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GoCompare.com Group plc - Interim results for the six months ended 30 June 2018

31 July 2018

GoCompare.com Group plc ("The Group" or "GoCompare") announces record first-half adjusted operating profit of £21.0m, up 20% on H1 2017. The result reflects controlled management of the core business, the delivery of innovation at pace and a focus on cash generation. The Group is well positioned to deliver against its automation strategy – Savings as a Service™ – reducing hassle and bother for consumers following good progress in its strategic investment programme and key partnerships.

Financial highlights and KPIs:

	H1-2018	H1-2017	YOY
Revenue	£75.8m	£75.8m	0.0%
Marketing margin (price comparison)	46.4%	39.6%	+6.8ppts
Operating profit	£17.3m	£15.8m	+9.5%
Adjusted operating profit[1]	£21.0m	£17.5m	+20.0%
Leverage[2]	1.7x	1.5x	+0.2x
Basic EPS	3.1p	2.8p	+10.7%
Adjusted basic EPS	3.8p	3.2p	+18.8%
Customer Interactions (m) (price comparison)	14.9	17.1	-12.9%
Average Revenue per Interaction (£) (price comparison)	4.80	4.43	8.4%
Savings made by customers[3] (price comparison)	£545m	£620m	-12.1%

Business highlights:

- Acquired Energylinx, a leading UK energy switching and price comparison business with strong commercial relationships in June, which resulted in the delivery of a new energy customer journey on 16 July
- Quicker than anticipated integration of MyVoucherCodes into the Group following acquisition in January – taking just six weeks
- Signed an exclusive partnership with News UK in June to power The Sun's voucher codes site, leveraging the MyVoucherCodes platform
- Strong car and home insurance conversion in Q2: up 10.7% on Q2 2017, as a result of continuous product improvement
- Targeted and disciplined approach to marketing resulting in a 6.8ppts half-on-half improvement in margin and increased efficiency in spend per interaction
- Launched a customer rewards programme in April to give away dining incentives, contributing to conversion improvements
- Ongoing development of a strong, agile tech team, with a 'FinTech mindset' across the Group
- Increased investment in the fintech start-up MortgageGym in July 2018.
- Interim dividend declared of 0.8 pence per share.

Sir Peter Wood, Chairman, said: "I am pleased with the Group's results based on the strong progress that Matthew and the leadership team are making to deliver a Group strategy that is exciting, meaningful for consumers and differentiated from the market.

"Outside of a strong focus on cash generation and building important foundations for the future, the Group has deployed capital through two strategic acquisitions in MyVoucherCodes and Energylinx which broaden the opportunities to help consumers save time and money while driving shareholder value over the medium term."

Matthew Crummack, Chief Executive Officer, said: "The first six months of 2018 were marked by two strategically important acquisitions: MyVoucherCodes and Energylinx, with MyVoucherCodes already successfully integrated with the Group. We also delivered a 20% year on year increase in adjusted operating profit thanks to a disciplined approach to marketing spend. Our focus on cash generation has been consistent since day one, and we believe this approach will continue to enable us to drive innovation and shareholder value.

"The Group now consists of three highly complementary brands, ideally placed to deliver on our 'Savings as a Service' strategy that aims to make saving time and money as hassle-free as possible for consumers. This in turn enables us to build a greater life time value model for our business. We're working from strong foundations built around fintech speed and agility, alongside industry-leading tech capabilities, scalable platforms and a disciplined approach to capital deployment."

Outlook

We continue to focus on the disciplined delivery of profit and growth and the Board remains confident in meeting its expectations for the full year 2018.

Presentation

A webcast of the presentation for investors and analysts will be streamed live at 8.30am this morning. To register, and to watch and/or listen to the presentation, visit: http://www.gocomparegroup.com/investors/results-reports-and-presentation/2018

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Notes:

1. Adjusted operating profit represents operating profit, after adding back amortisation of acquired intangibles, transaction costs, other exceptional corporate costs and Foundation Award share-based payment charges.
2. Net leverage ratio is calculated as net debt divided by 12 month rolling Adjusted EBITDA.
3. Customer savings measured by Car and Home insurance savings calculated by applying the average Consumer Intelligence reported savings per customer across the year.

Cautionary statements

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Business review

The Group's performance in the first half of 2018 saw us maintain a disciplined approach to the delivery of strong financial results, with a focus on profit growth in the price comparison business, alongside the completion of two strategic acquisitions. We have also continued on the journey to transform the Group, yielding encouraging improvements in productivity, output and innovation as the strong foundations of our FinTech mindset continue to build.

