGM and corporate governance disclosures

Read more:
Pages 48 to 93

5. People and culture

- Nick Hugh joined the Board as a Non-Executive Director in February 2019
- The Board took collective responsibility for wider workforce engagement during 2019
- Integration of LAMB into the business

Read more:
Pages 64 to 65

6. Board strategy session

An offsite strategy session was held in September 2019 to discuss key areas of focus related to the future strategy of the Group. The Board was joined by the Executive Committee and senior leaders of each of the business segments. The following themes were discussed:

- Growth potential of each segment
- The balance of growth and profit
- Three-year strategic review
- Capital considerations

Read more:
Page 60

Nomination Committee Report

Strengthening the Board

“

During 2019, the Committee continued to focus on the depth and breadth of the Board and senior leader succession as a key priority.

Sir Peter Wood
Chair of the Nomination Committee

Membership and attendance

2 The Committee meets as required and did so on two occasions during 2019.

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

Nomination Committee activities in 2019

- Considered the Group Board succession plan.
- Reviewed the composition of the Board and its Committees.
- Appointed Nick Hugh as Non-Executive Director.
- Considered the Executive Director and Executive Committee succession plan.

Dear Shareholders,

I am pleased to present the Nomination Committee (the ‘Committee’) Report for 2019.

During 2019, the Committee continued to focus on the depth and breadth of the Board and senior leader succession as a key priority. To this end, following a review of the Board composition, the Committee recommended the appointment of Nick Hugh to the Board in February 2019. Further information on Nick’s appointment is set out on page 65. I am delighted to welcome Nick to the Board and welcome the quality insight and contribution that he has provided since joining.

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

The Nomination Committee reviewed the membership of all of the Board’s Committees following Nick’s appointment. At the time of review, it was decided that no change was necessary to the memberships. These would be reviewed again during 2020.

Sir Peter Wood
Chair of the Nomination Committee

Role and responsibilities of the Committee

The role of the Committee is outlined in its adopted terms of reference, available on www.gocogroup.com. Overall, the Committee's responsibilities are outlined as follows:

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- Leading the appointment process for new Directors.
- Ensuring that our Board and Committee members have the right balance of skills, experience, diversity, independence and knowledge to effectively discharge their duties.
- Providing input on the Chairman and Chief Executive Officer's plans for succession and executive changes.
- Review the results of the Board performance evaluation process relating to the composition of the Board.
- Recommendations for Committee memberships.
- Overseeing the reappointment and re-election of the Directors required at the Annual General Meeting.

Composition

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

The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 54 to 56).

Committee's activities during the year

Succession planning

During the year the Nomination Committee reviewed a formal succession plan for the Directors and the members of the Executive Directors and Executive team. The plan covers short-term emergency cover in the event someone is unavoidably unavailable on a temporary basis and a long-term succession plan, should an individual leave the Group. The Committee will continue to review succession planning and monitor the progress of success of the development of plans which have been established for relevant employees.

Appointment of a Non-Executive Director

Following an evaluation of the balance of skills, knowledge, experience and diversity on the Board, the Nomination Committee identified that the addition of digital experience would be beneficial for the composition of the Board. A description of the role and capabilities required for the appointment was prepared.

When the recruitment process began, and prior to the appointment of an external search adviser the Nomination Committee were made aware of the availability of Nick Hugh, CEO of the Telegraph Media Group. Nick's extensive digital experience with companies that range from global media players to innovative start-ups made him an exceptional candidate for consideration. Following the recommendation from the Nomination Committee, all members of the Board met with Nick to assess his suitability.

Weighing up the strategic direction of the Group and Nick's extensive knowledge and experience, the Nomination Committee decided not to use a third-party search firm or to advertise the role and proceeded to recommend Nick's appointment to the Board. The Board shared the same views as the Nomination Committee and Nick was appointed an independent Non-Executive Director in February 2019.

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.

Page 56 outlines Nick's biography and his experience, showcasing why the Committee deemed him suitable to become a Non-Executive Director of the Group.

Committee evaluation

The Committee's performance was externally evaluated by Edis-Bates Associates. It was concluded that the Committee was operating effectively.

High scores were given for the diversity of the candidates that the Committee took into consideration when nominating them for Board level positions; and the considered and well documented succession plan for both Executive Directors and their direct reports.

There were no material concerns about the Committee, how it operated or its effectiveness.

Diversity and inclusion

The Committee continues to make recommendations for new appointments to the Board based on merit, with candidates assessed against their skills and experience and how they provide challenge and support to the business. The Board's aspiration on diversity is to ensure that the Directors on the Board have a broad range of experience, skills and knowledge, with diversity of gender, culture, thinking and perspective. As a Group, we value the importance of diversity throughout the organisation and fulfil the recommendations laid down by the relevant reviews on diversity in the boardroom, as noted below. This continues throughout the organisation, as set out on page 42.

We continue to exceed the recommendations for the aspiration of both the Hampton-Alexander Review and the Davies Review on Women on Boards, with 33% female representation on our Board. The Board complies with the recommendation of the Parker Review report to have at least one Director from a non-white ethnic minority by 2021 and it is satisfied that the Group meets this requirement.

In 2020 the Committee will, amongst other things, review Board composition and succession plans for the Non-Executive Directors, Executive Directors and senior management.

Audit and Risk Committee Report

Maintaining the integrity of the Group's financial reporting

"We monitor the integrity of the Group's financial reporting, reviewing material judgements and assessing the internal control environment.

Zillah Byng-Thorne
Chair of the Audit and Risk Committee

Membership and attendance

5 The Committee met on five occasions during 2019.

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

Audit and Risk Committee activities in 2019

- Review of the 2018 year-end financial statements and annual report.
- Approved the Group's risk management framework, risk appetite and risk register.
- Review of key findings from 2019 internal audits and approval of the 2020 internal audit plan.
- Considered key accounting matters and new accounting standards.

Dear Shareholders,

As Chair of the Audit and Risk Committee (the 'Committee'), I am pleased to present the Audit and Risk Committee Report for the year ended 31 December 2019. The report explains the work of the Committee during the year.

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

The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 54 to 56) and that the skills, qualifications and commercial acumen of its members are sufficient for it to be able to perform its duties. This includes appropriate recent and relevant financial experience, with me being a Chartered Accountant and having previously held a number of Chief Financial Officer positions.

The Committee continued to exercise its responsibilities for ensuring the integrity of the GoCo Group financial statements by challenging the significant judgements and estimates made by management as set out on page 67 to 68.

The Group recognises that data is a vital asset that enables us to provide best-in-class products and services to our customers. With this comes significant responsibilities given the volume and categories of customer data that we hold including our legal obligations under the General Data Protection Regulation (GDPR). The Group's brands are exposed to an ever-changing and varied cyber threat landscape and the potential consequences this can have on customers, markets and the Group's wider stakeholders. To ensure that the Committee has access to relevant, informative and responsive information, a new standing agenda item for Data Governance was introduced in 2019 and the Group's Data Protection Officer attends Committee meetings to provide specific updates and answer the Committee's questions.

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

On behalf of the Audit and Risk Committee

Zillah Byng-Thorne
Chair of the Audit and Risk Committee

Responsibilities

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

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

Specific activities and key actions during the year

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

- Review of key findings from 2019 internal audits and approval of the 2020 internal audit plan;
- Discussion and review of the 2018 year-end financial statements and annual report with specific focus on profit metrics (and use of adjusted measures and alternative performance measures);
- Discussion of key accounting matters and impact of any new accounting standards (IFRS 16);
- Review of the implementation of the new integrated Finance and HR system;
- Review of the external audit plan for 2019, including key audit risks and preliminary audit findings;
- Review of the approach to prepare the annual report and financial statements for 2019, to ensure compliance with the 2018 UK Corporate Governance Code; and
- Approval of the Group's risk management framework, risk appetite and risk register.

Financial reporting and significant financial judgements

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

The Committee considered the following significant judgements and other areas of audit focus in respect of the financial statements for the year ended 31 December 2019. These areas have been identified as being significant by virtue of their materiality or being accounting items which are new for the current financial year or the level of judgement and/or estimation involved. In order to ensure the approaches taken were appropriate, the Committee has considered reports from both management and the external auditor. The Committee challenged judgements and sought clarification where necessary. The Committee received a report from the external auditor on the work it had performed to arrive at its conclusions and discussed in detail all material findings contained within the report.

Significant accounting issues considered by the Committee

Matter considered	Committee review
Revenue	
The Group primarily generates revenue through commissions from insurance, utilities and other product introductions when a policy is sold, a consumer signs up to a new tariff or clicks through to a partner website. Revenue for the Rewards segment is generated through both commission, recognised at the point the consumer uses the voucher, and tenancy arrangements, recognised over the advertising period. The Group accrues revenue based on available data of transactions made through its partners. These amounts are estimated based on underlying metrics of customer interactions which are subsequently validated through sales data submissions made by the partners. Customers have the right to cancel their purchase during a 14-day cooling-off period, for which an estimate of the deduction to revenue is made for likely cancellations based on historical cancellation rates for the various products. Following the increased rate of energy suppliers entering into administration during the year, this has led to the Group being exposed to higher credit risk arising from some of its supplier partnerships.	The Committee has considered the key processes in place in relation to revenue recognition, which include the process by which revenue is determined and recorded. The Committee also considered revenue recognition in respect of the acquired companies and new contractual revenue arrangements entered into by the Group and its subsidiaries. Financial due diligence continues to be undertaken before a supplier partnership is accepted as well as ensuring prompt settlement of debts, to minimise the exposure to credit risk. The Committee considered the audit findings presented by KPMG in relation to its work over revenue. Based on the outcome of these matters, the Committee considers that there is sufficient assurance that revenues are stated accurately. The Committee is satisfied that the judgements and estimates made by management are appropriate and that these assumptions have been subject to audit by KPMG.

Audit and Risk Committee Report continued

Matter considered	Committee review
Acquisition accounting	
The Group acquired This Is The Big Deal Inc. and its subsidiaries, trading as Look After My Bills Limited on 9 July 2019. This acquisition has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. The accounting for the acquisition involves estimates and judgements regarding the calculation of the fair value of net assets acquired and intangible assets.	The Committee has reviewed the disclosure in the financial statements in relation to the acquisition accounting and has discussed the accounting for the transaction and the valuation with both management and KPMG. The Committee is satisfied that the judgements and estimates made by management are appropriate and that these assumptions have been subject to audit by KPMG.
Impairment of goodwill and acquired intangibles	
The acquisitions completed in prior periods and during the year give rise to material balances for goodwill and intangible assets. Determining whether goodwill and intangible assets are impaired or whether a reversal of impairment of intangible assets should be recorded requires an estimation of the recoverable value of the relevant cash-generating unit, which represents the higher of fair value and value in use. The value in use calculation requires estimation of the future cash flows expected to arise from the cash-generating unit, discounted using a suitable discount rate to determine if any impairment has occurred.	The Committee has reviewed and discussed the detailed analysis provided by management to support the valuation of both goodwill and intangible assets. The Committee gave particular focus and challenge to the financial projections and analysis used to support the valuation of the goodwill and intangibles of The Global Voucher Group Limited CGU. This business underperformed in 2019 but with new leadership and a clear focus the business has a plan to deliver significant growth in organic search and related tenancy revenue over future periods. In reaching its conclusions the Committee considered the performance of the business in recent months, noting that performance in organic search was in line with, or modestly ahead of planned expectations. It was noted that any future shortfall in delivery relative to plan could, potentially, lead to an impairment being required. The Committee is satisfied that the judgements and estimates made by management are appropriate and that these assumptions have been subject to audit by KPMG.
Going concern and viability statement	
The Group is required to make a viability statement in the annual report which requires consideration of the principal risks faced by the Group and stress testing of the business model using severe but plausible scenarios.	The Committee has reviewed management's paper on the viability statement and considered the principal risks and uncertainties faced by the Group. This included consideration of the Group's separate components and specific risks faced by each area of the business. The Committee considered the scenarios under which the business model was stress tested to understand the impact on cash flows, debt repayment and the mitigating actions that could be taken in order to ensure compliance with covenants over the period under review. The Committee is satisfied that an appropriate assessment to test the resilience of the business model has been undertaken.
Accounting for capitalised development costs	
The Group has an accounting policy to capitalise internally generated development costs where they are directly attributable to the creation of identifiable, unique software products or transformation of website capabilities. During 2019, the Group's internal Technology and Product headcount spent a significant proportion of their time on development activities.	The Committee reviewed and discussed the capitalised development costs incurred by the Group at both the interim and full year. This included a review of both the resource and overheads that have been capitalised in relation to each underlying development project, as well as an assessment of completed projects to ensure that these are still expected to provide economic benefit or impaired where this is not the case. The Committee is satisfied that the judgements and estimates made by management are appropriate and that these assumptions have been subject to audit by KPMG.

Risk management, internal control and internal audit

The principal risks and uncertainties that are deemed to have the most significant impact on the Group's long-term performance are set out on pages 30 to 35. The Group's risk assessment process and the way in which significant business risks are managed is a key area of focus for the Committee. A full review of the Group's risk management framework and governance is also provided.

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

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

Internal audit and effectiveness

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

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

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

External audit

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

Independence and objectivity

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

- the external auditor's plan for the 2019 year end, noting the role of the Senior Statutory Audit Partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;
- a report from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditor, in addition to its approval of the provision of non-audit services by the external auditor that exceed the pre-approval threshold.

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

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

The Committee notes that audit partner rotation every five years facilitates independence and objectivity within the external audit team. The current External Audit Engagement Partner is Timothy Butchart, who was appointed to lead the audit following the demerger of the Group in November 2016. Timothy Butchart supported the audit of esure Group plc in the past and therefore has experience of the Group prior to the demerger. Whilst 2019 is the fourth year that Timothy Butchart has led the Group audit, his involvement in the 2015 audit of GoCompare.com Limited, one of the Group's subsidiaries, means that the audit partner will need to be rotated for the 2020 audit. The Committee is satisfied with the performance and effectiveness of KPMG as external auditor, taking into account the Committee's own assessment and feedback. The Committee has concluded that KPMG continues to display the necessary attributes of independence and objectivity.

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

Long-term viability statement

As part of the Committee's responsibility to provide advice to the Board on the form and basis underlying the long-term viability statement as set out on page 35, the Committee reviewed and considered the principal risks and uncertainties faced by the Group. The Committee considered the scenarios under which the business model was stress tested and the impact on cash flows, debt repayment and the mitigating actions that could be taken in order to ensure compliance with covenants over the period under review. The Committee is satisfied that an appropriate assessment to test the resilience of the business model has been undertaken.

Non-audit services

The Group auditor is retained to carry out assurance services to the Committee in connection with 'agreed upon procedures' on the Group's half-year consolidated financial statements. The Group is committed to maintaining non-audit fees at a low level. Non-audit fees for the year were £36,500 which represented 15% of total auditor fees for the 2019 financial year, with the fee for the statutory audit being £239,650.

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

The EU Audit Reform includes a restriction on the maximum amount of non-audit fees that a statutory auditor may charge a public interest entity. This is capped at 70% of the average of three years of statutory audit fees. The non-audit fees in 2019 represent 25% of the average of the statutory audit fees for 2016, 2017 and 2018.

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.

Committee evaluation

The Committees performance was externally evaluated by Edis-Bates Associates. Overall, the Committee was found to be operating effectively.

Strong scores were given for skills and experience of the members of the Committee; the overall contribution of the Committee members was deemed high; the identification of the risks facing the Group; the Committee members probe and challenge management, advisers and data and that there were no material concerns about the Committee or how it operates.

Directors' Remuneration Report

Continuing to deliver profitable returns for our shareholders

"Ensuring that reward aligns with the strategy and long-term success of the Group and the interests of all shareholders.

Angela Seymour-Jackson
Chair of the Remuneration Committee

Membership and attendance

6 The Committee convened meetings on six occasions during 2019.

Committee member	Meetings: Eligible to attend	Meetings: Attended
Angela Seymour-Jackson (Chair)	6	6
Zillah Byng-Thorne	6	6
Dr. Ashley Steel	6	6
Joe Hurd	6	6

Remuneration Committee activities in 2019

- Reviewing Executive Directors' remuneration
- Engaging with shareholders on the 2020 Directors' Remuneration Policy
- Discussing corporate governance changes; including the reforms to the UK Corporate Governance Code
- Reviewing the Committee's terms of reference

Dear Shareholders,

I am pleased to present our Directors' Remuneration Report for the year ending 31 December 2019, including both a new Directors' Remuneration Policy and the annual Directors' Remuneration Report, for approval at the 2020 AGM.

The Committee has had an active year, engaging with our shareholders to understand the reasons that some felt unable to fully support our remuneration approach at the AGM in 2019, and ensuring that the overall remuneration structure remains fit for purpose in light of that shareholder feedback. The Committee also engaged with shareholders as part of our review of our Remuneration Policy as well as assessing its effectiveness with the input of our external remuneration advisers. The Committee has also spent time ensuring that our approach to remuneration continues to remain in line with market changes and corporate governance developments. The Committee continued to carry out its usual role in ensuring remuneration outcomes and decisions are appropriate in the wider business context.

Company performance in 2019

This has been a year of investment for growth. We continued to make targeted acquisitions to support our AutoSave strategy, notably Look After My Bills. In the year, we expanded our headcount, assessed new opportunities, built and launched products, and reinforced our industry standing. For a comprehensive overview, I would direct readers to the Strategic Report on page 4. In addition, we rebranded to GoCo Group plc in 2019 to signal our ongoing diversification to the market.

In the year, we continued to deliver profitable returns for our shareholders achieving adjusted operating profit of 26.5m. Our top line revenue remained flat over the year achieving top line revenue of £152.4m. This is reflective of our focus on AutoSave customer growth and investment in to our AutoSave business. We continue to generate healthy, positive operating cash flow, and maintain serviceable debt.

Performance outturns for 2019

Based on the above Adjusted operating profit and revenue performance, 0% of the maximum for the financial portion of the bonus was determined.

The Executive Directors performed well against the strategic and personal targets. Customer numbers grew for AutoSave to over 300,000, under the people element we rolled out our new operating model, and we achieved a strong Net Promoter Score increase of 6.3 percentile points within the year. As a result, 93.75% of the maximum for the non-financial portion of the bonus was determined to the CEO and 90% of the maximum for the CFO.

The Committee reviewed the outcomes and considered that, while there had been no payment in respect of the financial element, the outcome under the non-financial element was considered to be appropriate in view of the performance achieved and the Committee did not make any changes. This led to an overall outcome of 37.5% of maximum (48.75% of salary) for the CEO and 36% of maximum (27% of salary) for the CFO. More information on how the annual bonus for 2019 was determined is provided on page 81.

The end of 2019 sees the first performance testing under the Performance Share Plan ('PSP') for the Executive Directors and other senior employees. The 2017 awards were measured equally on relative total shareholder return ('TSR') and earnings per share ('EPS') growth over the three years to December 2019. Relative TSR performance was between the median and upper quartile of the peer group, resulting in 86% of maximum vesting for that element. EPS growth was below threshold, resulting in nil vesting for that element. Overall, 43% of the maximum vested (equalling 83% of salary for the CEO and 60.8% of salary for the CFO). More information is provided on page 82.

The Committee considered the outcomes under the formulaic calculation for both the annual bonus and the PSP and determined that they were suitable in the context of overall business and individual performance in the year. As a result, no discretion was used to alter the result of the formulaic calculations.

2020 Policy and implementation

Our pay structure is designed to help motivate the team to deliver our strategy. In the year, the Committee debated the merits of changing the existing remuneration arrangements but on balance, and following consultation with shareholders to hear their views, we decided that the current approach was well suited to our strategic intentions. The Committee felt that fixed pay provides certainty for Executive Directors. The annual bonus allows us to focus Executive Directors on short-term objectives critical to remaining dynamic and responsive in a fast-paced market. The PSP rewards shareholder value growth over the long term. We have made some changes, described further below, in response to the new UK Corporate Governance Code, which are described below.

For the upcoming year, salaries will remain unchanged for the CEO and CFO, though they will be reviewed annually to assess their continued suitability. Investors have scrutinised pension levels, particularly over the current year. To reflect this, we have reduced pension contributions for new Executive Director hires to a workforce-commensurate level, which is currently 6% of salary. Our existing Directors will remain on 8% of salary for 2020, though the Policy maximum will be reduced from 16%. That said, the Committee is aware of recent investor guidance that incumbent directors should be brought to the workforce level over time, and our intention is that by the end of 2022 the current Executive Directors will receive a pension contribution equivalent to the wider workforce rate.

The opportunities available under the annual bonus and the long-term incentive plan ('LTIP') for the CEO and CFO will also remain unchanged. The Committee determines the annual bonus measures each year. For 2020, these will be broadly consistent with previous years save for the merger of the customer and strategic measures to create a strategic customer measure that will be weighted the same as the combined weighting of the previous measures. As part of this change, shareholders can expect to see fewer but more significant objectives. We understand from our engagement with shareholders that quantifiable objectives are of real importance and as such, the Committee will continue to strive to meet these expectations. As in previous years, precise targets and measures are commercially sensitive and will be disclosed at the end of the performance year, per our current practice.

Over the year the Committee gave careful thought to the measures in the LTIP. We believe that for now, EPS and TSR continue to provide the most appropriate means of testing long-term performance and therefore no changes have been made for 2020 awards, though we will continue to review the suitability of the measures each year, as we do currently.

Our Policy and its implementation are summarised on page 72.

UK Corporate Governance Code updates

The Committee has also worked to incorporate updates to the UK Corporate Governance Code into our new Policy. This has involved the development of a new post-cessation shareholding policy, and reinforcement of existing processes to ensure the Committee reflects on wider workforce conditions when setting pay. From 2020, Executive Directors will have to retain their full 200% of salary shareholding requirement for one year after leaving the Group, and 100% of salary (50% of the requirement) for a second year. This is to ensure Executive Directors are aligned with the shareholder experience beyond directorship, encouraging risk-conscious stewardship.

