

# Giving people a reason to bother

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**GoCompare.com Group plc**  
Annual Report and Accounts 2017

# GoCompare is on a mission to help people everywhere save time and money.

We have established ourselves as a trusted consumer champion by being a go-to destination for people to find quality products that represent value for money.

Through our comparison website – GoCompare.com – we enable people to compare deals across more than 40 different product categories. And through our strategic investments we are enabling innovative tech companies to bring disruptive, meaningful change to industries in need of a shake-up.

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# 2017 Highlights

2017 marked the Group's first full year as a public Company, having started life in late 2006 with the modest goal of disrupting the insurance industry.

## 2017 highlights

Over the last 12 months we have achieved our highest ever revenue, while ensuring that our marketing efficiency and conversion of customer interaction to transactions has improved, resulting in a 20% increase in Adjusted operating profit compared to 2016. Strong cash generation and a disciplined approach to capital allocation has enabled us to declare our first dividends, make two strategic investments and also announce in December the acquisition of The Global Voucher Group Limited (trading as 'MyVoucherCodes') which completed in January 2018.

- Record revenue of £149.2m was achieved, with a 19.8% increase in Adjusted operating profit at £36.0m.
- Investments were made into promising start-ups both in the UK and overseas: mortgage robo-adviser MortgageGym, and the Middle East's leading comparison business – Souqalmal.com.
- We continued to invest in people and processes at all levels and in all functions, welcoming some truly remarkable colleagues into the Group and making improvements that strengthen pace, agility and adaptability.

### Revenue (£m)

## 149.2m



Revenue generated in the year.

### Operating profit (£m)

## 33.0m



Operating profit for the year.

### Customer interactions (m)

## 32.2m



Customer interactions are defined as:

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

### Adjusted operating profit (£m)

## 36.0m



Operating profit for the year, after adding back transaction costs and other exceptional corporate costs, fees in relation to listing and Foundation Award share-based payment charges. Adjusted operating profit is reconciled to operating profit on page 17.

# Savings as a Service

We have a clear vision and a strong strategy – we know where we're going and how we're going to get there, and delivering value for our customers will always be our guide.

## 2.7<sub>m</sub>

Average monthly interactions

## £4.67

Average revenue per interaction across the year

## £1.2<sub>bn</sub>

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

## 295

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

Everything we do is focused on helping people everywhere save time and money. And we will do this by focusing on both sides of the inertia coin – 'bother' and 'hassle'.

### Getting people bothered

- Powerful and targeted advertising that highlights the value opportunity of being 'bothered' – £2bn a year across home insurance, car insurance and energy alone!
- Championing the consumer – raising awareness of quick and easy money management techniques and promoting the benefits of taking an active interest in household finances.

### Reducing hassle

- Focus on usability and customer experience to make saving money quicker and easier than anywhere else.
- Investment in data science to unlock the power of artificial intelligence and machine learning to inform our product development.
- Automating processes and reducing the onus on the user where possible.

### Empowering people to save. Forever

- The volume and complexity of financial, insurance and utilities products available to consumers is perplexing. At best leads to inertia, and at worst results in people making poor choices.
- We exist to dispel myths, educate, and help people make informed choices time and again – and we do this in an unbiased way.
- With smart tech and a commitment to quality and integrity we are helping people through the quagmire, giving them more money in their pocket and time to spend on things they'd rather do.

### Helping shape better experiences and better products

- Through a smart use of data, tech and automation, we are going to be the single best route to market for our partners who are looking to attract customers with quality products that represent value for money.
- We are the key interface between consumers and our partners' products, and by helping our partners to better understand their customers' needs and how successfully they are meeting them, we intend to improve choice, increase competition and stimulate innovation.

### Cash generation = value for all, and continuous improvement

- Our strong operational cash flow enables us to pay down debt, realise dividends for our shareholders and explore strategic product development and investment and acquisition opportunities to drive growth.

## More opportunities to save more often, in an easier way

### Savings as a service

Insurance

Energy

Personal  
finance

Retail

Other



### Distribution brands

GoCompare

  
MyVoucherCodes  
WHERE MONEY IS IN YOUR WALLET

What we learn  
from our customers

Tailoring to our  
customers' needs



# Chairman's Statement

Our guiding ethos of 'helping people everywhere save time and money' is reflected in every aspect of what the Group does, with the aim of benefiting customers, partners, employees and shareholders.



**Sir Peter Wood**  
Chairman

## Dear shareholder,

I'm delighted to present GoCompare.com Group plc's financial results for its first full year as an independently listed Company. Since listing on the London Stock Exchange in November 2016, the Group has been on a journey full of change and innovation – at pace – resulting in an efficient, disciplined business that has its sights firmly set on delivering long-term value to all stakeholders.

The people at GoCompare, led by our leadership team, have taken well to life as an independent Company, continuing to embrace change and shape a business that we can all be proud to be part of. Our guiding ethos of 'helping people everywhere save time and money' is reflected in all aspects of what the Group does, with the aim of benefiting customers, partners, employees and shareholders.

With the development of a new strategy, strengthened skills, increased opportunities, a full-scale rebrand and the creative and logistical challenges that come with that, you might expect a little distraction to set in. However, this has not been the case – the team in Newport has remained focused on delivery – of innovation, of improved customer experiences, and of disciplined growth – and this is reflected in 2017's financial performance.

## Results

In 2017, GoCompare delivered strong financial results, underpinned by new processes. Our focus on engineering and tech deployments resulted in more frequent changes to the website, particularly improvements in the customer experience. This has resulted in improvements to conversion, seeing more people complete their journey from entering their details to signing up with a supplier that met their needs.

The Group achieved revenues of £149.2m. This was an increase of 5.1% year-on-year. Operating profit increased from £21.9m to £33.0m and our Adjusted operating profit increased by 19.8% from £30.0m to £36.0m.

We delivered revenue and profit growth, and our strong cash generation enabled us to deploy capital effectively.

## The Board and leadership team

The Group has now benefited from the leadership of its Chief Executive Officer, Matthew Crummack, for 18 months. Matthew has been ably supported during that time by a strong team of innovators who are leaders in their fields.

Towards the end of 2017 Matthew led some important changes to the executive team. Jackson Hull becomes Chief Operating and Technology Officer, combining his technological and entrepreneurial

skills to build on the momentum within GoCompare's tech and product development functions. And Lee Griffin, a founding member of the Company, has taken on a new role as Founder and President, a position that sees him bringing his business experience and abilities as a disruptor to bear in support of the Group's investments, and to foster closer links with universities, schools and other agencies.

We have also strengthened our Board, welcoming Dr Ashley Steel in September 2017 and Joe Hurd early 2018 as Non-Executive Directors, who will both provide additional depth and expertise.

### Regulation and governance

The Group remains committed to adhering to the most robust regulatory, ethical and corporate governance standards in all of its activities.

Our commitment to quality extends to products and services that are not owned and operated by the Group. For example, we partner with several carefully selected organisations which also operate in regulated industries, such as broadband and communications services, domestic and business energy, and banking and borrowing products. Our partner sourcing, integration and management process requires that these organisations comply with the relevant regulatory standard(s).

In 2017 we also saw the results of the Competition and Markets Authority's Digital Comparison Tools (DCTs) market study. The report was unambiguous – DCTs (which include comparison websites) save time, effort and money for millions of consumers. They make providers compete harder, resulting in lower prices, more innovation and better choices, and almost all (96%) users say they are very or fairly satisfied with DCTs. From GoCompare's perspective, this level of satisfaction is no surprise and is consistent with our aim to help people everywhere to save time and money.

We believe that our independent, free and fair approach is consistent with the overarching aims of the CMA's CARE (Clear, Accurate, Responsible and Easy to use) principles, and we are using these and the wider report to help guide our operations.

### Capital management and dividends

Ours is a highly cash-generative business, and our cash deployment remains focused on four key areas: to meet operational and capital expenditure requirements, for the repayment of debt, dividends, and strategic investments and acquisitions.

An interim dividend of 0.7 pence per share was declared and paid during 2017 and a final dividend of 0.7 pence per share has been recommended by the Board, which will be subject to shareholder approval at the AGM. Subject to this approval, the pay-out in respect of 2017 will be 21% 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 2017 reflecting the investment in The Global Voucher Group Limited, trading as "MyVoucherCodes", which was completed in January 2018.

As was demonstrated in 2017, the Board will continue to look to invest surplus cash in ways that deliver shareholder value over the short to medium-term, while remaining focused on creating a business built for long-term performance.

### Thank you

Any change, particularly a transformational journey such as the Group is on, can cause disruption. But we have managed to set ourselves up for growth, innovation and expansion – at pace – through the sheer hard work and determination of our exceptional employees. Through their relentless focus on our customers, and willingness to embrace new challenges, they have helped us deliver strong financial results and significant savings for customers.

Personally, and on behalf of all the Board, I would like to express our gratitude to everyone at GoCompare. From our base in Newport, South Wales, this relatively small, nimble and productive team deliver services that have helped more people save more money on both essential and discretionary financial and household services. That's something to be immensely proud of.

And of course, to our customers. Thank you for letting us help you find and apply for the right insurance policies, banking services, energy tariffs, broadband packages and more. Our promise to you, from the Board, management team and all GoCompare colleagues, is to remain unflinchingly focused on building new, better and more innovative resources that help you save time and money, without the hassle.



**Sir Peter Wood**  
Chairman

## 2017 highlights

- 2017 was the Group's first full year as a listed Company on the London Stock Exchange (GOCO).
- The Group reached an agreement to acquire The Global Voucher Group Limited (trading as "MyVoucherCodes") and made two investments in exciting start-ups – MortgageGym, the UK-based mortgage robo-adviser; and Souqalmaal.com, the Middle East's leading comparison business.
- The team was strengthened at all levels, with a particular focus on technical capabilities and pace of delivery to maximise innovation and productivity.
- The Board welcomed Dr Ashley Steel as Independent Non-Executive Director, bringing with her a wealth of experience across multiple industries and geographies.
- Our money-saving hero – Gio Compario – was introduced to his antagonist, Monster Bill. This pairing has been well received.
- The year closed with GoCompare.com Group plc recording its highest ever revenues of £149.2m, up 5.1% on 2016, with Adjusted operating profit up 19.8% at £36.0m.

**Why bother?**  
**Switching can save customers up to £240 per year on their car insurance.**  
**Mona switched and could use the money she saved to put towards some shiny new school supplies for her kids.**

★★★★★

“Used GoCompare for car insurance – brilliant, easy to use and navigate website. Purchased car insurance as a result of using this site – got better coverage than with my old insurance company, saving myself £240 in the process – amazing!”

Real customer feedback from Reviews.co.uk





## Internal investment in innovation

As a business, we are relentlessly focused on delivery and agility. Across our people, processes and tech capabilities, everything we do must result in improvements to our customers' experience of using our services.

### People

In 2017 we completed a major transformation on team and individual working. We introduced a mentoring programme, inclusion and diversity commitments, and are developing a GoCompare-sponsored degree for local school leavers. We also revamped our values.

### Processes

Continuous improvement in software engineering and product development are driving higher quality results: better communication and test-learn strategies are reducing re-work. Collaboration has been facilitated through better office layouts and supported by the use of technologies that facilitate better communication and cooperation.

### Automation

Improved code deployment capabilities deliver faster changes to our website. We are emancipating our people's time to be used to creatively solve problems, and utilising data science to speed up administrative and quality control functions.



# Our Business Model

## Resources and relationships

### Strong brands

GoCompare is a household name and a trusted destination for millions of savvy savers. The addition of MyVoucherCodes adds a leading player in a different but complementary market to the Group.

### Experienced talent

At our base in Newport, South Wales, we are home to people whose experience and drive is second to none. We have built teams and engineered processes that allow for maximum productivity, enabling us to punch well above our weight, and flex and scale as needed.

### Established Partnerships

We are a vital source of engaged, ready-to-buy customers for our partners. By taking our responsibility to consumers seriously, we're able to provide our partners with customers that are empowered to make the right choices.

### Diverse product areas

Across the Group, we help people save time and money on the things they really need – like insurance, energy, broadband and mortgages – and, following the acquisition of MyVoucherCodes the things they really want – holidays, fashion, and entertainment.

## Customer experience

### Attract customers

- High impact-to-investment advertising.
- Compelling messages and proof points.
- Effective use of paid and organic inbound marketing techniques.



### Visit GoCompare

- Seamless experience regardless of device: mobile, desktop and tablet-optimised.
- Reliable information to help decision making and information gathering at all stages of the buying process.
- Iterative approach to customer experience improvements, resulting in reduced pinch-points and increased conversion.



### Compare prices and product features

- Widespread integration of independent, third-party information, such as Defaqto policy information and product ratings, real customer reviews and journalistically produced product guides.
- Price is important, but quality is paramount.



### Transfer to provider

- What you see is what you pay – mapping between GoCompare and a partner's site reduces the need to input information again.
- Close relationship management and integration with customer services ensures continuous improvement of services and product information.

We focus on building products and services that help people find what they need quickly, easily and with confidence, and which supports the cost-effective acquisition of customers for our partners. We aim to do this in the most efficient and mutually beneficial way possible.

## Technology

### Tech talent pool

- Sound tech infrastructure mitigates large capital investment.
- Considered and disciplined approach to team structure, decision-making processes and cross-department coordination facilitates pace and innovation.

### Customer-focused experiences

- Mobile-optimised and responsive design from homepage right through the product journeys to the results pages.
- Extensive user-testing keeps pace with customer expectations and needs.

### Data science

- Investment in machine learning and artificial intelligence capabilities to better understand the effectiveness of our marketing spend, and explore ways to reduce hassle for our customers through product development and strategic investments.

### Research and development

- Teams dedicated to test-and-learn activity spanning everything from small changes to challenging entire business models.
- Centre of excellence for important tech-driven or tech-enabled functions: SEO, data science, engineering.

## Stakeholder outcomes

### Customers

- Time and money saved.
- Simpler choices.
- Preferences honoured.
- Data protected.

### Employees

- Purpose, accountability, trust and support.
- Valuable careers built on merit.

### Partners

- Access to millions of customers who trust us to help them save time and money.
- Effective customer acquisition – pay for new customers, not speculative leads.
- Continuous feedback to help develop better products.

### Investors

- Returns from a Company pursuing a disciplined, long-term strategy for growth.
- Diversification through the Group's product development, investment and acquisition activities.

## Underpinned by

### Risk

Effective oversight from the Board and the senior leadership team to map and manage risks in line with the Group's risk appetite and focus on sustainability.

### Governance

Strong governance structure in place with clear accountabilities and responsibilities. Knowledgeable Board and senior team with multi-industry experience and expertise.

### Finance

Disciplined capital allocation focused on clear outcomes – sustainable revenue and profit growth, debt repayment, shareholder value and strategic investment (organic and inorganic).

# Delivering Our Strategy

Through our mission to help people everywhere save time and money, we are becoming the go-to place for savvy savers and ambitious partners alike. The Group is pursuing this mission through a focus on long-term and sustainable growth across four areas of strategic focus.

## Strategic vision

## Progress and outlook

## Relevant risks

### Strengthening and building on our position in insurance comparison

GoCompare started life as a car insurance comparison service, and quickly added home, van, motorbike and pet insurance comparison to its core portfolio. In all cases, we disrupted the markets we entered, and drove change that improved competition and benefited consumers. There remains room to grow in our core markets.

- Year-on-year growth in revenues across our core insurance journeys
- Key commercial partnerships to enable targeted, effective marketing
- Increase in conversion through improving the customer journey

- Competitive environment
- Customer acquisition and brand
- Cyber security and data
- Strategic development and delivery

### Targeted and effective capital deployment

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

- Strategic investments in two fintech start-up businesses (acquisition of MyVoucherCodes)
- Strengthening of the team at all levels with focus on technical capabilities and experience
- Reduction in leverage from 1.7x in 2016 to 1.1x at the end of 2017

- Financial
- Economic conditions
- People, leadership and management
- Strategic development and delivery

### Growth beyond insurance comparison

By leveraging our iconic brand, strong technical, commercial and marketing capabilities, we will seek growth opportunities through diversification of revenue streams.

- 11% growth of revenues in the Strategic Initiatives segment
- Acquisition of The Global Voucher Group Limited in January 2018

- Competitive environment
- Financial
- Cyber security and data
- Technology and innovation
- Legal and regulatory
- Economic conditions

### Continual improvement of the customer journey

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

- Increase in frequency of software release cycles to the website
- Development of new capabilities to improve the consumer journey
- Agile teams and quick decision making

- Technology and innovation
- People, leadership and management

## Financial KPIs

Revenue  
(£m)

# £149.2m



Revenue generated in the year.

Average revenue per interaction  
(£)

# £4.67



Revenue divided by customer interactions in the year.

Operating profit  
(£m)

# £33.0m



Operating profit for the year.

Adjusted operating profit  
(£m)

# £36.0m



Operating profit for the year, after adding back transaction costs and other exceptional corporate costs, fees in relation to listing and Foundation Award share-based payment charges. Adjusted operating profit is reconciled to operating profit on page 17.

Basic EPS  
(pence)

# 5.8p



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

Adjusted basic EPS  
(pence)

# 6.5p



Profit for the year, after adding back transaction costs and other exceptional corporate cost, fees in relation to listing and Foundation Award share-based payment charges (net of tax) divided by the weighted average number of shares in issue for the year. Adjusted basic EPS is reconciled to basic EPS on page 88.

Marketing margin  
(%)

# 40.5%



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

## Non-Financial KPIs

Customer interactions  
(m)

# 32.2m



Customer interactions are defined as:

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

## Number of partners

# 295



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

Savings made by customers  
(£m)

# £1,187m



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

# Why bother?

**Switching can save customers up to £336 per year on their buildings and contents insurance. Peter switched and could put the money he saved towards his dream family holiday.**

★★★★★

“I was paying £500 a year on my house and content insurance, I am now paying £164 a year, that is a saving of £336 a year. I should have done this years ago. Think of all the money I would have saved.”

Real customer feedback from [Reviews.co.uk](https://www.reviews.co.uk)



## Investing in disruptors



Our first strategic investment was in MortgageGym, the only mortgage robo-adviser, that is authorised to give advice through its website. This data-driven organisation is set to change the way that people find and apply for mortgages in a post Mortgage Market Review world, and is well positioned to utilise the Open Banking Standards for customers' benefit.

They launched their remortgaging service, exclusively with GoCompare, in October 2017, and we are looking forward to supporting them as they expand their support to first-time buyers, home movers and buy-to-let investors.



We have also made an international investment, in Souqalmal.com, the Middle East's leading digital comparison business. This investment sees us taking a Board seat, and we will be mentoring the leadership team there so that they can benefit from our experience of launching and scaling a successful price and product comparison business.

These investments demonstrate our commitment to deploying capital in ways that save people everywhere time and money. Through these relationships we hope to improve the companies' performance, and access the latest thinking in tech and innovation.



# CEO's Statement

We believe that we have an important role to play in saving people everywhere time and money. We do this by harnessing the best innovation that the internet and technological developments have to offer, coupled with our unwavering focus on 'best for' consumer outcomes and usability.



**Matthew Crummack**  
Chief Executive Officer

## Delivering control and discipline while investing in long-term value

Since our FTSE premium listing in November 2016, we have consistently improved our speed of innovation and discipline in execution. Our business transformation and investment in quality people over the last year means we are now exercising strong control over the business while committing the necessary time and investment into long-term value by driving consumer benefits.

This focus on disciplined speed of delivery has allowed us to achieve a year of improvement and financial results of which I am very proud:

- 19.8% year-on-year increase in Adjusted operating profit, growing revenue by 5.1%.
- Improved marketing margin from 38.3% to 40.5%, showing that our focus on making every marketing pound work harder for the business is paying off.
- Double digit increases in core product conversion through an iterative approach to customer experience improvements.
- Disciplined management of operations and our cost base.

2017 saw an internal transformation in how we design and build software to power our customer experience. This was not a capital-intensive process, but a fundamental change to how we organised ourselves around fast-paced delivery of better-converting, customer-focused ideas. These improvements have allowed us to make more frequent changes to our site and customer experience. Implementation is now measured in days rather than quarters. We have consolidated these strengths by investing carefully in engineering talent. We have almost doubled the number of full-time employed software engineers in our Newport team over the course of 2017, drawing on pools that range from school leavers through to highly experienced engineers from across the UK. This change in the mix of skills has been hugely beneficial and the vast majority has been expensed rather than capitalised.

GoCompare.com lives to drive better customer experience through better engineered experiences. This is the heart of what we do but, in tandem, our teams

focused on marketing, external supplier and partner relationships, and corporate services to the business, are also in the process of transforming how they work.

## Making consumers bothered so we can help them to find better value

Hardly a day passes without some talk of the need to improve the nation's financial literacy – consumer Groups, politicians, government departments and the UK's campaigning media are keeping it high on the agenda and in the public consciousness. They are right: it's important. GoCompare.com's goal is to help people make ends meet – empowering them to make the right decisions and choices, while reducing the financial burden on the average household.

For many the internet is the key enabler, allowing them to do more than ever before. It can make previously laborious processes faster and easier. But a proliferation of data and information has also had the unintended consequence of making choices more difficult and confusing, which in turn increases apathy.

Our important role is to save people everywhere time and money. We do this by harnessing the best innovation that the internet and technological developments have to offer, coupled with our unwavering focus on 'best for' consumer outcomes and usability. Ultimately this will reduce complexity and enable people to make better decisions. Our 'savings as a service' model is built on simplifying and automating choice in a way that removes hassle and gives people a reason to bother.



# 32.2<sub>m</sub>

GoCompare received circa 32.2m interactions in 2017, up 1% on 2016

# 40.5%

The Group improved its marketing margin from 38.3% in 2016 to 40.5% in 2017

# £1.2<sub>bn</sub>

GoCompare saved its customers over £1.2bn in 2017

# 213

GoCompare has 213 employees based at its offices in Newport, South Wales

## “Culture eats strategy for breakfast”

Our approach to driving a low capital intensive and fast-paced delivery Company relies on building a strong culture of inclusion, empowerment and leadership at every level of the Company.

GoCompare has always had a strong culture centred on doing the right thing for the customer, while fostering an enjoyable place to work. We've chosen to build on this, focusing everyone on behaviours that drive faster delivery of benefit for our customers, while developing opportunities for all those that seek it. When we asked our teams what makes a 'GoCoer', they summarised it as: genuine, fair, bold, open and driven.

We also launched our own diversity and inclusion initiative – inviting external speakers from our own Board, relevant businesses and the local community to help our team raise their own horizons and ambitions about what we can achieve. Alongside a number of other focused initiatives aimed at building a positive culture, these changes are getting great feedback from our team through our annual survey – with scores for sustainable engagement from our last employee survey at 90% (agree/tend to agree), +13% on 2016 and +13% relative to sector benchmark. The local and regional recruitment market is also hearing of these changes, and we now have a regular inflow of interest from relevant skills in areas like computer science, digital marketing and analytics.

## Disciplined delivery is generating cash for 'savings as a service'

The concentration on improvements to our core comparison business – GoCompare – has allowed us to generate strong cash, giving us the capability to deploy and allocate capital for future growth related to 'savings as a service'. We met with many interesting start-up and established investment or acquisition businesses throughout the year that had potential to further our mission to 'help people everywhere save time and money'.

Our main 2017 investment activity was our acquisition of The Global Voucher Group Limited (trading as “MyVoucherCodes”), which we announced in December and closed on January 10, 2018. We are excited by this acquisition given that MyVoucherCodes complements GoCompare, allowing the new Group to increase not only the number of people it talks to but also how frequently.

We also made two minority investments into start-ups in the UK and the Middle East in 2017, and we hold regular knowledge exchanges with both companies:

- MortgageGym, the mortgage robo-adviser, is an exciting fintech start-up that's set to make waves in the mortgage market. We're excited to see how MortgageGym develops throughout 2018.
- Dubai-based Souqalmaal.com, headed up by the ineffably energetic Ambareen Musa. The biggest comparison business in the Middle East, Souqalmaal.com reminds us a lot of GoCompare from the early days – a strong commitment to helping customers by leveraging technical capabilities and industry connections.

## Outlook

We continue to take a disciplined approach to improving marketing margin and driving revenue growth, alongside a fast and successful integration of the MVC business into the Group. The Board remains confident of meeting its expectations for the full year 2018, with performance being skewed towards the second half of the year.

## In summary: we are creating a strong base for sustainable growth

We are proud of these results and they come from control, discipline and a single-minded focus on saving customers everywhere time and money. Expectations are constantly changing, and people rightly expect more from the companies they use but with less effort required on their part. This is exactly what we're pursuing through our 'savings as a service' model.

By reducing the hassle – perceived or real – associated with comparing and applying for various financial, insurance and home utilities products, we will be the preferred method for habitual switchers and sometime-savers alike to save time and money. By playing our part alongside others – regulators, government and other organisations – and honing the impact and reach of our messaging, we'll help to get people bothered about their outgoings.

Because, once they see how easy we can make it for them to find the things they need and save money to boot, we'll start a savings revolution.

Our focus on speed, discipline of execution and investment into people, puts us in a strong position to invest cash into internal and external innovation that can solve some of these opportunities. Our progress in 2017 is encouraging, and we enter 2018 with a clear vision and a sense of direction. This is why we bother.



**Matthew Crummack**  
Chief Executive Officer

# Financial Review

2017 saw profitable growth across our business, delivering 5.1% revenue growth combined with an improvement in marketing margin. Strong cash generation has enabled targeted deployment of surplus funds for strategic investments, debt repayment and dividends.

## Highlights

	2017	2016	Movement
Revenue	<b>£149.2m</b>	£142.1m	+5.1%
Marketing margin	<b>40.5%</b>	38.3%	+2.2%pts
Operating profit	<b>£33.0m</b>	£21.9m	+50.1%
Adjusted operating profit	<b>£36.0m</b>	£30.0m	+19.8%
Leverage	<b>1.1x</b>	1.7x	(0.6x)
Basic EPS	<b>5.8p</b>	3.8p	+54.1%
Adjusted basic EPS	<b>6.5p</b>	5.7p	+13.5%

Year-on-year percentage movements disclosed are based on actual underlying figures rather than the amounts presented which have been rounded to the nearest £0.1m.