In a competitive environment, we've delivered first-half adjusted operating profit of £21.0m, a 20% increase on the same period in 2017. This was underpinned by strong conversion in car and home insurance (up 10.7% in Q2 compared to Q2 2017) driven by the changes delivered through our product and tech teams. Marketing margin increased to 46.4%, 6.8ppts higher than H1 2017, reflecting our focus on driving profitable business.

More brands and diverse capabilities to increase 'botheration'

Away from the price comparison business, we completed two strategic acquisitions in H1 that have diversified the Group and provide a strong platform for our move towards a 'Savings as a Service' business model, through which we will reduce hassle for consumers to get the right deal, while helping our business partners to deliver better products and services.

MyVoucherCodes was the first of these acquisitions, completed in January and integrated within six weeks. We've since relaunched the website and leveraged the platform for further growth by signing an exclusive partnership with News UK to power The Sun's discount site. In June of this year we acquired Energylinx, an energy comparison and switching business with market-leading commercial relationships across UK domestic and business energy markets. By 16th July, Energylinx was powering GoCompare's energy service bringing this industry-leading energy switching service to GoCompare's audience.

With a combination of strong cash generation, focus on conversion improvements, disciplined approach to marketing spend and a diversified brand portfolio and Group capabilities, we are in a good position to deliver much-needed innovation into our markets.

Embedding the FinTech mindset

Through investment in our engineering and tech teams, and in the delivery of an effective company-wide change programme, we have seen output grow and the 'test-and-learn' approach result in some effective improvements to the customer experience and to conversion.

We had already made huge strides in productivity in 2017, accelerating our software release cycle from once per quarter to many times per week and we have seen further improvement in H1 2018.

Collaborative working practices plus a focus on decision making and accountability permeate the business: this is something we have been replicating across a growing Group. We're building a culture where talented people can thrive across brands and where capabilities can be leveraged for the benefit of the whole business.

Smarter marketing

Marketing is a significant cost for the Group, so improving the efficiency of spend has been a key area of focus. In the first half of this year, we've considered different approaches to marketing, aimed at reaching the right people, at the right time, and driving preference for our brand.

Rather than spending more money in the same way with the same search engine operators and advertisers, we've been applying more science to the way we allocate marketing budget. We continue to build our own in-house media planning competencies. We have also identified and tested improved ways of talking to our extensive customer base. We ran our first large-scale print advertising campaign with The Sun, an extensive out-of-home campaign across the Transport for London network and tested messages across regional print and digital titles.

We also launched our first ever customer rewards programme with a dining incentive. Again, in the spirit of speed we took this from a desk concept to onsite and TV launch within eight weeks. This provides people with an incentive to switch through GoCompare, rewarding them with a free annual membership that entitles them to money-off deals at thousands of restaurants nationwide, seven days a week. This launched in April and has been well-received by our customers, with almost 80,000 having taken up the offer already. The feedback we've had so far indicates that this is helping to drive purchase preference for the GoCompare brand.

We remain confident of meeting our expectations for the full year 2018. We shall remain focused on the development and investment into a strong, diverse culture and talented workforce that enables us to innovate at pace. We are excited about H2 2018 and are on track to deliver the first product under our Savings as a Service model by the end of the year.

Matthew Crummack
Chief Executive Officer

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Financial Review

Revenue remained flat compared to H1 17 at £75.8m and adjusted operating profit increased by 20% to £21.0m compared to the same period last year.

The Directors have declared an interim dividend of 0.8 pence per share, which represents a pay-out ratio of approximately 21% of profit after tax (excluding adjusting items and their tax effect).

Operating segments

Price Comparison

	H1 18 £m	H1 17 £m	Movement £m	Movement %
Revenue	72.1	75.8	(3.7)	(4.9)
Cost of sales	(21.2)	(24.0)	2.8	(11.7)
Distribution costs	(17.5)	(21.8)	4.3	(19.7)
Trading profit	**33.4**	**30.0**	**3.4**	**11.3**

Marketing margin	46.4%	39.6%	+6.8%pts

The Price comparison segment generated lower revenue in H1 18 as a result of lower customer interactions, reflecting a focus on targeting profitable customers as well as the downward trend on car insurance premiums. Whilst interactions were down, income per interaction increased by 8.4%, primarily driven by an improvement in conversion.