To ensure the Committee continues to be mindful of wider workforce conditions, we have worked to improve the flow of feedback and workforce information which is provided to the Committee and the Board on a regular basis. This information includes workforce demographics, diversity initiatives, talent acquisition updates, training programmes, engagement levels and cultural initiatives. This is a developing interest for remuneration committees across the UK listed market, and over future years we will adapt and improve our processes on this matter as beneficial ideas emerge. This is also the first year for pay ratio reporting. Our ratio is set out on page 85, along with information to help contextualise the calculation.

Finally, the Committee reviewed the recovery policy to ensure it allows value to be recouped from not only the Executive Directors but also all participants of our long-term incentive plans in a sufficiently wide range of circumstances. We concluded that the malus and clawback triggers currently in place provide us with sufficient flexibility to recover payments should such circumstances arise, though we will keep this under review as practice evolves.

Committee evaluation

The Committee's performance was externally evaluated by Edis-Bates Associates. The evaluation concluded that the Committee was operating effectively.

The highest scores were achieved for taking into account views expressed by shareholders and their proxy advisors, as well as votes cast by shareholders when deciding remuneration issues; and all Committee members were found to robustly challenge data, proposals and remuneration and severance packages.

It was agreed that, given the evolving regulatory framework, there were would additional focus on training for the Committee in 2020.

2019 and 2020 AGM

Our 2019 AGM was held on 23 May, where we were naturally disappointed that c.25% of shareholders voted against the 2018 Directors' Remuneration Report. I invited all of our largest shareholders to discuss their concerns with me in late 2019. These meetings were useful in allowing the Committee to understand the concerns of our shareholders and helped in forming our approach to the new Director's Remuneration Policy.

During our engagement with shareholders, it was apparent that the concern shown at the 2019 AGM vote was in relation to the Committee's use of discretion rather than the structure and approach to the Policy. Although overall many shareholders supported and understood the exceptional use of discretion, we understood the concerns of those who did not.

As part of the 2020 Policy review, we engaged with shareholders on a number of occasions and received positive support, accepting inevitably that shareholders can have individual preferences about long-term incentive plan measures. It was clear that shareholders wanted consistent delivery within a well-understood structure.

The Committee worked with management, its advisers and shareholders to fully understand their thoughts on the various aspects of remuneration before reaching our conclusion that it wasn't the right time to make a fundamental change to our approach on remuneration.

I hope you will support both the binding vote on the Director's Remuneration Policy, where we have taken into consideration your feedback, and the advisory vote on the Director's Remuneration Report at our upcoming AGM, and that you find this report accessible and informative in aiding that decision.

Angela Seymour-Jackson
Chair of the Remuneration Committee

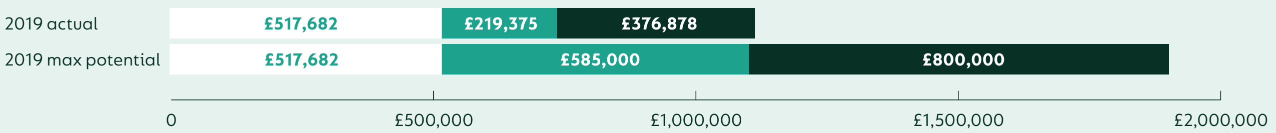
Directors' Remuneration Report continued

Executive Pay Policy – Overview

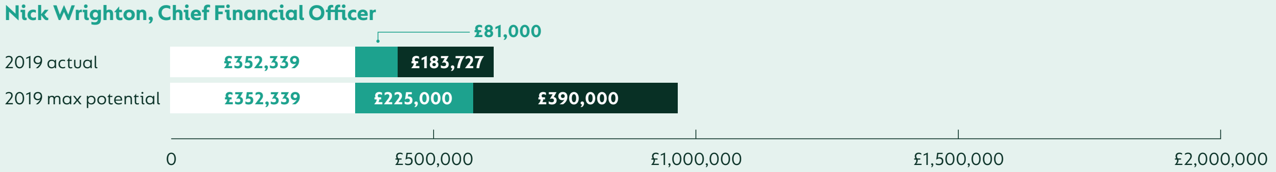
Remuneration outcomes in the year 2019

Fixed Pay ● Bonus ● PSP

Matthew Crummack, Chief Executive Officer



Nick Wrighton, Chief Financial Officer



Note: 2019 max potential calculates LTIP using face value at grant, adjusted to reflect share price performance at the end of 2019 (using a Q4 2019 average share price in line with the single figure methodology). The max potential excludes the potential for any share price growth.

2019 incentive performance outcomes

2019 annual bonus

Financial

Adjusted operating profit (50%)
Performance outcome £26.5m
Payment outcome 0%

Revenue (10%)
Performance outcome £152.4m
Payment outcome 0%

Non-financial

Strategic (20%)
Performance outcome 136,931 new AutoSave customers
Payment outcome 100%

Customer (10%)
Performance outcome NPS of 71.3%
Payment outcome 100%

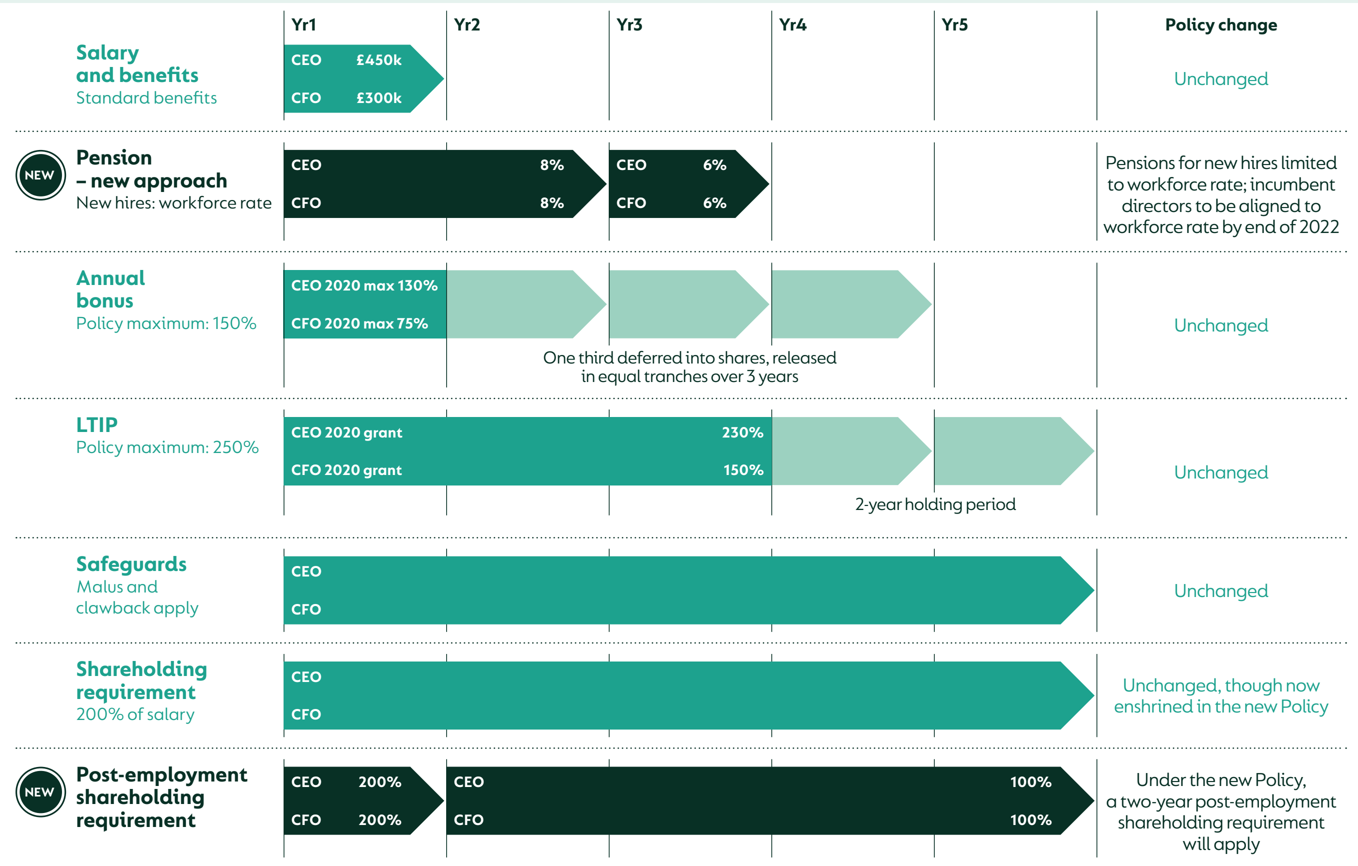
People (10%)
Objectives partly achieved
Payment outcome CEO: 75% CFO: 60%

2017 LTIP

Total shareholder return (50%)
Measured against the FTSE 250 exc. inv. trusts
Vesting outcome 86%

Earnings per share (50%)
Performance outcome below threshold
Vesting outcome 0%

New Directors' Remuneration Policy and implementation for 2020



Alignment of Remuneration Policy with the 2018 UK Corporate Governance Code

Governance in practice

The Remuneration Committee is committed to good corporate governance and as such, takes into account a broad range of factors when determining its Directors' Remuneration Policy. The Committee considered both legal and regulatory requirements, associated guidance and the views of shareholders and their representative bodies. Below is an outline of how the Committee works to ensure the principles of the 2018 UK Corporate Governance Code are met.

Clarity

Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	GoCo Group is committed to clear and transparent reporting and communication with its stakeholders including shareholders. The Committee actively engages with our shareholders on key decisions and Policy matters. In autumn 2019 the Committee engaged with some of its larger shareholders to gain feedback on its proposals for the new Directors' Remuneration Policy. The Group's Remuneration Policy is aligned with longer-term shareholder interests and is structured in such a way as to promote the Group's financial and strategic priorities.

Simplicity

Remuneration structures should avoid complexity and their rationale and operation should be easy to understand	GoCo Group's approach to its Remuneration framework focuses on simplicity. The framework comprises of three core elements: Fixed pay: This element comprises base pay, taxable benefits (healthcare) and pension. Short-term incentives: This element relates to an annual performance-related bonus which incentivises delivery against both financial and non-financial measures. In total, 70% of any bonus earned is paid in cash with 30% deferred into shares paid in equal thirds. Longer-term incentives: This element relates to longer-term value creation through an LTIP. In reviewing the 2020 Remuneration Policy, the preservation of simplicity was one of the key factors that influenced the Committee not to make fundamental changes to the Policy.

Risk

Remuneration arrangements should ensure that reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	The split between short-term and longer-term rewards coupled with holding periods, deferred elements and malus and clawback provisions drive the right behaviours to incentivise the Executive Directors to deliver long-term sustainability of the business and shareholder returns. As a wider control, malus and clawback provisions apply to all participants of our long-term incentive plans. The Remuneration Committee has the discretion to override formulaic outcomes where these are not considered reflective of underlying performance.

Predictability

The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy	The Remuneration Policy sets out scenario charts against base pay, short-term incentives and longer-term incentives against threshold, target and max performance. The Policy also sets out a scenario assuming 50% share price growth under the LTIP.

Proportionality

The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance	The Committee assesses performance against a range of financial and non-financial measures. The Committee has the ability to override formulaic calculations and apply discretion. There is a clear link between the performance-related elements of pay and Group performance. The Committee regularly reviews pay policies for the wider workforce and is mindful of this when setting remuneration for Executive Directors.

Directors' Remuneration Report continued

Alignment to culture	
Incentive schemes should drive behaviours consistent with Company purpose, values and strategy	The Committee is mindful that incentive schemes drive the right behaviours and are consistent with the Group's purpose, values and strategy. **Performance metrics** The Committee ensures that metrics used across incentive plans do not drive behaviour inconsistent with the Group's purpose or culture. The annual bonus is linked to a suite of financial and non-financial measures linked to the Group's performance , including key objectives focused on people, customers and strategic objectives. LTIPs are linked to the long-term strategic aims of the business' with recent measures being TSR and EPS, both of which are reviewed on an annual basis. Pension contributions are already closely aligned to the wider workforce with a plan to fully align by the end of 2022. **Governance** The Committee is committed to good corporate governance and, as such, has amended, or committed to amend, a number of its current policies and approaches. The Committee has agreed to bring Executive Director pension contributions in-line with that of the wider workforce. The Committee has also spent time developing a post-cessation shareholding policy and reviewed the recovery policy to ensure value can be recouped from Executive Directors in a wide range of circumstances. **Engagement** The Committee has been actively engaged with wider workforce engagement, ensuring that its decisions are consistent with and reflective of the workforce as a whole. We expect our practices to continue to evolve over the year ahead. Progress made to date includes: • adoption of CEO pay ratio reporting; • commitment to align Executive Director and wider workforce pensions; and • reviewing wider workforce engagement at the Board level.

Directors' Remuneration Policy

Our first Remuneration Policy was approved by shareholders at the AGM in May 2017. The applicable legislation requires that we seek approval for the Policy at least every three years and therefore a new Remuneration Policy ('Policy') will be put to a shareholder vote at our AGM. It is intended that the new Policy will take effect from the date of the AGM and will apply for three years.

The Committee carried out a thorough review of the Policy in 2019 to ensure that it continues to be effective in driving Executive Directors performance while adhering to our Remuneration Principles. Following that review, it was determined that the current structure remains fit for purpose but that some changes were required in response to the evolving corporate governance landscape and legislative requirements.

The changes are set out below.

Pensions – Contribution levels for new Executive Director hires will not exceed the level available to the majority of the workforce (currently 6%). The existing Executive Directors receive a marginally higher pension contribution of 8% compared with 6% for the wider workforce but this will be fully aligned by the end of 2022. This provides greater alignment of the Executive Directors' remuneration with that of the wider workforce and takes into account guidance from shareholders and proxy agencies.

Shareholding – Executive Directors are already required to build up a holding of 200% of salary. This has now been enshrined in the Policy. In addition, this shareholding requirement must be maintained for a further year following departure, and half of the requirement maintained for the second year following departure. If the shareholding requirement has not been met at the time of termination of employment, the actual shareholding at the time of departure must be held in line with the above. This provides greater alignment with shareholder interests and ensures compliance with the UK Corporate Governance Code.

Discretion – The Committee wrote to a number of our largest shareholders and met with several of them to discuss our proposals. As a result of this consultation, minor amendments have been made to the description of the Committee's ability to use discretion to adjust outcomes under the performance-related elements of the package, to take account of the UK Corporate Governance Code.

In designing the new Remuneration Policy, the Committee followed a detailed decision-making process which included discussions on the proposals for the Policy at July, September and November 2019 Remuneration Committee meetings as well as a number of telephone calls between various members of the Committee. Where changes to elements of the package were discussed, the Committee considered multiple approaches before reaching a decision. During this time the Committee considered input from management and its independent advisers, and sought the views of GoCo's major shareholders to ensure that various perspectives were considered. To avoid any conflicts of interest, no Directors were involved in conversations relating to their own pay.

Remuneration principles

Remuneration at GoCo Group 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 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 a deferred element), and performance share awards. They are also eligible to participate in any all-employee share plan operated by the Group.

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

This table also applies to any other individual who is required to be treated as an Executive Director under the applicable regulations.

Directors' Remuneration Report continued

Element and link to strategy	Operation	Opportunity	Performance
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 appropriate circumstances the Committee may award increases outside this range; these may include: • a change in role and/or responsibilities; • performance and/or development in the 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 starting salary which is lower than typical market 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.
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 GoCo's employees and those operated at peer companies. Benefits are in line with those for the broader workforce and currently include (but are not limited to) private medical insurance (individual and family, if applicable) and death in service life assurance. The Group may award additional benefits where the Committee considers it appropriate (eg travel, accommodation and subsistence allowances). These may include national and international relocation benefits such as (but not limited to) accommodation, family relocation support and travel.	Given the cost of benefits depends on the Executive Director's 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, appropriate.	There are no performance conditions.

Element and link to strategy	Operation	Opportunity	Performance
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 in office at the date on which this Policy takes effect is 2% greater than the Company contribution (as a percentage of salary) for the broader employee population. For new Executive Director hires (including external hires and promotions) the maximum Company contribution will not exceed the contribution (as a percentage of salary) available to the broader employee population. Details of the current contribution levels are set out in the Annual Report on Remuneration.	There are no performance conditions.
Annual Bonus and Deferred Bonus Plan ('DBP')			
Incentivises and rewards the delivery of annual financial and non-financial objectives, taking into consideration the Group's culture, risk appetite and values, on an annual basis. Aligns Executive Directors' interests with shareholders through the deferral of the bonus into shares.	The Committee will set the performance measures, targets and the weighting annually to reflect the key financial and strategic priorities for the business for the relevant year. Annual bonus outcomes will be determined by the Committee, and the Committee may use its discretion at the end of the performance period to adjust the final bonus outcome if it considers that the outcome does not reflect the underlying performance of the business or participants during the year, or if it considers the payment is not appropriate in the context of unforeseen, unexpected or exceptional circumstances. The Committee may also make adjustments in certain cases such as acquisitions or 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.
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 adjust final vesting outcomes if it considers that the outcome does not reflect the underlying performance of the business or participants during the year, or if it considers the payment is not appropriate in the context of unforeseen, unexpected or exceptional circumstances. The Committee may also make adjustments in certain cases such as acquisitions or strategic investments. A holding period, typically of two years, will apply to awards post-vesting before the award is released, unless the Committee determines otherwise. 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.

Directors' Remuneration Report continued

Element and link to strategy	Operation	Opportunity	Performance
All-employee share plans			
To align the Executive Directors' interests to those of the wider workforce.	Executive Directors are eligible to participate in any all-employee share plans in place, which, in the case of UK tax qualifying plans, will be operated in line with HMRC guidance.	Participation in the Group's all-employee share plans will be subject to the same limits as for other eligible employees and, in the case of any UK tax qualifying plan, will be subject to maximum limits in the applicable tax legislation.	There are no performance conditions.

Non-Executive Directors

Element and link to strategy	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.	Fees may include a basic fee and a fee for additional roles, for example, Committee Chairs and the SID, or for undertaking other duties. 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 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 Company'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. The Committee will determine the measures and weightings each year, based on the key financial and strategic priorities for the Company.

Performance under the PSP will typically 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. The Committee will keep the measures and weightings under review to ensure that these remain effective in driving the Executive Directors to deliver long-term success.

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 (provided, in the case of any payment agreed on or after 25 May 2017, it is in line with the Policy approved by shareholders on that date); or (ii) at a time when the relevant individual (or other person to whom this Policy applies) 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 (or other such person) 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.

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 vests up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
d) be settled in cash at the Committee's discretion – although the Committee has no intention to cash settle any Executive Directors' awards and would do so only in exceptional circumstances (such as where there was a regulatory restriction on the delivery of shares) or to settle tax liabilities arising in connection with the acquisition of shares; 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.

Shareholding requirement
The Executive Directors are required to build up a shareholding equal to at least 200% of salary, to align with the long-term interests of shareholders. Until the requirement is met, 50% of any share awards vesting (after any sales to cover tax liabilities) should be retained.

In order to generate alignment with shareholders beyond departure and to drive risk-conscious stewardship, a post-cessation shareholding requirement will be placed on Executive Directors. The post-cessation requirement relates to those awards awarded through incentive schemes by the Group.

Executive Directors will typically be required to retain 100% of shareholding guidelines for one year, and 50% for the second year.

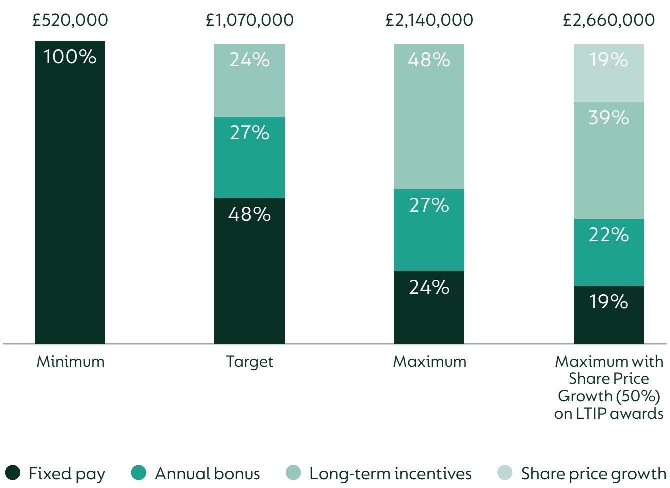
Remuneration scenario charts

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:

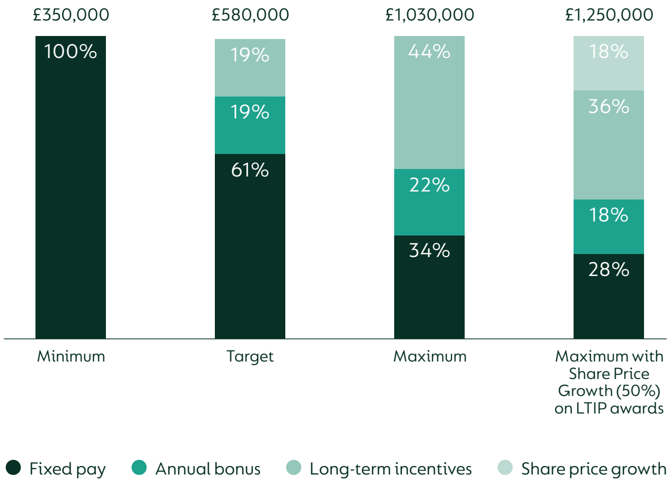
Pay scenario	Basis of calculation
Fixed	Fixed pay only, consisting of the salaries for 2020, benefits received in 2019 and the current pension policy (8% of salary) applied to 2020 salary
Target	Fixed pay, plus the potential value of the annual bonus at target (50% of the maximum) and the long-term incentive at threshold (25% of the maximum)
Maximum	Fixed pay, plus the maximum potential value of the annual bonus and the long-term incentive
Maximum with share price growth	As for maximum, plus the additional impact of share price appreciation of 50% over the three-year performance period on the long-term incentive

(All scenarios exclude dividends and all scenarios, save the last one, exclude share price growth.)