The Group continued to deliver profitable growth across its price comparison activities with revenues up 5.1% to £149.2m. A disciplined approach to balancing revenue growth and margin expansion led to the marketing margin improving from 38.3% to 40.5% and the Adjusted operating profit increasing 19.8% to £36.0m. Reported operating profit of £33.0m represents an increase of 50.1% on 2016, largely as a result of the transaction costs associated with the listing incurred in the prior year.

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

## Revenue

	2017 £m	2016 £m	Movement £m	Movement %
Insurance	<b>139.9</b>	133.7	6.2	4.7
Strategic Initiatives	<b>9.3</b>	8.4	0.9	10.9
<b>Total</b>	<b>149.2</b>	142.1	7.1	5.1

The Insurance segment delivered 4.7% growth in 2017 with revenue up £6.2m to £139.9m. This growth has been achieved through a combination of a greater number of interactions from customers on the website, improved conversion of those interactions into transactions and higher income per transaction.

The Strategic Initiatives segment also grew during the year with revenue up 10.9% to £9.3m. Total revenue grew by £7.1m (5.1%).

## Marketing costs and marketing margin

	2017 £m	2016 £m	Movement £m	Movement %
Cost of sales	<b>42.5</b>	41.2	1.3	3.1
Distribution costs	<b>46.3</b>	46.5	(0.2)	(0.4)
<b>Total marketing spend</b>	<b>88.8</b>	87.7	1.1	1.3

Marketing margin	<b>40.5%</b>	38.3%	+2.2%pts
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Marketing costs, comprising cost of sales and distribution costs, have increased by £1.1m in total to £88.8m in 2017. The Group has continued its disciplined approach to targeted marketing and has delivered revenue growth through focusing on improving the customer experience and improving conversion. The modest increase in marketing costs combined with the 5.1% increase in revenue results in the marketing margin (calculated as the difference between revenue and marketing expenditure divided by revenue), improving from 38.3% in 2016 to 40.5% in 2017.

## Administrative expenses

Administrative expenses excluding adjusting items, depreciation and amortisation increased by £0.4m compared to 2016 largely as a result of an increase in headcount as the Group continues to invest in talent to drive faster, more agile software development. This has been partly offset by consultancy costs that were incurred in 2016 not repeating in 2017. Adjusting items for 2017 include £2.0m of charges relating to the Foundation Awards share scheme as well as £1.0m of transaction costs, largely fees associated with the acquisition of The Global Voucher Group Limited, which completed in January 2018, and costs associated with the offer from ZPG plc.

### Adjusted operating profit, Adjusted EBITDA, and Profit before tax

	2017 £m	2016 £m	Movement £m	Movement %
Revenue	149.2	142.1	7.1	5.1
Total marketing spend	(88.8)	(87.7)	(1.1)	1.3
Administrative expenses excluding adjusting items, depreciation, amortisation and loss on disposal	(23.2)	(22.8)	(0.4)	1.8
<b>Adjusted EBITDA</b>	<b>37.2</b>	31.6	5.6	17.7
Depreciation and amortisation	(1.2)	(1.6)	0.4	(25.0)
<b>Adjusted operating profit</b>	<b>36.0</b>	30.0	6.0	19.8
Transaction costs	(1.0)	–	(1.0)	100.0
Foundation Award share-based payment charge	(2.0)	(0.1)	(1.9)	100.0
Professional fees in relation to listing	–	(8.0)	8.0	(100.0)
<b>Operating profit</b>	<b>33.0</b>	21.9	11.1	50.1
Net finance costs	(2.3)	(0.3)	(2.0)	100.0
<b>Profit before tax</b>	<b>30.7</b>	21.6	9.1	41.7

Adjusted operating profit, calculated as operating profit for the year after adding back adjusting items increased by 19.8% to £36.0m.

Adjusted EBITDA for the year, calculated as Adjusted operating profit after adding back depreciation and amortisation, increased by 17.7% to £37.2m.

The Group has a light infrastructure and as such has a relatively low depreciation charge of £0.5m (2016: £0.4m). Intangible assets include both acquired software and capitalised internal development where staff time is spent on creating and innovating the consumer journey and capabilities. Amortisation remains modest at £0.6m (2016: £1.2m).

The Group incurred net finance costs of £2.3m during the year, an increase of £2.0m with interest being incurred on the debt for the full year compared to only two months in 2016. £10m of the £75m term loan was repaid on the anniversary as required by the facility agreement. The Group extended the Facility Agreement and drew down further funds at the beginning of 2018 in order to part fund the purchase of The Global Voucher Group Limited and therefore interest costs are expected to increase in 2018.

Profit before tax of £30.7m is £9.1m higher than 2016. The Group incurred £8.0m of one-off transaction costs in 2016 in relation to the demerger and this, combined with the improvement in underlying profit, has delivered a 41.7% increase in profit before tax.

### Income tax expense

The Group's tax charge of £6.3m represents an effective income tax rate of 20.5%.

### Earnings per share

	2017 (pence per share)	2016 (pence per share)	Movement (pence per share)
Basic earnings per share	5.8	3.8	2.0
Adjusted basic earnings per share	6.5	5.7	0.8
Diluted earnings per share	5.7	3.8	1.9

Earnings per share for 2017 is 5.8 pence compared to 3.8 pence for 2016. Adjusted earnings per share, which excludes the effect of adjusting items, is 6.5 pence, an increase of 0.8 pence (13.5%) on 2016 and better reflects the earnings generated by the underlying business.

### Cash and leverage

The Group continued to deliver strong operating cash flows during 2017 and at the year end had cash of £24.5m with a net debt position of £39.4m. Cash flows from operating activities generated in 2017 are adversely impacted compared to 2016 by a timing difference, with £5.1m of fees relating to the demerger in 2016 being paid in January 2017. Adjusting for this timing difference, the net cash generated from operating activities is £30.5m (2016: £23.1m). The Group has deployed the cash generated in 2017 to repay £10m of the term loan, return £2.9m of cash to shareholders via dividends and invest £2.5m in external investments. In June 2017, the Group acquired a minority interest in MortgageGym Limited, a robo-advice online mortgage marketplace, for £1.0m. In October, a second investment was made – £1.5m for a minority stake in Souqalm Holdings Limited, the leading comparison site in the United Arab Emirates. The excess funds held by the Group at the end of 2017, in conjunction with a draw down on the Revolving Credit Facility, have been utilised to acquire Global Voucher Group for £36.5m which took place in January 2018.


	2017 £m	2016 £m
<b>Net cash generated from operating activities</b>	<b>25.4</b>	28.2
Purchase of intangible and tangible fixed assets	(2.3)	(1.3)
Purchase of equity investments	(2.5)	–
Interest received	0.0	0.1
<b>Net cash used in investing activities</b>	<b>(4.8)</b>	(1.2)
Proceeds from issuance of ordinary shares	–	0.1
Repayment of borrowings	(10.0)	–
Proceeds from borrowings, net of transaction costs	–	73.1
Interest paid	(1.6)	(0.4)
Dividends paid to owners of the parent	(2.9)	(85.8)
<b>Net cash used in financing activities</b>	<b>(14.5)</b>	(13.0)
Net increase in cash and cash equivalents	6.1	14.0
Cash and cash equivalents at beginning of year	18.4	4.4
<b>Cash and cash equivalents at end of year</b>	<b>24.5</b>	18.4

The leverage at 31 December was 1.1x Adjusted EBITDA, a reduction on the 1.7x at the end of 2016 and well within the banking covenants. The Board does not target a specific leverage ratio but instead looks to optimise the capital structure of the Group ensuring that cash is available for investments in opportunities that will drive shareholder value over the medium term as well as for paying dividends in line with the dividend policy.

	2017 £m	2016 £m
Borrowings	(63.9)	(73.1)
Cash and cash equivalents	24.5	18.4
<b>Net debt</b>	<b>(39.4)</b>	(54.7)
Adjusted EBITDA	37.2	31.6
Leverage	1.1	1.7

### Dividends

The Group declared and paid an interim dividend of £2.9m, equivalent to 0.7 pence per share. A final dividend of 0.7 pence per share has been recommended by the Board which will be subject to shareholder approval at the AGM. Subject to this approval, the pay-out in respect of 2017 will be 21% 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

**Why bother?**

**Switching can save customers £300 per year on their home insurance.**

**Susie switched and could put the money she saved towards driving lessons.**

★★★★★

“GoCompare made me very, very happy saving me £300 from my previous quote. Keep up the good work, thank you.”

Real customer feedback from [Reviews.co.uk](https://www.reviews.co.uk)



## Telling a compelling story

# £2bn

Our advertising has shown the £2bn gap between switchers and non-switchers.

This year we have carefully developed advertising and marketing messages that resonate with people and encourage positive behaviour. Our advertising has shown the £2bn gap between switchers and non-switchers and we've introduced a well-received new character – Monster Bill.

Monster Bill is a financial figment – he represents people's household bills which, if they go unchecked, will eat your money, getting fat and contented on their cash.

But GoCompare – the independent, unbiased, free and fair comparison website – is here to help people keep Monster Bill under control. Inertia, auto-renewal, bad deals and unnecessary complexity are what Monster Bill relies on, and we are positioning GoCompare as the antidote.





# How We Manage Risk

## Risk management framework

The Group has a robust risk management approach that enables us to evaluate and manage the key risks to our business model.

This approach supports us as we deliver our strategic objectives, high-quality outcomes for our customers and comply with applicable laws and regulations.

## Risk governance

A clearly defined governance structure is in place to ensure that responsibilities are clearly defined:

**The Board** has overall responsibility for risk and managing threats and opportunities to the effective delivery of the strategy.

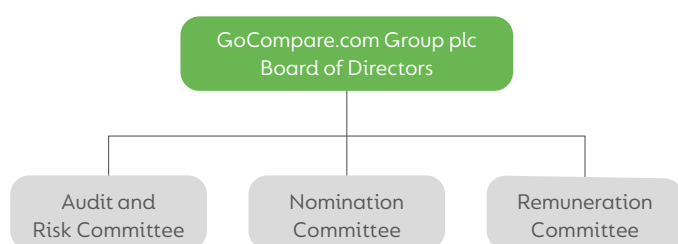
**The Audit and Risk Committee** assess the overall effectiveness and robustness of systems of internal control and risk management. They receive regular risk updates and provide robust challenge to executive management.

**Executive management and senior leadership** are responsible for delivering operational plans (including the design and implementation of controls) to deliver strategy and to identify and escalate emerging threats and opportunities.

**Assurance** on the design and effectiveness of operational functions is provided by internal audit and external audit.

**Oversight** of operational functions and controls is provided by Compliance, Data Protection, Legal, Information Security and Risk teams who also provide reports and updates to the Audit and Risk Committee. The Board is ultimately responsible for maintaining sound risk management and internal control systems.

## Governance structure



This framework helps the Group fulfil its obligations to shareholders and achieve consistency in risk-related matters. All of this is subject to annual review and approval by the Audit and Risk Committee. In short, risk management is a key part of our operational and strategic decision making.

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

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

## Developments in risk management

The Group's risk management framework has been enhanced in 2017 through:

- Strengthening the business planning and prioritisation process to focus on strategic delivery;
- Development of key themes, critical enablers and competitive essentials that are integral to successful strategic initiatives;
- Full tests of the website and workplace recovery resilience plans;
- Agile and proportionate risk governance and communication to ensure that new, emerging and changing risks are reported, escalated and reviewed.

## Future risk management development

During 2018 the Group's approach to risk management will be enhanced through:

- A review of the approach to risk management in each operating subsidiary;
- Embedding risk management framework into acquisition assessment and transition planning;
- Business-wide approach to planning and embedding General Data Protection Regulation (GDPR) implementation.



## Assessment of principal risks and uncertainties

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

Risk	Impact	Mitigation	Change in the year and future plans
<b>Competitive environment</b> The Group operates in a highly competitive environment and generates a significant proportion of its revenue from car and home insurance comparison.	The emergence of new competitors, changes of approach by existing competitors, or a fundamental change in the design and distribution of general insurance products may have a significant impact on market share, revenue and profit.	<ul style="list-style-type: none"> <li>Experienced and capable customer acquisition team.</li> <li>Comprehensive mix of online, offline, brand and non-brand marketing activities adopted to drive efficient and cost-effective customer acquisition.</li> <li>Continued investment in development of other verticals to grow diversified revenue streams.</li> <li>Development and maintenance of strong relationships with partners and product providers.</li> <li>Development of competitive value-led pricing and strategy with partners.</li> </ul>	Effective management of this risk remains a high priority.  The Group continues to operate in a highly competitive environment. This risk will be mitigated through: <ul style="list-style-type: none"> <li>further development and enhancement of data science capabilities to drive customer engagement.</li> <li>Continued innovation of products, services and customer journeys.</li> </ul>
<b>Financial</b> The Group is exposed to a number of financial risks; principally credit risk, liquidity risk and interest rate risk (as set out in note 19) of the financial statements. It is also subject to covenants on its loan facilities.	Failure to manage financial risks appropriately could lead to an adverse impact on the Group's financial performance and/or availability of cash. Should the Group breach its banking covenants its debt facility could become immediately repayable on demand.	<ul style="list-style-type: none"> <li>Credit worthiness checks and due diligence of suppliers, partners and third parties.</li> <li>Debtor management.</li> <li>Cash flow forecasting and headroom monitoring to manage availability of cash.</li> </ul>	The Group continues to invest in financial management to ensure that financial performance and reporting is effective and supports the strategic delivery. This includes: <ul style="list-style-type: none"> <li>Reporting and forecasting software systems.</li> <li>Continuous evolution of business intelligence and key performance indicators.</li> <li>Cross-functional teams who meet regularly and review commercial and financial performance to drive action and innovation within the business.</li> </ul>
<b>Customer acquisition and brand</b> The Group is reliant on customer awareness and appreciation of the GoCompare brand driven through broadcast, online and digital marketing techniques which need to be effective and cost efficient.	Deterioration of brand performance or failure to monitor and manage marketing activities appropriately may lead to lower market share, revenue and profit.	<ul style="list-style-type: none"> <li>Customer satisfaction monitoring and reporting feeds into product and proposition development.</li> <li>Continuous review and development of performance and perception of advertising approach.</li> <li>Customer-centric approach to service definition and development.</li> <li>Brand-health and performance monitoring and reporting.</li> <li>Channel specific benchmarking insights.</li> </ul>	Brand performance and customer engagement remain key drivers for the evolution of brand advertising. This is achieved through: <ul style="list-style-type: none"> <li>Broadcast and social media monitoring.</li> <li>Introduction of Monster Bill into TV campaigns.</li> <li>Ad awareness, brand performance and customer satisfaction feed into product and customer journey development and innovation.</li> </ul>
<b>Cyber security and data</b> The Group derives its revenue exclusively through online interaction by customers with partners and is exposed to a variety of cyber threats including Distributed Denial of Service (DDoS) attacks, hacking or malware that may result in compromise of the availability, confidentiality or integrity of commercially important customer or employee data.	A failure to manage and mitigate cyber-related incidents affecting infrastructure and websites may lead to unavailability of services, access to or compromise of data, which could have reputation, financial and regulatory consequences.	<ul style="list-style-type: none"> <li>Website and IT estate and threat monitoring continuously developed and evolved.</li> <li>Business continuity arrangements in place for websites and office systems.</li> <li>Regular testing of business and service continuity capabilities including systems recovery and diverse locations and hosting arrangements.</li> <li>Security monitoring systems in place to identify and mitigate cyber threats.</li> <li>Physical and logical access controls in place alongside firewalls and network controls.</li> <li>Robust approach to change management, testing and deployment.</li> <li>Segregation of duties, role-based access to data and access authorisation processes.</li> </ul>	Cyber, data management and security is key to maintaining and developing customer, partner and regulator satisfaction, along with compliance with legal and regulatory requirements.  This is of increasing importance as we grow and diversify the business, utilise different technologies and ensure timely compliance with GDPR.  Data is a vital asset of the Group and in 2018 we will continue to invest in leading-edge cyber risk tools and techniques to manage threats to customer and commercial data sources and technology.

# How We Manage Risk

## continued

Risk	Impact	Mitigation	Change in the year and future plans
<b>Technology and innovation</b> The Group is reliant on high-performing comparison solutions that meet customer expectations for experience, use and choice of device.	A detrimental effect on current and future financial performance and reputation could arise from an inability to quickly adapt to changes in customer behaviour and expectations or being unable to keep pace with technological changes.	<ul style="list-style-type: none"> <li>• Mobile-optimised customer journeys.</li> <li>• Comprehensive approach to development and testing across a wide variety of devices and operating systems.</li> <li>• Flexible approach to development of website and systems enhancements including organisational and operational changes to maximise delivery and deployment opportunities.</li> <li>• Real-time monitoring of core product journeys.</li> <li>• Continuous-development approach to website journeys to ensure scalable and relevant services and offerings to customers.</li> </ul>	Changing customer behaviour through technological developments and innovation in various device platforms. The Group will continue to respond to this change through: <ul style="list-style-type: none"> <li>• Continuous innovation of customer journeys.</li> <li>• Embracing new ways of working to drive speed of delivery and learning.</li> <li>• Customer-centric culture that seeks and acts on customer experience feedback.</li> </ul>
<b>Legal and regulatory</b> The Group operates in a number of regulated markets (insurance, lending, mortgages, energy, and home communications) and is also subject to competition law and data protection law.	Failure to comply with existing or adapt to changes in future regulatory requirements may have a fundamental impact on the Group's business model, leading to reputational damage and a failure to meet financial and operational targets.	<ul style="list-style-type: none"> <li>• Maintain and foster regular contact with regulatory bodies.</li> <li>• In-house specialist Legal and Compliance resource and access to specialist external advice, when required.</li> <li>• Open and transparent culture.</li> <li>• Comprehensive regulatory training provided to all employees.</li> <li>• Whistleblowing procedures in place.</li> <li>• Business-wide involvement to implement changes to comply with GDPR.</li> </ul>	The Group will continue to strengthen and invest in second-line support and advice functions to ensure that current and future legal and regulatory requirements are understood. This will also include ensuring appropriate training and skills are in place as we diversify into different products and sectors.
<b>People, leadership and management</b> The Group's success will depend on the performance of senior management and relies upon the industry, marketing and technical expertise of employees and on the Group's ability to attract, retain and motivate its people.	Lack of experienced, skilled and motivated people at all levels may have a detrimental impact on business and financial performance of the Group.	<ul style="list-style-type: none"> <li>• Highly skilled senior team with experience of running online businesses.</li> <li>• Review and evolution of employee reward packages at all levels.</li> <li>• Structured approach to learning and development.</li> <li>• Varied approach to attracting new talent, including development of an in-house recruitment function.</li> <li>• A regular review and evolution of internal working practices to further strengthen and support agile delivery within the business.</li> </ul>	People are the key element to the business delivery and success therefore the Group plans to continue to build on the progress made to date. In 2017: <ul style="list-style-type: none"> <li>• Values and behaviours were updated and refreshed and aligned to business plans.</li> <li>• Senior management continued to engage with employees at all levels through presentations, events and townhall meetings to discuss business plans and performance and seek feedback.</li> <li>• Succession planning completed for key senior roles.</li> <li>• Reviewed, updated and strengthened management team structures.</li> <li>• Launched a Diversity and Inclusion Council with representatives from all levels of the business.</li> </ul> In 2018 the Group will continue to focus on its people to ensure it has the right skills, environment and culture to deliver strategy.



Risk	Impact	Mitigation	Change in the year and future plans
<b>Strategic development and diversification</b> The Group has recognised the significant opportunity in growing the brand beyond motor and home insurance into a diverse range of other product and price comparison services and sectors.	Ineffective management of the partner panel and over-reliance on single product lines, including reporting, quality and appropriateness of products, may result in damage to reputation, loss of customers and adverse impact on financial performance.	<ul style="list-style-type: none"> <li>• Clear strategy to diversify revenue streams, products and services.</li> <li>• Strategy &amp; Investments team identify, develop and deliver opportunities.</li> <li>• Access to specialist external advice where due diligence support is required.</li> <li>• A robust governance approach to decision making that involves key stakeholders in decision making.</li> </ul>	In 2017 we: <ul style="list-style-type: none"> <li>• Further strengthened the in-house strategy and investments team.</li> <li>• Completed minority investments in MortgageGym – an online mortgage advice service and Souqalmal.com – a Middle East-based price comparison site.</li> <li>• Put in place a number of strategic partnerships with online businesses in the UK to drive complementary traffic.</li> <li>• In January 2018, the Group acquired The Global Voucher Group Limited which further diversifies the Group's revenue.</li> </ul>
<b>Economic conditions</b> The Group's revenue is derived from provision of product and price comparison services in the UK, and specifically the motor and home insurance sector.	A contraction in the UK economy, changes to fiscal policy or developments in the process for the UK to leave the EU, may lead to worsening economic conditions and performance of the Group. Brexit is not expected to have a significant impact on the Group. In a time of economic uncertainty and rising costs, consumers are more likely to consider switching, seek alternative suppliers and use price comparison websites in order to achieve better deals.	<ul style="list-style-type: none"> <li>• Review of wider market conditions and indicators undertaken regularly.</li> <li>• Flexible approach to cost-base.</li> <li>• Diversify revenue streams to adapt to future changing conditions.</li> <li>• Development of scalable solutions in similar emerging markets to learn and refine products and services.</li> </ul>	The potential impact of Brexit on the Group continues to be monitored including any changes to regulation of the financial services sector and the impact on specialist tech resource from overseas.  In 2018, the Group will continue to focus on products and services that help people save time and money and this will continue to ensure that customers achieve positive outcomes and to drive competition in the sectors in which the Group operates.

### Longer-term viability statement

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

The Board confirms that it has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and/or liquidity. The Directors have considered the three-year period to 31 December 2020 as this aligns with current plan approved by the Board. It gives the Board sufficient visibility on the future and the position of the Group within its markets. This period is also covered by the Group's current financing arrangements, which mature in October 2021. The Board has given consideration to any additional relevant factors which should be taken into account as part of this assessment and has concluded that they are not aware of any.

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

- the Group being subject to oversight from a number of regulatory bodies and its requirement to maintain appropriate levels of capital and liquidity as well as adhering to proper standards of market conduct and deliver fair outcomes to customers;
- the Group has a track record of delivering revenue growth, increased profitability and strong cash generation in a competitive, fast-paced and changing environment, which requires agility and continuous improvement to meet the demands of changes to technology, product development, customer behaviour and market conditions;

- the Group having significantly strengthened its Board and senior management team over the last 18 months, making key appointments to maintain and build on its current position;
- the Group having recruited new talent into the organisation over the last 12 months, and in particular the recruitment of Engineers into the Tech team;
- the Group having made significant improvements in the speed at which it can make changes to its website; and
- the Group's recent acquisition of The Global Voucher Group Limited which provides further diversification of earnings.

Sensitivity analysis has been undertaken to stress test the resilience of the Group's business model to identify the potential impact of the principal risks the Group faces, or a combination of those risks. This stress testing takes account of the availability and effectiveness of the mitigating actions that could realistically be taken to avoid or reduce the impact or occurrence of the underlying risks.

On the basis of this sensitivity analysis, combined with the business plan, financial forecasting and other matters taken into consideration the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and financial obligations as they fall due over the three-year period to 31 December 2020.

# Because we care, not because we should

We don't exist in a vacuum. Everything we do impacts on and is influenced by the industries, markets and communities in which we operate. So for us, being a responsible business isn't a platitude, but a fundamental part of why we do what we do.

As a brand that is recognised in every corner of the UK, we have an enviable platform from which to do good in people's lives – from saving people across the nation money every year, to developing meaningful and long-term careers for talented people, to providing support to our local communities and charities in a way that makes a real difference.



## 50

Parent packs delivered to  
Noah's Ark Children's Hospital

## 180

Christmas shoe boxes sent  
around the world

## Corporate social responsibility

### Key highlights from 2017

#### Communities

- Our colleagues collected, packed and delivered 50 'parent packs' for families whose children are cared for by Noah's Ark Children's Hospital, donated 300 Easter eggs to local homelessness charity Llamau, gave £500 worth of tech learning games to Newport Tech Club, and sent 180 Christmas presents around the world.
- We signed the Welsh Government's Digital Inclusion Charter, through which we pledge our time to teach people how to make the most of the internet.
- Our Snowdog – Baffi – formed part of the 'Tails in Wales' art trail throughout Cardiff and the Vale of Glamorgan. Alongside other Snowdogs, Baffi was eventually auctioned and helped to raise £121,000 for local children's hospice, Ty Hafan.

#### Customers

- We've created a dedicated customer research team, whose primary objective is understanding our customers' desires and behaviours, and supporting other departments to meet these needs.
- Through our inclusion and diversity work, we have identified an opportunity to help more people access our services. As an example, we are in the process of making our terms and conditions available in braille/audio format.

#### People

- We are an Investors In People Gold-accredited Company, and a holder of the Welsh Government's Corporate Health Standard (Gold).
- Through free and subsidised activities, we help support our colleagues physical, mental and emotional health and well-being: five-a-side football, Moodmaster classes, workplace massages, entry to various endurance events, one-to-one counselling, fruit deliveries, etc.
- Our benefits have always been competitive, but in 2017 we went further with a new mentoring scheme and enhanced learning and development opportunities to help people further their careers and gain new skills.

### Our business philosophy

We take pride in solving tough problems. For our customers, this means using tech to help them save more time and money; for our people it's about creating meaningful and rewarding careers which focus on development and constant learning; and for our partners we endeavour to create the best route for them to grow their businesses. This is all possible through staying true to our core values of speed of thought and action, discipline, and adaptability, combined with a healthy dose of humility and humour.

## People

Our people are what makes us unique. As a place to work, but also as a Company to partner with, invest in and use for important money-saving decisions.

In 2017 we grew the team and strengthened capabilities at all levels, and reorganised departments to shorten communication flows and speed up decision making. This re-energised working environment is something we are passionate about protecting and enhancing in 2018 and beyond.

### Key initiatives

Our key initiatives for our people as we move into the future can be grouped into three categories: enhance what we have, continue to attract the best, and bring everyone along on the journey.

- Enhance what we have:
  - Comprehensive personal development plans.
  - Mentoring scheme.
  - Secondments.
  - Apprenticeships.
  - Academic and professional qualifications.
- Continue to attract the best:
  - Diversity and inclusion initiative, starting with a focus on support for women in tech, those with disabilities or mental health difficulties, the LGBT community, and BAME professionals.
  - Work with schools, universities and other institutions to offer apprenticeships and sponsored qualifications/scholarships.
  - Develop a scalable 'centre of excellence' approach for our core capabilities, including tech, SEO and data science.
- Bring everyone along:
  - Attractive remuneration packages including sharesave, matched pension, performance-related pay (Company and personal).
  - Carry out Group-wide employee engagement surveys to deliver actionable insights and steer our recruitment and retention efforts – our latest survey received a 99% response rate.

### Developing our people for the long term

Continuing to train, develop and coach our people is key to ensuring the long-term success of the business. From ongoing and Company-wide regulatory training, to all colleagues having a personal development plan created at the beginning of each year identifying knowledge gaps or development needs for the coming year, it is important that everyone who works here gets the opportunity to be the best that they can be.

Our approach to staff development is centred on candidate learning preferences and encompasses opportunities ranging from on-site coaching and mentoring via our new mentoring programme, to external courses and secondments. Professional qualifications are also supported with a number of our staff undertaking their CIPD, ACI, CIM and LPC courses.

Management development is another key area for the business. All GoCompare managers continue to undertake our bespoke management development programme consisting of various modules aimed at equipping them with the key skills and knowledge to manage their teams. This, coupled with management coaching support, ensures that we get the best from our people.

### Valuing diversity

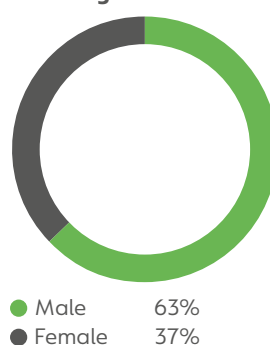
In 2017 we launched our diversity and inclusion programme. As a business we recognise that a diverse workforce made up of different cultures, experiences and outlooks will be critical to the continued success of our business.

We want to create an environment and culture where everyone can succeed. 'Fairness for all' starts from within, so by removing barriers, we want to allow opportunities to develop, encouraging individuals to flourish.

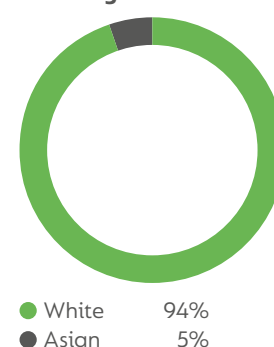
Part of our 2017 work on diversity and inclusion included the formation of a diversity council made up of representatives from across the business, and the drafting of our pledge.

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

**Gender diversity  
as of August 2017**



**Ethnic diversity  
as of August 2017**



## Customers

Everything we do is focused on our customers. Operating in highly competitive and homogenised (at least ostensibly) industries, if we fail to create experiences that truly benefit our customers we cannot hope to gain their trust.

Our mission is to 'help people everywhere save time and money', and this permeates everything from the investment decisions we make, to how we measure and reward performance, to the way we build and develop our products.

### Key initiatives

Most businesses will say that they are customer-centric. It wouldn't make sense to say otherwise! So rather than just say it, we've taken steps to ensure everyone at GoCompare lives by this principle.

- A dedicated customer research team – this team has one stakeholder to focus on: the customer. They are responsible for everything from understanding our users to making sure the products we develop and the touchpoints they encounter are optimised toward a positive user experience.
- If it doesn't help, it doesn't happen – all initiatives at GoCompare end with the question 'does this help people everywhere save time and money'? If the answer is not an unequivocal 'yes', it doesn't progress any further. This provides creative focus and ensures a disciplined approach to what we do.

# Because we care, not because we should continued

- We've invested in insights from some of the leading consumer research organisations to give us an understanding of our customers and their needs on a macro level. This, combined with our deep data insights, enables powerful goal setting.

## Customer care

We have an eight-strong team of trained and committed customer services professionals, who are on hand to help our customers. Through quick responses to emails, calls, live chats and social media messages, this team helps our customers to use our services and addresses any issues they encounter, whether on our website or with a partner.

Our commitment to a positive customer experience, in numbers:

- 98% of live chat enquiries we received were dealt with within the service level agreement timeframe.
- We spent 81,808 minutes helping customers over the phone.
- 896,584 minutes were spent providing support via email.
- We chatted with customers through our live chat facility for a total of 5,154 minutes.

## Communities

Through our 'For The Greater Good' (4TGG) committee, made up of colleagues from across the business, we stay close to the issues affecting people, so that we can better understand the role we can play in bringing about positive change.

This can take the form of donations to chosen charities (submitted by employees), sponsoring feats of endurance, skill or willpower, helping people to take time off to volunteer, or lending our expertise to charitable and community-run organisations.

# 92%

Customers who recommend  
GoCompare (Reviews.co.uk)

# £1,300

Donated to employee nominated  
charities each month

## Key initiatives

The contributions we make to our communities are more than feel-good activities. They play an important role in employee engagement, local communications and in demonstrating our values as a people-focused Company.

- Spare time is worth more than spare change – we support our colleagues who wish to use some of their time to support community initiatives. So far, this has included weeding and re-planting a local park, re-decorating a community centre, and chaperoning a sports day for children with special needs. This will continue, and we have a particular focus on teaching people to use computers and the internet, following our signing up to the Welsh Government's Digital Inclusion Charter.
- Charity begins at home – rather than have tenancy agreements in place with one or two charities, we encourage our employees to submit charities to receive donations. Each month, three are chosen and then the Company can cast votes: two will receive £150 each, and one £1,000.
- Disruption for good – as a Company that's done its fair share of shaking up the insurance and financial services industries, we want to do more to support like-minded community organisations. Be they sport, academic, cultural or arts-related, we want the things we do to matter and resonate.

## Being active in our community

The communities we operate in – be they on our doorstep or those that matter to our colleagues – are really important to us as a business. We play our part on a national and local level to help make people's lives richer, and a major part of this effort comes from the time and dedication our people put in, with full support from the business to do so.

In 2017, GoCompare staff gave up their time to raise money or volunteer for several charitable causes and public initiatives. These included Tough Mudder, the Cardiff Half Marathon, a charity bike ride, and a pantomime performance, as well as donating gift packs, Easter eggs and their time to share skills and capabilities with local community groups.

The charity team at Noah's Ark Children's Hospital charity, said "Thank you so much for your incredible support throughout 2017. Your time, effort, fundraising and donations are having a very real impact here at Noah's Ark."

# Corporate Governance

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- 46** Directors' Remuneration Report
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# Chairman's Introduction

The Board is committed to providing the necessary leadership to develop the Group's strategy with the aim of ensuring long-term success.



**Sir Peter Wood**  
Chairman

I am pleased to present the Group's Corporate Governance Report for the year ended 31 December 2017.

## **Board highlights and significant considerations**

The Board is committed to providing the leadership necessary to develop the Group's strategy with the aim of ensuring long-term success. The Board was delighted to support and approve the investments in MortgageGym and Souqalmaal.com and the acquisition of MyVoucherCodes, which we completed in January 2018. The MyVoucherCodes acquisition furthers the Group's mission to "help people everywhere save time and money".

## **Culture and governance**

The Board has in place a strong and effective system of Corporate Governance to support the execution of the GoCompare strategy. We continue to strive to ensure that our governance practices are in line with best practice and our disclosures are clear and transparent.

Our internal culture continues to evolve, with the Board demonstrating leadership from the top of the organisation. We are particularly proud of the initiative to capture the Group's core corporate values which are being embedded at all levels of the business and will now be linked to part of each employee's reward.

## **Board changes and diversity**

We have also strengthened our Board, welcoming Dr Ashley Steel as an independent Non-Executive Director in September 2017. Ashley brings a strong mix of sectoral and geographical experience to her role with the Group. We are pleased to welcome Ashley as a member of the Audit and Risk, and Remuneration Committees as of 1 January 2018. In addition, we announced the appointment of Joe Hurd as an independent Non-Executive Director in February 2018. Joe has a huge amount of experience working with exciting tech companies throughout the world, and we are looking forward to the wisdom and dynamism his appointment will bring to the Board.

On behalf of the Audit and Risk and Remuneration Committee members, I would like to take this opportunity to thank Adrian for his contribution during his tenure as a member of the Audit and Risk and Remuneration Committees, from which he stepped down on 1 January 2018.

The Board believes that diversity in the Boardroom and throughout the organisation is fundamental to the long-term success of the Group. I am pleased to report that as at 31 December 2017, women held 43% of Board positions. We continue to review and assess the diversity of the Board to ensure that we have a broad range of experience. Details of our commitment to Diversity and Inclusion through the organisation are set out on page 41.

#### Communication with shareholders

Shareholder engagement continues to be a fundamental pillar to our business with the Board recognising the importance of regular open dialogue. Over the course of 2017 we communicated regularly with our shareholders, including through our scheduled results announcements, institutional shareholder investor days in Newport and consultation on our new Remuneration Policy. We communicate our strategy and significant activities to all stakeholders, including the development of our 'savings as a service' model. We welcome ongoing engagement with our shareholders.

#### Looking forward

The Board remains committed to ensuring the highest standards of Corporate Governance across the Group in all aspects of the delivery of our strategy. We aim to continue to demonstrate shareholder value, through a business built for long-term performance and success.



**Sir Peter Wood**  
Chairman

#### Gender of Board positions\*



● Male 57%  
● Female 43%

\* as at 31 December 2017



# Meet the Board

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

They are driven, motivated and entrepreneurial individuals who have been responsible for the success of many well-known and global brands.



**Sir Peter  
Wood**

Chairman  
Appointed: September 2016



**Matthew  
Crummack**

Chief Executive Officer  
Appointed: June 2016

**Nick  
Wrighton**

Chief Financial Officer  
Appointed: September 2016

**Zillah  
Byng-Thorne**

Non-Executive Director  
Appointed: September 2016





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



**Joe  
Hurd**

Non-Executive Director  
Appointed: February 2018

**Angela  
Seymour-Jackson**

Deputy Chairman and  
Senior Independent Director  
Appointed: September 2016

(R) (A) (N)

**Dr Ashley  
Steel**

Non-Executive Director  
Appointed: September 2017

(A) (R)

**Adrian  
Webb**

Non-Executive Director  
Appointed: July 2015

(N)

## Meet the Board continued

### Sir Peter Wood

Sir Peter Wood was appointed Chairman of GoCompare in September 2017, prior to its demerger from esure Group plc in November 2017.

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

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

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

### Matthew Crummack

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

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 Committee. He is also a Director of his own UK-based Company, Interventus Limited.

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

### Nick Wrighton

Nick joined GoCompare as Chief Financial Officer in September 2016.

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

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

She 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

Joe is a Silicon Valley-based angel investor and entrepreneur, serving on the advisory boards of a number of technology companies, including purse.us (blockchain ad technology), Psychability (programmatic TV advertising), and exciteM (interactive TV content).

Until recently, Joe was the Director of Emerging Business at Facebook, Inc., where he was responsible for cross-functional strategy, operations and go-to-market planning for Facebook's advertising monetisation efforts.

Between 2009 and 2012, Joe was an Obama Administration appointee, advising the U.S. Secretary of Commerce on trade policy and serving on the White House Business Council. Prior to this, Joe held senior business development roles at Gannett Broadcasting, VideoEgg, Friendster and AOL. He started his professional career in London as a corporate securities lawyer at Linklaters.

Joe is a member of the Council on Foreign Relations and the North American Group of the Trilateral Commission, and is on the Board of Directors of Bullis Charter School 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. He and his family live in Los Altos, California.

## Angela Seymour-Jackson

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

Angela is a Non-Executive Director of the Board of esure Group plc in October 2015 and sits on its Remuneration Committee and its Risk Committee. She is also a Non-Executive Director of Henderson Group plc; 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.

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

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

## Dr Ashley Steel\*

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

Ashley is a Non-Executive Director on the Boards of National Express plc, the Civil Aviation Authority, Ince & Co, and is the England Nation Non-Executive Director on the BBC Board.

Ashley is a former Vice Chairman at KPMG and was Global Chair for its transport, leisure and logistics practice up until September 2014. She also served on the international business advisory board at British Airways. Ashley has significant international experience, and has advised FTSE/Fortune 500 boards across multiple sectors, including professional services, technology, media, business services and healthcare.

Ashley has a PhD in management from Henley Business School and is 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.

\* Appointed to the Audit and Risk and Remuneration Committees as of 1 January 2018.

## Adrian Webb

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

Adrian has 30 years' experience in marketing and communications including 20 years with major financial services brands. He served as Head of Group Public Relations with Direct Line, then Head of Communications with Virgin's banking arm, before joining award-winning London consultancy Consolidated Communications as Strategy Director in 2000.

Adrian joined the esure Group in 2002 becoming Head of Marketing and Communications. He was part of the esure Group plc team that guided the Company's MBO in 2010 and flotation on the London Stock Exchange in 2013.

# Meet the Executive Team



**Lee  
Griffin**

Founder and President

**Faisal  
Galaria**

Chief Strategy and  
Investments Officer

**Nick  
Edwards**

Chief of Staff, General Counsel  
and Company Secretary

**Jackson  
Hull**

Chief Operating  
and Technology Officer

## Lee Griffin

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

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

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

## Faisal Galaria

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

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

## Nick Edwards

Nick is a hugely experienced lawyer and has operated at the highest levels of corporate governance and development.

Prior to joining GoCompare Nick spent nine years at esure Group, where he was appointed as General Counsel and Company Secretary. While at esure he led the Company's IPO in 2013, as well as the demerger of GoCompare from esure Group in 2016. He was also a member of esure Group's executive committees.

## Jackson Hull

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

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

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

# Corporate Governance Report

To support the growth of the business, the Board has established a strong governance framework.



**Nick Edwards**

Chief of Staff,  
General Counsel and Company Secretary

## UK Corporate Governance Code

This report sets out how the Group applied the principles of the 2016 UK Corporate Governance Code and the extent to which the Company complied with the provisions of the Code in the period from 1 January 2017 to 31 December 2017. A copy of the Code is available on the Financial Reporting Council's website [www.frc.org.uk](http://www.frc.org.uk).

The Board believes that this annual report and accounts, taken as a whole, reflects a fair, balanced and understandable review of the Group, and presents a comprehensive and impartial view of the Group's business. The Board also believes that the report provides the information necessary for shareholders to assess the Group's performance, business model and strategy. We believe that the disclosure on the Group's strategy and business model set out on pages 2 to 10, and the key performance indicators that we use to measure both financial and non-financial performance meet this requirement.

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

## Leadership

### Board Composition, Independence and Roles

The Code recommends that at least half the Board of Directors (excluding the Chairman) should comprise 'independent Non-Executive Directors, being individuals determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect the Director's judgement'. The Board comprises of a non-independent Chairman, two Executive Directors and four independent Non-Executive Directors. The Chairman is not considered independent as a result of his material shareholding in the Company, and because he has served as Chairman of the esure Group plc Board since 2000 details of which are provided on page 66.



## Specific Responsibilities

Director	Attendance at Board meetings	Responsibilities
<b>Chairman</b> Sir Peter Wood	5/5	<ul style="list-style-type: none"> <li>• Overall operation and governance of the Board.</li> <li>• Providing leadership of the Board to ensure it satisfies its duties and responsibilities.</li> <li>• Setting the agenda for the Board.</li> <li>• Ensuring that the Board receives clear, accurate and timely information.</li> </ul>
<b>Senior Independent Director</b> Angela Seymour-Jackson	5/5	<ul style="list-style-type: none"> <li>• Meeting shareholders on request and acting as a designated point of contact for shareholders to raise any concerns where contact through the normal channels of the Chairman or Executive Directors is either inappropriate or not possible.</li> <li>• Bringing any issues raised by major shareholders to the attention of the Board.</li> </ul>
<b>Chief Executive Officer</b> Matthew Crummack	5/5	<ul style="list-style-type: none"> <li>• Responsible for running the Group.</li> <li>• Accountable to the Board for its operational and financial performance.</li> <li>• Primary responsibility for implementing the Group strategy, including ensuring the implementation of the Group's budget and optimising the Group's resources, managing the Group's risk profile, identifying and executing new business opportunities, and for management development and remuneration.</li> </ul>
<b>Chief Financial Officer</b> Nick Wrighton	5/5	<ul style="list-style-type: none"> <li>• Group financial performance and all required reporting.</li> <li>• Responsible for maintaining a financial control environment capable of delivering robust financial reporting information, to indicate the Group's financial position.</li> <li>• Investor relations.</li> <li>• Leadership of the finance functions.</li> </ul>
<b>Non-Executive Directors</b> Angela Seymour-Jackson Zillah Byng-Thorne Dr Ashley Steel Adrian Webb	5/5 5/5 1/1* 5/5	<ul style="list-style-type: none"> <li>• Constructively challenge and help develop proposals on strategy including:               <ul style="list-style-type: none"> <li>– scrutinising the performance of management in meeting agreed goals and objectives;</li> <li>– monitoring the reporting of performance;</li> <li>– satisfying themselves on the integrity of financial information;</li> <li>– ensuring that financial controls and systems of risk management are robust and defensible;</li> <li>– determining appropriate levels of remuneration of Executive Directors; and</li> <li>– playing a primary role in succession planning, appointing and, where necessary, removing Executive Directors.</li> </ul> </li> </ul>
<b>Chief of Staff, General Counsel and Company Secretary</b> Nick Edwards		<ul style="list-style-type: none"> <li>• Ensuring good quality corporate governance is embedded and implemented across the Group, along with implementation of efficient Company administration.</li> <li>• Acting as a confidential sounding board to the Chairman and other Directors.</li> <li>• Ensuring compliance with legislation, regulation and governance.</li> </ul>

\* Appointed to the Board on 26 September 2017.

# Corporate Governance Report

## continued

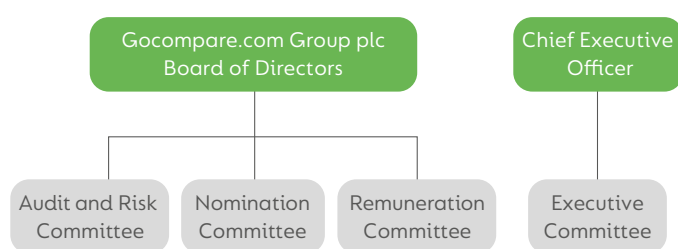
The Senior Independent Director and Deputy Chairman, Angela Seymour-Jackson also serves as a Non-Executive Director of esure Group plc; the Board considers her appointment to the Group's Board to be independent. The Board assessed the independence of Adrian Webb in relation to his previous role as Head of Marketing and Communications at esure Group plc, which ended in 2015 upon the assessment of independence criteria the Board determine Adrian to be independent.

The Board believes that it is in the best interests of the Group and its shareholders bearing in mind Angela and Adrian's extensive experience and detailed knowledge of the business.

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

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

### Corporate Governance Structure



### Board overview and the role of the Board and its Committees Governance Framework

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

#### Board Committees

The Board has delegated specific responsibilities to each of the Audit and Risk, Nomination and Remuneration Committees and reports for each are set out on pages 40 to 64. The Chairman of each Board Committee also reports to the Board on its proceedings after each Committee meeting, which provides the Board with oversight, and enables full transparency between the Committees

and the Board. The key policies and practices of the Group are set out in this report as well as in the reports of the Audit and Risk Committee on pages 42 to 45, the Remuneration Committee on pages 46 to 64 and the Nomination Committee on pages 40 to 41.

Each Committee has adopted terms of reference, which are reviewed on an annual basis. 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 ensure they are embedded within the business.

#### Matters reserved for the Board

The Board is responsible for the Group's strategic direction and for its overall management. The operation of the Board is documented in a formal schedule of matters reserved for its approval, which is reviewed annually. These include matters relating to the decisions concerning the Group's strategic objectives and long-term aims, the structure and capital of the Group, financial reporting and controls, risk management and various statutory and regulatory matters. The Board is also responsible for the 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 activity during 2017

The Board has a schedule of regular business, financial and operational matters, and each Board Committee has a schedule of reserved matters 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 is fed back to management.

#### Board meetings

The Board meets regularly, and met formally five times during 2017. In addition to the scheduled meetings a number of informal meetings were held. Informal meetings include meetings between the Chairman and individual Directors, Board dinners, or meetings to discuss general governance issues. This mixture of formal and informal meetings will help to establish a strong, honest and open relationship and dialogue between the Board members. Details of attendance are provided in the table above detailing Directors' responsibilities.

#### Conflicts of Interest

At each meeting the Board considers Directors' conflicts of interest. The Company's articles of association provide for the Board to authorise any actual or potential conflicts of interest.



### Induction of new Directors

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

All Directors have been advised of the time required to fulfil the role prior to appointment and confirmed they can make the required commitment. This requirement is also included in their 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.

### Performance evaluation

An internal evaluation of the Board was undertaken during 2017. Overall, it was concluded that the Board operated effectively. It is envisaged that the first externally facilitated evaluation will take place in 2019.

### Diversity

The Board is fully committed to selecting all future Directors and employees based on merit and with regards to diversity, including gender. As part of our ongoing commitment to diversity, 43% 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.

### Shareholder engagement and communications

As part of our management of the Group, the Board recognises the importance of regular, open dialogue with shareholders and key stakeholders to build strong working relationships, and

collaboration. During the year, the Executive Directors have met with a substantial number of shareholders and potential future shareholders during investor roadshows.

The Board is always mindful of the views of shareholders and a consultation was carried out at the start of 2017 on the disapplication of pre-emption rights guidelines and the new Remuneration Policy and its implementation for the year ahead. The Board was pleased with the result of the AGM votes but recognised that not all shareholders felt able to support the proposals for the implementation of the Resolutions. The Board reflected on this feedback during the year, and the views of shareholders that were gathered from the 2017 consultation and are committed to consider shareholders views.

### Annual general meeting

The 2018 AGM will be held at the offices of Deutsche Bank AG, The Auditorium, 1 Great Winchester Street, London, EC2N 2DB on 22 May 2018 at 3.00pm. The Notice of Meeting sets out the schedule for the day, and the resolutions to be proposed at the meeting. A copy of the Notice can be downloaded at [www.gocomparegroup.com](http://www.gocomparegroup.com).

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

### Dividends

The Group declared and paid an interim dividend of £2.9m, equivalent to 0.7 pence per share. A final dividend for the year ended 2017 of 0.7 pence per share has been recommended by the Board, which will be subject to shareholder approval at the 2018 AGM. Subject to this approval, the pay-out in respect of 2017 will be 21% 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.

### Fair, balanced and understandable requirements

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

- the process by which the Annual Report and Accounts were prepared, including detailed project planning and a comprehensive review process;
- papers prepared by senior management regarding accounting matters and disclosures relevant to the current financial year, including use of alternative performance measures, areas of judgement and estimation;
- the review of the annual report and accounts by the Audit and Risk Committee, and the discussions with both management and the external auditors. Where appropriate, the committee has challenged content and disclosures made; and
- ongoing financial information received by the Board, including KPIs.

The Audit and Risk Committee has reviewed and approved the final version of the annual report and accounts at its meeting in 27 February 2018 prior to it being signed by the Board.



### Nick Edwards

Chief of Staff, General Counsel and Company Secretary  
27 February 2018

### Activities during the year

A year in review

# 2017

#### March 2017

A review of the new Strategy  
Implementation of the Tribes and Squads concept

#### July 2017

Consideration of a number of new investment opportunities  
Approval of Interim Financial Statements  
Approval of the Dividend proposal

#### December 2017

Approval of the acquisition of MyVoucherCodes  
2018 Plan and future forecast

#### May 2017

Further development of 'Savings as a Service'  
A review of possible new ventures  
Approval of investment in MortgageGym

#### September 2017

Review of Company performance  
Update on Investments

# Nomination Committee Report

As a business we recognise that a diverse workforce made up of different cultures, experiences and outlooks will enable the business to excel.



**Sir Peter Wood**

Chair of the Nomination Committee

## Committee

Chair	Attendance
Sir Peter Wood	2/2
Members	
Angela Seymour-Jackson	2/2
Zillah Byng-Thorne	2/2
Adrian Webb	2/2

I am pleased to present the Nomination Committee (the "Committee") report for 2017. The Committee has adopted terms of reference, which are available to view on the following website: [www.gocomparegroup.com](http://www.gocomparegroup.com). Under its terms of reference, the Committee is required to meet at least twice in each year.

During the year the Committee focused on further strengthening the depth and breadth of the Board and to this end were delighted to appoint Dr Ashley Steel in September 2017. Ashley has significant international and advisory experience and will provide great insight to the Board. The Committee maintains a well-defined specification for each appointment, with a clear understanding of the attributes and values required to help the effective functioning of the whole Board. When considering the composition of the Board, we reviewed the skills and experience required to fulfil the Board's strategy. As Chair of the Committee, I took an active role in overseeing diversity and female representation on the Board and we are pleased to have 43% of our Board appointments held by women. When reviewing succession planning of the Executive team we will continue to promote diversity in all future appointments.

In addition, the Committee reviewed the composition of the Board's Committees and appointed Ashley to the Audit and Risk Committee and Remuneration Committee effective as of 1 January 2018.

## Composition

Sir Peter Wood, the Chairman of the Board, chairs the Committee, except when the matters under consideration relate to him or succession to his role. Appointments to the Committee are made by the Board, and are for a period of up to three years (which may be extended for further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership). The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 30 to 33).

## Roles and Responsibilities

The responsibilities of the Committee include:

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

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

## Committee's activities during the year:

### Succession planning

The Committee put in place succession plans for the Board and the wider Executive Team.