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 the 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; any award made in respect of a forfeited incentive (as referred to below) does not count towards this limit.

Special consideration may be given in the event that 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; any such award is excluded from the maximum value of incentives referred to above. For internal candidates, long-term incentive awards granted in respect of the prior role would be allowed to vest according to their original terms, or adjusted if appropriate to take into account the appointment.

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

Service contracts and loss of office

The service agreements of the Executive Directors do not have a specific duration but can be terminated by not less than 12 months' notice by either party.

Under their service contracts the Executive Directors are entitled to a salary (reviewed annually), pension contributions and benefits.

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

The Chairman and Non-Executive Directors' appointments are for a fixed term of three years after which they may be reappointed. Under their letters of appointment, their appointment is terminable by either party on three months' written notice except where the

Directors' Remuneration Report continued

Director is not reappointed by shareholders, in which case termination is with immediate effect. The Chairman and Non-Executive Directors are entitled to the reimbursement of reasonable business expenses. The appointment letters for the Chairman and 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 an Executive 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 their 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 their death on the same basis as for other good leavers.
PSP awards	Unvested awards will lapse on cessation of employment. Vested awards subject to a holding period will also lapse if the Executive Director's employment is terminated for cause.	Treatment will normally fall between A and C, subject to the discretion of the Committee, the terms of any termination agreement and the reasons for the Executive Director's departure.	Awards will normally vest and be released at the usual time. However, the Committee may determine that awards should vest at the time the individual ceases employment and be released at that time or should be released at some other time after cessation and before the ordinary release date – such as following the end of the performance period in the case of an award to which a holding period would otherwise apply. The extent of vesting will take 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 scaleback). If the participant dies, awards will normally vest at the time of their 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 payment	None.	Possible disbursements such as legal costs and outplacement services.	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 their awards for equivalent awards which relate to shares in a different Company. If the change of control is an internal reorganisation of the Group, Executive Directors will ordinarily be required to exchange their awards (rather than awards vesting), and the Committee may also require exchange in other circumstances it considers appropriate.

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 Committee met with shareholders prior to setting this Policy in autumn 2019.

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 receives an annual report on the remuneration conditions across the Group and considered this as context when setting the Policy. The report includes such information as workforce demographics, diversity initiatives, training programmes, engagement levels and cultural initiatives.

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 their 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 and Restricted Stock Units Plan, in order for there to be alignment between senior management and the Executive Directors' objectives. We encourage employees to become investors in the Company through its Sharesave programme, which the Executive Directors may participate in on the same basis.

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

Directors' Remuneration Report continued

Annual Report on Remuneration 2019

This section of the Directors' Remuneration Report sets out the remuneration paid in 2019 and the proposed remuneration for 2020. This section will be put to an advisory shareholder vote at the 2020 AGM. During the year, the remuneration policy operated as intended.

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 2019 and 2018.

	Salary/fees		Taxable benefits[3,4]		Pension		Short-term incentives		Long-term incentives		Legacy incentives[5]		Total remuneration[6]	
Individual	**2019 £**	2018 £	**2019 £**	2018 £	**2019 £**	2018 £	**2019 £**	2018 £	**2019 £[6]**	2018 £	**2019 £**	2018 £	**2019 £**	2018 £
Executive Directors														
Matthew Crummack	**450,000**	400,000	**32,349**	44,025	**35,333**	32,000	**219,375**	280,600	**376,878**	–		677,147	**1,113,935**	1,433,772
Nick Wrighton	**300,000**	300,000	**28,339**	29,476	**24,000**	23,467	**81,000**	157,838	**183,727**	–		225,715	**617,066**	736,496
Total													**1,731,001**	2,170,268
Non-Executive Directors														
Sir Peter Wood	**250,000**	250,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**250,000**	250,000
Zillah Byng-Thorne	**80,000**	80,000	**503**	–	**–**	–	**–**	–	**–**	–	**–**	–	**80,503**	80,000
Angela Seymour-Jackson	**125,000**	125,000	**2,414**	776	**–**	–	**–**	–	**–**	–	**–**	–	**127,414**	125,776
Ashley Steel	**60,000**	60,000	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**60,000**	60,000
Adrian Webb	**60,000**	60,000	**418**	–	**–**	–	**–**	–	**–**	–	**–**	–	**60,418**	60,000
Joe Hurd[1]	**60,000**	51,154[1]	**2,912**	3079	**–**	–	**–**	–	**–**	–	**–**	–	**62,912**	54,233
Nick Hugh[2]	**50,462[2]**		**255**	–	**–**	–	**–**	–	**–**	–	**–**	–	**50,717**	–
Total													**691,964**	630,009

1. Joe Hurd was appointed to the Board on 22 February 2018.
2. Nick Hugh was appointed to the Board on 27 February 2019.
3. Taxable benefits included the cash value of private medical insurance, death in service life insurance and travel expenses.
4. Taxable benefits for Non-Executive Director's primarily consist of travel and subsistence cost. Benefits for 2018 have been restated on a like-for-like basis.
5. The legacy incentives column relates to the Foundation Awards, which were one-off legacy awards outside the scope of the Remuneration Policy, made at the time of Admission. Due to the time of vesting, the 2018 legacy incentives figure was calculated using the average share price from 1 October 2018 – 31 December 2018 (being £0.81). Given that the actual number is now known, the single figure table has been updated using the following calculation: (Total Shares Granted minus Actual Shares Vested plus Dividend Shares Earned multiplied by the Share Price at Vest(65.6p)). Further details of the legacy awards can be found within the 2018 Directors' Remuneration Report.
6. The Long-term incentives column (2019) relates to the 2017 PSP award. Due to the time of vesting, the 2017 PSP award figure has been calculated using the average share price from 1 October 2019 – 31 December 2019 (being £0.99). It is estimated that the total amount of remuneration attributed to share price growth is £30,240 for the CEO and £14,742 for the CFO. No discretion was exercised as a result of share price appreciation.

Notes to the table (audited)

Base salary

The Executive Directors' salaries were reviewed in late 2018. As a result of that review the Remuneration Committee awarded an increase to the CEO which was reflective the changing size, scale and complexity of the business. Details were reported in the 2018 Directors' Remuneration Report.

The salaries for the Executive Directors in 2019 were as follows:

	Salary as at 1 January 2019	Increase from 2018
Matthew Crummack	**£450,000**	12.5%
Nick Wrighton	**£300,000**	0%

Annual bonus

In 2019 the annual bonus opportunity level for the CEO increased to 130% of salary whilst the CFO's opportunity remained at 75% of salary. Awards were based on a series of financial and non-financial measures which are described below. Further details on performance outcomes for the non-financial measures are shown in the second table.

		Threshold	Maximum	Actual	Vesting
Financial (60%)	Adjusted operating profit (50%)	£27.6m	£45.8M	£26.5m	0%
	Revenue (10%)	1.1% growth YoY	21.8% growth YoY	0%	0%
Strategic (20%)	AutoSave customer numbers (20%)	Grow AutoSave customer numbers to 70,000		136,931 new customers	100%
People (10%)	Drive performance through culture (10%)	Based on Remuneration Committee's qualitative assessment of performance (see below)		CEO: Partially achieved CFO: Partially achieved	CEO: 75% CFO: 60%
Customer (10%)	Improvement in YouGov Net Promoter Score (10%)	Score of 65	Score of 68	Score of 71.3	100%
Total (as a percentage of opportunity)					CEO: 37.5% CFO: 36%

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

Further commentary on non-financial measures

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

Measure	Objectives	Commentary on performance achieved	Outcome
Strategic (20%)	Both the CEO and CFO were assessed with reference to the growth in AutoSave customer numbers to 70,000.	• Total year-end new customer numbers were 136,931 across our Auto Save business (weflip and Look After My Bills).	100%
People (10%)	The CEO and CFO were assessed with reference to the following shared objective:	CEO and CFO joint objective commentary:	
	• Design and delivery of a new operating model to reflect the Group's developing structure.	• New operating model designed in conjunction with the broader Executive team. • Changes to internal structures communicated and delivered. • Skills gaps identified and filled through succession and external talent attraction.	
	The CEO was also assessed on a specific individual objective:	CEO personal objective commentary:	
	• Embedding virtue of impatience into the Group including its inclusion within the Executive team, senior leadership team and wider works annual performance reviews (5%).	• Led and oversaw the embedding of impatience into the Group through employee all-hands meetings. • Led and shaped the inclusion of impatience within all employee reviews.	
	The CFO was also assessed on a specific individual objective:	CFO personal objective commentary:	
	• Identification, development and documentation of a credible succession plan for the CFO role and wider Finance team as a whole (5%).	• Review and restructure of function undertaken. • Talent transitioned in to the team from other Group functions as well as being acquired externally. • Succession plans drafted for broader team outlining key performers and successors.	
Customer (10%)	• Both the CEO and CFO were assessed through utilising the YouGov Net Promoter Score (NPS) methodology and data to increase scoring from 65 points to 68 points.	• Year-end NPS increased from 65 points to 71.3 points, a 6.3 percentile point increase.	100%

Based on the achievements listed above, the Committee agreed that the final vesting under the 2019 bonus would be 37.5% of the maximum for Matthew Crummack and 36% of maximum for Nick Wrighton. The Committee noted that the final outturn resulted entirely from non-financial performance. Given the strategic importance of the investments in the year, it was considered that the overall outturn was appropriate and that no adjustments were required to the formulaic outcome.

	Portion vesting (% of maximum)	Total award	Portion vesting (% of salary)
Matthew Crummack	37.5%	£219,375	48.75%
Nick Wrighton	36%	£81,000	27%

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

Annual incentives awards for 2020 will be based on a combination of financial and non-financial measures and are described further on page 86.

Performance Share Plan – awards granted in the year

Share awards were made to the Executive Directors under the Performance Share Plan on 3 April 2019 equivalent to 230% of salary for the CEO and 150% of salary for the CFO. The maximum PSP opportunity under the Policy is 250% of salary.

	Type of award	Face value (£)	Face value (% of salary)	Number of shares granted	Average share price at grant (£)[1]	Threshold vesting (% of face value)	Maximum vesting (% of face value)	Performance period
Matthew Crummack	Performance shares	1,035,000	200%	1,344,155	0.77	25%	100%	1 January 2019 – 31 December 2021
Nick Wrighton	Performance shares	450,000	150%	584,415	0.77	25%	100%	1 January 2019 – 31 December 2021

1. The share price used to calculate the number of performance shares was the average share price over the five days prior to the grant date (£0.77).

Directors' Remuneration Report continued

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

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

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

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

Performance Share Plan – awards vesting in the year
The table below summarises the performance conditions for the 2017 LTIP award and the actual performance achieved. This award was subject to two equally weighted performance metrics: relative TSR and EPS growth.

For the relative TSR element, measurement was made with reference to the FTSE 250 excluding investment trusts and the Company with threshold being at median performance and maximum being at upper quartile , with straight-line vesting in-between . For the performance period relative TSR performance was between the median and upper quartile of the peer group, resulting in 86% of maximum vesting for that element.

For the EPS element, measurement was made with reference to annualised growth targets with threshold being 10% growth per annum and maximum being 20% growth per annum. EPS growth was below threshold, resulting in nil vesting for that element.

	Type of Award	Year of grant	Number of shares granted	% of salary	TSR vesting (50% weighting)	Total shares vesting under TSR element	EPS vesting (50% weighting)	Total shares vesting under EPS element	Percentage of award vesting	Total shares vesting	Total shares value (£)
Matthew Crummack	Performance Share Plan	2017	879,120	200%	86%	378,021	0%	0	43%	378,021	376,878.15
Nick Wrighton	Performance Share Plan	2017	428,571	150%	86%	184,285	0%	0	43%	184,285	183,727.17

The awards vesting will be subject to a two-year holding period, with half of awards released at the end of the first year and the remainder at the end of the second year.

All-employee share plans

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

Under the SIP, a free share award of £1,500 was offered to all eligible employees upon Admission (other than those employees receiving legacy awards, who opted not to receive free share awards). These shares vested in December 2019. Furthermore, since early 2017, employees have had the option to buy partnership shares, which are eligible to earn matching shares of 1:1 (with no performance conditions). Of those employees eligible, 27% of the workforce opted to participate and buy partnership shares.

In 2016, 2017, 2018 and again in 2019, participation in the Sharesave Plan was also offered to employees, including the Executive Directors. Employees can save up to £500 a month to purchase shares at 80% of the market value at the date of grant. The overall participation rate for the four Sharesave Plans is 51%.

Nick Wrighton chose to participate in the Sharesave Plan in 2016 to which he contributes the maximum saving of £500 a month. As such, he does not participate in the 2017, 2018 or 2019 plans. He also participates in the partnership share scheme and details of his 2017 awards are as follows.

	Type of award	SIP shares held 01.01.19	Partnership shares acquired in the year	Matching shares awarded in the year	Dividend shares awarded in the year	Total shares held 31.12.19	SIP shares that became unrestricted in the year	Total unrestricted SIP shares held at 31.12.19
Nick Wrighton	SIP Awards	7,305	2,179	2,179	142	11,805	0	0

Matthew Crummack also chose to participate in the Sharesave Plan in 2019, to which he contributes the maximum saving of £500 per month.

External appointments (audited)

The Committee believes that external experience is valuable for the Executive Directors' development. Matthew Crummack serves as a Non-Executive Director at National Express Group plc where he receives a fee of £54,000. He is also a Director of his own company, Interventus, where he does not retain a fee.

Payments to past Directors (audited)

There were no payments to past Directors in the year.

Payments for loss of office (audited)

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

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 2019 by Executive Directors are shown in the table below.

Director	Schemes	Grant date	Exercise price	Number of shares as at 01.01.19	Granted during the year	Vested during the year	Lapsed during the year	Percentage of award vesting	Number of shares at 31.12.19	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	–	1,032,237	3,253,477	24%	0	31.12.18	n/a
	PSP	29.03.17	n/a	879,120	–	–	–	–	879,120	31.12.19	n/a
	PSP	28.03.18	n/a	714,286	–	–	–	–	714,286	31.12.20	n/a
	PSP	03.04.19	n/a	–	1,344,155	–	–	–	1,344,155	31.12.21	n/a
	Sharesave	23.08.19	£0.66	–	27,272	–	–	–	27,272	01.10.22	01.10.2022 – 31.03.2023
Nick Wrighton	PSP (Foundation Award)	15.11.16	n/a	1,428,571	–	344,077	1,085,714	24%	0	31.12.18	n/a
	PSP	29.03.17	n/a	428,571	–	–	–	–	428,571	31.12.19	n/a
	PSP	28.03.18	n/a	401,786	–	–	–	–	401,786	31.12.20	n/a
	PSP	03.04.19	n/a	–	584,415	–	–	–	584,415	31.12.21	n/a
	Sharesave	16.12.16	£0.50	36,000	–	–	–	–	36,000	01.02.20	01.02.2020 – 31.07.2020

Directors' shareholdings and share interests (audited)

Executive Directors are expected to build and hold GoCo 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. Under the new Policy, a post-employment shareholding requirement will apply whereby 100% of the shareholding requirement must be held for the first year following departure from the Group and 50% for the second year.

Shareholding requirements and the number of shares held by Directors during the year and as at 31 December 2019 are set out in the table below:

	Shares owned outright 31.12.19	Interest in share incentive schemes subject to performance conditions at 31.12.19	Shares owned outright on 31.12.18	Shareholding requirement as a % of salary	Shareholdings as a % of salary achieved at 31.12.19
Current Directors					
Matthew Crummack	**76,264**	4,149,947	63,604	200%	16.77%
Nick Wrighton	**142,118**	1,878,141	131,465	200%	46.89%
Sir Peter Wood	**125,058,569**	–	107,274,982	–	–
Zillah Byng-Thorne	**84,322**	–	84,322	–	–
Angela Seymour-Jackson	**59,915**	–	36,973	–	–
Ashley Steel	**94,103**	–	86,502	–	–
Adrian Webb	**1,040,195**	–	1,025,195	–	–
Joe Hurd	**28,064**	–	5,564	–	–
Nick Hugh[2]	**21,100**	–	–	–	–

1. Calculated using the share price of £0.99p (as at 31 December 2019).
2. Nick Hugh was appointed to the Board on 27 February 2019.

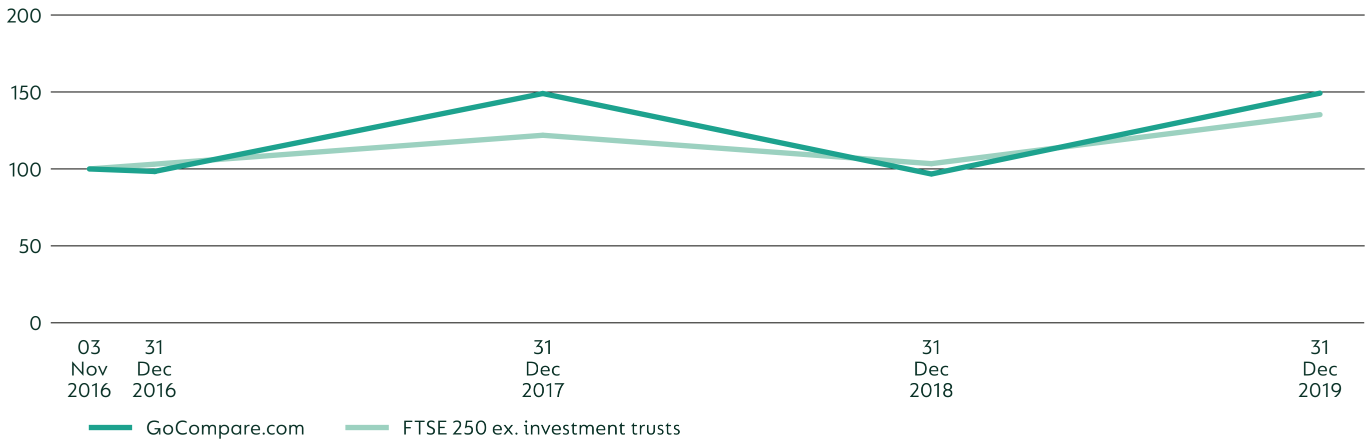
The CFO also participates in the Share Incentive Plan. Between 31 December 2019 and 24 February 2020, Nick Wrighton had acquired 300 shares at their prevailing market value and had received 300 additional matching shares under the terms of the SIP on the same basis as all other eligible employees.

No other changes occurred to the Directors' direct beneficial interests in shares during this period.

Directors' Remuneration Report continued

Total shareholder return performance

The graph below shows GoCompare's TSR performance from Admission in November 2016 to 31 December 2019 against the TSR performance of the FTSE 250 excluding investment trusts. This index has been chosen because it is a broad equity market index, which is currently used as the comparator group for the long-term incentive plan.



The following table shows the CEO's remuneration for 2019, 2018, 2017 and 2016:

	2019	2018	2017	2016
CEO single figure of remuneration	**£1,113,935**	£1,433,772	£744,154	£463,897
Annual bonus pay-out (as a % of maximum opportunity)	**37.5%**	70.15%	67.875%	100%
PSP vesting outturn (as a % of maximum opportunity)	**43%**	24[1]	n/a	n/a

1. The 2018 PSP vesting outturn has been updated to reflect the Foundation Awards, which were one-off legacy awards outside the scope of the Remuneration Policy, made at the time of Admission. Due to the time of vesting, the 2018 figure was not included in the 2018 Annual Report. Given the actual number is now known, the CEO remuneration table has been updated.

Percentage change in CEO's remuneration

The table below shows the percentage change in salary, benefits and annual bonus between the year ended 31 December 2019 and the year ended 31 December 2018 for the CEO and for the average GoCo employee.

	Salary	Benefits	Annual bonus
CEO	12.5%	-26.52%	-24.49%
Average employee	13.02%	-6.56%	25.58%

CEO pay ratio

The table below sets out the pay ratios for the Group Chief Executive Officer in relation to the equivalent pay for the lower quartile, median and upper quartile employees (calculated on a full-time basis). The ratios have been calculated in accordance with the Companies (Miscellaneous Reporting) Requirements 2018 and are applicable to GoCo Group for the first time in 2019. The CEO pay ratio data will be built upon annually until a rolling ten-year dataset is produced.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2019[1]	Option B[2]	23:1[3]	15:1	11:1

Notes:
1. The company determined the remuneration figures for the employee at each quartile with reference to a date of 31 December 2019 of the year shown.
2. The Group used calculation method B as it provides a clear and consistent set of data in line with the broader Gender Pay Gap data that the Group is required to report on. The remuneration of a small number of employees positioned around the three quartiles was also reviewed to ensure that there were no inconsistencies or anomalies in the pay and benefits of the three individuals identified under this approach. Following that review, the Committee was satisfied that the three individuals are representative of the lower quartile, median and upper quartile employees. No adjustments or estimates were used.
3. The total pay and benefits for the individuals identified at the 25th percentile, median and 75th percentile was £28,123, £43,989 and £57,435 respectively (of which £26,530, £42,239 and £53,460 was salary, respectively).

The Committee are mindful when setting pay for the CEO, of the wider remuneration context of the wider workforce. The Group CEO's remuneration comprises of both fixed and variable elements, with a higher proportion of his pay linked to performance in line with shareholder expectations. Given both the nature of the role and his ability to influence the Group's performance, it is felt that this is an appropriate approach and as such the Committee believes the median pay ratio is appropriate in the context of wider workforce pay conditions. It is expected as multi-year performance share plans vest, pay ratios will move and flex.

Rewarding our people and wider workforce engagement

The Group's approach to all-employee reward is focused on providing a competitive package to attract, retain and incentivise our employees to deliver for our customers, business and shareholders. The Committee regularly reviews details of the arrangements for the broader workforce and this informs decisions on remuneration for the executive directors and senior management.

In addition to a competitive salary, all employees receive the opportunity to earn a performance-related bonus, private medical care, matched contribution pension, death in service cover and the option to participate in our share schemes. Employees at senior levels are eligible to participate in long-term incentive schemes.

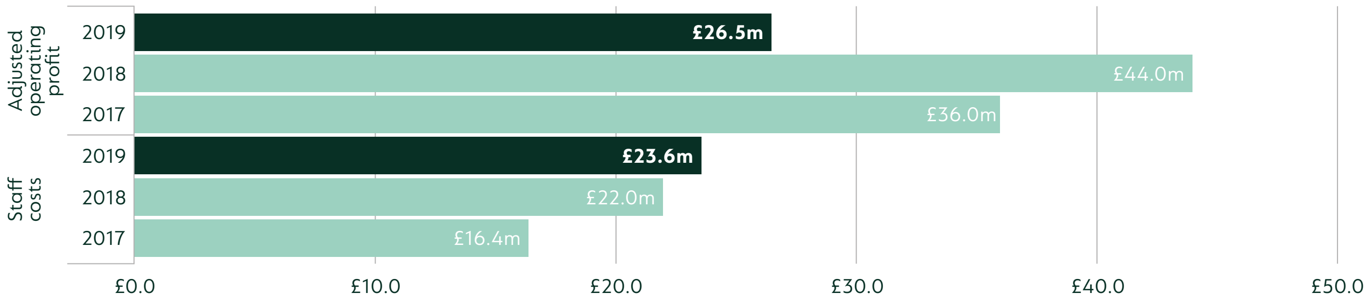
In 2019, the free shares awarded to all-employees under the SIP at Admission vested. This was the first award granted to all-employees following Admission and started the Group's approach to employees feeling ownership, which has been enhanced through the ongoing operation of the partnership and matching element of the SIP and the Sharesave.

The Group continues to review salaries business-wide to ensure that we remain a competitive employer within the local market. Salaries for Executive Directors, senior managers and the rest of the workforce are all determined with reference to the same factors such as technical expertise, experience and performance, and increases across these populations are reviewed to ensure they are broadly aligned. During 2019, the Committee also reviewed the all-employee Sharesave proposals as part of a programme to align employees with the long-term success of the Group. The Committee also took an active role in determining rewards for the wider Executive team.

In addition to the hard benefits, the Group also offers staff a host of softer benefits such as subsidised fitness classes, free fresh fruit and healthy snacks, family time for parents to attend concerts and our annual family BBQs. Further information on key initiatives for our people and what makes us unique can be found on page 40.

Relative importance of spend on pay

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



1. The 2019 and 2018 comparative are taken from note 7 of the 2019 Financial Statements.
2. The 2018 figures include an increase in cost base of staff linked to the acquisition of MyVoucherCodes and Energylinx.
3. The 2019 figures include an increase in cost base of staff linked to the acquisition of Look After My Bills.

Note: There were no distributions to individual shareholders by way of dividend or share buyback in 2019 and therefore this information has not been included in the above chart. A dividend of £5m was paid to shareholders in 2019. Further details of dividend payments can be found on page 122.

For more information on dividends and expenditure on remuneration of all employees, see pages 122 and 109 respectively.

Implementation of Policy in 2020

Review of remuneration for the CEO and CFO

The Committee carried out a review of the CEO's and CFO's remuneration packages in late 2019 and was comfortable that the salary, bonus and PSP opportunity remained appropriate. No changes will be introduced for the CEO or CFO for 2020.

Salaries

The 2019 salaries for the CEO and CFO will therefore be as follows:

	Salary as at 1 January 2019	**Salary as at 1 January 2020**
Matthew Crummack	£450,000	**£450,000**
Nick Wrighton	£300,000	**£300,000**

Pension

For 2020, Executive Directors will receive a contribution of 8% of salary. This will be brought in line with the wider workforce rate (currently 6% of salary) by the end of 2022.

Benefits

These will be awarded in line with the Policy.

Directors' Remuneration Report continued

Annual bonus
Annual bonus opportunities will remain unchanged from 2019 levels. The CEO will be entitled to a maximum opportunity of 130% of salary for 2020. The CFO will be entitled to a maximum of 75% of salary for 2020.

The performance measures will be as follows:

Element	Description	Weighting
Financial	Performance against an annual operating profit target	50%
	Performance against an annual revenue growth target	10%
Strategic customer	Strategic customer initiatives – focusing on development of a number of brand-specific measures	30%
People	People – focusing on Group operating model and a culture that supports delivery	10%

This is unchanged from last year, with the exception that the strategic and customer metrics have been combined, and will incorporate fewer, more significant objectives.

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 in the 2020 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. For 2020, the CEO's opportunity will remain at 230% of salary and the CFO's will remain at 150% of salary.

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

The performance conditions for 2020 awards remain unchanged from 2019 and are as follows:

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

Chairman and Non-Executive Director fees
No changes are proposed for 2020 to the fees for the Chairman and Non-Executive Directors. The fees remain as follows:

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

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

Unexpired terms of service contracts
The unexpired terms of the Executive and Non-Executive Directors' service contracts are set out on page 78.

The Remuneration Committee
The Remuneration Committee's terms of reference were approved on 10 October 2016 and were reviewed by the Committee in February 2019. They can be viewed at www.GoComparegroup.com.

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

The below table lists the members of the Committee during 2019 and the number of meetings they attended in the year. Six meetings of the Committee took place during the year.

Member	Number of meetings attended
Angela Seymour-Jackson	6 out of 6
Zillah Byng-Thorne	6 out of 6
Ashley Steel	6 out of 6
Joe Hurd	6 out of 6

The Committee's activities in 2019:
- Signing off the Directors' Remuneration Report for 2018;
- Signing off the outturns for the 2018 annual bonus;
- Finalising the annual bonus and PSP targets for 2019;
- Reviewing the arrangements for below Board roles, including 2018 bonus outturns and the operation of the 2019 bonus and PSP;
- Reviewing the Executive Directors' salaries and incentive opportunity levels;
- Monitoring performance under the existing unvested incentive schemes;
- Reviewing the appropriateness of the PSP performance measures in the context of 2019 remuneration decisions and consideration of the targets for 2020;
- Reviewing feedback from shareholders after the 2019 AGM and discussing trends from the 2019 AGM season more generally;
- Engaging with shareholders on the 2019 AGM vote result to understand our shareholders' concerns;
- Reviewing and developing a new Remuneration Policy for shareholders to vote on in 2020;
- Reviewing the Committee's terms of reference;
- Discussing corporate governance changes, including the reforms to the UK Corporate Governance Code and guidance on pay ratios, employee engagement and gender pay;
- Reviewing the all-employee Sharesave proposal;
- Working with management to understand current wider workforce engagement alongside the work being undertaken by the Board; and
- Providing guidance to management on linking all-employee reward to business performance.

Support for the Committee

In addition to the Committee members, the following individuals attend meetings by invitation, except where their own remuneration is discussed: Sir Peter Wood (Chairman), Matthew Crummack (Group CEO), Nick Wrighton (CFO), Nick Edwards (General Counsel and Company Secretary) and Alex Currie (Vice President – People and Talent). No Director is involved in setting his or her own remuneration. None of the Committee members has had any personal financial interest, except as shareholders, in the matters decided.

During the year, Deloitte LLP ('Deloitte') provided advice to the Remuneration Committee and was reappointed by the Committee in 2018, following a competitive tender process. Deloitte is a founder member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. As such, the Committee is satisfied that the advice provided by Deloitte is independent and objective.

The total fees paid to Deloitte in relation to the remuneration advice provided to the Committee from 1 January 2019 to 31 December 2019 were £144,000. Fees are predominantly charged on a 'time spent' basis. During the year the wider Deloitte firm also provided advisory and compliance services to GoCo Group in respect of corporation tax, indirect tax and transaction support services.

2019 AGM

The 2019 AGM was held on 23 May, where the Remuneration Committee was naturally disappointed that c. 25% of shareholders voted against the 2018 Directors' Remuneration Report. GoCo Group's largest shareholders were invited to discuss their concerns with me in late 2019 and a number of meetings took place. These meetings were useful in allowing the Committee to understand the concerns of our shareholders and helped in forming the approach to the new Directors Remuneration Policy.

The Directors' Remuneration Policy was approved at the 2017 AGM. The votes cast were as follows:

	For	Against	Withheld
Directors' Remuneration Report (2019 AGM)	74.97%	25.03%	16,825,099
Directors' Remuneration Policy (2017 AGM)	99.7%	0.3%	46,885

For and on behalf of the Board

Angela Seymour-Jackson
Chair of the Remuneration Committee
For the year ending 31 December 2019

Directors' Report – Other statutory information

The Directors present their Annual Report and Accounts for GoCo Group plc, together with the Parent Company financial statements for the year ended 31 December 2019. The Strategic Report is set out on pages 4 to 51, which together with the Directors' Report constitute the management report as required under Rule 4.1.8R of the Disclosure Guidance and Transparency Rules.

As permitted by the Companies Act 2006, the Directors' Report includes the disclosures in the Strategic Report on:

Listing rule requirement	Location in annual report
Performance and future development in the business	14 to 15
Important events affecting the Group since the financial year	n/a
Greenhouse gas emissions	39
Key Financial Performance indicators	13
Principal risks facing the Group	30 to 35
Long-term viability statement	35
Employment of disabled people	43
Employee involvement	40

The Group is required to disclose certain information under Listing Rule 9.8.4R in the Directors' Report or advise where such relevant information is contained. This information can be found in the following sections of the Annual Report and Accounts:

Listing rule requirement	Location in Annual Report
Details of any long-term incentive schemes	Directors' Remuneration Report, pages 70 to 89.
Details of any contract of significance in which a Director is or was materially interested	See section below headed 'Relationship Agreement with controlling shareholder'
Board statement in respect of Relationship Agreement with the controlling shareholder	See section below headed 'Relationship Agreement with controlling shareholder'

Board of Directors
The names and biographies of the Board are provided on pages 54 to 56. The details are also available on our website at www.gocogroup.com. The Board and the activities of the Board's principal Committees are disclosed on pages 64 to 89.

The Directors' Remuneration Report includes details of Directors' beneficial and non-beneficial interests in the shares of the Group and are shown on page 85. Further details regarding employee share option schemes are given in note 26 to the financial statements.

Appointment, retirement and removal of Directors
A new Non-Executive Director, Nick Hugh, was appointed on 27 February 2019.

The appointment and replacement of Directors are governed by the Company's Articles of Association, the 2018 UK Corporate Governance Code, the Companies Act 2006, the Relationship Agreement between Sir Peter Wood and the Group, and related legislation.

The Articles of Association provide that a Director may be appointed by ordinary resolution of shareholders or by the existing Directors, either to fill a vacancy or as an additional Director. Any such Director holds office only until the next AGM where they will stand for annual election.

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

Under the Relationship Agreement between Sir Peter Wood and the Group, 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.

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

Power of Directors
The Directors are entitled to exercise all powers of the Group, subject to the provisions of relevant legislation, the Group's Articles of Association and any direction given by the Group at a general meeting.

Articles of Association changes
Any amendments to the Articles of Association can be made only by a special resolution at a general meeting of shareholders. The Group's Articles of Association can be found on the Company's website www.gocogroup.com.

Dividends
An interim dividend of 0.4 pence per share was paid on 4 October 2019. The Directors propose a final dividend of 0.5 pence per Ordinary Share, subject to approval at the 2020 AGM. Further details will be provided in the Notice of AGM when published.

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

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

Compensation for loss of office
The Group does not have any agreements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Group's share plans may cause options and awards granted under such plans to vest on a takeover. Further information on Directors' service contracts and their notice periods can be found in the Directors' Remuneration Report on pages 70 to 89.

Political donations
The Company did not make any political donations or incur any political expenditure during the year ended 31 December 2019 (2018: £nil). The Company has a policy of not making donations to political organisations or independent election candidates or incurring political expenditure anywhere in the world.

Share capital

The Group's share capital consists of one class of ordinary share 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 Group.

As at 31 December 2019, the Company had 418,559,180 ordinary shares in issue. The Group does not hold any shares in Treasury.

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

Major interests in shares

Information provided to the Group by substantial shareholders pursuant to the Financial Reporting Council Disclosure and Transparency Rules is published on a Regulatory Information Service.

As at 2 March 2020, the Group had been notified under rule 5 of the Disclosure Guidance and Transparency Rules of the interests amounting to 3% or more of the voting rights in the issued share capital of the Group.

Shareholder	No. of shares	% holding	Direct/ indirect interest
Sir Peter J. Wood	125,058,569	29.86	Direct
Jupiter Asset Management	28,962,028	6.92	Indirect
Janus Henderson Investors	16,526,889	3.95	Indirect
Capital Research Global Investors	15,947,241	3.81	Indirect
Legal and General Investment Management	15,152,408	3.62	Indirect
Cannacord Genuity Wealth Management	14,000,000	3.34	Indirect

Relationship Agreement with controlling shareholder

Sir Peter Wood, the Group's Chairman, is a controlling shareholder of the Group with a total holding of approximately 29.86% 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 2 March 2020, 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.

Annual General Meeting (AGM)

The venue, date and time of the 2020 AGM, along with the resolutions to be proposed for approval by shareholders, will be communicated in due course.

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 2020 AGM to renew this authority to allot shares.

Directors' Report – Other statutory information continued

Voting rights

A shareholder 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.

Employees who participate in the Share Incentive Plan whose shares remain in the scheme's trust give directions to the trustees to vote on their behalf by way of a Form of Direction.

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 21 October 2019, 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 with The Governor and Company of the Bank of Ireland, National Westminster Bank PLC and Royal Bank of Canada (all as mandated lead arrangers), AIB Group (UK) PLC (as an original lender) and The Governor and Company of the Bank of Ireland (as facility agent) (the 'Multicurrency Term and Revolving Facilities Agreement'). The Facilities Agreement contains two facilities, a £105.0m revolving credit facility (the 'Revolving Credit Facility') and a £15.0m term loan facility (the 'Term Loan Facility'). The 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 Facilities Agreement, cancel their commitments and require prepayment of all outstanding amounts.

The Term Loan Facility has a four-year term, to be repaid in annual instalments of £3.0m and the final repayment of the balance is due upon expiry of its term. The Revolving Facility also has a four-year term. The Facilities Agreement includes and Extension Request clause permitting one or both of the Facilities to be extended for a period of one year, subject to agreement of each lender.

Special rights

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

Auditor

A resolution to reappoint KPMG LLP as auditor of the Group and to authorise the Board and Audit and Risk Committee to determine their remuneration will be proposed at the 2020 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.

This annual report, including this Directors' Report, as well as the Strategic Report from pages 4 to 51, and the Corporate Governance Statement from pages 52 to 53, was approved by order of the Board.

Nick Edwards
General Counsel and Company Secretary
2 March 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Accounts for GoCo Group plc, together with the Parent Company financial statements for the year ended 31 December 2019 in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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 Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant, reliable and prudent;
- For the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Group financial statements;
- For the parent company financial statements, state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- Assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations or have no realistic alternative but to do so.

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

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

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

The Directors confirm to the best of their knowledge:

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

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

Matthew Crummack
Chief Executive Officer

Nick Wrighton
Chief Financial Officer

Independent Auditor's Report to the Members of GoCo Group plc

1 Our opinion is unmodified

We have audited the financial statements of GoCo Group plc ('the parent Company') and its subsidiaries (together 'the Group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, and Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 2 to both the Group and parent Company financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

We were appointed as auditor by the directors in 2010 prior to the Company becoming a public interest entity. The period of total uninterrupted engagement is for the four financial years ended 31 December 2019 as a public interest entity and 10 years in total. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2018), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

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

- Recoverability of goodwill associated with Global Voucher Group Limited ('GVG')
- Accrued Revenue
- Acquisition accounting
- Recoverability of parent Company's investment in subsidiaries

Recoverability of goodwill associated with GVG
(£26.6m; 2018: £26.6m) ▲
Refer to page 68 (Audit & Risk Committee Report), page 105 (accounting policy) and note 14 on pages 117-119 (financial disclosures).

The risk:
In 2018, the Group acquired the rewards business, GVG. There is a risk of recoverability of goodwill relating to this CGU due to the performance of the business since acquisition.

Subjective estimate and forecast-based valuation
The value in use calculation for the CGU, which represents the estimated recoverable amount, is subjective due to the inherent uncertainty involved in forecasting and discounting estimated future cash flows (specifically the most sensitive assumptions such as search engine optimisation and tenancy income). The effect of these matters is that, as part of our risk assessment, we determined that the value in use of the GVG CGU has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 14) disclose the sensitivities estimated by the Group. As well as a risk that the goodwill may be impaired, it is important that disclosures reflect uncertainties inherent in the assessment and its outcome. These disclosures give relevant information about these estimation uncertainty including the risk of a reduction in the headroom or need for an impairment as a result of a reasonably possible change in one or more of the key assumptions used in the value in use calculation for this CGU.

Our response:
Our procedures included:

- Historical comparisons: we evaluated and challenged management's cash flow forecasts and the discount rate applied using our sector knowledge and expertise, including comparing forecasts against historical results and with reference to business development actions employed by management;
- Sensitivity analysis: we estimated the value in use utilising independent and more conservative forecasts and discount rates and assessed whether this resulted in impairment; and
- Assessing transparency: we considered the adequacy of the Group's disclosures in respect of the judgment and estimates around goodwill recoverability for the GVG CGU, including disclosures of the sensitivity in the value in use calculations to changes in the key assumptions, particularly to changes in SEO and tenancy revenue growth, the discount rate and the cost base of the CGU which would reduce but are unlikely to increase the recoverable amount.

Our results:

- We found the outcome of no impairment of goodwill in respect of GVG to be acceptable (2018: acceptable) and the disclosures, including the indication that other reasonably possible assumptions would reduce but are unlikely to increase headroom, to be acceptable (2018: acceptable).

Accrued revenue ◀▶
Refer to page 67 (Audit & Risk Committee Report), note 2 on page 103 (accounting policy) and note 16 on page 120 (financial disclosures).

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

Subjective Estimate
At year-end, the Group estimates the amount of income that has been earned based on available transaction data provided by its partners or internal customer interaction metrics. These amounts are subject to downwards revision, should customers cancel or not consummate transactions on the partner website.

Historically, this risk was mitigated by the fact that, prior to the approval of the financial statements, the Group had invoiced and received subsequent cash payment on a majority of its customer balances. However, cash settlement within the Energylinx Limited ('ELX') and GVG subsidiaries, which were both acquired in 2018, is not as timely compared to the rest of the Group, such that there remains a risk at the date the financial statements are approved that the revenue recognised is not appropriate. The effect of this matter is that, as part of our risk assessment, we determined that the accrued revenue associated with these subsidiaries has a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole.

Our response:

Our procedures included:

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

Our results:

- We found the resulting estimate of accrued revenue to be acceptable (2018: acceptable).

Acquisition accounting (Acquired intangible assets: £10.8m; 2018: £14.2m) ▼

Refer to page 68 (Audit & Risk Committee Report), note 2 on page 104-105 (accounting policy) and note 11 on pages 113-116 (financial disclosures).

The risk:

The Group made a significant acquisition in the current year with its purchase of This Is The Big Deal Inc. (trading as Look After My Bills Limited ('LAMB')).

Subjective estimate and forecast-based valuation

The value of the intangible assets at the acquisition date is subjective due to the inherent uncertainty involved in forecasting and discounting estimated cash flows. There is also a risk that not all intangible assets have been identified on acquisition. The effect of these matters is that, as part of our risk assessment, we determined that intangible assets have a high degree of estimation uncertainty, with a potential range of outcomes greater than our materiality for the financial statements as a whole.

Our response:

Our procedures included:

- Our valuation expertise: we utilised our own valuation specialists to assist us in challenging the completeness of the identified intangible assets as well as assessing the appropriateness of the valuation methodologies applied and the financial forecasting assumptions used, including the royalty rate associated with the Brand name intangible asset, and the attrition and discount rates associated with both the Brand name and Customer Relationships intangible assets;
- Historical comparison: we compared key elements underpinning the revenue forecasts, such as customer switch rates, to historical data; and
- Assessing transparency: we considered the adequacy of the Group's disclosures in respect of the judgment and estimates around acquisition accounting.

Our results:

- We found the completeness and valuation of acquired intangibles to be acceptable (2018: acceptable).

Recoverability of parent Company's investment in subsidiary (£7.3m; 2018: £7.2m) ◄►

Refer to page 132 (accounting policy) and note 6 on page 133 (financial disclosures).

The risk:

Low risk, high value

The carrying amount of the parent Company's investment in one subsidiary represents 68% (2018: 61%) of the parent Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgment. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.

Our response:

Our procedures included:

- Tests of detail: we compared the carrying amount of the total investment balance with the subsidiary's balance sheet to identify whether its net assets, being an approximation of its minimum recoverable amount, were in excess of the carrying amount;
- Comparing valuation: Given that the carrying value of the parent Company's investment in the subsidiary exceeds the subsidiary's net assets, we compared the carrying amount of the investment with the expected value of the business based on the historic profitability and cash flows of the subsidiary and its own subsidiaries; and
- Assessing subsidiary audits: we assessed the work performed on the subsidiary and indirect subsidiaries' audits and considered the results of that work on those subsidiaries' profits and net assets.

Our results:

- We found the Group's assessment of the recoverability of the investment in subsidiary to be acceptable (2018: acceptable).

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

Materiality for the Group financial statements as a whole was set at £680k (2018: £1.4m), determined with reference to a benchmark of Group profit before tax, of £15.8m (2018: £33.8m) of which it represents 4.3% (2018: 4.1%).