### Changes to the Board

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

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

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

Following the appointment of Dr Ashley Steel in August 2017, the Committee reviewed the composition of the Board in relation to its Strategy. It was agreed that the Board would appoint a new Non-Executive Director with a strong background in and knowledge of the technology sector, particularly in the North American market. Following, the Committee's recommendation, we are pleased to appoint Joe Hurd in February 2018.

## Board Evaluation

The Committee oversaw the internal evaluation of the effectiveness of the Board and its Committees.

Actions arising from the review were presented and discussed in detail with the Board and will be tracked throughout the remainder of the year and reported to the Board. The Group Chairman's performance was evaluated by the Non-Executive Directors, led by the SID, as provided for under the UK Corporate Governance Code.

## Diversity and Inclusion

The Board's policy on diversity is to ensure that the Directors on the Board have a broad range of experience, skills and knowledge, with diversity of gender, culture, thinking and perspective.

As noted above, 43% of our Board appointments are held by women which exceeds the aspirations of both the Hampton-Alexander Review and the Davies Review on Women on Boards.

As a business we recognise that a diverse workforce made up of different cultures, experiences and outlooks will be a critical enabler to helping the business continue to succeed, in order to create an environment and culture where everyone can succeed. 'Fairness for all' starts from within, so by removing barriers, we want to allow opportunities to develop, encouraging individuals to flourish. 2017 saw the launch of our diversity and inclusion programme to the business and the establishment of a diversity council made up of representatives from across the business and the drafting of our pledge.

## Governance

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

On behalf of the Nomination Committee



**Sir Peter Wood**

Chair of the Nomination Committee

# Audit and Risk Committee Report

The Audit and Risk Committee plays a key role in monitoring the integrity of the Group's financial reporting, reviewing material judgements and assessing the internal control environment.



**Zillah Byng-Thorne**  
Chair of the Audit  
and Risk Committee

## Committee Chair

	Attendance
Zillah Byng-Thorne	5/5

## Members

Angela Seymour-Jackson	5/5
Adrian Webb <sup>1</sup>	5/5

<sup>1</sup> Dr Ashley Steel was appointed to the Committee effective 1 January 2018, in succession to Adrian Webb.

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 2017. Members of the Committee attending the meetings, the Chairman and some members of the senior management are invited to attend the Committee meetings to provide information as required. These individuals include the Chief Executive Officer, the Chief Financial Officer, the Head of Finance, the Head of Compliance and Risk, the General Counsel and Company Secretary, as well as senior representatives from both external and internal audit. The Committee members also meet separately at least once a year with the Group's external and internal auditors without management present to provide an opportunity for any matters to be discussed without the presence of senior management. The Chair of the Committee and the Chief Financial Officer also meet regularly. The Board considers that all members of the Committee have recent and relevant experience (see biographies on pages 30 to 33) and that the skills, qualifications and commercial experience of its members are sufficient for it to be able to perform its duties. This includes appropriate financial experience with Zillah Byng-Thorne being a Chartered Accountant and having previously held a number of Chief Financial Officer positions.

## Responsibilities

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

- Appropriateness of reports from the Group's external auditor, monitoring their effectiveness and independence and making recommendations to the Board in respect of their remuneration, appointment and removal.
- Reviewing the financial statements of the Group, including accounting policies and key areas of judgement or estimation.
- Monitoring and reviewing internal audit activities, reports and findings. Reviewing the effectiveness of the Group's system of internal financial controls and internal control systems.
- Advising the Board on the Group's risk strategy, risk policies and current risk exposures, including conduct risk and the oversight of the overall risk management framework and systems.
- Monitoring of the Group's compliance activities.

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

### Risk management, internal control and internal audit

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 provided on pages 20 to 23.

The Committee receives regular reports from the Head of Compliance and Risk 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.

### Effectiveness of internal audit

The Audit and Risk Committee supports the Board in fulfilling its responsibilities to review the activities, resources, organisational structure and the operational effectiveness of the internal audit activities. It is intended that following discussion with the Committee Chair, Mazars LLP will present its internal audit plan for approval to the Committee before the start of each new financial year and will provide an update and further plans mid-year. As part of the annual review referenced above, and considering management's opinion, the Committee was satisfied that the internal audit function remains effective and fit for purpose.

### Significant judgements and areas of audit focus

The Committee has reviewed the following significant judgements and other areas of audit focus in respect of the financial statements for the year ended 31 December 2017. 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.

# Audit and Risk Committee Report

## continued

### Matter considered

#### Revenue

The Group generates revenue from insurance and other product introductions when a customer clicks through to a partner website and completes a transaction.

The Group accrues revenue based on available data of transactions made through its partners. Amounts estimated are based on underlying metrics of customer interactions which are subsequently validated through sales data submissions made by the partners. Customers have the right to cancel their purchase during a 14-day cooling off period, for which an estimate of the deduction to revenue is made for likely cancellations based on historical cancellation rates for the various products.

#### Valuation of investments

During the year GoCompare made minority investments in MortgageGym Limited and Souqalmal Holdings Limited. 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 have 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.

#### Share scheme accounting

The Group has entered into a number of equity-settled share-based payment arrangements in the current and prior year. The accounting for these involve a number of assumptions with regards to the model inputs, vesting period and expected performance of the business.

#### 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.

### Committee review

The Committee has considered the key processes in place in relation to revenue recognition, which include the process by which revenue is determined and recorded. Assurance over revenue is also provided by the work performed by the Partner Assurance team to ensure that data provided by the Group's partners is accurate.

The Committee has also considered the audit findings presented by KPMG in relation to their work over revenue, which included testing the operating effectiveness of IT systems and controls. The Committee confirmed with management that the basis of revenue accounting remained unchanged from the previous year. Based on the outcome of these matters, the Committee considers that there is sufficient assurance that revenues are stated accurately.

The Committee has reviewed the disclosure in the financial statements in relation to the investments and acquisition and has discussed the accounting for the transaction and the valuation with both Management and KPMG. The Committee is satisfied that the judgements and estimates made by Management are appropriate and that these assumptions have been subject to sufficient review by KPMG.

The Committee has considered the accounting treatment for the Foundation, Performance Share Plan and Free Share Awards and the basis for the assumptions applied in determining the share-based payment charges. The Committee is satisfied that this is appropriate.

The Committee also reviewed the presentation of the charge for the Foundation Awards and this being excluded from the Adjusted operating profit.

The Committee has reviewed management's paper on the viability statement and considered the principal risks and uncertainties faced by the Group. The Committee considered the scenarios under which the business model was stress tested 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.

### 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 the 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 2017 year end, noting the role of the Senior Statutory Audit Partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;
- a report from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the overall extent of non-audit services provided by the external auditor, in addition to its approval of the provision of non-audit services by the external auditor that exceed the pre-approval threshold.

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

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

The Committee notes that audit partner rotation every five years facilitates independence and objectivity within the external audit team. The current External Audit Engagement Partner is Timothy Butchart, who was appointed to lead the audit following the demerger of the Group in November 2016. Timothy Butchart supported the audit of esure Group plc in the past and therefore has experience of the Group prior to the demerger. The Committee is satisfied with the performance and effectiveness of KPMG LLP 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 LLP (and previously KPMG Audit plc) were first appointed as the auditors of the Company for the year ended 31 December 2010. Consideration of mandatory rotation and timing of a tender process are not yet required.

### 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 23, 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 and covenant headroom. The Committee is satisfied that an appropriate assessment to test the resilience of the business model has been undertaken.

### Non-audit services

The Company is committed to maintaining non-audit fees at a low level. Non-audit fees for the year were £39,000, which represented 25% of total audit fees for the 2017 financial year compared to the fee for the statutory audit of £119,000.

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

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

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

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

On behalf of the Audit and Risk Committee



**Zillah Byng-Thorne**

Chair of the Audit and Risk Committee



# Directors' Remuneration Report

The business performed well in 2017 delivering strong financial performance and an increase in shareholder value.



**Angela Seymour-Jackson**  
Chair of the Remuneration Committee

## Committee Chair

Angela Seymour-Jackson

## Attendance

5/5

## Members

Zillah Byng-Thorne

5/5

Adrian Webb<sup>1</sup>

5/5

1. Adrian Webb stepped down as a member of the Remuneration Committee effective 1 January 2018. Dr Ashley Steel was appointed on 1 January 2018 in succession.

## Annual statement from the Remuneration Committee Chair

I am delighted to introduce the Directors' Remuneration Report for GoCompare.com for the year ended 31 December 2017.

## Introduction

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

The report is presented in three sections:

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

The Directors' Remuneration Policy was put to a binding shareholder vote at our 2017 Annual General Meeting and was supported by 99.7% of shareholders. As such, we are not proposing a new policy for 2018 and therefore the existing Policy is reproduced on the following pages for information only. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2018 AGM.

## Remuneration policy implemented in 2017

Following GoCompare's listing on the UK Main Market in late 2016, the Committee gave careful consideration to the framework that would apply to executive remuneration. We designed a framework that reflected our key principles of:

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

We were also mindful of current market practice on key design features of executive remuneration, in particular the expectations of our shareholders, and therefore ensured that certain features

were included in the design such as three-year deferral on the annual bonus, a two-year holding period to apply to long-term incentive awards post-vesting, malus and clawback provisions on variable pay and a shareholding requirement for Executive Directors. As a transition approach, we determined that for 2017 long-term incentive awards, half of the awards subject to the two-year holding period would be released after the first year of the holding period and the remainder after the second year. This arrangement was for one year only and going forward our approach is that a full two-year holding period will be applied to the entirety of awards made in 2018 onwards.

In view of the extensive design process last year and the fact we have incorporated a number of best practice features in the existing design, we are proposing few changes to the Directors' remuneration structure this year.

### Performance outturns for 2017

In 2017, the bonus opportunities for the Executive Directors were 100% of salary for the Chief Executive Officer (CEO) and 75% of salary for the Chief Finance Officer (CFO). Performance was measured with reference to Adjusted operating profit targets as well as a selection of strategic, personal and customer measures.

The Group's financial performance in 2017 has been strong, with the delivery of £36m in adjusting operating profit and £149.2m in revenue; furthermore the Group made good progress developing and then delivering our ambitious strategy. The Executive Directors played a crucial role in defining a new way of working and were crucial in leading the reorganisation of people to better deliver our plans. Our new and improved ways of working have led to a significant increase in cadence of software releases and agility relating to website changes. The Group also agreed to acquire The Global Voucher Code Limited (trading as MyVoucherCodes) and made its first two external investments in MortgageGym and Souqalmal.com.

In view of this strong performance, the Committee elected to award bonuses of 67.875% of maximum to the CEO and 67.875% of maximum to the CFO. Further details are provided on page 58.

No long-term incentive awards were due to vest to the CEO and CFO in 2017.

### Overview of executive remuneration in 2018

#### Salary

Following a review, the CFO's salary has been increased to £300,000.

As explained in our 2016 report, the CFO's salary was set on his appointment in the context of his role and responsibilities at that time and his experience to date. We reported that the Committee's intention was that as the CFO developed in the role, his salary would be increased to a level commensurate with his increased experience. In early 2017, the Committee awarded an increase to the CFO to reflect his particularly strong performance in the role since Admission, and this was disclosed in our 2016 report.

2017 has been a year of considerable growth for GoCompare.com, with two external investments and the acquisition of MyVoucherCodes. As a result, the CFO's role has grown considerably and he has met the challenge with great success. The Committee continues to be impressed by Nick's high performance in the role and therefore in early 2018 his salary was increased from £260,000 to £300,000, effective 1 January 2018.

We are aware of our shareholders' concerns about salary increases above the level for the broader workforce and that this is the second year where the CFO has received a larger increase. We believe that our Executive Directors' pay should reflect their performance and

experience and have always set pay levels in this context. The CFO is now acting at a level which we believe commands a typical CFO salary and it is for this reason that we believe that his new salary level is appropriate.

The Committee does not anticipate that further increases of this scale will be made to the CFO's package as a result of increased experience. We will keep salaries under review.

No changes are planned for the CEO's salary in 2018.

#### Bonus

The maximum bonus that can be achieved in respect of 2018 will remain at 100% for the CEO and 75% for the CFO, and we will continue to operate the same deferral policy whereby 30% of any bonus earned for the 2018 performance year will be subject to deferral provisions.

The annual bonus will be based on a combination of financial and non-financial (including strategic) measures. For 2018 we have introduced a new financial measure to operate alongside the existing measures resulting in an overall increase in the portion of the bonus that is based on financial measures from 50% to 60%. The bonus will now be assessed as follows:

	2018 approach	2017 approach
Financial	<b>Operating profit (50%) Revenue growth (10%)</b>	Operating profit (50%)
Strategic	<b>A basket of strategic measures based on key business priorities (20%)</b>	A basket of strategic measures based on key business priorities (30%)
People	<b>A selection of people measures (10%)</b>	A selection of people measures (10%)
Customer	<b>Improvement in botheration (10%)</b>	Improvement in botheration (10%)

As revenue growth is a key measure of Group performance, the Committee believes it is appropriate for it to be included as a financial measure within annual bonus.

A Botheration Index forms part of the annual bonus performance measures for both 2017 and 2018. This reflects our continued belief that an important part of our growth strategy is gaining greater access to the parts of the population who are only "sometime switchers" or "never switchers" of their insurance and utility providers. The role of the Index in the annual bonus is described on page 58 and our focus on botheration is described more generally in our strategy report on pages i and ii.

#### PSP

The Committee intends to grant the second annual PSP awards to the Executive Directors and a selection of other senior individuals in early 2018. The maximum PSP opportunity in 2018 will remain at 2017 levels, namely 200% of salary for the CEO and 150% of salary for the CFO. Performance will continue to be measured over three years with reference to total shareholder return performance and challenging Earnings per Share growth targets. These are set out on page 58.

The CEO and CFO's 2018 awards will be subject to a two-year holding period post-vesting. A transition approach was in place for 2017 long-term incentive awards, whereby half of the awards subject to the two-year holding period would be released after the first year of the holding period and the remainder after the second year. This arrangement was for one year only and going forward our approach is that a full two-year holding period will be applied to the entirety of awards made in 2018 onwards.

# Directors' Remuneration Report

## continued

### Foundation Awards

We reported in last year's Directors' Remuneration Report that, shortly after Admission, the Executive Directors and a selection of other senior individuals were awarded one-off Foundation Awards to drive the delivery of high financial growth targets in 2017 and 2018. These awards continue to operate and performance will be assessed at the end of 2018. Details of any vesting under these awards as well as the performance targets that apply will be disclosed in our report next year.

The Committee is always very mindful of the views of shareholders and a consultation was carried out at the start of 2017 on the new Policy and its implementation for the year ahead. The consultation included discussions on the Foundation Awards. The Committee was pleased with the result of the AGM votes on remuneration but recognised that not all shareholders felt able to support the proposals for the implementation of the Policy. The Committee reflected on this feedback during the year, and the views of shareholders that were gathered from the 2017 consultation and from the AGM were taken into consideration when setting the remuneration for the Executive Directors in 2018.

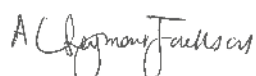
### The Executive pay environment

The Committee also maintains an interest in the latest developments in UK corporate governance and has been closely monitoring proposed changes, notably the proposed revisions to the UK corporate governance code and the gender pay reporting guidelines. The Committee receives regular updates from Management and is confident that GoCompare.com has a fair and transparent all-employee pay policy, including equal pay for men and women. We are also monitoring developments in relation to pay ratio disclosure and the enhanced expectations of shareholders concerning consulting employees on executive pay and will continue to discuss these measures, and our approach to their disclosure, over the course of 2018.

Further details of GoCompare's approach to pay arrangements within the wider workforce is on page 61.

### Conclusion

The Committee believes the proposals set out in this report will incentivise and motivate our Executive Directors to continue to deliver the strong business performance already achieved since Admission. The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2018 AGM. As always, I welcome any comments you may have and look forward to seeing shareholders at the 2018 AGM, where I hope you will support our proposals.



**Angela Seymour-Jackson**  
Chair of the Remuneration Committee

### Our remuneration principles

Aligning the interests of management with those of current and future shareholders

An appropriate balance between short-term reward and recognition and strong linkage to long-term performance

Ability to attract and retain senior management and the wider employee Group

Reward structures, performance conditions and targets that are simple and easily understood

Supporting the Group's collegiate and inclusive culture

## Key features of executive remuneration at GoCompare.com

### Salary

#### Levels

CEO: £400,000  
CFO: £300,000

#### Increases

0% increase for the CEO and  
15% increase for the CFO

### Annual bonus

#### Opportunity

CEO: 100% of salary  
CFO: 75% of salary

#### Deferral

30% deferred into shares, remainder in cash

#### Performance in measures

50% adjusted operating profit  
10% revenue growth  
20% strategic measures  
10% people and culture measures  
10% customer measures

### Performance Share Plan

#### Opportunity

CEO: 200% of salary  
CFO: 150% of salary

#### Holding period

The entirety of any awards vesting  
will be held for two years

#### Performance in measures

50% EPS growth  
50% relative TSR performance

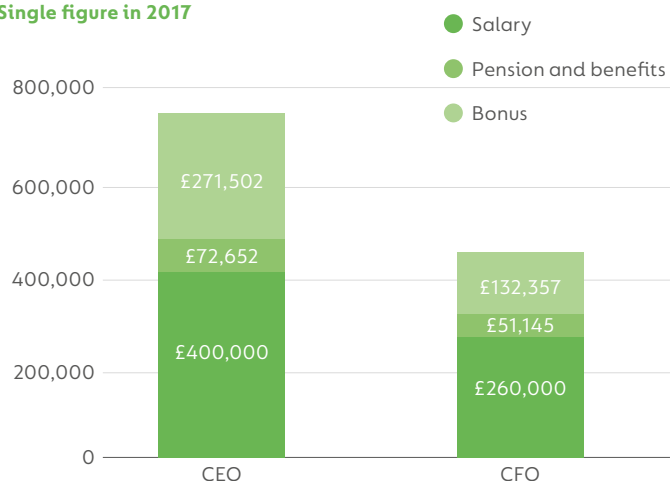
### Key changes for 2018:

- Increased salary for the CFO to reflect growth in role. See page 61.
- Introduction of a revenue measure on the annual bonus. Revised weighting of performance measures on bonus: now based on adjusted operating profit (50%), revenue growth (10%), strategic (20%), people (10%) and customer (10%) measures.
- Holding period on 2018 PSP will now be a full two years for all awards (phased vesting approach for 2017 awards has been discontinued).

### Unchanged from 2017:

- No change to CEO salary
- No increase to bonus or PSP opportunity levels
- No change to pension or benefit arrangements
- No change to shareholding requirement
- No change to performance measurement under the PSP

### Single figure in 2017



### Performance outcomes in 2017:

- Annual bonus outcome: 67.875% of maximum for the CEO, 67.875% of maximum for the CFO
- This was based on:
  - Financial 25% out of a max of 50%
  - Strategic 30% out of a max of 30%
  - Personal 10% out of a max of 10%
  - Customer 2.875% out of a max of 10%
- No PSP awards were due to vest to the Executive Directors in 2017.

# Directors' Remuneration Report

## continued

### Copy of Directors' remuneration policy

#### Introduction

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

#### Remuneration principles

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

- aligning the interests of management with those of current and future shareholders;

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

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

#### Policy table

The Executive Directors' remuneration has four main components made up of base salary, pension and benefits (including all-employee arrangements), annual bonus (including deferred element), and performance share awards. They are also eligible to participate in HMRC-registered all-employee share plans. The following table summarises the Policy in relation to these components. Full details of the application of this Policy are contained in the Annual Report on Remuneration.

### Executive Directors

#### Element and link to strategy

#### Operation

#### Opportunity

#### Performance measures

#### Salary

To attract and retain Executive Directors of the calibre required to deliver the Group's strategy.

Base salaries will be reviewed at least annually and assessed taking into account the scope and requirements of the role, experience of the incumbent and the total remuneration package. Any increases will typically be effective from 1 January.

Account will also be taken of the business's performance and remuneration arrangements in peer companies and the wider employee Group.

There is no overall maximum opportunity or increase. However, in awarding any increase, the Committee will be mindful of the general increase for the broader employee population.

In specific circumstances the Committee may award increases outside this range; these may include:

- a change in role and/or responsibilities;
- performance and/or development in role of the Executive Director;
- a significant change in the Group's size, composition and/or complexity.

In addition, where an Executive Director has been appointed to the Board at a low starting salary, larger increases may be awarded as their experience develops, if the Committee considers such increases to be appropriate.

Details of the current salaries for the Executive Directors are set out in the Annual Report on Remuneration.

Personal performance will be taken into consideration when determining any salary increases.

## Element and link to strategy

## Operation

## Opportunity

## Performance measures

### Benefits

To provide market-competitive benefits appropriate for the role, ensuring these are appropriate to the external market, thereby facilitating the recruitment and retention of high-calibre Executive Directors to deliver the Group's strategy.

The Committee's policy is to provide Executive Directors with competitive levels of benefits, taking into consideration the benefits provided to GoCompare.com's employees and those operated at peer companies.

Benefits are in line with those for the broader workforce and currently include (but are not limited to) private medical insurance (individual and family, if applicable) and death in service life assurance.

The Group may award additional benefits where the Committee considers it appropriate (eg travel, accommodation and subsistence allowances). These may include national and international relocation benefits such as (but not limited to) accommodation, family relocation support and travel.

Given the cost of benefits depends on the Executive Directors' individual circumstances, there is no prescribed maximum monetary value. The cost of the benefits provision will be reviewed by the Committee on a periodic basis to ensure it remains, in its view, proportionate.

There are no performance conditions.

### Pension

Encourages and assists with responsible provision for retirement, thereby facilitating the recruitment and retention of high-calibre Executive Directors to deliver the Group's strategy.

May be provided by way of contributions into a Company pension scheme (or such other arrangement the Committee determines has the same economic effect) and/or a cash allowance.

Maximum Company contribution for Executive Directors is 16% of the individual's salary in respect of each year.

Details of the current contribution levels are set out in the Annual Report on Remuneration.

There are no performance conditions.

### Annual bonus and Deferred Bonus Plan ("DBP")

Incentivises and rewards the delivery of annual financial and non-financial objectives, taking into consideration the Group's culture, risk appetite and values, on an annual basis.

Aligns Executive Directors' interests with shareholders through the deferral of the bonus into shares.

The Committee will set the performance measures, targets and the weighting annually to reflect the key financial and strategic priorities for the business for the year ahead. Annual bonus outcomes will be determined by the Committee, and the Committee may use its discretion at the end of the performance period to determine final vesting outcomes in exceptional circumstances (eg acquisitions and strategic investments).

30% of bonus awards will normally be deferred into an award of shares in the Group under the Deferred Bonus Plan and released in one or more tranches over a period of three years.

Malus and clawback provisions will apply (see section below for further details).

The maximum bonus opportunity may be up to 150% of salary for the Executive Directors for each financial year.

Actual awards made each year to Executive Directors will be set out in the Annual Report on Remuneration in respect of that year.

No more than 25% of the maximum opportunity is payable for threshold performance.

Performance will be measured based on a combination of financial and non-financial objectives and the measures may vary from year to year. At least half of the annual bonus may typically be based on financial measure(s).

The performance measures may include strategic and/or personal objectives.

The measures for 2017 are set out in the 2016 Annual Remuneration Report on page 56.

# Directors' Remuneration Report

## continued

### Element and link to strategy

### Operation

### Opportunity

### Performance measures

#### Performance share plan ("PSP")

To incentivise and reward delivery of the Group's longer-term strategic objectives for the business, through the use of share-based awards.

To develop sustainable alignment to shareholders.

Awards will vest subject to satisfaction of applicable performance conditions. These performance conditions will be measured over at least three years. The Committee may use its discretion at the end of the performance period to determine final vesting outcomes in exceptional circumstances (eg acquisitions and strategic investments).

A holding period, typically of two years, will apply to awards post-vesting unless the Committee determines otherwise.

The Foundation Awards were granted in 2016 under the PSP and these are subject to some different terms.

Malus and clawback provisions will apply to unvested and vested awards respectively (see section below for further details).

The maximum award in respect of any financial year will be 250% of salary (face value at date of grant) being the maximum under the PSP rules.

Actual awards made each year to Executive Directors will be set out in the Annual Report on Remuneration in respect of that year.

No more than 25% of awards may vest for threshold performance.

Performance measures will be determined by the Committee each year to ensure alignment with the long-term success of the business. The performance conditions may typically include a market measure and may also include other financial and strategic long-term objectives. The measures for 2017 are set out in the 2016 Annual Remuneration Report on page 56.

#### All-employee share plans

To align the Executive Directors' interests to those of the wider workforce.

Executive Directors are eligible to participate in any HMRC-registered all-employee share plans in place, which will be operated in line with HMRC guidance.

Participation in the Group's all-employee share plans is subject to maximum limits as set by HMRC.

There are no performance conditions.

#### Non-Executive Directors

### Approach to fees

### Operation

### Opportunity

### Other items

#### Fees paid to the Chairman and Non-Executive Directors

To remunerate the Chairman and Non-Executive Directors in an appropriate way, while enabling the recruitment and retention of high-calibre individuals.

Fee levels will be reviewed (though not necessarily increased) annually and set with reference to the time commitment and responsibility of the position as well as taking into consideration market data for roles in other companies of a similar size and complexity.

The fee and any contractual benefits for the Chairman will be determined by the Remuneration Committee. Fees for Non-Executive Directors will be determined by the Chairman and the Executive Directors.

Details of the current fee of the Chairman and the fee levels for the Non-Executive Directors are set out in the Annual Report on Remuneration.

There is no prescribed maximum annual increase. Total fees will not exceed the maximum amount specified in the Group's articles of association.

Benefits appropriate to the role may be provided. The Chairman and Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Group and appropriate Directors' and officers' liability insurance.

Travel and reasonable expenses incurred (including any tax gross-up) in the course of performing their duties may be paid by the Group or reimbursed to Non-Executive Directors.



## Notes to the policy table

### Selection of performance conditions

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

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

### Prior arrangements

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

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

### Common award terms

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

- be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect;
- 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;
- incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- be settled in cash at the Committee's discretion; and
- be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

### Malus and clawback

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

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

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

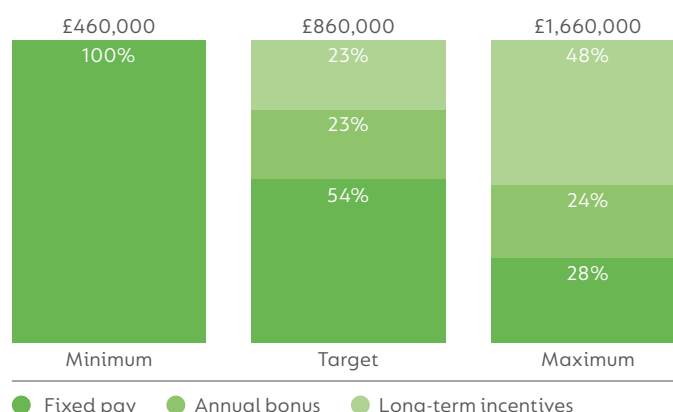
### Remuneration scenario charts

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

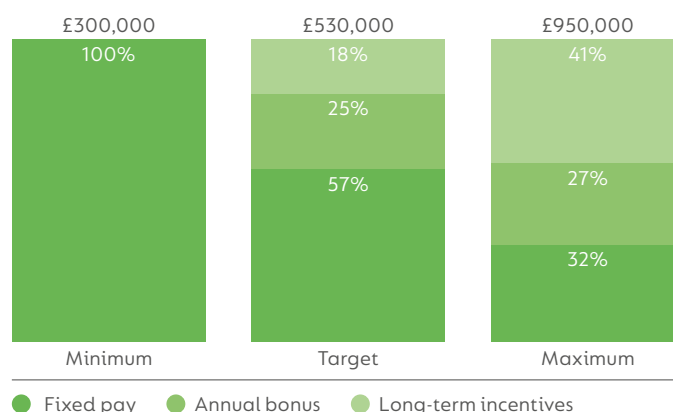
Pay scenario	Basis of calculation
<b>Fixed</b>	Fixed pay only, consisting of the salaries for 2017, benefits received in 2016 and the current pension policy applied to 2017 salary
<b>Target</b>	Fixed pay, plus the potential value of the annual bonus at target (50% of the maximum) and the long-term incentive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

All scenarios exclude share price growth and dividends

### Chief Executive Officer



### Chief Financial Officer



# Directors' Remuneration Report

## continued

### Approach to recruitment remuneration

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

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

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

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

### Service contracts and loss of office

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

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

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

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

### Settlement agreements

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

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

	<b>Category A:</b> Voluntary resignation and termination for cause	<b>Category B:</b> Agreed terms	<b>Category C:</b> Death or cessation by reason of ill health, disability, injury or where the individual's employing business leaves the Group
<b>Fixed pay</b>	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.
<b>Annual bonus</b>	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.
<b>DBP awards</b>	Unvested awards will lapse on cessation of employment.	Treatment will normally fall between A and C, subject to the discretion of the Committee, the terms of any termination agreement and the reasons for the Executive Director's departure.	Awards will normally vest according to the usual schedule, unless the Committee determines that awards should vest at the time the individual ceases employment. Awards will normally vest in full unless the Committee determines otherwise.  If the participant dies, awards will normally vest at the time of his death on the same basis as for other good leavers.
<b>PSP awards</b>	Unvested awards will lapse on cessation of employment. Vested awards subject to a holding period will also lapse if the Executive Director's employment is terminated for cause.	Treatment will normally fall between A and C, subject to the discretion of the Committee, the terms of any termination agreement and the reasons for the Executive Director's departure.	Awards will normally vest at the usual time (unless the Committee determines that awards should vest at the time the individual ceases employment), taking into account the extent to which the relevant performance conditions have been met. Awards are usually scaled back pro rata to take account of the proportion of the original performance period that has elapsed when the individual leaves (but with the Committee having discretion not to scale back or to reduce the scale back).  If the participant dies, awards will normally vest at the time of his death on the same basis as for other good leavers.  Vested awards subject to a holding period will be released from that holding period at the usual time, unless the Committee determines the holding period should end when the individual leaves employment.
<b>Other payments</b>	None.	Possible disbursements such as legal costs and outplacement services.	

### Change of control

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

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

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

### Consideration of shareholder views

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

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

### Consideration of employment conditions elsewhere in the Company

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

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

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

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

# Directors' Remuneration Report

## continued

### Annual report on remuneration 2017

This section of the Directors' Remuneration Report sets out the remuneration paid in 2017 and the proposed remuneration for 2018. This section will be put to an advisory shareholder vote at the 2018 AGM.

Sections which are subject to audit are indicated as such.

### Single figure of remuneration (audited)

The table below sets out the total remuneration received by Executive Directors and Non-Executive Directors in 2017 and 2016.

Individual	Salary/fees		Taxable benefits		Pension		Short-term incentives		Long-term incentives		Other emoluments		Total remuneration	
	2017 £	2016 £	2017 £	2016 <sup>4</sup> £	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £
<b>Executive Directors</b>														
Matthew Crummack <sup>1</sup>	400,000	206,282	40,652	28,612	32,000	16,503	271,502	212,500	-	-	-	-	744,154	463,897
Nick Wrighton <sup>2</sup>	260,000	56,250	30,345	8,350	20,800	4,500	132,357	98,438	-	-	-	-	443,502	167,538
Jon Morrell <sup>3,10</sup>	-	84,000	-	8,297	-	6,825	-	67,708	-	36,577	-	-	-	203,407
<b>Total</b>													<b>1,187,656</b>	<b>834,842</b>
<b>Non-Executive Directors</b>														
Sir Peter Wood <sup>5</sup>	250,000	104,167	-	-	-	-	-	-	-	-	-	-	250,000	104,167
Zillah Byng-Thorne <sup>6</sup>	80,000	33,333	-	-	-	-	-	-	-	-	-	-	80,000	33,333
Angela Seymour-Jackson <sup>7</sup>	125,000	52,083	-	-	-	-	-	-	-	-	-	-	125,000	52,083
Ashley Steel <sup>8</sup>	16,076	-	-	-	-	-	-	-	-	-	-	-	16,076	-
Adrian Webb <sup>9</sup>	60,000	42,667	-	-	-	-	-	-	-	-	-	-	60,000	42,667
<b>Total</b>													<b>531,076</b>	<b>232,250</b>

1 Matthew Crummack was appointed to the Board on 20 June 2016.

2 Nick Wrighton was appointed to the Board on 12 September 2016.

3 Jon Morrell left the Board on 31 May 2016.

4 The 2016 taxable benefit amount has been reinstated to reflect tax treatment of benefits.

5,6,7 Sir Peter Wood, Zillah Byng-Thorne and Angela Seymour-Jackson were appointed to the Board on 12 September 2016. As stated in the Prospectus, for remuneration purposes, the appointment of each of the Non-Executive Directors was deemed to have taken effect on 1 August 2016 to reflect work undertaken by each of them in connection with the demerger from esure Group plc before their appointments could be finalised. The values in the table for 2016 therefore reflect the period from 1 August to 31 December 2016.

8 Ashley Steel was appointed to the Board on 26 September 2017.

9 Adrian Webb was appointed to the Board on 21 July 2015, while GoCompare were privately owned. Adrian Webb received a Non-Executive Director fee from April 1 2016, prior to this he received a fee in respect of days worked.

10 Jon Morrell received a long-term incentive award in 2014 under the esure Performance Share Plan which vested on the demerger in November 2016. Of that portion, two thirds was based on earnings per share growth and the remaining third on relative TSR performance. The EPS threshold target of 15% was not met and so that portion of the award lapsed in full. Relative TSR was measured with reference to the FTSE 250 excluding investment trusts and esure Group, with 25% vesting for median performance and 100% vesting for upper quartile performance, and straight-line vesting in between. Relative TSR was between the median and upper quartile of the peer Group resulting in 75.3% vesting of the TSR portion and 25.1% vesting of the overall award. The value of the award includes dividend equivalents earned on the shares vesting. Jon Morrell also received an award in 2015 under the same plan. 50% of this award was not subject to performance conditions and this portion is shown in the 2015 column above. The remaining portion of the award is subject to performance conditions and will vest on the original vesting date. Jon Morrell was entitled to receive a bonus award pro-rated to reflect the portion of the year where he served on the Board; this totalled £67,708. At the time of his resignation, Jon Morrell held outstanding awards under the esure Group Performance Share Plan in respect of the 2014 and 2015 grant years. On departure, he was treated as a good leaver. His 2014 award vested at the time of the demerger on 3 November and the value of his award was £36,577. Details of the performance conditions which applied are described in the footnotes to the single figure table. His 2015 award will vest on the original vesting date, pro-rated up to his date of departure by reference to the proportion of the vesting period that has elapsed. The same performance conditions as for the 2014 award will apply.

**Notes to the table (audited)****Base salary**

The Executive Directors' salaries were reviewed in early 2017. As a result of that review, the Committee awarded an increase to the CFO to reflect his development in the role since appointment, his strong performance to date and the market rate for a typical CFO role. The Committee determined that the CEO's salary was appropriate for the size and scope of his role and this was not increased in early 2017. The salaries for the Executive Directors in 2016 and 2017 were as follows:

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

Details of the salaries that will apply in 2018 are provided on page 61.

**Annual bonus**

In 2017 the annual bonus opportunity levels for the CEO and CFO were 100% of salary and 75% of salary respectively. Awards were based on a series of financial and non-financial measures which are described below. Further details on performance outcomes for the non-financial measures are shown in the second table.

		Threshold	Maximum	Actual	Vesting
Financial (50%)	Adjusted operating profit	£34m	£40m	£36m	50%
Strategic (30%)	Delivery of strategy review Investment opportunities	Based on Remuneration Committee's qualitative assessment of performance (see below)		Fully achieved	100%
People (10%)	Personal measures for CEO and CFO (see below)	Based on Remuneration Committee's qualitative assessment of performance (see below)		CEO: Fully achieved CFO: Fully achieved	CEO: 100% CFO: 100%
Customer (10%)	Improvement in Botheration Index	0%	15%	2.875%	50%
TOTAL					CEO: 67.875% CFO: 67.875%

For the Financial and Customer measures, straight-line vesting occurs between threshold and maximum.

**Further commentary on non-financial measures**

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

Measure	Objectives	Commentary on performance achieved	Outcome
Strategic (30%)	Both the CEO and CFO were assessed with reference to two objectives: <ul style="list-style-type: none"> <li>Successful completion of Strategy Review (10%)</li> <li>Deployment of capital to at least two internal or external investment opportunities (10%)</li> </ul>	The strategic review was successfully concluded in Q1 2017. Deployment of capital included the agreement to acquire MyVoucherCodes and minority investments in MortgageGym and Souqalmal.com	Full vesting for the strategic element
People (10%)	The CEO was assessed with reference to successful completion and implementation of the organisation transition  The CFO was assessed on three metrics: recruitment of a Group Financial Controller, development and operation of an effective talent strategy within the Finance function and ensuring the Finance team has the resource and skills to support the implementation of investment aspects of the Strategy	The organisational design was completed in line with the project plan and timescales. The transition has already increased agility in the business, accelerating delivery of software updates to the website. Release frequency to the live website has increased from roughly once every three weeks to a release frequency of 3.2 times weekly by year end  A Group Financial Controller was recruited in Q2. The Finance team went through transitional development under the CFO's guidance evolving from a support function as a subsidiary to the esure Group plc to a finance team supporting a growth listed business. Further capability has been developed following implementation of a new planning tool in Q4. The team have developed to provide strong due diligence support to the Strategy and Investments team in relation to the external deployment of capital	Full vesting for the people element for both the CEO and CFO

# Directors' Remuneration Report

## continued

Measure	Objectives	Commentary on performance achieved	Outcome
Customer (10%)	<p>A key aim of the Group's growth strategy is to gain greater access to potential customers who are only "sometime switchers" or "never switchers" of insurance and utility providers – in short solve for Botheration and this is set out on pages i and ii of this annual report. It is posited that this requires overcoming the issue of apathy (making potential customers more "bothered"), whilst also making the customer experience as simple as possible (reducing hassle)</p> <p>The Group developed a Botheration Index to measure performance against this aim. For 2017, the Index comprised of two coefficients – time for customers to transact on the website and drop off rate of customers during the site journey</p>	For the period from January 2017 to December 2017, the Botheration Index had decreased by 4.31%, representing 2.875% of the maximum vesting under this portion of the bonus of 10%	2.875% vesting for the customer element

Based on the achievements listed above, the Committee agreed that the final vesting under the 2017 bonus would be 67.875% of maximum for Matthew Crummack and 67.875% of maximum for Nick Wrighton.

	Portion vesting (% of maximum)	Total award	Portion vesting (% of salary)
Matthew Crummack	67.875%	£271,502	67.875%
Nick Wrighton	67.875%	£132,357	50.907%

Annual incentive awards for 2018 will be based on a combination of financial and non-financial measures and are described further on page 62.

### Performance Share Plan – awards granted in the year

At the time of Admission, shareholders approved the introduction of a Performance Share Plan for Executive Directors and other senior staff.

Share awards were made to the Executive Directors on 29 March 2017 equivalent to 200% of salary for the CEO and 150% of salary for the CFO. The maximum PSP opportunity under the Policy is 250% of salary.

Type of award	Face value	Face value (% of salary)	Number of shares granted	Average share price at grant <sup>1</sup>	Threshold vesting (% of face value)	Maximum vesting (% of face value)	Performance period
Matthew Crummack	£800,000	200%	879,120	£0.91	25%	100%	1 January 2017–
Nick Wrighton	£390,000	150%	428,571				31 December 2019

<sup>1</sup> 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 (£0.91). The spot share price on the date of grant (29 March 2017) was £0.92.

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	Measured with reference to the FTSE 250 excluding investment trusts and the Company	50%	Median	Upper quartile
Earnings per Share growth	Measured with reference to annualised growth targets	50%	10% pa	20% pa

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

Any awards vesting will be subject to a holding period for a further two years, with half of any award vesting released after one year and the remaining half after two years. This transitional approach was set out in the 2016 Directors' Remuneration Report and applies to awards granted in 2017 only. Awards made to the Executive Directors from 2018 will be subject to a two-year holding period, with no early release, following vesting.

#### Performance Share Plan – awards vesting in the year

No GoCompare performance-based awards were due to vest in 2017.

#### All-employee share plans

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

Under the SIP, a free share award of £1,500 was offered to all eligible employees upon Admission (other than those employees receiving Foundation Awards, who opted not to receive free share awards). Furthermore, since early 2017, employees have had the option to buy partnership shares, which are eligible to earn matching shares of 1:1 (with no performance conditions). Of those employees eligible, 52.4% of the workforce opted to participate and buy partnership shares.

In late 2016 and again in 2017, 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 2016 and 2017 Sharesave Plans is 58.4%.

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 plan. He also participates in the partnership share scheme and details of his awards are as follows.

	Type of award	SIP shares held 01.01.17	Partnership shares acquired in the year	Matching shares awarded in year	Dividend shares awarded in year	Total shares held 31.12.17	SIP shares that became unrestricted in the year	Total unrestricted SIP shares held at 31.12.17
Nick Wrighton	SIP awards	0	1,900	1,900	18	3,818	0	0

#### External appointments (audited)

The Committee believes that external experience is valuable for the Executive Directors' development. Accordingly, Matthew Crummack serves as a Non-Executive Director at National Express Group plc where he receives a fee of £51,500. He is also a Director at his own Company, Interventus, where he does not retain a fee.

#### Payments to past Directors (audited)

There were no payments to past Directors in the year.

#### Payments for loss of office (audited)

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 2017 by Executive Directors are shown in the table below. No awards vested or lapsed in the year.

Director	Scheme	Grant date	Exercise price	Number of shares at 1 January 2017	Granted during the year	Vested/ exercised during the year	Lapsed during the year	Number of shares at 31 December 2017	End of performance period for performance shares/end of vesting period for Sharesave	Exercise period
Matthew Crummack	PSP (Foundation Award)	15.11.16	n/a	4,285,714		–	–	4,285,714	31.12.18	n/a
	PSP	29.03.17	n/a	–	879,120	–	–	879,120	31.12.19	n/a
Nick Wrighton	PSP (Foundation Award)	15.11.16	n/a	1,428,571		–	–	1,428,571	31.12.18	n/a
	PSP	29.03.17	n/a	–	428,571	–	–	428,571	31.12.19	n/a
										01.02.20– 31.07.20
	Sharesave	16.12.16	£0.50	36,000		–	–	36,000	01.02.20	



# Directors' Remuneration Report

## continued

### Directors' shareholdings and share interests (audited)

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

Shareholding requirements and the number of shares held by Directors during the year and as at 31 December 2017 are set out in the table below:

	Shares owned outright at 31 December 2017	Interests in share incentive schemes subject to performance conditions at 31 December 2017	Shares owned outright on 31 December 2016	Shareholding requirement as a % of salary	Shareholding as a % of salary achieved at 31 December 2017 <sup>1</sup>
<b>Current Directors</b>					
Matthew Crummack	0	5,164,834	–	200%	0%
Nick Wrighton	47,978	1,857,142	44,160	200%	20%
Sir Peter Wood	107,274,982	–	128,609,655	–	–
Zillah Byng-Thorne	84,322	–	84,322	–	–
Angela Seymour-Jackson	36,973	–	36,973	–	–
Ashley Steel <sup>2</sup>	47,833	–	–	–	–
Adrian Webb	985,195	–	985,195	–	–

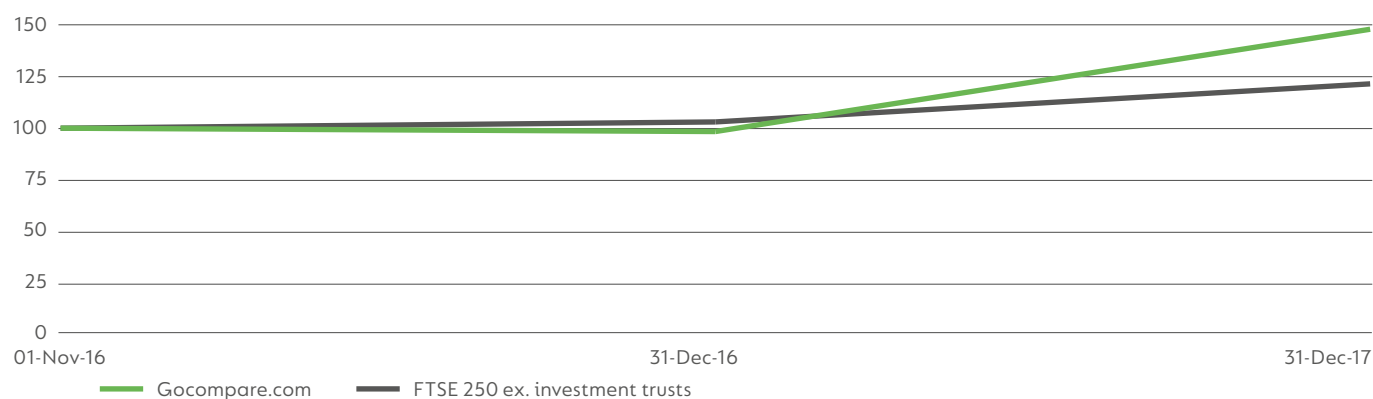
<sup>1</sup> Calculated using a share price of 106.8p (as at 31 December 2017).

<sup>2</sup> Ashley Steel was appointed to the Board on 26 September 2017.

The CFO also participates in the Share Incentive Plan. Between 31 December 2017 and 27 February 2018, Nick Wrighton had acquired 272 shares at their prevailing market value and had received 272 additional matching shares under the terms of the SIP on the same basis as all other eligible employees.

### Total shareholder return performance

The graph below shows GoCompare's TSR performance from Admission in November 2016 to 31 December 2017 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 2017 and 2016:

	2017	2016 <sup>1</sup>
CEO single figure of remuneration	<b>£744,154</b>	£463,897
Annual bonus pay-out (as a % of maximum opportunity)	<b>67.875%</b>	100%
PSP vesting out turn (as a % of maximum opportunity)	<b>N/A</b>	N/A

<sup>1</sup> Matthew Crummack was appointed on 20 June 2016 and his 2016 figure therefore reflects his remuneration received from that date.

### 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 2017 and the year ended 31 December 2016, for the CEO and for the average GoCompare employee.

	Salary	Benefits	Annual bonus
CEO	0%	42.08%	27.77%
Average employee	7.65%	31%	65.12%

### Rewarding our people

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

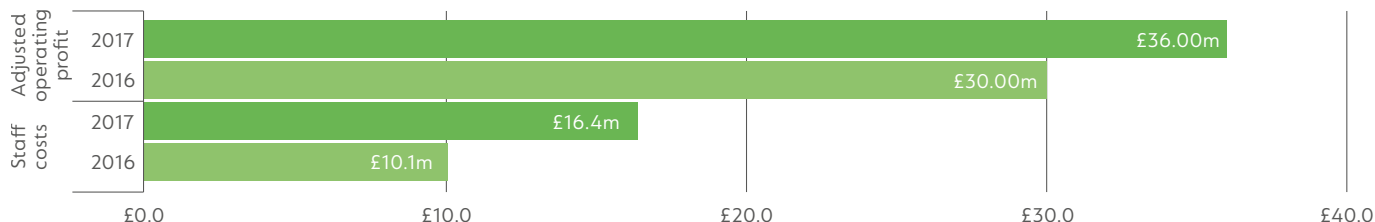
In 2017, the Group conducted a business-wide salary review exercise against benchmarking data to ensure that we remain a competitive employer within the local market. Work has also started to review our core benefits offering.

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

In addition to the hard benefits, the Group also offer staff a host of softer benefits such as subsidised fitness classes, free fresh fruit and healthy snacks, family time for parents to attend concerts and sports days and annual family BBQs. Further information on key initiatives for our people and what makes us unique can be found on page 25.

### 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.



<sup>1</sup> The 2017 figure and 2016 comparative are taken from note 7 of the 2017 Financial Statements.

Note: Prior to and as part of the demerger on 3 November 2016, dividends totalling £85.8m were paid to esure Group plc in 2016. However, there were no distributions to individual shareholders by way of dividend or share buyback in 2016 and therefore this information has not been included in the above chart. An interim dividend of 0.7 pence per share was declared and paid during 2017.

For more information on dividends and expenditure on remuneration of all employees, see pages 97 and 87 respectively.

### Implementation of the Policy in 2018

#### Salaries

The Committee reviewed the Executive Directors' salaries in early 2018. As a result of that review, it was determined that the CEO's salary continued to be appropriate and therefore that no changes would be made.

After due care and consideration, the CFO's salary was increased from £260,000 to £300,000, effective 1 January 2018. At the time of his appointment, the CFO's salary was set at a level reflective of his experience to date with the expectation that as he developed in the role, his salary would increase in increments in line with his greater experience. An increase was duly awarded on this basis in early 2017 and was described in the 2016 Directors' Remuneration Report. Following the completion of two key external investments and the acquisition of MyVoucherCodes in 2017, the CFO's role and his level of experience have grown considerably and his performance has continued to be at the same high levels seen since his appointment. As a result, the Committee determined that a second increase was warranted so that his salary was appropriate for a typical CFO.

The 2018 salaries for the CEO and CFO will therefore be as follows:

	Salary as at 1 January 2017	Salary as at 1 January 2018	Increase
Matthew Crummack	£400,000	£400,000	0%
Nick Wrighton	£260,000	£300,000	15%

# Directors' Remuneration Report

## continued

The Committee is mindful that the CFO has received two significant salary increases in two years and does not anticipate that further increases of this scale will be made as a result of further increases in experience. Salaries will continue to be monitored on a regular basis and further increases may be made in future years as the Company evolves.

### Pension

The maximum employer contribution is 16% of salary. For 2018, Executive Directors will receive a contribution of 8% of salary.

### Benefits

These will be awarded in line with the policy.

### Annual bonus

Annual bonus opportunities will remain unchanged from 2017 levels. The CEO will be entitled to a maximum annual bonus equal to 100% of salary for 2018. The CFO will be entitled to a maximum equal to 75% of salary.

The performance measures will be as follows:

Element	Description	Weighting
Financial	Performance against an annual operating profit target	50%
	Performance against an annual revenue growth target	10%
Personal and strategic	Strategic initiatives – focusing on further investment opportunities and the development of our comparison offering	20%
	People – focusing on entrenching our values and behaviours throughout the business	10%
	Customer – focusing on continued improvement in solving for Bothereation	10%

The revenue growth measure has been added for 2018. Revenue growth continues to be an important KPI of the Group and the Committee believe that its inclusion within the annual bonus reflects its importance as a business metric and aligns with shareholder interest.

The personal and strategic element of the bonus has been reduced accordingly from 50% to 40% for the 2018 performance year.

The detailed targets for the coming year are considered to be commercially sensitive. However, the Committee will look to provide an appropriate explanation of bonus outcomes by no later than in the 2018 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. As with the annual bonus, no changes to award levels are proposed for 2018 and therefore the Committee intends to award shares equivalent to 200% of salary to the CEO and 150% of salary to the CFO in 2018. Awards will be subject to a three-year performance period beginning on 1 January 2018.

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. This is a change from the approach for the 2017 awards, in which awards will be released in two equal phases after the first and second year of the holding period, and this change reflects the Committee's commitment to adhere to best practice in this area.

The performance conditions for 2018 awards remain unchanged from 2017 and are as follows:

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

### Chairman and Non-Executive Director fees

The fees for the Chairman and Non-Executive Directors were set on Admission and no changes are proposed for 2018. The fees which will apply in 2018 are as follows:

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

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

### Unexpired term of service contracts

The unexpired terms of the Executive and Non-Executive Directors' service contracts are set out on page 54.

### The Remuneration Committee

The Remuneration Committee's Terms of Reference were approved on 10 October 2016 and were reviewed by the Committee in July 2017. They can be viewed at [www.gocomparegroup.com](http://www.gocomparegroup.com).

The Committee is responsible for determining the terms and conditions of employment, and the level and structure of remuneration and benefits of the Chairman of the Board, the Executive Directors, and certain senior management. The Committee also reviews the remuneration arrangements for all other members of the Executive Committee, and is responsible for the determination of all aspects of share-based incentive arrangements.