Materiality for the parent Company's financial statements as a whole was set at £136k (2018: £597k), determined with reference to a benchmark of the parent Company net assets, of £10.8m (2018: £11.9m) of which it represents 1.3% (2018: 5.0%). We identified the parent Company as one of the reporting components noted below.

The component materiality, as determined by the Group audit team, applied to the audit of the parent Company financial statements as a whole is lower than the materiality we would otherwise have determined by reference to its net assets.

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £34k (2018: £71k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's reporting components, we subjected five (2018: five) to full scope audits for group purposes. The component materialities ranged from £136k to £578k (2018: £105k to £1,207k) having regard to the size and risk profile of the Group. The Group audit scope covers 98% (2018: 100%) of Group revenues, 98% (2018: 100%) of Group profit before taxation, and 99% (2018: 100%) of total Group assets. For the three other components in the current year not subject to full scope audits, we performed analysis at an aggregate group level to re-examine our assessment that there were no significant risks of material misstatement within these.

Independent Auditor's Report to the Members of GoCo Group plc continued

4 We have nothing to report on going concern

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

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

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

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

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

We are required to report to you if:

- we have anything material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and the parent Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 35 is materially inconsistent with our audit knowledge.

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

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

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

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

Strategic report and directors' report

Based solely on our work on the other information:

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

Directors' remuneration report

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

Disclosures of emerging and principal risks and longer term viability

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

- the directors' confirmation within the longer term viability statement on page 35 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the assessment of principal risks and uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the longer term viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and the parent Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

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

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

We have nothing to report in these respects.

Based solely on our work on the other information described above:

- with respect to the Corporate Governance Statement disclosures about internal control and risk management systems in relation to financial reporting processes and about share capital structures:
  - we have not identified material misstatements therein; and
  - the information therein is consistent with the financial statements; and
- in our opinion, the Corporate Governance Statement has been prepared in accordance with relevant rules of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

6 We have nothing to report on the other matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 93, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulation that directly affect the financial statements including financial reporting legislation, distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: data protection law and, as an intermediary, the major trading business within the Group is subject to authorisation and regulation by the Financial Conduct Authority. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, we with any audit, there remained a higher risk of non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
2 March 2020

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	2019 £m	2018 £m
Revenue	4	**152.4**	152.6
Cost of sales		**(43.5)**	(44.6)
Gross profit		**108.9**	108.0
Distribution costs		**(46.0)**	(35.5)
Administrative expenses		**(42.6)**	(35.0)
Operating profit	5	**20.3**	37.5
Analysed as:			
Adjusted operating profit	6	**26.5**	44.0
Amortisation of acquired intangibles		**(3.2)**	(2.3)
Integration, restructuring and other corporate costs		**(2.3)**	(3.6)
Transaction costs		**(0.6)**	(0.6)
Foundation Award share-based payment charges		**(0.2)**	0.0
Reassessment of deferred contingent consideration		**0.1**	–
Operating profit		**20.3**	37.5
Finance income	8	**0.0**	0.0
Finance costs	8	**(4.1)**	(3.2)
Share of loss of associate	13	**(0.4)**	(0.5)
		(4.5)	(3.7)
Profit before income tax		**15.8**	33.8
Income tax expense	9	**(3.1)**	(6.8)
Profit for the year		**12.7**	27.0
Other comprehensive income		**(1.5)**	0.2
Total comprehensive income for the year		**11.2**	27.2
Earnings per share (pence)	10		
Basic earnings per share		**3.0**	6.5
Diluted earnings per share		**3.0**	6.3

All amounts relate to continuing operations.

Included within administrative expenses above is £1.2m related to the impairment of trade receivables (2018: £nil), as detailed further in note 5.

The notes on pages 102 to 128 form part of these financial statements.

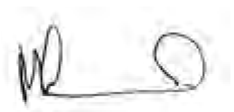
Consolidated Statement of Financial Position

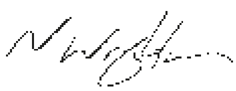
As at 31 December 2019

	Note	2019 £m	2018 £m
Non-current assets			
Investments	12	**1.6**	1.5
Investment in associate	13	**–**	2.0
Goodwill	14	**37.2**	35.1
Intangible assets	14	**31.5**	18.8
Property, plant and equipment	15	**5.0**	1.5
Deferred tax asset	24	**0.8**	0.7
		76.1	59.6
Current assets			
Trade and other receivables	16	**25.1**	27.0
Cash and cash equivalents	17	**11.4**	11.9
		36.5	38.9
Total assets		**112.6**	98.5
Non-current liabilities			
Borrowings	19	**80.0**	44.7
Lease liabilities		**3.7**	–
Provisions for liabilities and charges	22	**0.4**	0.4
Deferred consideration	23	**–**	0.4
Deferred tax liability	24	**3.6**	2.3
		87.7	47.8
Current liabilities			
Trade and other payables	18	**18.9**	23.4
Current income tax liabilities	18	**1.9**	3.6
Borrowings	19	**3.0**	34.7
Lease liabilities		**0.7**	–
Provisions for liabilities and charges	22	**0.4**	1.0
Deferred consideration	23	**6.4**	–
Deferred tax liability	24	**–**	–
		31.3	62.7
Total liabilities		**119.0**	110.5
Equity attributable to owners of the Parent			
Ordinary shares	25	**0.1**	0.1
Share premium		**2.7**	2.7
Retained earnings		**(9.2)**	(14.8)
Total equity		**(6.4)**	(12.0)
Total equity and liabilities		**112.6**	98.5

The notes on pages 102 to 128 form part of these financial statements.

The financial statements were approved by the Board on 2 March 2020 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 2019

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
At 1 January 2018	0.1	2.7	(36.9)	(34.1)
Profit for the year	–	–	27.0	27.0
Other comprehensive income for the year	–	–	0.2	0.2
Total comprehensive income for the year	–	–	27.2	27.2
Transactions with owners:				
Dividends	–	–	(6.3)	(6.3)
Share-based payments charge	–	–	1.6	1.6
Deferred tax recognised in equity	–	–	(0.4)	(0.4)
Total transactions with owners	–	–	(5.1)	(5.1)
At 31 December 2018	0.1	2.7	(14.8)	(12.0)
Adoption of IFRS 16 accounting adjustment	**–**	**–**	**(0.9)**	**(0.9)**
Restated total equity at 1 January 2019	**0.1**	**2.7**	**(15.7)**	**(12.9)**
Profit for the year	**–**	**–**	**12.7**	**12.7**
Other comprehensive income for the year	**–**	**–**	**(1.5)**	**(1.5)**
Total comprehensive income for the year	**–**	**–**	**11.2**	**11.2**
Transactions with owners:				
Dividends	**–**	**–**	**(5.0)**	**(5.0)**
Share-based payments	**–**	**–**	**0.2**	**0.2**
Deferred tax recognised in equity	**–**	**–**	**0.1**	**0.1**
Proceeds from shares issued	**0.0**	**–**	**–**	**0.0**
Total transactions with owners	**0.0**	**–**	**(4.7)**	**(4.7)**
At 31 December 2019	**0.1**	**2.7**	**(9.2)**	**(6.4)**

The notes on pages 102 to 128 form part of these financial statements.

Consolidated Statement of Cash Flows

As at 31 December 2019

	Note	2019 £m	2018 £m
Cash flows from operating activities			
Profit for the year before tax		**15.8**	33.8
Adjustments for:			
Depreciation of property, plant and equipment	15	**1.3**	0.5
Amortisation of intangible assets	14	**7.7**	4.2
Share-based payment charge	26	**0.1**	1.4
Share of loss of associate	13	**0.4**	0.5
Net finance costs	8	**4.1**	3.2
Changes in working capital:			
Decrease/(increase) in trade and other receivables	16	**1.9**	(4.3)
(Decrease)/increase in trade and other payables	18	**(4.1)**	3.4
Income tax paid		**(5.3)**	(7.2)
Net cash generated from operating activities		**21.9**	35.5
Cash flows from investing activities			
Purchase of property, plant and equipment	15	**(0.4)**	(0.5)
Purchase of intangible assets	14	**(9.6)**	(7.8)
Interest received	8	**0.0**	0.0
Acquisition of subsidiary investments	11	**(7.4)**	(45.6)
Cash acquired on acquisition	11	**1.4**	1.3
Purchase of equity investments	12	**–**	(1.3)
Net cash used in investing activities		**(16.0)**	(53.9)
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs	19	**6.8**	33.5
Payment of lease liabilities		**(0.8)**	–
Repayments of borrowings	19	**(5.0)**	(19.0)
Interest paid		**(2.4)**	(2.4)
Dividends paid	27	**(5.0)**	(6.3)
Net cash (used in)/generated from financing activities		**(6.4)**	5.8
Net decrease in cash and cash equivalents		**(0.5)**	(12.6)
Cash and cash equivalents at beginning of year		**11.9**	24.5
Cash and cash equivalents at end of year		**11.4**	11.9

The notes on pages 102 to 128 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2019

1. General information

GoCo Group plc ('the Company') and its subsidiaries (together, 'the Group') provide internet-based platforms which enable consumers to save time and money on financial and non-financial products.

With effect from 24 May 2019, the Company changed its name from Gocompare.com Group plc to GoCo Group plc. 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, with the exception of one holding company which is based in the United States. Note 31 sets out the full details of the Company's subsidiaries.

2. Summary of significant accounting policies

Basis of preparation

These financial statements present the GoCo Group plc consolidated financial statements for the year ended 31 December 2019, 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 2018.

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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

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

The financial statements have been presented in Sterling and rounded to the nearest hundred thousand. Throughout these financial statements any amounts which are less than £0.05m are shown by 0.0, whereas a dash (-) represents that no balance exists.

New accounting standards effective in this reporting period

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2019:

– IFRS 16, 'Leases';
– Prepayment Features with Negative Compensation – Amendments to IFRS 9;
– Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28;
– Annual Improvements to IFRS Standards 2015 – 2017 Cycle;
– Plan Amendment, Curtailment or Settlement – Amendments to IAS 19; and
– Interpretation 23 'Uncertainty over Income Tax Treatments'.

The amendments listed above did not have any impact on the amounts recognised in prior periods and do not significantly affect the current or future periods, with the exception of the change in accounting policies as a result of adopting IFRS 16. The Group elected to adopt the modified retrospective approach and therefore the comparative information has not been restated. The impact has been assessed as recognising total lease assets of £4.4m, lease liabilities of £5.2m and an adjustment to equity at 1 January 2019. The new standard has been applied to the Group's existing property leases in Newport and London.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease repayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received. The Group presents right-of-use assets within tangible assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of tangible assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. The lease liability is measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery or property that have a lease term of 12 months or less and leases of low-value assets including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies continued

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 performed this assessment, 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 2022.

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.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. Under this method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in net assets of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income ('OCI') is reclassified to the profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in OCI is recognised with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from an associate reduce the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Gains and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Revenue

The Group recognises revenue in accordance with IFRS 15 – Revenue. The significant revenue streams and their recognition are as follows:

Price Comparison and AutoSave – revenue represents amounts receivable for insurance, utilities and other product introductions. The Group recognises this revenue when a policy is sold, a consumer signs up to a new tariff or, in limited cases, when a customer clicks through to the partner website. Revenue is measured at the fair value of the consideration received or receivable, net of an estimate of cancellations during the cooling-off period. Where revenue is accrued, this is estimated based on underlying metrics of customer interactions and is subsequently validated through sales data submissions made by the partners.

Rewards – revenue is generated through both commission and tenancy arrangements. For commissions, revenue is recognised when a consumer selects and uses an online voucher. Revenue is measured at the fair value of the consideration received or receivable, net of an estimate of cancellations. Revenue is accrued and validated through data and ultimately cash receipts received from the networks facilitating the transactions. Tenancy income represents income received for advertising and is recognised over the period the advert or campaign is made available on the website.

Cost of sales, distribution and administrative expenses

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

Notes to the Financial Statements continued

For the year ended 31 December 2019

2. Summary of significant 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 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 OCI is recognised in equity or OCI 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 OCI or directly in equity as appropriate.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Intangible assets

Purchased software and licences are initially recorded at historical cost and subsequently amortised over their useful life which is typically up to 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 programs and incremental development of the existing website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable, unique software products or transformation of website capabilities are recognised as intangible assets when the criteria required by IAS 38 are met. This means that it is technically feasible to complete the product or capability, that there are demonstrable economic benefits to the Group and that the Group has sufficient resources in order to complete the development.

The cost of internally generated software and website costs comprise directly attributable costs which are related to that product or capability. This includes the costs of the staff associated with the development work and an apportionment of certain overheads which are deemed to be directly attributable to the development work. From the point the intangible asset comes into use, it is then amortised over its expected useful life on a straight-line basis, which is typically up to three years. The intangible asset is reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Other development costs which do not meet the capitalisation criteria in IAS 38 are recognised as an expense as incurred.

Acquired intangibles

Intangible assets acquired as part of a business combination are recorded at fair value at the date of acquisition. Intangible assets are subsequently stated at initial value less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of the intangible assets, which are as follows:

Brand	5–10 years
Customer relationships	5–10 years
Technology and databases	5 years

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 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. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately. After initial recognition, goodwill is measured at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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 and revaluation of property, plant and equipment

Carrying values are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indications exist, the asset's recoverable amount is estimated and compared to the carrying value. The recoverable amount is the higher of the fair value of the asset, less costs to sell and the asset's value in use. Impairment losses are recognised through the Consolidated Statement of Comprehensive Income. Impairment may be reversed if conditions subsequently improve.

Financial assets

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

The Group has elected to classify its equity investments as measured at fair value through other comprehensive income. These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

All other financial assets, which comprise trade and other receivables and cash at bank, are classified as measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group determines the classification of its financial assets at initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Notes to the Financial Statements continued

For the year ended 31 December 2019

2. Summary of significant accounting policies continued

Impairment of financial assets

The Group assesses at each balance sheet date whether any financial assets held at amortised cost are impaired. Financial assets are impaired where there is evidence that one or more events occurring after the initial recognition of the asset may lead to a reduction in the estimated future cash flows arising from the asset. Impairment losses on financial assets classified as loans and receivables are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses and any reversals of impairments are recognised through the Consolidated Statement of Comprehensive Income. Objective evidence of impairment may include default on cash flows from the asset and reporting financial difficulty of the issuer or counterparty.

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from that asset have expired or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

Financial liabilities

Classification, initial recognition and subsequent measurement

The Group's financial liabilities comprise borrowings and trade and other payables and are classified as measured at amortised cost. Financial liabilities are measured initially at fair value less directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Consolidated Statement of Comprehensive Income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, the Group has a currently enforceable legal right to offset the recognised amounts and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Consolidated Statement of Comprehensive Income unless required or permitted by any accounting standard or interpretation.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the expenditure required to settle a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

The Group discloses a contingent liability where it has a possible obligation as a result of a past event that might, but will probably not, require an outflow of economic benefits, or where there is a probable outflow of economic benefits which cannot be reliably measured.

Employee benefits

Pensions

The Group contributes to a defined contribution scheme for its employees. The contributions payable to this scheme are charged to the income statement in the accounting period to which they relate.

Bonus arrangements

The Group provides an annual bonus arrangement for employees. The levels of bonus paid is dependent on both the performance of the business and each individual's performance review. Bonuses are paid in respect of each calendar year and therefore an accrual is made based on the estimate of amounts to be paid subsequent to the year end.

2. Summary of significant accounting policies continued

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. Prior to the adoption of IFRS 16, payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. As explained in the new accounting standards effective in this reporting period note above, the Group has changed its accounting policy for leases where the Group is the lessee. This section also describes the new policy and the impact of the change upon the adoption of IFRS 16.

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.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss other than differences arising from the translation of equity investments which are recognised in OCI, except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss.

Use of non-GAAP performance measures

In the analysis of the Group's results, certain financial performance measures are presented which may be prepared on a non-GAAP basis. The Board believes that these measures provide a useful analysis, allow comparability of performance year on year and present results in a way that is consistent with how information is reported internally. Items that are excluded from our adjusted measures include items which arose due to acquisitions or do not arise from the day-to-day trading activities of the Group.

The key non-GAAP measures presented by the Group are:
- Adjusted operating profit: defined as Operating profit after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs, fair value changes in contingent consideration and Foundation Award share-based payment charges
- Adjusted EBITDA: defined as Adjusted operating profit after adding back depreciation and amortisation
- Adjusted basic EPS: defined as Profit for the year, excluding adjusting items (after their tax effect) divided by the weighted average number of shares in issue for the year
- Marketing margin: calculated as the difference between revenue and marketing expenditure divided by revenue. Marketing expenditure is defined as the total of cost of sales and distribution costs.

The value and nature of all adjusting items are disclosed in note 6. Adjusted basic EPS is disclosed in note 10.

Adjusted EBITDA is a measure which is used in calculating one of the Group's financial covenants on its borrowings as well as a factor in determining the coupon rate. Adjusted operating profit is one of the factors used in assessing performance to determine remuneration for the Executive Directors and Senior Management. Marketing margin is used as a measure of the return the business makes on its marketing costs and therefore can be used to assess the effectiveness of the Group's marketing expense to generate revenue.

Notes to the Financial Statements continued

For the year ended 31 December 2019

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 2020 and have not been applied in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- IFRS 17 *Insurance Contracts*
- *Definition of material (Amendments to IAS 1 and IAS 8)*
- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*

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 are discussed below:

Revenue recognition

The majority of the Group's revenue is derived from customers completing transactions with product providers (partners) and revenue is recognised at this point. The Group accrues revenue based on available data of transactions made through its partners. Any amounts estimated are based on underlying metrics of customer interactions which is subsequently validated through sales data submissions made by the partners. In addition, customers have the right to cancel their purchase of products during the cooling-off period, for which an estimate of the deduction to revenue is made for likely cancellations based on historical run rates for the various products. Whilst revenue is a significant balance for the Group and involves a level of estimation, the Directors have assessed that any reasonable change to this estimate would not lead to a material change in the amounts recognised.

Acquisitions

The process of determining the fair value and useful life of assets and liabilities acquired is inherently judgemental and there is a risk that the assumptions applied or basis of methodology could lead to the valuation of acquired intangibles or goodwill being misstated. The details of the assets and liabilities recognised are set out in note 11.

Impairment of goodwill and acquired intangibles

The Group holds goodwill and acquired intangibles in respect of business combinations which have occurred. In 2019, the Group recognised acquired intangible assets of £10.8m and goodwill of £2.1m in respect of the acquisition of This Is The Big Deal Inc. and its subsidiaries. In 2018, the Group recognised acquired intangible assets of £13.9m and goodwill of £32.6m in respect of the acquisition of The Global Voucher Group Limited, Energylinx Limited and Energylinx for Business Limited. Acquired intangibles include acquired brands, customer relationships, databases and technology. The Group is required to review goodwill annually for impairment and assess at each reporting period whether there is any indication that an asset may be impaired. Determining whether goodwill and intangible assets are impaired or whether a reversal of impairment of intangible assets should be recorded requires an estimation of the recoverable value of the relevant cash-generating unit, which represents the higher of fair value and value in use. The value in use calculation requires estimation of the future cash flows expected to arise from the cash-generating unit, discounted using a suitable discount rate to determine if any impairment has occurred. No impairment of goodwill or intangibles has been identified at 31 December 2019.

Share-based payments

The Group has entered into a number of equity-settled share-based payment arrangements in the current and prior year. The accounting for these requires estimation and involves a number of assumptions with regard to the model inputs, vesting period and expected performance of the business. The Group determines the inputs based on historical, forecast and market data sources as applicable. Fair value of the awards at the point of grant are valued using either Black-Scholes or Monte-Carlo simulation models. Details of these share schemes, inputs and modelling are set out in note 26.

Valuation of investments

The Group holds minority shareholding investments in companies which are unquoted. The process of determining the fair value of these equity investments is inherently judgemental due to the companies being unquoted and by virtue of them being in a start-up phase. The fair value of the investments has been determined with reference to financial forecasts and achievement of key milestones compared to the timings of those set out at the point of GoCompare's investment. The Directors have also considered the valuation determined by reference to the purchase price paid by other investors. Details of the investments and basis for the determined valuation are set out in note 12.

3. Critical accounting judgements and estimates continued

Accounting for capitalised development costs

The Group has an accounting policy to capitalise internally generated development costs where they are directly attributable to the creation of identifiable, unique software products or transformation of website capabilities. Identified costs include staff costs and an allocation of overheads deemed to be directly attributable to the development work. The useful life over which these assets are amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. The Group has a policy to amortise the costs identified in relation to these projects over a period of three years. Useful lives are periodically reviewed to ensure that they remain appropriate. The net book value of intangible assets is assessed for impairment where such a risk arises.

4. Segment information

Information reported to the Board (the Chief Operating Decision Maker) for the purposes of the assessment of segment performance is focused on the types of products customers have purchased. The Chief Operating Decision Maker reviews profit and loss items to operating profit at a segment level but does not review the assets and liabilities of the Group by reportable segments. Therefore assets and liabilities are reported on an aggregated basis for the Group. They are reported on the same basis as disclosed in the Consolidated Statement of Financial Position.

The weflip segment as presented in the Group's 2018 year-end financial reporting has been renamed AutoSave. AutoSave includes the revenue and costs relating to the Group's weflip brand. Following the acquisition of This Is The Big Deal Inc. and its subsidiaries, trading as Look After My Bills on 9 July 2019, revenue and costs arising from this brand have also been included in the AutoSave segment. The Group's reportable segments under IFRS 8 are as follows:

- AutoSave
- Price Comparison
- Rewards

Other than the segment name change, the identification and disclosure of the Group's segments are consistent with those detailed in the consolidated financial statements of the Group for the year ended 31 December 2018.

The accounting policies of the reportable segments are the same as the Group's accounting policies disclosed in note 2. The Group is considered to have one service being that of providing an internet-based product and price comparison website. All sales were made to external customers in the current and prior year.

Year ended 31 December 2019	**Price Comparison £m**	**Rewards £m**	**AutoSave £m**	**Total £m**
Revenue	**138.8**	**6.6**	**7.0**	**152.4**
Cost of sales	**(36.3)**	**(2.1)**	**(5.2)**	**(43.6)**
Distribution costs	**(37.1)**	**(0.9)**	**(8.0)**	**(46.0)**
Trading profit	**65.4**	**3.7**	**(6.2)**	**62.9**
Adjusted administrative expenses	**(14.5)**	**(2.1)**	**(6.1)**	**(22.7)**
Adjusted operating profit	**50.9**	**1.6**	**(12.3)**	**40.2**
Group costs				**(13.7)**
Group Adjusted operating profit				**26.5**

Year ended 31 December 2018	Price Comparison £m	Rewards £m	AutoSave £m	Total £m
Revenue	144.4	8.2	0.0	152.6
Cost of sales	(42.8)	(1.8)	–	(44.6)
Distribution costs	(34.6)	(0.8)	(0.1)	(35.5)
Trading profit	67.0	5.6	(0.1)	72.5
Adjusted administrative expenses	(13.2)	(2.8)	(1.1)	(17.1)
Adjusted operating profit	53.8	2.8	(1.2)	55.4
Group costs				(11.4)
Group Adjusted operating profit				44.0

Notes to the Financial Statements continued

For the year ended 31 December 2019

5. Operating profit

Operating profit is stated after charging:

	Note	2019 £m	2018 £m
Employee benefit expense	7	**23.3**	22.2
Transaction costs	6	**0.6**	0.6
Integration, restructuring and other corporate costs	6	**2.3**	3.6
Depreciation of property, plant and equipment	15	**1.3**	0.5
Amortisation of intangible assets	14	**4.5**	1.8
Amortisation of acquired intangible assets	14	**3.2**	2.3
Operating lease payments		–	0.8
Impairment of trade receivables	16	**1.2**	–
Auditors' remuneration			
Audit of the consolidated and Company financial statements		**0.2**	0.1
Audit of financial statements of subsidiaries of the Company		**0.1**	0.1
Total audit fees		**0.3**	0.2
Fees for interim review		**0.0**	0.0
Other		–	0.0
Total non-audit fees		**0.0**	0.0
Total Group auditor remuneration		**0.3**	0.2

6. Adjusted operating profit

The following transactions occurred during the year which have been added back to Operating profit in arriving at Adjusted operating profit:

	2019 £m	2018 £m
Amortisation of acquired intangibles	**3.2**	2.3
Foundation Award share-based payment charges	**0.2**	(0.0)
Integration, restructuring and other corporate costs	**2.3**	3.6
Transaction costs	**0.6**	0.6
Reassessment of deferred contingent consideration (Look After My Bills)	**(0.1)**	–
	6.2	6.5

The Group acquired This Is The Big Deal Inc. and its subsidiaries, trading as Look After My Bills on 9 July 2019 and recognised acquired intangibles assets of £10.8m. Prior-year acquisitions of The Global Voucher Group Limited in January 2018 gave rise to acquired intangible assets of £10.8m, and in June 2018 the acquisition of Energylinx Limited and Energylinx for Business Limited resulted in recognition of £3.1m intangible assets. The intangible assets are being amortised over a period between three and ten years depending on their nature and the accounting charge, a non-cash item which arises on consolidation, is excluded from our Adjusted operating profit. The total charge for amortisation of acquired intangibles recognised in 2019 is £3.2m (2018: £2.3m).

Included within the acquisition price of Look After My Bills is £2.5m of deferred contingent consideration payable to the former shareholders, based on the number of successfully completed switches of consumer energy tariffs within the one year post-completion period. The consideration figure is based on management's best estimate of the forecast customer switches within the earnout period. In accordance with IFRS 13, the fair value has been reassessed at 31 December 2019 and based on the latest actual and forecast data, a £0.1m credit has been recognised in the Statement of Comprehensive Income as a result of the change in fair value.

Included within the acquisition purchase price of Energylinx Limited is £1.8m of deferred consideration payable to the former shareholders of the company. This payment will be made two years post-completion date subject to the former Director remaining employed by GoCompare at that point in time. Owing to this condition, the substance of this arrangement is deemed to be remuneration related and is therefore expensed over the two-year period of employment. A charge of £0.9m (2018: £0.4m) has been recognised during the period in respect of this and is presented within corporate costs in the table above.

These charges have been excluded in arriving at Adjusted operating profit on the basis that they relate directly to acquisitions, represent one off arrangements that are outside of the Group's normal policies and will not recur once the contingent consideration amounts are paid at the end of the earnout periods. The amount attributable to Look After My Bills is included within its own line above, whilst the amounts relating to the Energylinx businesses have been included within the category of integration, restructuring and other corporate costs.

Integration, restructuring and other corporate costs also includes £1.1m recognised in relation to restructuring of the Group's marketing and strategy functions along with certain other Senior Management roles. A further £0.3m has also been recognised for onerous contracts that the Group has cancelled in the period and is not able to drive any benefit from.

As part of the acquisition of This Is The Big Deal Inc. the Group incurred transaction fees of £0.6m (2018: £0.6m attributable to the acquisition of The Global Voucher Group Limited, Energylinx Limited and Energylinx for Business Limited).

6. Adjusted operating profit continued

In November 2016, the Group issued a number of Foundation Awards in the form of free shares to the Executive Directors and Senior Management. These vested in February 2019 and a final charge of £0.2m was recognised in the period. 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.

7. Employee benefit expense

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

	2019 £m	2018 £m
Wages and salaries	**20.4**	18.4
Social security costs	**2.3**	1.9
Share-based payment charge	**0.1**	1.4
Pension costs	**0.5**	0.5
	23.3	22.2

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

	2019 No.	2018 No.
Service provision	**265**	223
Administration	**53**	46
Total	**318**	269

Directors' remuneration was as follows:

	2019 £m	2018 £m
Aggregate emoluments	**1.8**	1.8
Aggregate gains made on the exercise of share options	–	–
Aggregate amounts receivable under long-term incentive schemes	**0.6**	0.9
Company contributions to money purchase pension scheme	**0.1**	0.1
	2.5	2.8

Detailed remuneration disclosures are provided in the Directors' Remuneration Report on pages 70 to 89.

8. Net finance costs

	2019 £m	2018 £m
Bank interest income	**0.0**	0.0
Interest expense on lease liabilities	**(0.1)**	–
Interest expense on unwinding of discount	**(0.1)**	–
Interest expense on bank borrowings	**(3.9)**	(3.2)
Net finance costs	**(4.1)**	(3.2)

9. Taxation

Analysis of the tax charge

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

	2019 £m	2018 £m
Current tax	**3.3**	7.1
Deferred tax	**(0.3)**	(0.3)
Income tax expense	**3.0**	6.8

The tax rate used for the calculations is the corporate tax rate of 19.0% (2018: 19.0%) 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.

Notes to the Financial Statements continued

For the year ended 31 December 2019

9. Taxation continued

The expense for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	2019 £m	2018 £m
Profit before income tax	**15.8**	33.8
Tax calculated at 19.0% (2018: 19.0%)	**3.0**	6.4
Effect of:		
Expenses not deductible	**0.1**	0.4
Adjustments in respect of prior years	**(0.1)**	(0.1)
Tax rate changes	**–**	0.1
Other	**–**	–
Income tax expense	**3.0**	6.8

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%. However, it is possible that the corporation tax rate remains at 19% after 1 April 2020.

10. Earnings per share

a) Basic EPS

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.

	2019	2018
Profit from continuing operations attributable to owners of the Parent (£m)	**12.7**	27.0
Weighted average number of ordinary shares in issue (m)	**418.5**	418.4
EPS (pence per share)	**3.0**	6.5

b) Diluted EPS

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2019	2018
Profit from continuing operations attributable to owners of the Parent (£m)	**12.7**	27.0
Weighted average number of ordinary shares in issue (m)	**418.5**	418.4
Adjustment for share options (m)	**9.1**	9.3
Weighted average number of ordinary shares for dilutive earnings per share (m)	**427.6**	427.7
Dilutive EPS (pence per share)	**3.0**	6.3

c) Adjusted basic EPS

	2019	2018
Profit from continuing operations attributable to owners of the Parent (£m)	**12.7**	27.0
Adjustment for amortisation of acquired intangibles, Foundation Awards, integration, restructuring and other corporate costs, transaction fees and change in deferred contingent consideration, net of tax (note 6) (£m)	**5.3**	5.5
Adjusted profit from continuing operations attributable to owners of the Parent (£m)	**18.0**	32.5
Weighted average number of ordinary shares in issue (m)	**418.5**	418.4
Adjusted EPS (pence per share)	**4.3**	7.8

d) Adjusted diluted EPS

	2019	2018
Profit from continuing operations attributable to owners of the Parent (£m)	**12.7**	27.0
Adjustment for amortisation of acquired intangibles, Foundation Awards, integration, restructuring and other corporate costs, transaction fees and change in deferred contingent consideration, net of tax (note 6) (£m)	**5.3**	5.5
Adjusted profit from continuing operations attributable to owners of the Parent (£m)	**18.0**	32.5
Weighted average number of ordinary shares in issue (m)	**418.5**	418.4
Adjustment for share options (m)	**9.1**	9.3
Weighted average number of ordinary shares for dilutive earnings per share (m)	**427.6**	427.7
Adjusted diluted EPS (pence per share)	**4.2**	7.6

11. Business combinations

This Is The Big Deal Inc.

On 9 July 2019, the Group reached an agreement to acquire 100% of the share capital of This Is The Big Deal Inc, a holding company, registered in Delaware, US (and its UK registered trading subsidiaries) trading as Look After My Bills, 'LAMB', which is a leading UK energy auto-switching service provider. The business supplements the Group's AutoSave proposition with a transformative business model that has deeper customer relationships, leading to greater loyalty which should deliver sustainable recurring revenue and higher customer lifetime value.

The acquisition completed on 9 July 2019 being the point at which the Group had control and was able to direct the activities of the acquired companies. The business was acquired for initial cash consideration of £6.0m, deferred consideration of £2.5m and deferred contingent consideration of up to £4.0m (fair value on acquisition of £2.6m) payable after one year dependent on the number of applicable switches made within the defined period, and £1.4m working capital balance paid in November 2019.

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. In calculating the goodwill arising on acquisition, the fair value of net assets acquired was assessed and no material adjustments from book value were made to existing assets and liabilities. Separately identifiable intangible assets were recognised as part of the acquisition as detailed further below.

The net assets acquired and goodwill are as follows:

	On acquisition £m
Purchase consideration	12.4
Fair value of assets acquired (summarised below)	10.3
Goodwill	2.1

The goodwill recognised is attributable to Look After My Bills' leading position in the growing auto-switching market in the UK. The business combination is not expected to give rise to goodwill that is expected to be deductible for tax purposes.

The fair value of assets and liabilities arising on acquisition have been determined as follows:

	Fair value £m
Cash and cash equivalents	1.4
Trade and other receivables	1.8
Trade and other payables	(1.8)
Intangibles – Brand name	5.7
Intangibles – Customer relationships	4.6
Intangibles – Technology	0.5
Deferred tax arising on acquired intangibles	(1.9)
Fair value of net assets acquired	**10.3**

The fair value of trade and other receivables acquired is £1.8m which has a gross contractual value of £1.8m. The best estimate at the acquisition date of the contractual cash flows not to be collected is zero.

In the period from acquisition to 31 December 2019, the acquired business generated revenue of £4.0m and a trading loss of £0.2m. Had the acquisition completed on 1 January 2019, and the results consolidated from the commencement of the 2018 financial year, the acquired business would have generated revenue of £6.5m and £0.8m of trading profit. These amounts are based on the legal entity reporting and not directly comparable to how the entity is presented in the segmental reporting.

Intangible assets recognised on consolidation

i) Brand

£5.7m has been recognised in respect of the acquired brand name, representing its inherent value. The brand valuation has been determined using a relief from royalty approach. A brand royalty rate of 6% and a post-tax discount rate of 10% have been applied to the forecast revenues which are based on an expectation of the number of consumers who will sign up and switch their energy supplier through LAMB. The useful economic life has been assessed as ten years.

ii) Customer relationships

£4.6m has been recognised in respect of the customer relationships held by LAMB. The intangible value has been determined using a multi-period excess earnings model. A post-tax discount rate of 9% has been applied to forecast cash flows relating to the existing customers. The useful economic life of the customer relationships has been assessed as an average of seven years.

iii) Technology

£0.5m has been recognised in respect of the technology acquired in the acquisition. The technology has been valued using a replacement cost method. The business has developed technology which is able to capture customer data, ensure fuel switches occur at the appropriate time for these customers and handle batch processing of high volumes of customer switches. A post-tax discount rate of 10% has been applied. The useful economic life has been assessed as five years.

Notes to the Financial Statements continued

For the year ended 31 December 2019

11. Business combinations continued

The Global Voucher Group Limited

On 10 January 2018 the Group acquired 100% of the share capital of The Global Voucher Group Limited (and its subsidiaries) trading as 'MyVoucherCodes' which is an online voucher code aggregator based in the UK. The business was acquired for cash consideration of £36.9m and the Group incurred direct costs of £0.8m in relation to the transaction which were charged to the income statement in the prior year.

MyVoucherCodes' strong position in retail vouchers is highly complementary to GoCompare's position as a leading provider of financial services and utilities comparison. GoCompare believes the acquisition will increase the opportunities for frequency of engagement with consumers who use both comparison and voucher websites, introduce offers to incentivise conversion on both GoCompare and MyVoucherCodes, and provide a new channel for existing GoCompare partners.

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. In calculating the goodwill arising on acquisition, the fair value of net assets acquired was assessed and no material adjustments from book value were made to existing assets and liabilities. Separately identifiable intangible assets were recognised as part of the acquisition as detailed further below.

The net assets acquired and goodwill are as follows:

	On acquisition £m
Purchase consideration	36.9
Fair value of assets acquired (summarised below)	10.3
Goodwill	26.6

The goodwill recognised is attributable to The Global Voucher Group Limited's profitability and its position as a leading UK voucher code site. The acquisition also benefits from various value creation synergies including interchange of traffic between GoCompare's and The Global Voucher Group Limited's websites and various cross-sell opportunities.

The fair value of assets and liabilities arising on acquisition have been determined as follows:

	Fair value £m
Cash and cash equivalents	0.7
Property, plant and equipment	0.0
Software	0.1
Intangibles – Brand name	0.9
Intangibles – Customer relationships	7.8
Intangibles – Technology	2.1
Trade and other receivables	2.5
Trade and other payables	(1.9)
Deferred tax arising on acquired intangibles	(1.9)
Fair value of net assets acquired	**10.3**

The fair value of trade and other receivables acquired is £2.5m, which has a gross contractual value of £2.7m. The best estimate at the acquisition date of the contractual cash flows not to be collected is £0.2m.

In the period from acquisition to 31 December 2018, the acquired business generated revenue of £8.2m and trading profit of £5.6m. Had the acquisition completed on 1 January 2018, and the results consolidated from the commencement of the 2018 financial year, the acquired business would have generated revenue of £8.4m and £5.6m of trading profit.

Intangible assets recognised on consolidation

i) Brand

£0.9m has been recognised in respect of the acquired brand name, representing its inherent value. MVC is one of the UK's leading voucher codes businesses with circa 2.5m monthly visits. The brand valuation has been determined using a relief from royalty approach. A brand royalty rate of 3.5% and a post-tax discount rate of 11.7% have been applied. The useful economic life has been assessed as 5 years.

ii) Customer relationships

£7.8m has been recognised in respect of the customer relationships held by The Global Voucher Group Limited. The intangible value has been determined using a multi-period excess earnings model. A post-tax discount rate of 11.7% has been applied to forecast cash flows relating to the existing customers. The useful economic life of the customer relationships has been assessed as an average of 5 years.

iii) Technology

£2.1m has been recognised in respect of the technology acquired in the acquisition. The entity has a website, mobile app and supporting infrastructure in order to enable customers to use the vouchers. The software infrastructure can also be used as a white label product to other providers. A post-tax discount rate of 11.7% has been applied. The useful economic life has been assessed as 5 years.

11. Business combinations continued

Energylinx Limited and Energylinx for Business Limited

On 13 June 2018 the Group acquired 100% of the ordinary share capital of Energylinx Limited and Energylinx for Business Limited (and its subsidiaries) for total consideration of £10.4m. Cash consideration of £8.2m was paid upfront, a working capital adjustment of £0.4m was paid in October following agreement of the completion balance sheet, and £1.8m deferred consideration is payable after 2 years if key personnel remain with the business. The purchase will be accounted for as a business combination under the acquisition method in accordance with IFRS 3.

Energylinx is a leading UK energy switching and price comparison service with strong commercial relationships. The business complements GoCompare's core price comparison services, provides a number of key partnerships in this sector and supports the Group's automation strategy, Savings as a Service.

The net assets acquired and goodwill are as follows:

	On acquisition £m
Purchase consideration	8.7
Fair value of assets acquired (summarised below)	2.8
Goodwill	5.9

The goodwill recognised is attributable to the profitability of the Energylinx businesses and its leading position as an energy price comparison website. The Group also expects to benefit from synergies, including Energylinx becoming the provider for GoCompare's energy comparison services.

The fair value of assets and liabilities arising on acquisition have been determined as follows:

	Fair value £m
Cash and cash equivalents	0.5
Property, plant and equipment	0.0
Intangibles – Brand name	0.7
Intangibles – Technology	1.0
Intangibles – Database	0.3
Intangibles – Customer relationships	1.1
Trade and other receivables	1.3
Trade and other payables	(1.6)
Deferred tax arising on acquired intangibles	(0.5)
Fair value of net assets acquired	**2.8**

The fair value of trade and other receivables acquired is £1.3m, which have a gross contractual value of £1.5m. The best estimate at the acquisition date of the contractual cash flows not to be collected is £0.2m.

In the period from acquisition to 31 December 2018, the acquired businesses generated revenue of £6.4m and trading profit of £2.1m. Had the acquisition completed on 1 January 2018, and the results consolidated from the commencement of the 2018 financial year, the acquired business would have generated £8.8m and £3.7m of trading profit.

Intangible assets recognised on consolidation

i) Brand

£0.7m has been recognised in respect of the acquired brand name, representing its inherent value. The brand valuation has been determined using a relief from royalty approach. A brand royalty rate of 4.0% and a post-tax discount rate of 13.4% have been applied. The useful economic life has been assessed as 10 years.

ii) Technology

£1.0m has been recognised in respect of the Technology acquired in the acquisition. There is value to the website infrastructure for both Energylinx and Energylinx for Business which is used to provide the capability for the price comparison services. This technology is licensed to customers as a white label site through which Energylinx generates licence fee income. The technology valuation has been determined using a relief from royalty approach. A technology royalty rate of 8.0% has been applied, being the expected return generated from licensing this capability. A post-tax discount rate of 13.4% has been applied. The useful economic life has been assessed as 5 years.

iii) Databases

£0.3m has been recognised in respect of the databases acquired in the acquisition. Energylinx provides pricing data to energy partners and other customers. The valuation of the database has been determined using a relief from royalty approach. A database royalty rate of 2.0% and a post-tax discount rate of 13.4% have been applied. The useful economic life of the database has been assessed as 5 years.

Notes to the Financial Statements continued

For the year ended 31 December 2019

11. Business combinations continued

iv) Customer relationships

£1.1m has been recognised in respect of the customer relationships held by Energylinx. The intangible value has been determined using a multi-period excess earnings model. A post-tax discount rate of 13.4% has been applied to forecast cash flows relating to the existing customers. The useful economic life of the customer relationships has been assessed as an average of 10 years.

None of the business combinations that completed during the year had any goodwill that is expected to be deductible for tax purposes.

12. Investments in equity instruments

On 30 June 2017 the Group acquired a minority shareholding in Mortgage Gym Limited ('MGL') for consideration of £1.0m. On 30 July 2018 the Group acquired additional shares in MGL, increasing the shareholding to 26%. As a result the investment in MGL was recognised as an associate from this point.

On 5 June 2019 MGL issued convertible loan notes to the majority shareholder, and warrants to the Group which can be fully exercised in three years time. If the loan notes are converted in full the Group will hold only 6% of the voting rights, until the warrant is exercised to bring the shareholding back to 26%. The loan notes are subject to a debenture giving the holder of the loan notes first priority ranking over the assets of the company. On balance, the Group is judged to have lost significant influence following the refinancing; therefore, the investment has been reclassified as an investment in equity instruments.

On 10 October 2017 the Group acquired a minority shareholding in Souqalmal Holdings Limited ('SHL') for consideration of £1.5m.

Both of the investments are classified as equity investments recognised at fair value through OCI, held at fair value and are both unquoted. Fair value is classified as level 3 within the IFRS 7 fair value hierarchy, as the inputs for their fair values are not based on observable market data.

	2019 £m	2018 £m
At 1 January	1.5	2.5
Additions	–	–
Reclassification from investment in associate to investment in equity instruments	1.6	–
Fair value gains/(losses)	(1.5)	0.2
Reclassification of investment in equity instruments to investment in associate	–	(1.2)
At 31 December	1.6	1.5

The equity investments are identified as follows:

	2019 £m	2018 £m
Souqalmal Holdings Limited	0.6	1.5
Mortgage Gym Limited	1.0	–
	1.6	1.5

Souqalmal Holdings Limited (SHL)

At the year end the valuation of SHL has been determined based on an assessment of the financial forecasts of the business alongside consideration of the purchase price paid by investors in the most recent funding round. In early 2020 SHL completed a funding round at a discount to previous funding rounds and which also resulted in the Group's shareholding being diluted. The investment in SHL is held in US dollars; therefore, this investment is also subject to US$/GBP exchange rate movements. Taking into account all of these factors, the Directors consider that the fair value of the Group's investment is now £0.6m which results in a fair value loss of £0.9m being recognised through Other Comprehensive Income in the year.