The below table lists the members of the Committee during 2017 and the number of meetings they attended in the year. Five meetings of the Committee took place during the year.

Member	Number of meetings attended
Angela Seymour-Jackson (Chair)	5 out of 5
Zillah Byng-Thorne	5 out of 5
Adrian Webb <sup>1</sup>	5 out of 5

<sup>1</sup> Adrian Webb stepped down as a member of the Remuneration Committee effective 1 January 2018. Dr Ashley Steel was appointed on 1 January 2018 in succession.

The Committee's activities in the year included:

- Finalisation of the remuneration Policy in early 2017 and signing off the Directors' Remuneration Report for 2016;
- Signing off the outturns for the 2016 annual bonus;
- Finalising the annual bonus and PSP targets for 2017;
- Reviewing the arrangements for below Board roles, including 2016 bonus outturns and the operation of the 2017 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 2018 remuneration decisions and consideration of the targets for 2018;
- Reviewing feedback from shareholders after the 2017 AGM and discussing trends from the 2017 AGM season more generally;
- Reviewing the Committee's terms of reference;
- Discussing the latest developments in corporate governance, including proposed reforms to the UK Corporate Governance Code and proposals on pay ratios, employee engagement and gender pay; and
- Monitoring the review and development of the all-employee reward framework and all-employee pay decisions.

### Support for the Committee

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

During the year, Deloitte LLP ("Deloitte") provided advice to the Remuneration Committee. 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 2017 to 31 December 2017 were £108,000. Fees are predominantly charged on a "time spent" basis. During the year the wider Deloitte firm also provided advisory and compliance services to GoCompare in respect of corporation tax, indirect tax and transaction support services.

# Directors' Remuneration Report

## continued

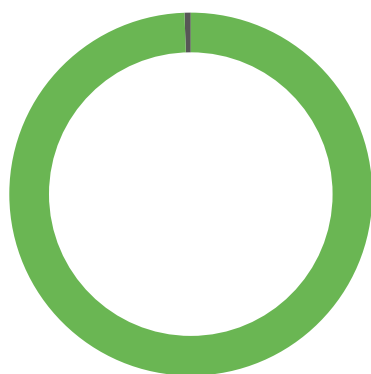
### 2017 AGM

The Committee is always very mindful of the views of shareholders and a consultation was carried out at the start of 2017 on the new Policy and its implementation for the year ahead. The Committee was pleased with the result of the AGM votes on remuneration but recognised that not all shareholders felt able to support the proposals for the implementation of the Policy. The Committee reflected on this feedback during the year, and the views of shareholders that were gathered from the 2017 consultation and from the AGM were taken into consideration when setting the remuneration for the Executive Directors in 2018.

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

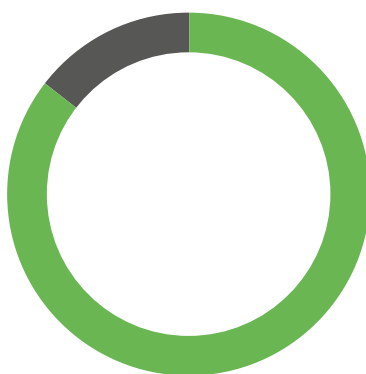
	For	Against
Directors' Remuneration Policy	348,762,774	974,096
Annual Remuneration Report	299,994,982	49,558,199

#### Directors' Remuneration Policy



● For 99.7%  
● Against 0.3%

#### Annual Remuneration Report



● For 85.8%  
● Against 14.2%

For and on behalf of the Board

**Angela Seymour-Jackson**

Chair of the Remuneration Committee

# Directors' Report

The Directors have the pleasure of presenting their annual report for the year ended 31 December 2017. The Directors' Report comprises pages 65 to 69, together with sections of the annual report incorporated by reference.

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

- Strategic Report – pages 4 to 26
- Chairman's Statement – pages 4 to 5
- Chief Executive Officer's Review – pages 14 to 15
- Financial Review – pages 16 to 17
- Risk management – pages 20 to 23
- Viability statement – page 23
- Corporate Governance Report – pages 36 to 39
- For information relating to social, environmental and ethical matters, please refer to the CSR section on pages 24 to 26.

## Board of Directors

The names and biographies of the current Directors are provided on pages 30 to 33 and are incorporated into this report by reference. The details are also available on our website at [www.gocomparegroup.com/about-us/board-and-management/our-board](http://www.gocomparegroup.com/about-us/board-and-management/our-board).

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

Name	Role	Effective date of appointment/resignation
Dr Ashley Steel	Non-Executive Director	Appointed on 26 September 2017
Joe Hurd	Non-Executive Director	Appointed on 22 February 2018

Details of Directors' beneficial and non-beneficial interests in the shares of the Company are shown on page 60. Further details regarding employee share option schemes are given in note 24 to the financial statements.

## Articles of Association

The Company's articles of association can be found on the Company's website [www.gocompare.com](http://www.gocompare.com).

## Dividends

Details of dividends declared and paid in the year are set out in note 25 of the consolidated financial statements.

## Financial risk management

The Directors confirm that they have undertaken a robust assessment of the principal risks facing the Group. Details of the Group's risk management systems and processes in place in relation to financial risks and its policies for managing exposure to these

risks are set out in note 19 of the consolidated financial statements. The principal risks and uncertainties facing the Group ('How we manage risk') are set out on pages 20 to 23.

## Appointment, retirement and removal of Directors

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

The Board has the power to appoint additional Directors or to fill a casual vacancy amongst the Directors. Any such Director holds office only until the next AGM and may offer himself/herself for election.

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

The Code recommends that all Directors of FTSE 350 companies should be subject to annual re-election by shareholders. Accordingly, all Directors will stand for re-election at the 2018 AGM. In addition to any power of removal conferred by the Companies Act 2006, the Group may, by special resolution, remove any Director before the expiration of his or her period of office.

Further details of the re-election and election of the Directors can be found in the notes to the Notice of Meeting sent to shareholders in advance of the 2018 AGM, a copy of which is also available on our website at [www.gocomparegroup.com](http://www.gocomparegroup.com).

The governance structure and the activities of the Board's governance committees are summarised on pages 36 to 39.

## Power of Directors

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

## Directors' and Officers' liability insurance and indemnities

The Group maintains Directors' and Officers' liability insurance, which gives appropriate cover should legal action be brought against its Directors. In addition, indemnities are in force under which the Group has agreed to indemnify the Directors against all liabilities and related costs that they may incur in the execution of their duties. Copies of these indemnities are kept at our registered office and are open for inspection by any member. The indemnities do not cover the Directors for fraudulent activities.

# Directors' Report

## continued

### Conflicts of interest

The Company has procedures in place to deal with situations where a Director believes they may have an actual or perceived conflict of interest with respect to matters before the Board.

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

### Compensation for loss of office

There are no agreements in place with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Group's share plans may cause options and awards granted under such plans to vest on a takeover. Further information on Directors' service contracts and their notice periods can be found in the remuneration report on pages 46 to 64.

### Political donations

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

### Share capital

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

As at 31 December 2017, the Company had 418,338,382 ordinary shares in issue. The Company does not hold any shares in Treasury.

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

### Power of Directors to issue shares

The Directors require express authorisation from shareholders to allot new shares. A shareholder resolution will be proposed at the 2018 AGM to renew this authority to allot shares.

### Purchase of own shares

The Directors require express authorisation from shareholders to purchase our own shares. Accordingly, at the 2018 AGM, the Group proposes to renew the authority granted by Shareholders at the 2017 AGM to repurchase up to a maximum of 10% of its issued share capital. At the present time, the Group has no plans to exercise this authority and did not exercise the authority during 2017.

Further details may be found in the Notice of Meeting sent to shareholders in advance of the 2018 AGM, a copy of which is also available on our website at [www.gocomparegroup.com](http://www.gocomparegroup.com).

### Major interests in shares

Information provided to the Group by substantial shareholders pursuant to the Disclosure and Transparency Rules ("DTR") is published via a Regulatory Information Service.

At 27 February 2018, being the latest practicable date prior to the publication of this annual report, the Company had been notified of the following interests amounting to 3% or more of the voting rights in the issued share capital of the Company.

Shareholder	No. of shares	% holding	Direct/ indirect interest
Sir Peter J. Wood	107,274,982	25.64	Direct
Toscafund Asset Management	92,540,776	22.12	Indirect
JP Morgan Asset Management	17,338,762	4.14	Indirect
Jupiter Asset Management	13,260,339	3.17	Indirect

### Relationship Agreement with controlling shareholder

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

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

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

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

- that transactions and arrangements between the Group and Sir Peter Wood (and/or any of his associates) will be conducted at arm's length and on normal commercial terms;



- that neither Sir Peter Wood nor any of his associates will take any action that would have the effect of preventing the Group from complying with its obligations under the Listing Rules; and
- that neither Sir Peter Wood nor any of his associates will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

The Board confirms that, since the entry into the Relationship Agreement on 11 October 2016 until 27 February 2018, being the latest practicable date prior to the publication of this annual report and accounts:

- the Group has complied with the independence provisions included in the Relationship Agreement;
- so far as the Group is aware, the independence provisions included in the Relationship Agreement have been complied with by Sir Peter Wood and his associates; and
- so far as the Group is aware, the procurement obligation included in the Relationship Agreement has been complied with by Sir Peter Wood.

### Restrictions on voting rights

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

Further details may be found in the Notice of Meeting sent to shareholders in advance of the 2018 AGM, a copy of which is also available on our website at [www.gocomparegroup.com](http://www.gocomparegroup.com).

### Auditor

Auditor resolutions to reappoint KPMG LLP as auditor of the Company and to authorise the Audit and Risk Committee to determine their remuneration will be proposed at the 2018 AGM. The Audit and Risk Committee considers that the relationship with the auditor is working well and remains satisfied with its effectiveness. There are no contractual obligations restricting our choice of auditor.

### Disclosure of information to the auditor

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

### Greenhouse gas (GHG) emissions

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

Emissions from:	2017 tCO <sub>2</sub> e	2016 tCO <sub>2</sub> e
Combustion of fuel and operation of facilities (Scope 1)	0.0	0.6
Emissions from purchase of electricity, heat, steam and cooling for own use (Scope 2)	163.7	179.6
Total	163.7	180.2
Company's chosen intensity measurement:		
Total tonnes of CO <sub>2</sub> per £m of revenue	1.10	1.27

In order to express the Group's annual emissions in relation to a quantifiable factor associated with the Group's activities, disclosure is given of total tonnes of CO<sub>2</sub>e per £m of revenue. This measure is deemed to be a relevant indicator of the extent of the Group's operations and strategic focus.

### Going concern

In adopting the going concern basis for the preparation of the financial statements, the Directors have considered the business activities as set out on pages 4 to 26 (strategic report and business review), as well as the Group's principal risks and uncertainties as set out on pages 20 to 23. Based on the Group's current financial situation and robust assessment of the Group's future, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months.

The Group's viability statement is on page 23.

### Material contracts and change of control

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

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

# Directors' Report

## continued

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

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

### Special rights

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

### Requirements of the Listing Rules

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

Listing Rule requirement	Location in annual report
A statement of the amount of interest capitalised during the period under review and details of any related tax relief.	Not applicable.
Information required in relation to the publication of unaudited financial information.	Not applicable.
Details of any long-term incentive schemes.	Directors' remuneration report, pages 46 to 64.
Details of any arrangements under which a Director has waived emoluments, or agreed to waive any future emoluments from the Company.	Not applicable.
Details of any non-pre-emptive issues of equity for cash.	Not applicable.
Details of parent participation in a placing by a listed subsidiary.	Not applicable.
Details of any contract of significance in which a Director is or was materially interested.	None, other than the Relationship Agreement referred to on page 66.
Details of any contract for the provision of services to the Company (or any of its subsidiaries) by a controlling shareholder.	Not applicable.
Details of waiver of dividends by a shareholder.	Not applicable.
Board statement in respect of relationship agreement with the controlling shareholder.	Directors' report, page 66.

This annual report, including this Directors' Report, as well as the (Strategic Report) from pages 4 to 17, and the Corporate Governance Statement from pages 36 to 39 was approved by order of the Board.



### Nick Edwards

Chief of Staff, General Counsel and Company Secretary  
27 February 2018

# Statement of Directors' Responsibilities

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

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

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that

are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm to the best of their knowledge:

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

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



**Matthew Crummack**  
Chief Executive Officer



**Nick Wrighton**  
Chief Financial Officer

# Financial Statements

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### Financial Statements

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

## 1 Our opinion is unmodified

We have audited the financial statements of GoCompare.com Group plc (the "Company") for the year ended 31 December 2017 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 1.

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 2017 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 two financial years ended 31 December 2017 as a public interest entity and eight 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 judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing

the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

**Revenue** (£149.2m; 2016: £142.1m) Risk vs 2016: unchanged. Refer to page 44 (Audit & Risk Committee Report), page 79 (accounting policy) and page 86 (financial disclosures).

The risk: Low risk, high value

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

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

At each period end, the Group estimates the amount of revenue not yet reported by business partners based on available data of transactions using underlying metrics of customer interaction.

Our procedures included:

- Control performance: Tested the operating effectiveness of controls over the estimation of accrued income, including a reconciliation of post year-end invoicing to accrued income;
- Control design: Tested via inspection of documentation the operating effectiveness of controls over the sales reporting process including due diligence of customers and the approval process of pricing;
- Test of detail: Agreed total revenue recognised to cash receipts received in the year, with reference to the movement of trade receivables and accrued income;
- Expectation versus outcome: Tested the reasonableness of the estimated revenue earned but not yet reported by business partners and invoiced at year end by comparing the estimates prepared by the Group against the actual sales reported by business partners, and comparing the post year-end cash receipts against the invoiced sales; and
- Assessing transparency: considered the adequacy of the Group's disclosures in respect of the judgement and estimates around revenue recognition.

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

## Our results:

- The results of our testing were satisfactory and we considered the amount of revenue recognised to be acceptable (2016: acceptable).

## Recoverability of parent company's investment in subsidiaries

(£5.6m; 2016: £2.8m) Risk vs 2016: unchanged.

Refer to page 102 (accounting policy) and page 103 (financial disclosures).

## The risk: Low risk, high value

The carrying amount of the parent company's investment in its subsidiary GoCompare.com Finance Limited represents 56% (2016: 31%) of the Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.

## Our procedures included:

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

## Our results:

We found the Group's assessment of the recoverability of the investment in subsidiaries to be acceptable (2016: acceptable).

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

Materiality for the Group financial statements as a whole was set at £1.4m (2016: £1.25m), determined with reference to a benchmark of Group profit before tax, of which it represents 4.5% (2016: 4%).

Materiality for the parent company financial statements as a whole was set at £492k (2016: £260k), determined with reference to a benchmark of Company net assets, of which it represents 5% (2016: 3%).

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

The Group comprises three components (2016: three), which are all audited by the Group audit team using the materiality levels set above. The Group audit scope covers 100% (2016: 100%) of Group revenues, 100% (2016: 100%) of Group profit before taxation, and 100% (2016: 100%) of total Group assets.

## 4 We have nothing to report on going concern

We are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' Statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 67 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

## 5 We have nothing to report on the other information in the annual report

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

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

## Strategic report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## Directors' Remuneration Report

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

### Disclosures of principal risks and longer-term viability

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

- the Directors' confirmation within the longer-term viability statement on page 23 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Assessment of principal risks and uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the longer-term viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

### Corporate governance disclosures

We are required to report to you if:

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

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

We have nothing to report in these respects.

### 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 69, 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](http://www.frc.org.uk/auditorsresponsibilities).



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

## Irregularities – ability to detect

Our audit aimed to detect non-compliance with relevant laws and regulations (irregularities) that could have a material effect on the financial statements. In planning and performing our audit, we considered the impact of laws and regulations in the specific areas of regulatory compliance recognising that, as an insurance intermediary, the Group is authorised and regulated by the Financial Conduct Authority (FCA), and value added tax, relating to the contingent liability disclosed in note 26. We identified these areas through discussion with the Directors and other management (as required by auditing standards), from our sector experience, and from inspection of the Group's relevant regulatory and legal correspondence. In addition we had regard to laws and regulations in other areas including financial reporting, and Company and taxation legislation.

We considered the extent of compliance with those laws and regulations that directly affect the financial statements, being regulatory compliance and value added tax, as part of our procedures on the related financial statement items. For the remaining laws and regulations, we made enquiries of Directors and other management (as required by auditing standards), and inspected correspondence with regulatory authorities, as well as legal correspondence.

We communicated identified laws and regulations throughout our team which included individuals with experience relevant to those laws and regulations and remained alert to any indications of non-compliance throughout the audit.

As 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.

## 8 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



### Timothy Butchart (Senior Statutory Auditor)

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

27 February 2018

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2017

	Note	2017 £m	2016 £m
<b>Revenue</b>	4	<b>149.2</b>	142.1
Cost of sales		<b>(42.5)</b>	(41.2)
<b>Gross profit</b>		<b>106.7</b>	100.9
Distribution costs		<b>(46.3)</b>	(46.5)
Administrative expenses		<b>(27.4)</b>	(32.5)
<b>Operating profit</b>	5	<b>33.0</b>	21.9
Analysed as:			
<b>Adjusted operating profit</b>	6	<b>36.0</b>	30.0
Transaction costs		<b>(1.0)</b>	–
Foundation Award share-based payment charges		<b>(2.0)</b>	(0.1)
Professional fees in relation to listing		<b>–</b>	(8.0)
<b>Operating profit</b>		<b>33.0</b>	21.9
Finance income		<b>0.0</b>	0.1
Finance costs	8	<b>(2.3)</b>	(0.4)
		<b>(2.3)</b>	(0.3)
<b>Profit before income tax</b>		<b>30.7</b>	21.6
Income tax expense	9	<b>(6.3)</b>	(5.8)
<b>Profit for the year</b>		<b>24.4</b>	15.8
Other comprehensive income		<b>–</b>	–
<b>Total comprehensive income for the year</b>		<b>24.4</b>	15.8
<b>Earnings per share (pence)</b>	10		
Basic earnings per share		<b>5.8</b>	3.8
Diluted earnings per share		<b>5.7</b>	3.8

All amounts relate to continuing operations.

The notes on pages 79 to 98 form part of these financial statements.

# Consolidated Statement of Financial Position

as at 31 December 2017

	Note	2017 £m	2016 £m
<b>Non-current assets</b>			
Investments	11	2.5	–
Goodwill	12	2.5	2.5
Intangible assets	12	1.4	0.5
Property, plant and equipment	13	1.5	1.3
Deferred tax asset	21	0.8	0.3
		<b>8.7</b>	4.6
<b>Current assets</b>			
Trade and other receivables	14	18.7	16.7
Cash and cash equivalents	15	24.5	18.4
		<b>43.2</b>	35.1
<b>Total assets</b>		<b>51.9</b>	39.7
<b>Non-current liabilities</b>			
Borrowings	17	54.1	63.4
Provisions for liabilities and charges	20	0.4	0.3
		<b>54.5</b>	63.7
<b>Current liabilities</b>			
Trade and other payables	16	17.8	21.3
Current income tax liabilities	16	3.3	2.9
Borrowings	17	9.7	9.7
Provisions for liabilities and charges	20	0.7	0.7
		<b>31.5</b>	34.6
<b>Total liabilities</b>		<b>86.0</b>	98.3
<b>Equity attributable to owners of the parent</b>			
Ordinary shares	22	0.1	0.1
Share premium	23	2.7	2.7
Retained earnings		(36.9)	(61.4)
<b>Total equity</b>		<b>(34.1)</b>	(58.6)
<b>Total equity and liabilities</b>		<b>51.9</b>	39.7

The notes on pages 79 to 98 form part of these financial statements.

The financial statements were approved by the Board on 27 February 2018 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 2017

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
<b>At 1 January 2016</b>	0.0	2.7	8.5	11.2
Profit for the year	–	–	15.8	15.8
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	15.8	15.8
<b>Transactions with owners:</b>				
Dividends	–	–	(85.8)	(85.8)
Share-based payments	–	–	0.1	0.1
Proceeds from shares issued	0.1	–	–	0.1
<b>Total transactions with owners</b>	0.1	–	(85.7)	(85.6)
<b>At 31 December 2016</b>	0.1	2.7	(61.4)	(58.6)
<b>At 1 January 2017</b>	<b>0.1</b>	<b>2.7</b>	<b>(61.4)</b>	<b>(58.6)</b>
Profit for the year	–	–	<b>24.4</b>	<b>24.4</b>
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	<b>24.4</b>	<b>24.4</b>
<b>Transactions with owners:</b>				
Dividends	–	–	<b>(2.9)</b>	<b>(2.9)</b>
Share-based payments	–	–	<b>2.7</b>	<b>2.7</b>
Deferred tax recognised in equity	–	–	<b>0.3</b>	<b>0.3</b>
Proceeds from shares issued	–	–	–	–
<b>Total transactions with owners</b>	–	–	<b>0.1</b>	<b>0.1</b>
<b>At 31 December 2017</b>	<b>0.1</b>	<b>2.7</b>	<b>(36.9)</b>	<b>(34.1)</b>

The notes on pages 79 to 98 form part of these financial statements.

# Consolidated Statement of Cash Flows

as at 31 December 2017

	Note	2017 £m	2016 £m
<b>Cash flows from operating activities</b>			
Profit for the year before tax		<b>30.7</b>	21.6
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	13	<b>0.5</b>	0.4
Amortisation of intangible assets	12	<b>0.6</b>	1.2
Loss on disposal of tangible assets	13	<b>0.1</b>	–
Share-based payment charge	24	<b>2.7</b>	0.1
Net finance costs	8	<b>2.3</b>	0.3
<i>Changes in working capital:</i>			
(Increase) in trade and other receivables	14	<b>(2.0)</b>	(1.0)
(Decrease) / increase in trade and other payables	16	<b>(3.4)</b>	10.4
Income tax paid		<b>(6.1)</b>	(4.8)
<b>Net cash generated from operating activities</b>		<b>25.4</b>	28.2
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	13	<b>(0.8)</b>	(0.4)
Purchase of intangible assets	12	<b>(1.5)</b>	(0.9)
Interest received	8	<b>0.0</b>	0.1
Purchase of equity investments	11	<b>(2.5)</b>	–
<b>Net cash used in from investing activities</b>		<b>(4.8)</b>	(1.2)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares		<b>–</b>	0.1
Proceeds from borrowings, net of transaction costs	17	<b>–</b>	73.1
Repayments of borrowings	17	<b>(10.0)</b>	–
Interest paid		<b>(1.6)</b>	(0.4)
Dividends paid	25	<b>(2.9)</b>	(85.8)
<b>Net cash used in financing activities</b>		<b>(14.5)</b>	(13.0)
Net increase in cash and cash equivalents		<b>6.1</b>	14.0
Cash and cash equivalents at beginning of year		<b>18.4</b>	4.4
Cash and cash equivalents at end of year		<b>24.5</b>	18.4

The notes on pages 79 to 98 form part of these financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2017

## 1. General information

GoCompare.com Group plc (the "Company") and its subsidiaries (together, the "Group") provide an internet-based price comparison website for financial and non-financial products.

The Company is a public limited Company, which is listed on the London Stock Exchange and is incorporated in England and Wales. Its registered office is Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

All of the Company's subsidiaries are located in the United Kingdom.

## 2. Summary of significant accounting policies

### Basis of preparation

These financial statements present the GoCompare.com Group plc consolidated financial statements for the year ended 31 December 2017, 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 2016.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for certain financial assets that are measured at fair value.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been presented in Sterling and rounded to the nearest hundred thousand. Throughout these financial statements any amounts which are less than £0.05m are shown by 0.0, whereas a dash (-) represents that no balance exists.

### New accounting standards effective in this reporting period

The Group has adopted the following IFRSs in these financial statements:

- Amendments to IAS 7: Disclosure Initiative. The Group now separately discloses changes from financing cash flows from other changes in respect of liabilities arising from financing activities.
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses. The adoption has no effect on recognition or disclosure for the Group.

### Going concern

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Directors' have assessed the Group's forecasts and projections, taking account of reasonably possible changes in trading performance and cash flows. Having assessed the principal risks and the other matters discussed in connection with the robust assessment as set out in the viability statement, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. The assessment of the Group's prospects and viability has considered the three-year period to 31 December 2020.

### 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.

### Revenue

Revenue represents amounts receivable for insurance and other product introductions, including click through fees. The Group recognises this revenue when a policy is sold or in limited cases when a customer clicks through to the partner website. Revenue is measured at the fair value of the consideration received or receivable, net of reported cancellations during the 14-day cooling off period. 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.

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 2. Summary of significant accounting policies continued

### Cost of sales, Distribution and Administrative Expenses

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

Distribution costs comprise all other marketing costs incurred which cannot be attributed to a specific product. Costs associated with the production of adverts are recognised in the Consolidated Statement of Comprehensive Income once the advert is available to the Group in a format ready for use, having been approved for airing or display. Costs associated with the broadcasting of adverts are expensed over the period in which the advert is aired or displayed.

Administrative expenses comprise all other staff, systems and remaining costs incurred.

### Taxation

#### Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities on the taxable income for the year. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the reporting date. Current tax assets and liabilities also include adjustments in respect of tax expected to be payable or recoverable in respect of previous periods.

Current tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate.

#### Deferred tax

Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences arising between the carrying amount of assets and liabilities for accounting purposes, and the amounts used for taxation purposes. It is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recovered, using tax rates enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is recognised in profit or loss except to the extent it relates to a business combination, in which case the deferred tax is included as part of the assets and liabilities assumed for the purposes of calculating goodwill. Deferred tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### Intangible assets

Purchased software and licenses are initially recorded at historical cost and subsequently amortised over their useful life which is typically up to three years. Amortisation is calculated on a straight-line basis and these assets are carried at cost less accumulated amortisation and any impairment charges. The carrying value is reviewed at every reporting date for evidence of impairment and the value being written down if any impairment exists.