Mortgage Gym Limited (MGL)

At the year end, fair value has been determined based on an assessment of the latest financial forecasts of the business. A risk weighting has been applied to these forecasts and a discount rate applied in arriving at the fair value of £1.0 which results in a fair value loss of £0.6m being recognised through Other Comprehensive Income in the year.

The Directors consider that the fair values disclosed represent materially reasonable valuations of the two equity investments held.

13. Investment in associates

On 30 July 2018, the Group's equity interest in MGL increased to 26% and it became an associate of the Group from that date, until the Group lost significant influence, as per note 12, on 5 June 2019.

MGL is a digital mortgage robo-adviser based in the UK and is a private entity that is not listed on any public exchange.

The Group's interest in MGL was accounted for using the equity method in the consolidated financial statements up until 5 June 2019. The table below reconciles the carrying amount of the Group's interest in MGL from 31 December 2018 to the date that the Group lost significant influence on 5 June 2019, and through the transfer of the carrying value of the investment.

13. Investment in associates continued

The following table summarises the financial information of MGL as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in MGL. The information for 2018 presented in the table includes the results of MGL only for the period from 30 July to 31 December 2018, because MGL became an associate on 30 July 2018, until the Group lost significant influence on 5 June 2019.

	£m
Carrying value of investment in associate at 31 December 2018	**2.0**
Group's share of total comprehensive income for the year (26%)	(0.4)
Carrying value of investment in associate at 5 June 2019	1.6
Reclassification to investment in equity instruments	**(1.6)**
Carrying value of investment in associate at 31 December 2019	**–**

	2019 £m	2018 £m
Non-current assets	**–**	0.9
Current assets	**–**	1.5
Non-current liabilities	**–**	–
Current liabilities	**–**	(0.4)
Net assets (100%)	**–**	2.0
Group's share of net assets (26%)	**–**	0.5
Revenue	**–**	0.0
Profit from continuing operations (100%)	**–**	(1.9)
Other comprehensive income (100%)	**–**	–
Total comprehensive income (100%)	**–**	(1.9)
Group's share of total comprehensive income for the period (26%)	**–**	(0.5)

14. Intangible assets

	Goodwill £m	Acquired intangibles £m	Software and website costs £m	Total £m
Cost				
At 1 January 2018	2.5	–	2.2	4.7
Additions	32.6	13.9	7.8	54.3
Disposals	–	–	(0.3)	(0.3)
At 31 December 2018	**35.1**	**13.9**	**9.7**	**58.7**
Additions	2.1	10.8	9.6	22.5
Disposals	–	–	(1.6)	(1.6)
At 31 December 2019	**37.2**	**24.7**	**17.7**	**79.6**
Accumulated amortisation				
At 1 January 2018	–	–	0.8	0.8
Amortisation charge	–	2.4	1.8	4.2
Disposals	–	–	(0.2)	(0.2)
At 31 December 2018	**–**	**2.4**	**2.4**	**4.8**
Amortisation charge	–	3.2	4.5	7.7
Disposals	–	–	(1.6)	(1.6)
At 31 December 2019	**–**	**5.6**	**5.3**	**10.9**
Net book value				
At 31 December 2019	**37.2**	**19.1**	**12.4**	**68.7**
At 31 December 2018	35.1	11.5	7.3	53.9

Capitalised development costs are not treated as a realised loss for the purpose of determining distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

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14. Intangible assets continued

Impairment review

Goodwill recognised includes amounts arising on the acquisitions of Gocompare.com Limited, The Global Voucher Group Limited, Energylinx Limited, Energylinx for Business Limited and Look After My Bills . Goodwill arising in a business combination is allocated on acquisition to the cash-generating units ('CGUs') that are expected to benefit from that business combination. The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

Goodwill allocated by CGU

The CGUs that represent the lowest level within the Group at which goodwill is monitored for internal management purposes are defined by the business as follows:

- Gocompare.com
- The Global Voucher Group Limited ('GVG')
- Energylinx Limited and Energylinx for Business Limited ('ELX')
- Look After My Bills ('LAMB')

The carrying amount of goodwill allocated to each CGU is as follows:

CGU	As at 31 December 2018 £m	Arising on acquisition £m	**As at 31 December 2019 £m**
Gocompare.com	2.5	–	**2.5**
GVG	26.6	–	**26.6**
ELX	6.0	–	**6.0**
LAMB	–	2.1	**2.1**
Total	35.1	2.1	**37.2**

Impairment review

For the assessment carried out at 31 December 2019, no impairment charge has arisen. The recoverable amount of the cash-generating units was determined by measuring their value in use ('VIU'), which is determined using cash flow projections derived from financial plans approved by the Board covering a three-year period. The cash flows reflect the Board's expectations of revenue and operating cash flows which are based on past experience and future expectations of performance. The key VIU assumptions attributable to the CGUs are:

Assumption	Gocompare.com	GVG	ELX	LAMB
Pre-tax discount rate	12%	13%	13%	12%
Long-term growth rate	2%	2%	2%	2%
Number of years forecast before terminal growth rate applied	3	3	3	3

The estimated future cash flows have been discounted to their present value using the pre-tax discount rates above (2018: 14%) to reflect current market assessments of the time value of money. This is calculated based on an assessment of a relevant peer group's weighted average cost of capital ('WACC'). The pre-tax discount rate for the GVG CGU is lower in 2019 compared to that used in 2018 as a result of a change in the strategy for the GVG business and therefore reflects a forecast with lower risk involved with the cash flows.

Cash flows beyond the three-year period have been extrapolated using perpetuity growth rates. A terminal value growth rate of 2% (2018: 2%) has been applied in each period to extrapolate the cash flows into perpetuity. Growth has been capped at this rate so as not to exceed the long-term expected growth rate of the UK where the CGUs operate.

Sensitivity analysis

We have conducted sensitivity analysis on each CGU's VIU. This included either increasing the discount rates, reducing the long-term growth rates or reducing the anticipated future cash flows through the reduction to revenue or increase in costs through to the terminal year.

The Board is comfortable that a reasonable change in the underlying assumptions attributable to the Gocompare.com, ELX & LAMB CGUs would not indicate an impairment. However, for the GVG CGU, the excess headroom under the base case assumptions of £5.1m compared with the carrying value of £33.6m inclusive of acquired and other intangible assets could be reduced to zero, or to an amount below the carrying value as a result of a reasonably possible change in one or more of the key assumptions.

The business is forecasting significant improvement in organic search performance over the forecast cash flow period. Revenue from organic search is forecast to grow by 137% by 2022 relative to 2019 as the business delivers upon its planned improvements. The majority of this increase relates to anticipated recovery of lost performance in 2019 with forecast revenue in 2022 being only 23% higher than that achieved by the business in 2018.

14. Intangible assets continued

The organic search improvement does not, by its nature, lead to a corresponding increase in marketing related expenses. Also, there is a relationship between organic search and tenancy revenue with commercial partners being willing to pay more for advertising space on the website if the number of visits to the site increases. Tenancy revenue is forecast to grow by 76% by 2022 relative to 2019. These assumptions are all material to the future cash flows, and are included within the sensitised scenarios shown within the table below.

Sensitivity	Headroom/ (Impairment) £m
1% increase in discount rate	1.0
1% reduction in long-term growth rate	1.6
SEO revenue growth of 20% in 2020, 2021 & 2022	(0.6)
Tenancy revenue growth of 10% in 2020, 2021 & 2022	(0.8)
10% reduction in total revenue for each year through to terminal year	(4.4)
10% increase in total costs for each year through to terminal year	(0.5)

On the basis of the above, whilst a reasonable change in some of the underlying assumptions attributable to the GVG CGU decrease the VIU to below the carrying value, the base case model remains the Directors' best estimate of the CGU's future cash flows, and therefore the Directors remain comfortable that the carrying amounts of the non-financial assets related to all CGUs are recoverable.

15. Property, plant and equipment

	Right-of-use assets £m	Fixtures, fittings and equipment £m	Total £m
Cost			
At 1 January 2018	–	2.8	2.8
Additions	–	0.5	0.5
Disposals	–	(0.3)	(0.3)
At 31 December 2018	**–**	**3.0**	**3.0**
Amounts recognised on adoption of IFRS 16	4.4	–	4.4
Additions	–	0.4	0.4
Disposals	–	(0.4)	(0.4)
At 31 December 2019 (restated)	**4.4**	**3.0**	**7.4**
Accumulated depreciation			
At 1 January 2018	–	1.3	1.3
Depreciation charge	–	0.5	0.5
Disposals	–	(0.3)	(0.3)
At 31 December 2018	**–**	**1.5**	**1.5**
Depreciation charge	0.7	0.6	1.3
Disposals	–	(0.4)	(0.4)
At 31 December 2019	**0.7**	**1.7**	**2.4**
Net book value			
At 31 December 2019	**3.7**	**1.3**	**5.0**
At 31 December 2018	–	1.5	1.5

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For the year ended 31 December 2019

16. Trade and other receivables

	2019 £m	2018 £m
Trade receivables	**15.4**	12.0
Less: provision for impairment of trade receivables	**(1.6)**	(0.3)
Trade receivables – net	**13.8**	11.7
Prepayments	**3.3**	6.8
Accrued income	**7.5**	8.5
Other receivables	**0.5**	–
	25.1	27.0
Analysis of past due debt:		
1 – 30 days overdue	**3.4**	0.7
31 – 60 days overdue	**1.8**	0.4
61 – 120 days overdue	**1.0**	0.5
Over 120 days overdue	**0.3**	–
	6.5	1.6

Amounts disclosed in the analysis of past due debt are shown gross, prior to bad debt provisions being applied. The increase in amounts shown as 1 – 30 days overdue for 2019 has arisen as a result of timing of payments from customers around year-end and these amounts have been recovered in January 2020.

17. Cash and cash equivalents

	2019 £m	2018 £m
Cash at bank	**11.4**	11.9

18. Trade and other payables

	2019 £m	2018 £m
Trade payables	**6.3**	7.7
Corporation tax	**1.9**	3.6
Social security and other taxes	**1.5**	3.1
Accrued expenses	**10.8**	11.9
Deferred income	**0.3**	0.7
	20.8	27.0

19. Borrowings

	2019 £m	2018 £m
At 1 January	**79.4**	63.9
Changes from financing cash flows		
Drawdown of term loan borrowings	**15.0**	–
Repayment of term loan borrowings	**(55.0)**	(10.0)
Drawdown of borrowings under revolving credit facility	**68.0**	34.0
Repayment of borrowings under revolving credit facility	**(25.0)**	(9.0)
Interest paid on term loan	**(1.4)**	(1.7)
Term loan issue costs	**(0.1)**	–
Total changes from financing cash flows	**1.5**	13.3
Other changes		
Accrued interest	**1.5**	2.2
Term loan issue costs expensed on refinancing	**0.6**	–
Total other changes	**2.1**	2.2
At 31 December	**83.0**	79.4

On 21 October 2019, the Group completed the refinancing of its debt facility, comprising a £105.0m multicurrency revolving credit facility and a £15.0m term loan. This resulted in the previous facility being repaid in full, with the subsequent drawdown of £68.0m of the new RCF facility and the £15.0m term loan, resulting in total debt of £83.0m as at 31 December 2019.

19. Borrowings continued

The new facility matures in four years, during October 2023, with an option to extend for an additional year. The term loan has a required repayment of £3.0m per annum. The RCF is a committed facility for the four-year term for which any repayment before the maturity date is at the full discretion of the Group, and therefore the total RCF balance is presented as non-current in the Statement of Financial Position. As at 31 December 2019, the interest rate attributable to the RCF and term loan is 1.95% plus LIBOR.

At 31 December 2019 the Group had committed undrawn borrowing facilities of £37.0m.

20. Financial instruments

The following table sets out the financial assets and financial liabilities of the Group at year end. The carrying amounts of the Group's financial instruments are considered to be a reasonable approximation of their fair value and therefore no separate disclosure of fair values is given.

	2019 £m	2018 £m
Financial assets:		
Investments in equity instruments	**1.6**	1.5
Trade and other receivables	**21.3**	20.2
Cash and cash equivalents	**11.4**	11.9
	34.3	33.6
Financial liabilities:		
Trade and other payables	**17.1**	19.6
Deferred consideration	**6.4**	0.4
Borrowings	**83.0**	79.4
	106.5	99.4

The assumptions used in determining the fair value of the Group's investments in equity instruments, which are classified as level 3, are set out in note 12.

21. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Group's financial risk management strategy is focused on maintaining effective working capital management. This includes managing repayment of the Group's borrowings to meet covenants and minimise leverage, ensuring cash is available for the payment of dividends to shareholders and having cash which could be used for potential investment opportunities. Financial risk management is the responsibility of the Finance department under policies approved by the Board of Directors. The Board receives timely information regarding the Group's exposures and the mitigating actions taken to manage to financial risk.

The Group has limited exposure to foreign currency risk as substantially all of the Group's income and expenditure is denominated in Pounds Sterling.

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 as well as uninvoiced accrued income is produced on a monthly basis and there is proactive engagement with any partner which has a balance outstanding that is outside the agreed terms or where a large exposure may exist from an accrued income perspective. The Group has an allowance for doubtful accounts and provision is made for doubtful accounts at the point the Group has a reasonable expectation that a customer may not be able to settle its liability to the Group. An analysis of trade receivables past due is included within note 16.

Liquidity risk

Liquidity risk is the risk that the Group, although solvent, may not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The primary liquidity risk of the Group is its obligation to pay amounts due to suppliers as they fall due and to ensure that the interest and principal repayments on its debt facility are also paid as they fall due. The Group is cash generative and has 30-day payment terms with all its key partners. Revenue for some areas of the Group is accrued which increases the lead time to the point of invoicing and ultimately when cash is received. 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 drawdown on available committed borrowings facilities should this be required. The Group has in place a £105.0m committed revolving credit facility which is available to be drawn and repaid as required. At 31 December 2019, the Group had £68.0m drawn under this facility which, in the absence of a renewal being instructed by the Group, would require repayment. The Group has the ability and the expectation to renew the drawdown and therefore this balance will remain drawn until such a time that the Group chooses to repay the debt either in part or in full or when the term ends and the balance is required to be repaid.

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For the year ended 31 December 2019

21. Financial risk management continued

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 2019							
Trade and other payables	**18.6**	**18.6**	**16.7**	**1.9**	**–**	**–**	**–**
Deferred consideration	**6.4**	**6.4**	**–**	**6.4**	**–**	**–**	**–**
Borrowings	**83.0**	**84.2**	**–**	**3.4**	**3.3**	**77.5**	**–**
At 31 December 2018							
Trade and other payables	22.8	22.8	20.5	2.3	–	–	–
Deferred consideration	0.4	0.4	–	–	0.4	–	–
Borrowings	79.4	83.6	25.0	11.5	11.2	35.9	–

Interest rate risk

The Group's interest rate risk arises from its borrowings, which are issued at a variable rate of interest and therefore net finance costs could be adversely impacted by an increase in the LIBOR rate. In addition, the coupon rate applied to the debt varies depending on the leverage of the Group's borrowings. The Group has considered a reasonably possible scenario of interest rates rising by 1% over the next 12 months which would lead to an additional interest cost of £0.8m (2018: £0.8m) based on the principle of borrowings outstanding at the year end. Whilst the Group has an exposure to interest rate risk, hedging has not been applied. In line with the Group's financial risk management strategy, the potential impact of a reasonably likely increase in interest rate is deemed to be acceptable in the context of the Group's overall forecast earnings and hedging is not currently deemed to be a cost-effective way of managing this risk.

The Group has the ability to repay borrowings early and considers the benefit of doing this as part of its wider working capital management and investment strategy.

Capital management

The Group's objective in managing capital is to safeguard its ability to continue as a going concern and for it to deliver on its strategic objectives. This includes ensuring there are sufficient funds for the repayment of the Group's borrowings, payment of dividends to shareholders, capital investment and to have funds available for potential investment opportunities. The cash balances of the Group are held with Lloyds Bank plc and The Royal Bank of Scotland Group plc, which have credit ratings of A1 and A2 respectively (2018: A1 and A2). The Group is subject to financial covenants as part of its Debt Facility Agreement and therefore capital resources are also managed to ensure that these are complied with. Additionally, one of the Group's subsidiaries is subject to regulatory capital requirements and this is also taken into account when managing the Group's capital resources.

Capital comprises share capital, share premium and reserves (together total equity as set out in the Statement of Changes in Equity) as well as borrowings.

22. Provisions for liabilities

	Provisions £m
At 1 January 2018	1.1
Released/utilised in the year	0.4
(Credited)/charged to profit and loss in the year	(0.1)
At 31 December 2018	1.4
At 1 January 2019	**1.4**
Released/utilised in the year	**(0.7)**
(Credited)/charged to profit and loss in the year	**0.1**
At 31 December 2019	**0.8**

Included within provisions at 31 December 2019 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 commission which may need to be paid back for life insurance policies that may be cancelled; and
- Dilapidation provision – an estimate of rectification work associated with the building which is leased by the Group.

22. Provisions for liabilities continued

The 'Not taken up' provision is expected to be settled fully within 12 months. The dilapidation provision is expected to be utilised or released at the point the Group vacates its current premises – the lease for which runs to 2028 with a break clause in 2023. A portion of the life clawback provision is expected to be utilised in the next 12 months, with the remainder in the subsequent three years.

Analysis of total provisions:

	2019 £m	2018 £m
Current	**0.4**	1.0
Non-current	**0.4**	0.4
Total	**0.8**	1.4

23. Deferred consideration

Deferred consideration has arisen as a result of the acquisitions made by the Group during 2018 and 2019. As set out in note 11, the acquisition of This Is The Big Deal Inc included deferred consideration of £2.5m and deferred contingent consideration of up to £4.0m. The fair value at the point of acquisition was determined as £5.2m and reassessed as £5.1m at year end. The contingent consideration is valued based on the present value of applicable forecast switches in the defined period at the agreed switch rate. Included within the purchase price of Energylinx Limited is £1.8m of deferred consideration which is charged to profit and loss over a two-year period. £0.9m has been charged during 2019 (2018: £0.4m).

	Deferred consideration £m
At 1 January 2018	–
Charged to profit and loss in the year	0.4
Charged/(credited) during the year as a result of fair value changes	–
Released/utilised in the year	–
At 31 December 2018	0.4
At 1 January 2019	**0.4**
Charged to profit and loss in the year	**0.9**
Deferred and contingent consideration arising on acquisition	**5.2**
Charged/(credited) during the year as a result of fair value changes	**(0.1)**
Released/utilised in the year	**–**
At 31 December 2019	**6.4**

Analysis of deferred consideration:

	2019 £m	2018 £m
Current	**6.4**	–
Non-current	**–**	0.4
Total	**6.4**	0.4

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24. Deferred tax

	Deferred tax assets £m	Deferred tax liabilities £m
At 1 January 2018	0.8	–
Arising on acquisition	–	(2.5)
Released/utilised in the year	–	–
Credited/(charged) to profit and loss in the year	0.5	0.2
Credited/(charged) to equity in the year	(0.6)	–
At 31 December 2018	0.7	(2.3)
At 1 January 2019	**0.7**	**(2.3)**
Released/utilised in the year	**(0.1)**	**–**
Arising on acquisition	**–**	**(1.9)**
Credited/(charged) to profit and loss in the year	**0.1**	**0.6**
Credited/(charged) to equity in the year	**0.1**	**–**
At 31 December 2019	**0.8**	**(3.6)**

Deferred tax balances are attributable to:

	2019 £m	2018 £m
Accelerated capital allowances	**–**	–
Share-based payments	**0.8**	0.6
Other timing differences	**0.0**	0.1
Total deferred tax asset	**0.8**	0.7
Accelerated capital allowances	**(0.3)**	(0.3)
Acquired intangibles	**(3.3)**	(2.0)
Total deferred tax liability	**(3.6)**	(2.3)

25. Share capital

	2019 £m	2018 £m
Called up and fully paid		
418,559,180 ordinary shares of £0.0002 each *(2018: 418,409,446 of £0.0002 each)*	**0.1**	0.1

The Group has a number of equity-settled share schemes in place. The maximum number of shares that may be issued under these existing award schemes is set out in note 26.

26. Share-based payments

The Group has a number of equity-settled, share-based compensation plans. These include the Foundation Awards, Performance Share Plans (PSP), Free Share Awards, Partnership and Save As You Earn schemes under the all-employee Share Incentive Plan (SIP). Details of these schemes are set out in the following pages. The share-based payment charge recognised in relation to each of the schemes is as follows:

	2019 £m	2018 £m
Foundation Awards	**0.2**	(0.0)
2017 PSP	**(0.5)**	0.6
2018 PSP	**(0.1)**	0.6
2019 PSP	**0.3**	–
Free Share Awards	**0.0**	0.0
Partnership Shares	**0.1**	0.1
Save As You Earn Schemes	**0.1**	0.1
	0.1	1.4

26. Share-based payments continued

The following table shows the number of share options awarded, exercised and outstanding at the year end.