Costs associated with maintaining computer software programmes and incremental development of the existing website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable, unique software products or transformation of website capabilities are recognised as intangible assets when the criteria required by 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. From the point the intangible asset is available for 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.



## 2. Summary of significant accounting policies continued

### Business combinations

The Group applies the acquisition method of accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary's financial information prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values. Contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration is recognised in accordance with IAS 39 in profit or loss.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of consideration transferred, over the Group's share of the acquisition-date fair values of identifiable net assets. After initial recognition, goodwill is measured at cost less accumulated impairment losses. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

### Property, plant and equipment

Property, plant and equipment comprise fixtures, fittings and equipment (including computer hardware). Replacement or major inspection costs are capitalised when incurred if it is possible that future economic benefits associated with the item will flow to the entity and the costs can be measured reliably.

These assets are stated at cost less depreciation and accumulated impairment. Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated using the straight-line method to write off the cost less residual values of the assets over their economic lives. This has been set between three and ten years.

Residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the year in which the asset is derecognised.

### *Impairment 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

#### *Classification*

Investments in equity instruments are classified as available for sale financial assets. All other financial assets, which comprise trade and other receivables and cash at bank are designated as 'loans and receivables'. The Group determines the classification of its financial assets at initial recognition.

During the years ended 31 December 2017 and 31 December 2016 the Group did not classify any financial assets 'at fair value through profit or loss' or 'held to maturity'.

#### *Initial recognition of financial assets*

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

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 2. Summary of significant accounting policies continued

### *Subsequent measurement*

Investments in equity instruments are subsequently recognised at fair value with changes in the value of the investment recognised in Other Comprehensive Income.

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

### *Impairment of financial assets*

The Group assesses at each balance sheet date whether any financial assets held at amortised cost are impaired. Financial assets are impaired where there is evidence that one or more events occurring after the initial recognition of the asset may lead to a reduction in the estimated future cash flows arising from the asset. Impairment losses on financial assets classified as loans and receivables are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses and any reversals of impairments are recognised through the Consolidated Statement of Comprehensive Income. Objective evidence of impairment may include default on cash flows from the asset and reporting financial difficulty of the issuer or counterparty.

### *Derecognition of financial assets*

A financial asset is derecognised when the rights to receive cash flows from that asset have expired or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

## **Financial liabilities**

### *Classification*

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

The Group's financial liabilities at 31 December 2017 and 31 December 2016 include borrowings and trade and other payables.

### *Initial recognition*

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

### *Subsequent measurement*

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

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

### *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification, is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Consolidated Statement of Comprehensive Income.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if, and only if, the Group has a currently enforceable legal right to offset the recognised amounts and it intends to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Consolidated Statement of Comprehensive Income unless required or permitted by any accounting standard or interpretation.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash at bank and in hand.

## **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the expenditure required to settle a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 2. Summary of significant accounting policies continued

### Contingent liabilities

The Group discloses a contingent liability where it has a possible obligation as a result of a past event that might, but will probably not, require an outflow of economic benefits, or where there is a probable outflow of economic benefits which cannot be reliably measured.

### Employee benefits

#### Pensions

The Group contributes to a defined contribution scheme for its employees. The contributions payable to this scheme are charged to the income statement in the accounting period to which they relate.

#### Bonus arrangements

The Group provides an annual bonus arrangement for employees. The levels of bonus paid is dependent on both the performance of the business and each individual's performance review. Bonuses are paid in respect of each calendar year and therefore an accrual is made based on the estimate of amounts to be paid subsequent to the year end.

### Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group.

Equity-settled share-based payments to employees are measured at the grant date at the fair value of the equity instruments (excluding the effect of non-market vesting conditions but including the effect of market vesting conditions). Fair value is not subsequently remeasured.

The fair value of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, based on the best estimate of the number of awards which will ultimately vest unconditionally with employees. The estimate of the number of awards expected to vest (excluding the effect of market vesting conditions) is revised at each reporting date, with any consequential changes to the charge recognised in profit and loss.

Where equity-settled share-based payments are modified, any incremental fair value is expensed on a straight-line basis over the revised vesting period.

### Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other assets to holders of the financial instruments.

### Leases

#### Company as a lessee – operating leases

Leases which do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

### Finance costs

Finance costs comprise of 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 available-for-sale equity investments which are recognised in Other Comprehensive Income (OCI), except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss.

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 2. Summary of significant accounting policies continued

### Use of non-GAAP performance measures

In the analysis of the Group's results, certain financial performance measures are presented which may be prepared on a non-GAAP basis. The Board believes that these measures provide a useful analysis, allow comparability of performance year on year and present results in a way that is consistent with how information is reported internally. Items that are excluded from our adjusted measures include items which arose due to acquisitions or do not arise from the day-to-day trading activities of the Group. The Group separately considers transaction costs associated with Strategic Investments (minority investment interests) which are not adjusted from those which arise from significant acquisitions which materially change the Group and are adjusted for.

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

- Adjusted Operating profit: defined as Operating profit for the year, after adding back transaction costs and other exceptional corporate costs, fees in relation to listing and Foundation Award share-based payment charges.
- Adjusted EBITDA: defined as Adjusted Operating profit after adding back depreciation and amortisation.
- Adjusted basic EPS: defined as Profit for the year, excluding adjusting items (after their tax effect) divided by the weighted average number of shares in issue for the year.

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.

### 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 2018 and have not been applied in preparing these financial statements.

The Group will adopt IFRS 15 (Revenue from Contracts with Customers) from 1 January 2018 and has performed a detailed assessment of the impact of this standard on the Group's financial reporting. Based on this assessment, the standard is not deemed to have a significant impact on the way that the Group recognises revenue, in terms of both value and timing. The Group has considered its revenue contracts with reference to the relevant criteria under IFRS 15 and has included an assessment of discounting, incentives and revenue provisions as part of this process. The Group has also considered the impact on its financial covenants and has concluded that this will not lead to a significant change.

The Group will also adopt IFRS 9 (Financial Instruments) from 1 January 2018. Based on a detailed assessment of the financial instruments held by the Group, including the recognition and disclosure of these, the standard is not deemed to have a significant impact on the Group's financial reporting.

Furthermore, the adoption of IFRS 16 (Leases) will be adopted from 1 January 2019. This will require the recognition of the leased asset and lease liability in the Statement of Financial Position. The impact on the Statement of Comprehensive is not expected to lead to a significant change in the profit or loss recognised.

The adoption of the remaining changes to standards are not expected to have a material impact on the Group financial results or disclosures.

*EU effective date – periods beginning on or after*

IFRS 9 'Financial Instruments'

*Effective for periods beginning on or after 1 January 2018*

IFRS 15 'Revenue from Contracts with Customers'

*Effective for periods beginning on or after 1 January 2018*

Clarifications to IFRS 15 'Revenue from Contracts with Customers'  
IFRS 2: Classification and Measurement of Share-based Payment Transactions

*Effective for periods beginning on or after 1 January 2018*

IFRS 16 'Leases'

*Not yet endorsed by the EU*

Annual improvements 2014-2016

*Effective for periods beginning on or after 1 January 2019*

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

*Not yet endorsed by the EU*

IFRIC 23 Uncertainty over Income Tax Treatments

*Not yet endorsed by the EU*

*Not yet endorsed by the EU*

### 3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates; however the financial statements presented are based on conditions that existed at the balance sheet date.

The estimates and underlying assumptions are reviewed on an on-going 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 a 14-day cooling off period, for which an estimate of the deduction to revenue is made for likely cancellations based on historical run rates for the various products. 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.

##### 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 involve a number of assumptions with regards to the model inputs, vesting period and expected performance of the business. The Group determines the inputs based on historical, forecast and market data sources as applicable. Fair value of the awards at the point of grant are valued using either Black-Scholes or Monte-Carlo simulation models. Details of these share schemes, inputs and modelling are set out in note 24.

##### 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 11.

### 4. Segment information

Information reported to the Board (the "Chief Operating Decision Maker") for the purposes of the assessment of segment performance is focused on the types of products customers have purchased. The Chief Operating Decision Maker does not review profit and loss items below cost of sales nor the assets and liabilities of the Group by reportable segments and therefore they are reported on an aggregated basis for the Group. They are reported on the same basis as disclosed in the Consolidated Statement of Financial Position.

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

- Insurance Customers and activities ("Insurance"); and
- Strategic Initiative Customers and activities ("Strategic Initiatives").

The accounting policies of the reportable segments are the same as the Group's accounting policies disclosed in Note 2. The Group is considered to have one service being that of providing an internet based product and price comparison website. All sales were made to external Customers in the current and prior year. The segments disclosed comprise Insurance, which includes all General Insurance products, the core of the Group's business and secondly, Strategic Initiatives which primarily includes money, energy, home services, life and protection insurance products.

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 4. Segment information continued

### Year ended 31 December 2017

	Insurance £m	Strategic initiatives £m	Total £m
<b>Revenue</b>	<b>139.9</b>	<b>9.3</b>	<b>149.2</b>
Cost of sales	(38.3)	(4.2)	(42.5)
<b>Gross profit</b>	<b>101.6</b>	<b>5.1</b>	<b>106.7</b>

### Year ended 31 December 2016

	Insurance £m	Strategic initiatives £m	Total £m
<b>Revenue</b>	<b>133.7</b>	<b>8.4</b>	<b>142.1</b>
Cost of sales	(35.0)	(6.2)	(41.2)
<b>Gross profit</b>	<b>98.7</b>	<b>2.2</b>	<b>100.9</b>

## 5. Operating profit

Operating profit is stated after charging:

	2017 £m	2016 £m
Employee benefit expense (note 7)	15.2	11.4
Share-based payment charges	2.7	0.1
Transaction costs (note 6)	1.0	–
Professional fees in relation to listing (note 6)	–	8.0
Depreciation of property, plant and equipment	0.5	0.4
Amortisation of intangible assets	0.6	1.2
Loss on disposal of tangible assets	0.1	–
Operating lease payments	0.4	0.4
Impairment of trade receivables	0.0	–
<b>Auditor's remuneration</b>		
Audit of the consolidated and Company financial statements	0.1	0.1
Audit of financial statements of subsidiaries of the Company	0.0	0.0
<b>Total audit fees</b>	<b>0.1</b>	<b>0.1</b>
Reporting accountant services in relation to IPO	–	1.0
Fees for interim review	0.1	–
Other	0.0	–
<b>Total non-audit fees</b>	<b>0.1</b>	<b>1.0</b>
<b>Total Group auditor remuneration</b>	<b>0.2</b>	<b>1.1</b>

## 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:

	2017 £m	2016 £m
Transaction costs	1.0	–
Professional fees in relation to listing	–	8.0
Foundation Award share-based payment charges	2.0	0.1
	<b>3.0</b>	<b>8.1</b>

During the year the Group incurred £1.0m of transaction costs, largely fees associated with the acquisition of The Global Voucher Group Limited, which completed subsequent to the year end on 10 January 2018, and corporate costs associated with the offer from ZPG plc. These costs have been treated as exceptional by virtue of them being events which are distinct from the day-to-day trading activities of the Group.

## 6. Adjusted operating profit continued

In 2016, the Group issued a number of Foundation Awards in the form of free shares to the Executive Directors and Senior Management. These were awarded as a result of the Group's successful listing and will vest after two years subject to the achievement of certain stretching performance criteria.

The charges arising from these Awards are treated as an adjusting item by the Group in arriving at Adjusted operating profit, by virtue of their association with the listing, the quantum of shares and individual size of the Awards made in addition to the fact that they vest over a shorter two year period. Furthermore, the Foundation Awards are non-recurring (although accounting charges will follow until they vest) and the Directors do not, therefore, consider these Awards to be part of the ongoing trading performance of the business.

In relation to the Foundation Awards for the year to 31 December 2017, a share-based payment charge of £2.0m (2016: £0.1m) has been recognised in the Consolidated Statement of Comprehensive Income. See note 24 for further details of the awards made.

## 7. Employee benefit expense

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

	2017 £m	2016 £m
Wages and salaries	13.5	10.0
Social security costs	1.4	1.0
Share-based payment charge	2.7	0.1
Other pension costs	0.3	0.3
	17.9	11.4

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

	2017 No.	2016 No.
Service provision	160	95
Administration	40	77
Total	200	172

## 8. Net finance costs

	2017 £m	2016 £m
Bank interest income	0.0	0.1
Interest expense on bank borrowings	(2.3)	(0.4)
Net finance costs	(2.3)	(0.3)

## 9. Taxation

### Analysis of the tax charge

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

	2017 £m	2016 £m
Current tax	6.6	6.0
Deferred tax	(0.3)	(0.2)
Income tax expense	6.3	5.8

The tax rate used for the calculations is the corporate tax rate of 19.25% (2016: 20.0%) 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 2017

## 9. Taxation continued

The expense for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:

	2017 £m	2016 £m
Profit before income tax	30.7	21.6
Tax calculated at 19.25% (2016: 20.0%)	5.9	4.3
Effect of:		
Expenses not deductible	0.3	1.4
Adjustments in respect of prior years	0.0	–
Tax rate changes	0.1	–
Other	–	0.1
Income tax expense	6.3	5.8

The Budget on 8 July 2015 announced changes in the main UK corporation tax rate which reduced to 19% with effect from 1 April 2017. The Budget on 16 March 2016 announced further changes in the main UK corporation tax rate. The effective rate of 18% from 1 April 2020 was to be further reduced to 17%. This further reduction in tax rates was included in the 2016 Finance Act which was substantively enacted for the purpose of IFRS and UK GAAP on 6 September 2016.

## 10. Earnings per share

### a) Basic

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2017	2016
Profit from continuing operations attributable to owners of the parent (£m)	24.4	15.8
Weighted average number of ordinary shares in issue (m)	418.3	418.3
EPS (pence per share)	5.8	3.8

### b) Diluted

Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2017	2016
Profit from continuing operations attributable to owners of the parent (£m)	24.4	15.8
Weighted average number of ordinary shares in issue (m)	418.3	418.3
Adjustment for share options (m)	9.9	1.7
Weighted average number of ordinary shares for dilutive earnings per share (m)	428.2	420.0
Dilutive EPS (pence per share)	5.7	3.8

### c) Adjusted basic EPS

	2017	2016
Profit from continuing operations attributable to owners of the parent (£m)	24.4	15.8
Adjustment for transaction costs, listing fees and Foundation Awards charge, net of tax (note 6) (£m)	2.7	8.0
Adjusted profit from continuing operations attributable to owners of the parent (£m)	27.1	23.8
Weighted average number of ordinary shares in issue (m)	418.3	418.3
Adjusted EPS (pence per share)	6.5	5.7

### 11. Investments in equity instruments

On 30 June 2017 the Group acquired a minority shareholding in MortgageGym Limited for consideration of £1.0m. On 10 October 2017 the Group acquired a minority shareholding in Souqalmal Holdings Limited for consideration of £1.5m.

	2017 £m	2016 £m
At 1 January	–	–
Additions	2.5	–
At 31 December	2.5	–

The equity investments are identified as follows:

	2017 £m	2016 £m
MortgageGym Limited	1.0	–
Souqalmal Holdings Limited	1.5	–
	2.5	–

Both of the investments are classified as available for sale financial assets, 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.

At the year end, fair value has been determined based on an assessment of the financial forecasts of each of the two businesses on which a risk weighting has been applied. The Directors have also considered the valuation determined by reference to the purchase price paid by other investors and the achievement of key business milestones for each of the two companies. The investment in Souqalmal Holdings Limited is held in US Dollars, therefore this investment is also subject to US\$/GBP exchange rate movements. Taking into account all of these factors, the Directors consider that the fair value disclosed represents a materially reasonable valuation of the equity investments held.

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 12. Intangible fixed assets

	Goodwill £m	Software and website costs £m	Total £m
<b>Cost</b>			
<b>At 1 January 2016</b>	2.5	1.6	4.1
Additions	–	0.9	0.9
Disposals	–	(0.7)	(0.7)
<b>At 31 December 2016</b>	2.5	1.8	4.3
Additions	–	1.5	1.5
Disposals	–	(1.1)	(1.1)
<b>At 31 December 2017</b>	<b>2.5</b>	<b>2.2</b>	<b>4.7</b>
<b>Accumulated amortisation</b>			
<b>At 1 January 2016</b>	–	0.8	0.8
Amortisation charge	–	1.2	1.2
Impairment	–	(0.7)	(0.7)
<b>At 31 December 2016</b>	–	1.3	1.3
Amortisation charge	–	0.6	0.6
Disposals	–	(1.1)	(1.1)
<b>At 31 December 2017</b>	<b>–</b>	<b>0.8</b>	<b>0.8</b>
<b>Net book value</b>			
<b>At 31 December 2017</b>	<b>2.5</b>	<b>1.4</b>	<b>3.9</b>
At 31 December 2016	2.5	0.5	3.0

Capitalised development costs are not treated as a realised loss for the purpose of determining distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

The goodwill acquired on the acquisition of GoCompare.com Limited has been allocated to one cash-generating unit. The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

For the assessment carried out at 31 December 2017, the recoverable amount of the cash-generating unit is based on its value in use, which is determined using cash flow projections derived from financial plans approved by the Board covering a three-year period. They reflect the Board's expectations of revenue, EBITDA growth, capital expenditure, working capital and operating cash flows which are based on past experience and future expectations of performance. Cash flows beyond the three-year period have been extrapolated using perpetuity growth rates.

A growth rate of 3% (2016: 3%) has been applied to extrapolate the cash flows into perpetuity. Growth has been capped at this rate so as not to exceed the long-term expected growth rate of the country and industry the cash generating unit operates in. The pre-tax discount rate used was 13% (2016: 13%) which is based on the Group's weighted average cost of capital plus a risk premium. The Board is comfortable that a reasonable change in the underlying assumptions would not indicate an impairment.

During the year, the Group recognised £0.2m as research and development expenditure (2016: £1.4m).

**13. Property, plant and equipment**

	Fixtures, fittings and equipment £m	Total £m
<b>Cost</b>		
<b>At 1 January 2016</b>	2.2	2.2
Additions	0.4	0.4
Disposals	(0.3)	(0.3)
<b>At 31 December 2016</b>	2.3	2.3
Additions	0.8	0.8
Disposals	(0.3)	(0.3)
<b>At 31 December 2017</b>	<b>2.8</b>	<b>2.8</b>
<b>Accumulated depreciation</b>		
<b>At 1 January 2016</b>	0.9	0.9
Depreciation charge	0.4	0.4
Disposals	(0.3)	(0.3)
<b>At 31 December 2016</b>	1.0	1.0
Depreciation charge	0.5	0.5
Disposals	(0.2)	(0.2)
<b>At 31 December 2017</b>	<b>1.3</b>	<b>1.3</b>
<b>Net book value</b>		
<b>At 31 December 2017</b>	<b>1.5</b>	<b>1.5</b>
At 31 December 2016	1.3	1.3

**14. Trade and other receivables**

	2017 £m	2016 £m
Trade receivables	<b>12.5</b>	12.7
Less: provision for impairment of trade receivables	<b>(0.1)</b>	(0.1)
Trade receivables – net	<b>12.4</b>	12.6
Prepayments	<b>4.1</b>	2.8
Accrued income	<b>2.2</b>	1.3
	<b>18.7</b>	16.7
Analysis of past due debt:		
1-30 days overdue	<b>3.8</b>	2.6
31-60 days overdue	<b>0.2</b>	0.5
61-120 days overdue	<b>0.1</b>	0.5
	<b>4.1</b>	3.6

**15. Cash and cash equivalents**

	2017 £m	2016 £m
Cash at bank	<b>24.5</b>	18.4

**16. Trade and other payables**

	2017 £m	2016 £m
Trade payables	<b>5.4</b>	3.3
Corporation tax	<b>3.3</b>	2.9
Social security and other taxes	<b>3.6</b>	3.1
Accrued expenses	<b>8.8</b>	14.8
Other payables	<b>–</b>	0.1
	<b>21.1</b>	24.2

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 17. Borrowings

	2017 £m	2016 £m
At 1 January	73.1	–
<b>Changes from financing cash flows</b>		
Draw down of borrowings, net of transaction costs	–	73.1
Repayment of borrowings	(10.0)	–
Interest paid	(1.4)	(0.4)
<b>Total changes from financing cash flows</b>	<b>(11.4)</b>	72.7
<b>Other changes</b>		
Accrued interest	2.2	0.4
<b>Total other changes</b>	<b>2.2</b>	0.4
At 31 December	63.9	73.1

On 1 November 2016, the Group drew down bank borrowings of £75.0m. Interest is payable at LIBOR plus a margin which is dependent on the leverage of the Group's consolidated net borrowings. As at 31 December 2017, the rate is 1.65% plus LIBOR. The debt is repayable in instalments by 1 November 2021 – an analysis of the Group's gross contractual liabilities is shown in note 18. The borrowings are unsecured.

At 31 December 2017 the Group had committed undrawn borrowing facilities of £10.0m expiring on 1 November 2021.

On 18 December 2017 the Group executed an Amendment and Restatement of its Debt Facility Agreement which was effective as of 4 January 2018. This increased the committed undrawn facility from £10.0m to £40.0m along with the provision of a further uncommitted Accordion facility of £20.0m. No changes to the covenants or repayment terms were made.

## 18. 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.

	2017 £m	2016 £m
<b>Financial assets:</b>		
Investments in equity instruments	2.5	–
Trade and other receivables	14.6	13.9
Cash and cash equivalents	24.5	18.4
	<b>41.6</b>	32.3
<b>Financial liabilities:</b>		
Trade and other payables	14.1	18.2
Borrowings	63.9	73.1
	<b>78.0</b>	91.3

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 11.

## 19. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, interest rate risk. The Group's financial risk management strategy is focused on maintaining effective working capital management. This includes managing repayment of the Group's borrowings to meet covenants and minimise leverage, ensuring cash is available for the payment of dividends to shareholders and having cash which could be used for potential investment opportunities. Financial risk management is the responsibility of the Finance department under policies approved by the Board of Directors. The Board receives timely information regarding the Group's exposures and the mitigating actions taken to manage to financial risk.

The Group has limited exposure to foreign currency risk as substantially all of the Group's income and expenditure is denominated in Pounds Sterling.

## 19. Financial risk management continued

### Credit risk

Credit risk is the risk that a counterparty will not be able to pay amounts in full when due in accordance with the term of the contract, causing the Group to incur a financial loss. The Group's primary exposure to credit risk is the amounts due from its partners.

The creditworthiness of potential partners is reviewed as part of a detailed due diligence check prior to becoming accepted as a partner. The integrity and creditworthiness of partners is regularly reviewed as part of the partner audit process. An analysis of all trade receivables past due is produced on a monthly basis and there is proactive engagement with any partner who has a balance outstanding that is outside the agreed terms. The Group has a small allowance for doubtful accounts and has not had any material bad debts during the current or prior period. An analysis of trade receivables past due is included within note 14.

### Liquidity risk

Liquidity risk is the risk that the Group, although solvent, may not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The primary liquidity risk of the Group is the obligation to pay amounts due to suppliers as they fall due. The Group is cash generative and has 30-day payment terms with all its key partners. Liquidity risk is managed through a regular performance monitoring process which includes cash flow forecasting against actuals. The Group plans its repayment of borrowings and dividend payments in line with cycles of cash generated from operations and also has access to draw down on available committed borrowings facilities should this be required.

The table below provides a maturity analysis of the Group's financial liabilities:

	Balance sheet amount £m	Gross contractual cash flows £m	Less than 3 months £m	Between 3 months and 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
<b>At 31 December 2017</b>							
Trade and other payables	17.8	17.8	15.5	2.3	–	–	–
Borrowings	63.9	69.6	0.4	11.3	11.2	46.7	–
<b>At 31 December 2016</b>							
Trade and other payables	21.3	21.3	21.3	–	–	–	–
Borrowings	73.1	80.4	0.5	11.2	11.3	57.4	–

### 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 cash interest cost of £0.6m (2016: £0.7m) based on the principal of borrowings outstanding at the year end. Whilst the Group has an exposure to interest rate risk, hedging has not been applied. In line with the Group's financial risk management strategy, the potential impact of a reasonably likely increase in interest rate is deemed to be acceptable in the context of the Group's overall forecast earnings and hedging is not currently deemed to be a cost effective way of managing this risk.

The Group has the ability to repay borrowings early and considers the benefit of doing this as part of its wider working capital management and investment strategy.

### Capital management

The Group's objective in managing capital is to safeguard its ability to continue as a going concern and for it to deliver on its strategic objectives. This includes ensuring there are sufficient funds for the repayment of the Group's borrowings, payment of dividends to shareholders, capital investment and to have funds available for potential investment opportunities. 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.

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 20. Provisions for liabilities

	Provisions £m
At 1 January 2016	1.1
Released/utilised in the year	(0.8)
Charged to profit and loss in the year	0.7
<b>At 31 December 2016</b>	<b>1.0</b>
At 1 January 2017	<b>1.0</b>
Released/utilised in the year	(0.9)
Charged to profit and loss in the year	1.0
<b>At 31 December 2017</b>	<b>1.1</b>

Included within provisions are amounts for:

'Not taken up' provision – an estimate is made for policies which may be cancelled within the 14-day cooling off period;  
 Life clawback provision – an estimate of amounts of commission which may need to be paid back for life insurance policies that may be cancelled;  
 Dilapidation provision – an estimate of rectification work associated with the building which is leased by the Group; and  
 Media provision – variable payment associated with the Group's advertising costs.

The 'Not taken up' and media provisions are expected to be settled fully within 12 months. The dilapidation provision is expected to be utilised or released at the point the Group vacates 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:

	2017 £m	2016 £m
Current	<b>0.7</b>	0.7
Non-current	<b>0.4</b>	0.3
<b>Total</b>	<b>1.1</b>	<b>1.0</b>

## 21. Deferred tax

	Deferred tax asset £m
At 1 January 2016	0.1
Released/utilised in the year	–
Credited/(charged) to profit and loss in the year	0.2
Credited/(charged) to equity in the year	0.0
<b>At 31 December 2016</b>	<b>0.3</b>
At 1 January 2017	<b>0.3</b>
Released/utilised in the year	(0.3)
Credited/(charged) to profit and loss in the year	0.5
Credited/(charged) to equity in the year	0.3
<b>At 31 December 2017</b>	<b>0.8</b>

Deferred tax assets are attributable to:

	2017 £m	2016 £m
Accelerated capital allowances	<b>0.1</b>	0.0
Share-based payments	<b>0.7</b>	0.1
Other timing differences	<b>0.0</b>	0.2
<b>Total deferred tax</b>	<b>0.8</b>	<b>0.3</b>



**22. Share capital**

	2017 £m	2016 £m
<b>Called up and fully paid</b>		
418,338,382 ordinary shares of £0.0002 each (2016: 418,257,875 of £0.0002 each)	<b>0.1</b>	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 24.

**23. Share premium**

	2017 £m	2016 £m
Share premium	<b>2.7</b>	2.7

**24. Share-based payments**

The Group has a number of equity-settled, share-based compensation plans. Since admission of the Group to the London Stock Exchange, arrangements have been put in place for employee incentives in GoCompare.com Group plc shares. These include the Executive Foundation Awards and the 2017 Performance Share Plan ("PSP"), as well as the Free Share Awards, Partnership and Save As You Earn shares under the all-employee Share Incentive Plan ("SIP"). Details of the share-based compensation plans and their financial effect are set out below.

The share-based payment charge recognised in the Statement of Comprehensive Income is attributed to each of the schemes as shown:

	2017 £m	2016 £m
Foundation Awards	<b>2.0</b>	0.1
2017 PSP	<b>0.5</b>	–
Free Share Awards	<b>0.0</b>	0.0
Partnership Shares	<b>0.1</b>	–
Save As You Earn – 2016	<b>0.1</b>	–
Save As You Earn – 2017	<b>0.0</b>	–
	<b>2.7</b>	0.1

The following table shows the number of share options awarded, exercised and outstanding at the year end.

000s of shares	Foundation Awards	2017 PSP	Free Share Awards	2016 SAYE	2017 SAYE	Total
At 1 January 2016	–	–	–	–	–	–
Awards granted during the period	13,600	–	343	–	–	13,943
Awards exercised during the period	–	–	–	–	–	–
Awards forfeited during the period	–	–	–	–	–	–
At 31 December 2016	13,600	–	343	–	–	13,943
Awards granted during the period	–	3,502	–	1,085	329	4,916
Awards exercised during the period	–	–	–	–	–	–
Awards forfeited during the period	(143)	(26)	(39)	(81)	(5)	(294)
<b>At 31 December 2017</b>	<b>13,457</b>	<b>3,476</b>	<b>304</b>	<b>1,004</b>	<b>324</b>	<b>18,565</b>

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
Free Share Awards	nil	2019
Save As You Earn – 2016	0.5	2019-2021
Save As You Earn – 2017	0.9	2020-2022

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 24. Share-based payments continued

### a) Foundation Awards

The Foundation Awards were issued under the Performance Share Plan ("PSP"), which is a discretionary share plan for the Group's Executive and Senior Management. The Foundation Awards were granted on 15 November 2016, save for one award which was granted on 1 December 2016. The awards are subject to financial performance conditions, against which performance will be tested at the end of 2017 and 2018 and will vest, subject to that performance, as soon as possible after the year ended 31 December 2018 and be released following a one year post-vesting holding period. The financial performance conditions are based on the achievement of stretching financial targets and underpinned by certain financial metrics.

In addition, the Foundation Awards are subject to an additional term, which will allow the Board to lapse the awards in their entirety or reduce the level of vesting of each award if it considers that the vesting level is not appropriate having regard to the underlying financial performance of the Company over the performance period has not been satisfactory. The awards are also subject to malus and clawback provisions.

The awards are subject to an operating financial profit performance condition and the fair value of the awards was estimated using a Black-Scholes valuation model. The inputs into the model were:

Grant date	15 Nov 2016
Share price at grant	£0.63
Exercise price	£nil
Volatility % pa	50.0%
Dividend yield % pa	nil
Risk-free rate %	0.20%
Expected life	2.3 yrs

### b) 2017 Performance Share Plan ("PSP")

The Group has awarded an equity-settled Performance Share Plan (the "2017 PSP") to the Executive Directors and Senior Management. The 2017 PSP Awards were granted on 29 March 2017, save for one award which was granted on 5 April 2017. The awards are subject to an EPS growth performance condition, for which the fair value of the awards was estimated using a Black-Scholes valuation model, and a total shareholder return ("TSR") condition, which has been valued using a Monte-Carlo simulation. The inputs into the model were:

Share price at grant – 29 March 2017	£0.92
Share price at grant – 5 April 2017	£0.93
Exercise price	£nil
Volatility % pa	34.0%
Dividend yield % pa	nil
Risk-free rate %	1.10%
Expected life	3 yrs
Fair value per share – TSR	£0.54
Fair value per share – EPS	£0.92

### c) 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 % pa	50.0%
Dividend yield % pa	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.

### d) 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.

## 24. Share-based payments *continued*

### e) 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.

### f) 2017 Deferred Bonus Plan ("DBP")

For the 2017 year end, it is intended that a portion of the annual bonuses for the Executive Directors will be deferred into a share-based award ("DBP Award") under the DBP. The intention is that DBP Awards will normally vest in three equal tranches on the first, second and third anniversaries of the grant date although the DBP will allow for the DBP Awards to be subject to different vesting schedules at the Board's discretion. If Awards are made as nil-cost options, they will normally be exercisable (to the extent vested) from vesting until the tenth anniversary of the grant date.

#### *Scheme limits*

The rules of the various Plans described above provide that, in any 10-year rolling period, not more than 10% of the Company's issued ordinary share capital may be issued under the combined Plans and under any other employee share plan adopted by the Company. In addition, the rules of the PSP and the DBP provide that, in any 10 year rolling period, not more than 5% of the Company's issued ordinary share capital may be issued under these two schemes (and any other discretionary employee share plan adopted by the Company).

GoCompare.com Shares transferred out of treasury under the Plans will count towards these limits for so long as this is required under institutional shareholder guidelines. GoCompare.com shares issued or to be issued pursuant to awards granted before Admission or in relation to the Foundation Awards (described above) will not count towards these limits. In addition, awards which are relinquished or lapse will be disregarded for the purposes of these limits.

## 25. Dividends

	2017 £m	2016 £m
Dividends paid during the year	2.9	85.8

In October 2017, a dividend of £2.9m was paid equivalent to 0.7 pence per share. In November 2016, a dividend of £73.3m was paid, equivalent to 17.6 pence per share. In June 2016, a dividend of £12.5m was paid, equivalent to 62.5 pence per share.

Dividends per share disclosed are based on the number of shares in issue at the point they were declared and paid. GoCompare.com Group plc issued a number of shares during 2016 which has the effect of showing a relatively higher dividend per share for the June 2016 dividend.

## 26. Contingent liabilities

During the year, the Group has been in discussions with HMRC regarding the re-application (following demerger) of its special method to calculate its recovery of VAT used since 2015. In November 2017, HMRC rejected the proposed method although discussions are ongoing in order to agree an approved method. A right to appeal against any final decision also remains available to the Group. Should an appeal be unsuccessful, HMRC may require us to apply the standard method which would result in an additional cost being recognised in the Statement of Comprehensive Income. These events give rise to a contingent liability. At 31 December 2017, the maximum impact of this has been estimated as £1.5m.

## 27. Operating lease commitments

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

	2017 £m	2016 £m
<b>Land and buildings</b>		
Within 1 year or on demand	0.4	0.4
More than 1 year but less than 5 years	1.8	1.8
More than 5 years	0.1	0.6
	<b>2.3</b>	<b>2.8</b>

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

# Notes to the Financial Statements continued

for the year ended 31 December 2017

## 28. 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. Inter-company 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 GoCompare.com Group plc. The remuneration received by these Directors is disclosed in the Remuneration Report. The share-based payment charge in relation to Executive Directors is £1.1m (2016: £0.0m).

### b) Other related party transactions

During the year, the Company paid fees of £40,000 (2016: £2,098) to WOne International Services Limited, a Company for which Sir Peter Wood is a Director and has a controlling interest. Fees related to the provision of office space for the Group, taken out under normal commercial terms with consideration settled in cash. The amount outstanding at the year end was £nil (2016: £nil).

## 29. Post balance sheet event

On 19 December 2017, the Group announced it had reached an agreement to acquire 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 acquisition completed on 10 January 2018 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 cash consideration of £36.5m. The Group incurred direct costs of £0.8m in relation to the transaction which have been charged to the income statement.

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 savvy savers 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.

As of the date of approving these financial statements, the allocation of the purchase price for the transaction is ongoing. Full disclosure of the fair values of assets and liabilities acquired will be included in the Group's interim results for the period to 30 June 2018.

## 30. Ultimate parent company

For the period from 31 March 2015 to 2 November 2016, the Company was a wholly owned subsidiary of esure Group. On 3 November 2016, the Company was de-merged from esure Group plc and became a public limited Company listed on the London Stock Exchange.

This is the largest and smallest Group to consolidate the results of the Company and its subsidiaries at 31 December 2016 and 31 December 2017.

## 31. Related undertakings

Set out below are the related undertakings of the Company at 31 December 2017:

	Country of Incorporation	Class of shares held	Principal activity	Percentage of shares held
<b>Direct undertakings</b>				
GoCompare.com Finance Limited	United Kingdom	Ordinary	Financing Company for the Group	100%
<b>Indirect undertakings</b>				
GoCompare.com Limited	United Kingdom	Ordinary	Internet based price comparison website	100%
Gio Compario Limited	United Kingdom	Ordinary	Dormant	100%
Go Compare Limited	United Kingdom	Ordinary	Dormant	100%

The registered office of all of the Group's 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 2017

	Note	2017 £m	2016 £m
<b>Fixed assets</b>			
Investments	6	5.6	2.8
<b>Current assets</b>			
Debtors	7	4.2	0.8
Cash and cash equivalents		0.1	5.3
		4.3	6.1
Creditors – amounts falling due within one year	8	0.1	5.1
<b>Net current assets</b>		4.2	1.0
<b>Total assets less current liabilities</b>		9.8	3.8
<b>Net assets</b>		9.8	3.8
<b>Capital and reserves</b>			
Called up share capital	9	0.1	0.1
Share premium	11	2.7	2.7
Profit and loss account	11	7.0	1.0
<b>Total shareholders' funds</b>		9.8	3.8

The notes on pages 101 to 104 form part of these financial statements.

The financial statements were approved by the Board on 27 February 2018 and signed on its behalf



**Matthew Crummack**  
Director



**Nick Wrighton**  
Director

# Company Statement of Changes in Equity

for the year ended 31 December 2017

	Share Capital £m	Share Premium £m	Profit and loss account £m	Total Equity £m
<b>Year ended 31 December 2016</b>				
<b>At 1 January 2016</b>	0.0	2.7	0.4	3.1
Profit for the year	–	–	86.3	86.3
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	86.3	86.3
<b>Transactions with owners:</b>				
Dividends	–	–	(85.8)	(85.8)
Share-based payments charge	–	–	0.1	0.1
Proceeds from shares issued	0.1	–	–	0.1
<b>Total transactions with owners</b>	0.1	–	(85.7)	(85.6)
<b>At 31 December 2016</b>	0.1	2.7	1.0	3.8
<b>Year ended 31 December 2017</b>				
<b>At 1 January 2017</b>	0.1	2.7	1.0	3.8
Profit for the year	–	–	6.2	6.2
Other comprehensive income for the year	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	6.2	6.2
<b>Transactions with owners:</b>				
Dividends	–	–	(2.9)	(2.9)
Share-based payments charge	–	–	2.7	2.7
Proceeds from shares issued	–	–	–	–
<b>Total transactions with owners</b>	–	–	(0.2)	(0.2)
<b>At 31 December 2017</b>	0.1	2.7	7.0	9.8

Details of dividends declared and paid in 2017 and 2016 are set out in note 10.

# Notes to the Company Financial Statements

## for the year ended 31 December 2017

### 1. General information

GoCompare.com Group plc is a non-trading holding Company which indirectly owns a trading subsidiary whose principal activity is that of an internet-based price comparison website for financial and non-financial products.

The Company is incorporated in England and Wales and its registered office is Imperial House, Imperial Way, Newport, NP10 8UH.

All of the Company's subsidiaries are located in the United Kingdom.

### 2. Accounting policies

#### Basis of preparation

These financial statements present the GoCompare.com Group plc Company financial statements for the year ended 31 December 2017, the Statement of Financial Position, the Statement of Changes in Equity and related notes, as well as comparatives for the year ended 31 December 2016.

The financial statements have been prepared in accordance with the Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared under the historical cost convention, except for certain financial assets that are measured at fair value, and in accordance with the Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently in the current and prior period.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- Disclosure of the compensation of Key Management Personnel;
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a Group;
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments'
- IFRS 7 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities; and
- The effects of new but not yet effective IFRSs.

As permitted by Section 408(3) of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented.

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board has reviewed the Company's projections for the next 12 months and beyond, including cash flow forecasts. Consequently, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been presented in Sterling and rounded to the nearest hundred thousand. Throughout these financial statements any amounts which are less than £0.05m are shown by 0.0, whereas a dash (-) represents that no balance exists.

#### Dividends

Dividends receivable are recognised when the Company's right to receive payment is established. Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### Taxation

##### Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted by the reporting date. Current tax assets and liabilities also include adjustments in respect of tax expected to be payable or recoverable in respect of previous periods.

Current tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate.



# Notes to the Company Financial Statements

## continued

for the year ended 31 December 2017

### 2. Accounting policies continued

#### *Deferred tax*

Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences arising between the carrying amount of assets and liabilities for accounting purposes, and the amounts used for taxation purposes. It is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recovered, using tax rates enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Investments in Group undertakings**

Investments in Group undertakings are stated at cost, less any provision for impairment.

#### **Capital reorganisations**

When the Company transfers its investment in a subsidiary to another subsidiary in exchange of shares of the transferee, the carrying amount of the transferred investment is derecognised and added to the cost of investment in the transferee.

#### **Financial assets**

##### *Classification*

Financial assets falling within the scope of IAS 39 are designated as 'loans and receivables'. The Company determines the classification of its financial assets at initial recognition. During the years ended 31 December 2017 and 31 December 2016 the Company did not classify any financial assets 'at fair value through profit or loss', 'available-for-sale' or 'held to maturity'.

The Company's financial assets as at 31 December 2017 and 31 December 2016 include trade and other receivables which were classified as loans and receivables.

##### *Initial recognition of financial assets*

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

##### *Subsequent measurement*

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

##### *Impairment of financial assets*

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

The Company assesses at each balance sheet date whether any financial assets held at amortised cost are impaired. Financial assets are impaired where there is evidence that one or more events occurring after the initial recognition of the asset may lead to a reduction in the estimated future cash flows arising from the asset. Impairment losses on financial assets classified as loans and receivables are calculated as the difference between the carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses and any reversals of impairments are recognised through the statement of profit and loss.

##### *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.

## 2. Accounting policies continued

### 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 are of the view that there are no significant accounting judgements or estimates which impact the Company's financial reporting for the current or prior period.

## 4. Expenses and Auditor's remuneration

The remuneration of the auditors in respect of services provided to the Company in the current and preceding financial year was borne by another Group Company. The fee in relation to the Company is £5,000 (2016: £5,000).

## 5. Remuneration of Directors

The remuneration received by the Directors of the Company is disclosed in the Directors Remuneration Report on pages 46 to 64.

## 6. Investments

	Shares in Group undertakings
Cost	
At 1 January 2017	2.8
Additions – share awards	2.8
<b>At 31 December 2017</b>	<b>5.6</b>
Provisions	
At beginning and end of year	0.0
Net Book Value	
<b>At 31 December 2017</b>	<b>5.6</b>
At 31 December 2016	2.8

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

Included in the cost of investments in Group undertakings is £2.8m (2016: £0.1m) in relation to the cost of the share schemes for the benefit of the employees of GoCompare.com Limited to be settled in the shares of GoCompare.com Group plc. Details of these awards are disclosed in the note 24 to the consolidated financial statements.

Set out below are the related undertakings of the Company at 31 December 2017:

	Country of Incorporation	Class of shares held	Principal activity	Percentage of shares held
<b>Direct undertakings</b>				
GoCompare.com Finance Limited	United Kingdom	Ordinary	Financing Company for the Group	100%
<b>Indirect undertakings</b>				
GoCompare.com Limited	United Kingdom	Ordinary	Internet based price comparison website	100%
Gio Compario Limited	United Kingdom	Ordinary	Dormant	100%
Go Compare Limited	United Kingdom	Ordinary	Dormant	100%

The registered office for all of these undertakings is the same as the Group's registered address: Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

# Notes to the Company Financial Statements

## continued

for the year ended 31 December 2017

**7. Debtors: Amounts falling due within one year**

	2017 £m	2016 £m
Prepayments	0.2	0.2
Amounts due from other Group companies	4.0	0.6
	<b>4.2</b>	<b>0.8</b>

The amounts due from Group undertakings are legally due on demand and are thus due within one year.

**8. Creditors – amounts falling due within one year**

	2017 £m	2016 £m
Accrued expenses	0.1	5.1
Amounts owed to Group undertakings	0.0	–
	<b>0.1</b>	<b>5.1</b>

**9. Share capital**

	2017 £m	2016 £m
<b>Authorised, allocated, called up and fully paid</b>		
418,338,382 ordinary shares of £0.0002 each		
(2016: 418,257,875 ordinary shares of £0.0002 each)	<b>0.1</b>	<b>0.1</b>

During the year, the Company created and allotted 80,507 shares which has resulted in the Company having in issue 418,338,382 shares with a total aggregate share capital of £83,668 at year end.

**10. Dividends**

	2017 £m	2016 £m
Dividends	<b>2.9</b>	<b>85.8</b>

In October 2017, a dividend of £2.9m was paid, equivalent to 0.7 pence per share. In November 2016, a dividend of £73.3m was paid, equivalent to 17.6 pence per share. In June 2016, a dividend of £12.5m was paid, equivalent to 62.5 pence per share.

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

**11. Reserves**

	Share premium account £m	Profit and loss account £m
At 1 January 2017	2.7	1.0
Profit for the year	–	6.2
Dividends	–	(2.9)
Share-based payments charge	–	2.7
<b>At 31 December 2017</b>	<b>2.7</b>	<b>7.0</b>

As permitted by Section 408(3) of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented. The profit attributable to shareholders, dealt with in the financial statements of the Company, is £6.2m (2016: £86.3m).

**12. Guarantees**

The Company acts as a guarantor to certain banks in respect of credit facilities granted to its subsidiary, GoCompare.com Finance Limited. The original facility was for an amount of £85m – a term loan of £75m of which £10m has been repaid and a revolving credit facility of £10m which remains undrawn as at 31 December 2017.

**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 are disclosed on page 56, along with that of the Executive Directors.

# Shareholder Information

## Financial Calendar 2018

2017 full-year results	28 February 2018
Ex-dividend date for final dividend	3 May 2018
Record date for final dividend	4 May 2018
Annual General Meeting	22 May 2018
Payment date for final dividend	25 May 2018
2018 interim results	31 July 2018
Ex-dividend date for interim dividend	13 September 2018
Record date for interim dividend	14 September 2018
Payment date for interim dividend	5 October 2018

## Dividend

The Directors have proposed a final dividend of 0.7 pence per share to be paid in respect of the year ended 31 December 2017. This will be paid on 25 May 2018 to all shareholders on the register on 4 May 2018. Shareholders can arrange for dividends to be paid by mandate directly to a UK bank or building society account through the BACSTEL-IP (Bankers' Automated Clearing Services) system. You can register your bank or building society details online at [www.shareview.co.uk](http://www.shareview.co.uk) or contact Equiniti for a dividend mandate form. If you wish to receive your dividends in a different currency, you will need to register for the global payments service provided by Equiniti. Further information can be found on the Equiniti website.

## Useful Contacts

### Registered office and head office

**GoCompare.com Group plc**  
Imperial House  
Imperial Way  
Newport  
Gwent  
NP10 8UH  
T: +44 (0)1633 654 060  
Registered Number: 06062003  
[www.gocomparegroup.com](http://www.gocomparegroup.com)  
Online: [www.equiniti.com](http://www.equiniti.com)  
Stock code: GOCO

### Investor Relations

#### Nick Wrighton, Chief Financial Officer

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### Media Relations

#### Anders Nilsson, Head of External Communications

T: +44 (0)1633 654 054/7841 698 642  
E: [anders.nilsson@gocompare.com](mailto:anders.nilsson@gocompare.com)

### Citigate Dewe Rogerson (PR agency)

T: +44 (0)20 7638 9571  
E: [gocompare@citigatedr.co.uk](mailto:gocompare@citigatedr.co.uk)

### Auditors

**KPMG LLP**

### Remuneration Adviser

**Deloitte LLP**

### Brokers

**Deutsche Bank AG**  
**Peel Hunt LLP**

### Solicitor

**Slaughter and May LLP**

### Registrars

**Equiniti Limited**

# Shareholder Information continued

## Shareholder queries

All general enquiries concerning holdings of ordinary shares in GoCompare.com Group plc should be addressed to our registrars, Equiniti Limited ("Equiniti"): Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Helpline: +44 (0)871 384 2030. Website: [www.equiniti.com](http://www.equiniti.com). The shareholder helpline is available between Monday and Friday, 8.30am to 5.30pm (excluding UK public holidays). To access your shareholding details online, go to [www.shareview.co.uk](http://www.shareview.co.uk). To register to use the website, you will need your Shareholder Reference Number ("SRN") as shown on your share certificate. The website enables you to:

- view and manage all of your shareholdings;
- register for electronic communications;
- buy and sell shares online with the dealing service; and
- deal with other matters such as a change of address, transfer of shares or replacing a lost certificate.

## Electronic shareholder communications

As part of GoCompare's Corporate Social Responsibility programme and in particular our ongoing commitment to reduce our environmental impact, we offer all Shareholders the opportunity to elect to register for electronic communications. For further information please visit [www.equiniti.com](http://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](http://www.ShareGift.org), or by calling 020 7930 3737.

## Protecting your investment from share register fraud

Over the last few years a number of companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from brokers who target existing shareholders offering to sell what often turn out to be worthless or high risk shares in US or UK investments. They can be extremely persuasive and very persistent. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free Company reports. If you receive any unsolicited investment advice:

Make sure you get the correct name of the person and organisation.

Check that they are properly authorised by the FCA before getting involved. You can check at [www.fca.org.uk](http://www.fca.org.uk).

Report the matter to the FCA by completing an online form at [www.fca.org.uk](http://www.fca.org.uk).

Inform Equiniti on +44 (0)371 384 2030.

## Notice concerning forward-looking statements

This annual report contains forward-looking statements.

Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms 'expect', 'estimate', 'believe', 'should be', 'will be' and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under 'Principal Risks and Uncertainties' on pages 20 to 23 of this annual report. The forward-looking statements contained in this annual report speak only as of the date of publication of this annual report. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.

# Notes

## Notes



# Helping people beat their monster bills

People who don't engage with their outgoings end up sticking with poor value products and paying over the odds – in a BIG way. This inertia comes with a hefty price tag – £2bn is being overpaid each year on car insurance, home insurance and energy bills alone.

**The real price of disengagement**

GoCompare has worked with respected research group Populus to carry out one of the most comprehensive studies of its kind into the value gap between those who switch, and those who don't. 5,000 people were consulted, bills in hand, to calculate how much worse off non-switchers are compared to those who switch and take an active interest in their finances.

\* Populus research 5,000 switchers vs non-switchers May 2017.



**Car insurance**

Of all the products GoCompare helps people find, compare and buy, car insurance is one of the most switched – but there is still a significant proportion of policyholders who don't switch, and are therefore more likely to be paying much more than they need to.

**20.1 million** car insurance policies

**3,658,000** people have never switched car insurance

Switchers pay **£144** less than non-switchers

Annual cost of inertia – **£526,781,000**

**Energy**

Our electricity comes through the same wires and gas flows through the same pipes, no matter who supplies our energy – but still most of us pay more than we need to in order to heat and power our homes.

**26.3 million** households

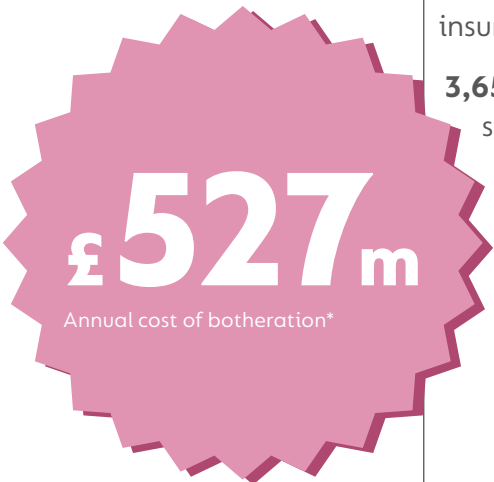
**8,469,000** have never switched their energy supplier

Switchers are pocketing **£110** per year more than non-switchers

Annual cost of inertia – **£931,546,000**

**£932m**

Annual cost of botheration\*





## Home insurance

Your home is your castle, so getting the most appropriate cover is vital. But lots of us are paying WAY too much...

**3.6 million** contents-only policies

**998,000** people have never switched

Switchers are **£56.50** a year better off than non-switchers

Annual cost of inertia – **£56,362,000**



**£56m**

Annual cost of botheration\*

**£7m**

Annual cost of botheration\*

**450,000** buildings-only policies

**126,000** people have never switched

Non-switchers are paying **£56.50** more than their switchy counterparts

Annual cost of inertia – **£7,144,000**

“

**It's a fact – switchers pay over £2bn less per year for their home and car insurance, and energy, than loyal customers. That's a lot of dough!**



## Combined building & contents

**16.9 million** combined buildings and contents policies

**4,735,000** households have never switched

Switchers pay **£113** a year less than non-switchers

Annual cost of inertia – **£535,038,000**

**£535m**

Annual cost of botheration\*





[gocomparegroup.com](http://gocomparegroup.com)