	000s of shares						
	Foundation Awards	2017 PSP	2018 PSP	2019 PSP	Free share Awards	SAYE schemes	Total
At 1 January 2018	13,457	3,476	–	–	304	1,328	18,565
Awards granted during the period	–	–	3,259	–	–	300	3,559
Awards exercised during the period	–	–	–	–	–	–	–
Awards forfeited during the period	(321)	(426)	(470)	–	(37)	(115)	(1,369)
At 31 December 2018	**13,136**	**3,050**	**2,789**	**–**	**267**	**1,513**	**20,755**
Awards granted during the period	–	–	–	4,606	–	946	5,552
Awards exercised during the period	(3,153)	–	–	–	–	–	(3,153)
Awards forfeited, lapsed or cancelled during the period	(9,983)	(431)	(564)	(263)	(61)	(539)	(11,841)
At 31 December 2019	**–**	**2,619**	**2,225**	**4,343**	**206**	**1,920**	**11,313**

Share options outstanding at the end of the year have the following expiry date and exercise prices:

	Exercise price	Vesting date
Foundation Awards	nil	2019
2017 PSP	nil	2020
2018 PSP	nil	2021
2019 PSP	nil	2022
Free Share Awards	nil	2019
Save As You Earn – 2016	0.50	2019–2021
Save As You Earn – 2017	0.90	2020–2022
Save As You Earn – 2018	0.95	2021–2023
Save As You Earn – 2019	0.66	2022–2024

a) Foundation Awards

The Foundation Awards were issued under the PSP, which is a discretionary share plan for the Group's Executive and Senior Management. The Foundation Awards were granted on 15 November 2016, save for one award which was granted on 1 December 2016. The Awards are subject to financial performance conditions, against which performance will be tested at the end of 2017 and 2018. In February 2019 the Remuneration Committee confirmed a vesting level of 24% and an extension from a one-year post-vesting holding period to a two-year period from the vesting date of 28 February 2019 for the Executive Directors. Further information is set out in the Directors' Remuneration Report.

b) 2017 Performance Share Plan

The Group awarded an equity-settled Performance Share Plan (the 2017 PSP) to the Executive Directors and Senior Management. The 2017 PSP Awards were granted on 29 March 2017, save for one Award which was granted on 5 April 2017. The Awards are subject to an EPS growth performance condition, for which the fair value of the Awards was estimated using a Black-Scholes valuation model, and a total shareholder return (TSR) condition, which has been valued using a Monte-Carlo simulation. The inputs into the model were:

Share price at grant – 29 March 2017	£0.92
Share price at grant – 5 April 2017	£0.93
Exercise price	£nil
Volatility % p.a.	34.0%
Dividend yield % p.a.	nil
Risk-free rate %	1.10%
Expected life	3 yrs
Fair value per share – TSR	£0.54
Fair value per share – EPS	£0.92

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26. Share-based payments continued

c) 2018 Performance Share Plan

The Group has awarded an equity-settled Performance Share Plan (the 2018 PSP) to the Executive Directors and Senior Management. The 2018 PSP Awards were granted on 28 March 2018. The awards are subject to an EPS growth performance condition, for which the fair value of the Awards was estimated using a Black-Scholes valuation model, and a total shareholder return (TSR) condition, which has been valued using a Monte-Carlo simulation. The inputs into the model were:

Share price at grant – 28 March 2018	£1.13
Exercise price	£nil
Volatility % p.a.	32.6%
Dividend yield % p.a.	nil
Risk-free rate %	1.10%
Expected life	3 yrs
Fair value per share – TSR	£0.66
Fair value per share – EPS	£1.13

d) 2019 Performance Share Plan

The Group has awarded an equity-settled Performance Share Plan (the 2019 PSP) to the Executive Directors and Senior Management. The 2019 PSP Awards were granted on 3 April 2019. The awards are subject to an EPS growth performance condition, for which the fair value of the Awards was estimated using a Black-Scholes valuation model, and a total shareholder return (TSR) condition, which has been valued using a Monte-Carlo simulation. The inputs into the model were:

Share price at grant	£0.76
Exercise price	£nil
Volatility % p.a.	35.4%
Dividend yield % p.a.	nil
Risk-free rate %	1.10%
Expected life	3 yrs
Fair value per share – TSR	£0.45
Fair value per share – EPS	£0.76

e) Share Incentive Plan – free shares

Upon listing on the London Stock Exchange in 2016, the Group offered all eligible employees a ‘free shares’ award granting shares to each eligible employee free of charge, subject to a three-year service period. The details of the award are set out below:

Grant date	16 Dec 2016
Share price at grant	£0.70
Exercise price	£nil
Volatility % p.a.	50.0%
Dividend yield % p.a.	nil
Risk-free rate %	0.20%
Expected life	2.3 yrs

The volatility assumptions for the awards are based on an annualised rate of historical share price movements for the Group.

f) All-employee Save As You Earn scheme

The Group operates a Save As You Earn scheme whereby 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.

g) All-employee Share Incentive Plan (‘SIP’) partnership and matching shares

Eligible employees are able to buy shares using their pre-tax salary at their prevailing market value at acquisition. For every partnership share bought, employees are granted an additional free matching share. The plan is restricted to the lower of £1,800 and 10% of the employee’s salary. Acquisitions of partnership shares 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.

h) 2017 Deferred Bonus Plan (‘DBP’)

A portion of the annual bonuses for the Executive Directors are deferred into a share-based award (DBP Award) under the DBP. The intention is that DBP Awards will normally vest in three equal tranches on the first, second and third anniversaries of the grant date although the DBP will allow for the DBP Awards to be subject to different vesting schedules at the Board’s discretion. If awards are made as nil-cost options, they will normally be exercisable (to the extent vested) from vesting until the tenth anniversary of the grant date.

26. Share-based payments continued

Scheme limits

The rules of the various Plans described above provide that, in any ten year rolling period, not more than 10 per cent 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 per cent 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).

GoCo shares transferred out of treasury under the Plans will count towards these limits for so long as this is required under institutional shareholder guidelines. GoCo shares issued or to be issued pursuant to awards granted before Admission or in relation to the Foundation Awards (described above) will not count towards these limits. In addition, awards which are relinquished or lapse will be disregarded for the purposes of these limits.

27. Dividends

	2019 £m	2018 £m
Dividends paid during the year	**5.0**	6.3

In October 2019, a dividend of £1.7m was paid, equivalent to 0.4 pence per share.

In May 2019, a dividend of £3.3m was paid, equivalent to 0.8 pence per share.

In September 2018, a dividend of £3.3m was paid, equivalent to 0.8 pence per share.

In May 2018, a dividend of £2.9m was paid, equivalent to 0.7 pence per share.

28. Leases as a lessee (IFRS 16)

The Group leases all of its offices and two of these leases fall within the scope of IFRS 16. The Group's other offices do not meet the criteria by virtue of their short contractual terms.

Right-of-use assets

Right-of-use assets relate to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 15).

	Buildings £m
At 1 January 2019 – adoption of IFRS 16	4.4
Depreciation charge for the year	(0.7)
At 31 December 2019	**3.7**

Lease liabilities

The amount recognised in respect of non-cancellable operating leases at 31 December 2018 was £3.4m, which represents £3.2m when discounted using the incremental borrowing rate at the date of initial application. A £2.0m adjustment as a result of different treatment of extension options is also included to arrive at the £5.2m lease liability recognised upon the adoption of IFRS 16 on 1 January 2019, which represents the discounted future expected cash flows of these leases.

	2019 £m
Maturity analysis – contractual undiscounted cash flows	
Less than one year	**0.8**
One to five years	**2.6**
More than five years	**1.5**
Total undiscounted lease liabilities at 31 December	**4.9**
Lease liabilities included in the Statement of Financial Position at 31 December	**4.4**
Current	**0.7**
Non-current	**3.7**

	2019 £m
Amounts recognised in profit or loss	
Interest on lease liabilities	**0.1**
Capital repayments on lease liabilities	**0.8**

	2019 £m
Amounts recognised in the Statement of Cash Flows	
Total cash outflow for leases	**0.9**

Notes to the Financial Statements continued

For the year ended 31 December 2019

29. Related parties

These financial statements consolidate the results of the Company and its subsidiaries. The nature of the Group's subsidiaries and their principal activities are set out in note 31. Intercompany transactions between entities that are members of the Group at year end and have been eliminated on consolidation are not disclosed, as per the exemption available in IAS 24.

The following transactions took place with related parties during the year:

a) Key management compensation

Key management includes the Executive and Non-Executive Directors of GoCo Group plc. The remuneration received by these Directors is disclosed in the Directors' Remuneration Report. The share-based payment charge in relation to Executive Directors is £0.0m (2018: £0.5m).

b) Other related party transactions

In the prior year the Group paid fees of £88,000 to a company in which one of the Directors of the Group has a controlling interest. The arrangement was made under normal commercial terms with consideration settled in cash and no outstanding balance at 31 December 2018. No such related party transaction occurred in the current year.

30. Ultimate Parent Company

GoCo Group plc (previously Gocompare.com Group plc) is a public limited company listed on the London Stock Exchange.

This is the largest and smallest group to consolidate the results of the Company and its subsidiaries at 31 December 2018 and 31 December 2019.

31. Related undertakings

Set out below are the related undertakings of the Company at 31 December 2019:

	Country of incorporation	Class of shares held	Principal activity	Percentage of shares held
Direct undertakings				
Gocompare.com Finance Limited	United Kingdom	Ordinary	Financing company for the Group	100%
Indirect undertakings				
Gocompare.com Limited	United Kingdom	Ordinary	Internet-based price comparison website	100%
Gio Compario Limited	United Kingdom	Ordinary	Dormant	100%
Go Compare Limited	United Kingdom	Ordinary	Dormant	100%
The Global Voucher Group Limited	United Kingdom	Ordinary	Online voucher code aggregator	100%
Energylinx Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Trading Limited	United Kingdom	Ordinary	Non-trading	100%
Business Energy Online Limited	United Kingdom	Ordinary	Dormant	100%
Look After My Bills Limited	United Kingdom	Ordinary	Dormant	100%
This is the Big Deal Limited	United Kingdom	Ordinary	Trading	100%
This Is The Big Deal Inc.	Delaware, US	Ordinary	Holding Company	100%

The registered office of Energylinx Limited, Energylinx for Business Limited, Energylinx for Business Trading Limited and Business Energy Online Limited is The E-Centre, Cooperage Way Business Village, Alloa, Clackmannanshire, FK10 3LP. The registered office of This Is The Big Deal Inc. is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808-1674, US.

The registered office of the Group's remaining undertakings is the same as the Group's registered address: Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

Company Statement of Financial Position

As at 31 December 2019

	Note	**2019 £m**	2018 £m
Fixed assets			
Investments	6	**7.3**	7.2
Current assets			
Debtors	7	**3.6**	4.7
Cash and cash equivalents		**0.0**	0.0
		3.6	4.7
Creditors – amounts falling due within one year	8	**0.1**	0.0
Net current assets		**3.5**	4.7
Total assets less current liabilities		**10.8**	11.9
Net assets		**10.8**	11.9
Capital and reserves			
Called up share capital	9	**0.1**	0.1
Share premium	11	**2.7**	2.7
Profit and loss account	11	**8.0**	9.1
Total shareholders' funds		**10.8**	11.9

The notes on pages 131 to 134 form part of these financial statements.

The financial statements were approved by the Board on 2 March 2020 and signed on its behalf.

Matthew Crummack
Director

Nick Wrighton
Director

Company Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
Year ended 31 December 2018				
At 1 January 2018	0.1	2.7	7.0	9.8
Profit for the year	–	–	6.8	6.8
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	6.8	6.8
Transactions with owners:				
Dividends	–	–	(6.3)	(6.3)
Share-based payments charge	–	–	1.6	1.6
Proceeds from shares issued	–	–	–	–
Total transactions with owners	–	–	(4.7)	(4.7)
At 31 December 2018	0.1	2.7	9.1	11.9
Year ended 31 December 2019				
At 1 January 2019	**0.1**	**2.7**	**9.1**	**11.9**
Profit for the year	**–**	**–**	**3.7**	**3.7**
Other comprehensive income for the year	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**3.7**	**3.7**
Transactions with owners:				
Dividends	**–**	**–**	**(5.0)**	**(5.0)**
Share-based payments charge	**–**	**–**	**0.2**	**0.2**
Proceeds from shares issued	**0.0**	**–**	**–**	**0.0**
Total transactions with owners	**0.0**	**–**	**(4.8)**	**(4.8)**
At 31 December 2019	**0.1**	**2.7**	**8.0**	**10.8**

Details of dividends declared and paid in 2019 and 2018 are set out in note 10.

Notes to the Company Financial Statements
For the year ended 31 December 2019

1. General information
GoCo Group plc is a non-trading holding company which indirectly owns trading subsidiaries that provide internet-based platforms which enable consumers to save time and money on financial and non-financial products.

With effect from 24 May 2019, the Company changed its name from Gocompare.com Group plc to GoCo Group plc. 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. Accounting policies
Basis of preparation
These financial statements present the GoCo Group plc Company financial statements for the year ended 31 December 2019, the Statement of Financial Position, the Statement of Changes in Equity and related notes, as well as comparatives for the year ended 31 December 2018.

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 financial statements are disclosed in note 3.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- A Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- Disclosure of the compensation of Key Management Personnel;
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments';
- IFRS 7 'Financial Instruments: Disclosures;
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities; and
- The effects of new but not yet effective IFRSs.

As permitted by Section 408(3) of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented.

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board has reviewed the Company's projections for the next 12 months and beyond, including cash flow forecasts. Consequently, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been presented in Sterling and rounded to the nearest hundred thousand. Throughout these financial statements any amounts which are less than £0.05m are shown by 0.0, whereas a dash (-) represents that no balance exists.

Dividends
Dividends receivable are recognised when the Company's right to receive payment is established. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Taxation
Current tax
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the reporting date. Current tax assets and liabilities also include adjustments in respect of tax expected to be payable or recoverable in respect of previous periods. Current tax relating to items recognised directly in equity or OCI is recognised in equity or OCI 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.

Notes to the Company Financial Statements continued

For the year ended 31 December 2019

2. Accounting policies continued

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

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

The Company's financial assets as at 31 December 2019 and 31 December 2018, which comprise trade and other receivables and cash at bank, are classified as measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group determines the classification of its financial assets at initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Impairment of financial assets

The Group assesses at each balance sheet date whether any financial assets held at amortised cost are impaired. Financial assets are impaired where there is evidence that one or more events occurring after the initial recognition of the asset may lead to a reduction in the estimated future cash flows arising from the asset. Impairment losses on financial assets classified as loans and receivables are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses and any reversals of impairments are recognised through the Consolidated Statement of Comprehensive Income. Objective evidence of impairment may include default on cash flows and reporting financial difficulty of the issuer or counterparty.

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from that asset have expired or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, the Company has a currently enforceable legal right to offset the recognised amounts and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Statement of Profit and Loss unless required or permitted by any accounting standard or interpretation.

Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other assets to holders of the financial instruments.

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 investment in its subsidiary, GoCompare.com Finance Limited. The Directors use forecasts of the cash flows arising in the operating subsidiaries and expected dividends to be paid from these subsidiaries to Gocompare.com Finance Limited and on to GoCo Group plc to assess whether any impairment to the carrying value is required.

4. Expenses and auditor's remuneration

The remuneration of the auditors in respect of services provided to the Company in the current and preceding financial year was borne by another Group company. An estimate of the fee in relation to the Company is £5,000 (2018: £5,000).

5. Remuneration of Directors

The remuneration received by the Directors of the Company is disclosed in the Directors' Remuneration Report on pages 70 to 89.

6. Investments

	Shares in Group undertakings
Cost	
At 1 January 2019	7.2
Additions – share awards	0.1
At 31 December 2019	**7.3**
Provisions	
At beginning and end of year	0.0
Net book value	
At 31 December 2019	**7.3**
At 31 December 2018	7.2

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

Included in the cost of investments in Group undertakings is £4.6m (2018: £4.5m) 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 GoCo Group plc. Details of these awards are disclosed in the note 25 to the consolidated financial statements.

Set out below are the related undertakings of the Company at 31 December 2019:

	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	
The Global Voucher Group Limited	United Kingdom	Ordinary	Online voucher code aggregator	100%
Energylinx Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Limited	United Kingdom	Ordinary	Internet-based energy price comparison website	100%
Energylinx for Business Trading Limited	United Kingdom	Ordinary	Non-trading	100%
Business Energy Online Limited	United Kingdom	Ordinary	Dormant	100%
Look After My Bills Limited	United Kingdom	Ordinary	Dormant	100%
This is the Big Deal Limited	United Kingdom	Ordinary	Trading	100%
This Is The Big Deal Inc.	Delaware, US	Ordinary	Holding company	100%

The registered office of Energylinx Limited, Energylinx for Business Limited, Energylinx for Business Trading Limited and Business Energy Online Limited is The E-Centre, Cooperage Way Business Village, Alloa, Clackmannanshire, FK10 3LP.

The registered office of This Is The Big Deal Inc. is 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808-1674, US.

The registered office of the Group's remaining undertakings is the same as the Group's registered address: Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

7. Debtors – amounts falling due within one year

	2019 £m	2018 £m
Prepayments	**0.1**	0.1
Amounts due from other Group companies	**3.5**	4.6
	3.6	4.7

The amounts due from Group undertakings are legally due on demand and are thus due within one year.

Notes to the Company Financial Statements continued

For the year ended 31 December 2019

8. Creditors – amounts falling due within one year

	2019 £m	2018 £m
Accrued expenses	**0.1**	0.0
Amounts owed to Group undertakings	**–**	–
Other creditors	**0.0**	–
	0.1	0.0

9. Share capital

	2019 £m	2018 £m
Authorised, allocated, called up and fully paid		
418,559,180 ordinary shares of £0.0002 each *(2018: 418,409,446 ordinary shares of £0.0002 each)*	**0.1**	0.1

During the year, the Company created and allotted 149,734 shares (2018: 71,064) which has resulted in the Company having in issue 418,559,180 shares (2018: 418,409,446) with a total aggregate share capital of £83,712 at year end (2018: £83,682).

10. Dividends

	2019 £m	2018 £m
Dividends	**5.0**	6.3

In October 2019, a dividend of £1.7m was paid, equivalent to 0.4 pence per share.

In May 2019, a dividend of £3.3m was paid, equivalent to 0.8 pence per share.

In September 2018, a dividend of £3.3m was paid, equivalent to 0.8 pence per share.

In May 2018, a dividend of £2.9m was paid, equivalent to 0.7 pence per share.

11. Reserves

	Share premium account £m	Profit and loss account £m
At 1 January 2019	2.7	9.1
Profit for the year	–	3.7
Dividends	–	(5.0)
Share-based payments charge	–	0.2
At 31 December 2019	**2.7**	**8.0**

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 £3.7m (2018: £6.8m).

12. Guarantees

The Company acts as a guarantor to certain banks in respect of credit facilities granted to its subsidiary, Gocompare.com Finance Limited. At 31 December 2019, the facilities include a £15.0m term loan and a multicurrency revolving credit facility totalling £105.0m, of which £37.0m remains undrawn at 31 December 2019.

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 82, along with that of the Executive Directors.

Shareholder Information

Financial calendar 2020

2019 full-year results	3 March 2020
Ex-dividend date for final dividend	11 May 2020
Record date for final dividend	11 May 2020
Annual General Meeting	22 May 2020
Payment date for final dividend	27 May 2020
2020 interim results	30 July 2020
Ex-dividend date for interim dividend	10 September 2020
Record date for interim dividend	11 September 2020
Payment date for interim dividend	2 October 2020

Dividend

The Directors have proposed a final dividend of 0.5 pence per share to be paid in respect of the year ended 31 December 2019, subject to approval at the 2020 AGM. Further details will be provided in the Notice of AGM when published. Shareholders can arrange for dividends to be paid by mandate directly to a UK bank or building society account through Bacstel-IP (Bankers' Automated Clearing Services) system. You can register your bank or building society details online at www.shareview.co.uk or contact Equiniti for a dividend mandate form. If you wish to receive your dividends in a different currency, you will need to register for the global payments service provided by Equiniti. Further information can be found on the Equiniti website.

Useful contacts

Registered office and head office

GoCo Group plc
Imperial House
Imperial Way
Newport
Gwent
NP10 8UH
T: +44 (0)1633 654 060
Registered number: 06062003
www.gocogroup.com
Online: www.equiniti.com
Stock code: GOCO

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E: gocompare@citigatedr.co.uk

Auditor

KPMG LLP

Remuneration Adviser

Deloitte LLP

Brokers

Deutsche Bank AG
Peel Hunt LLP

Solicitor

Slaughter and May LLP

Registrar

Equiniti Limited

Shareholder Information continued

Shareholder queries
All general enquiries concerning holdings of ordinary shares in GoCo Group plc should be addressed to our registrar, Equiniti Limited ('Equiniti'): Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Helpline: +44 (0)371 384 2030. Website: www.shareview.com. The shareholder helpline is available between Monday and Friday, 8.30am to 5.30pm (excluding UK public holidays). To access your shareholding details online, go to www.shareview.co.uk. To register to use the website, you will need your Shareholder Reference Number ('SRN') as shown on your share certificate. The website enables you to:

- view and manage all of your shareholdings;
- register for electronic communications;
- buy and sell shares online with the dealing service; and
- deal with other matters such as a change of address, transfer of shares or replacing a lost certificate.

Electronic shareholder communications
As part of GoCo's Corporate Social Responsibility programme and in particular our ongoing commitment to reduce our environmental impact, we offer all shareholders the opportunity to elect to register for electronic communications. For further information please visit www.equiniti.com.

ShareGift
ShareGift (registered charity no. 1052686) is an independent charity which specialises in accepting donations of small numbers of shares which are uneconomic to sell on their own. ShareGift is particularly designed to accept unwanted shares and uses the ultimate proceeds to support a wide range of UK charities. Over £14m has been given by ShareGift so far to over 1,700 different UK charities. Further information about ShareGift can be found on its website, www.ShareGift.org, or by calling +44 (0)20 7930 3737.

Protecting your investment from share register fraud
Over the last few years a number of companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from brokers who target existing shareholders offering to sell what often turn out to be worthless or high-risk shares in US or UK investments. They can be extremely persuasive and very persistent. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- make sure you get the correct name of the person and organisation;
- check that they are properly authorised by the FCA before getting involved. You can check at www.fca.org.uk;
- report the matter to the FCA by completing an online form at www.fca.org.uk; and
- inform Equiniti on +44 (0)371 384 2030.

Notice concerning forward-looking statements
This Annual Report contains forward-looking statements. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms 'expect', 'estimate', 'believe', 'should be', 'will be' and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under 'Principal Risks and Uncertainties' on pages 32 to 35 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.

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