Cost of sales of £21.2m are £2.8m lower than H1 17 as we focused on improving efficiency in paid search and targeting profitable customers. Distribution costs of £17.5m are £4.3m lower than H1 17 as we have tested different broadcast strategies.

Rewards

	H1 18 £m	H1 17 £m	Movement £m	Movement %
Revenue	3.7	-	3.7	n/a
Cost of sales	(0.9)	-	(0.9)	n/a
Distribution costs	(0.4)	-	(0.4)	n/a
Trading profit	**2.4**	**-**	**2.4**	**n/a**

Marketing margin	63.8%	-	n/a

The Rewards segment generated revenue of £3.7m and a trading profit of £2.4m in H1 18 following the acquisition of The Global Voucher Group on 10 January 2018.

Administrative expenses

Administrative expenses excluding adjusting items, depreciation and amortisation of £13.9m are £2.0m higher than in H1 17. This increase is mainly attributable to an increase in staff costs which reflects the increased headcount across the Tech and Product teams and a lower rate of VAT recovery compared to H1 17 due to a relatively lower volume of VAT-able transactions compared to exempt transactions.

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Adjusted operating profit, Adjusted EBITDA, and Profit before tax

	H1 18	H1 17	Movement	Movement
	£m	£m	£m	%
Revenue	75.8	75.8	-	-
Total marketing spend	(40.0)	(45.8)	5.8	(12.7)
Administrative expenses excluding adjusting items, depreciation and amortisation	(13.9)	(11.9)	(2.0)	16.8
Adjusted EBITDA	**21.9**	**18.1**	3.8	21.0
Depreciation and amortisation	(0.9)	(0.6)	(0.3)	50.0
Adjusted operating profit	**21.0**	**17.5**	3.5	20.0
Amortisation of acquired intangibles	(1.1)	-	(1.1)	(100.0)
Foundation Award share based payment charge	(0.9)	(1.7)	0.8	(47.1)
Integration, restructuring and other corporate costs	(1.3)	-	(1.3)	(100.0)
Transaction costs	(0.4)	-	(0.4)	(100.0)
Operating profit	**17.3**	**15.8**	1.5	9.5
Net finance costs	(1.4)	(1.1)	(0.3)	27.3
Profit before tax	**15.9**	**14.7**	1.2	8.2

Adjusted operating profit, calculated as operating profit for the period after adding back the adjusting items, increased by 20.0% to £21.0m.

Adjusted EBITDA for the period, calculated as Adjusted operating profit for the period after adding back depreciation and amortisation, increased by 21.0% to £21.9m.

Amortisation of acquired intangibles of £1.1m (H1 17: £nil) relates to the acquisition of The Global Voucher Group Limited. Total intangibles (excluding goodwill) of £10.8m were acquired on acquisition and these will be amortised over a 5 year period. There is no amortisation charge in the period in relation to the acquisition of Energylinx Limited and Energylinx for Business Limited as this transaction completed on 13 June 2018 and the acquisition accounting is yet to be finalised. It is expected that an amortisation charge in relation to this will be incurred in H2 18.

The integration, restructuring and other corporate costs of £1.3m (H1 17: £nil) represent one-off costs that were primarily incurred in relation to the acquisition of The Global Voucher Group. This business was integrated into the Group during Q1 18 and costs incurred include those in relation to closing down the International business and restructuring costs.

The transaction costs of £0.4m (H1 17: £nil) relate to legal and other adviser fees incurred in relation to the acquisition of Energylinx Limited and Energylinx for Business Limited.

The Group incurred net finance costs of £1.4m during H1 18 compared to £1.1m in H1 17 due to the higher borrowings in the period and a higher interest margin.

Profit before tax for H1 18 of £15.9m is £1.2m higher than H1 17. This reflects the improvement in Adjusted operating profit, partly offset by the amortisation of acquired intangibles, the integration restructuring and other corporate costs and increase in net finance costs.

Income tax expense

The Group's tax charge of £3.0m is based on an expected effective income tax rate for the year to December 2018 of 19.00% (H1 17: 19.25%).

Earnings per share

	H1 18 (pence per share)	H1 17 (pence per share)	Movement (pence per share)
Basic earnings per share	3.1	2.8	0.3
Adjusted basic earnings per share	3.8	3.2	0.6

Basic earnings per share for H1 18 is 3.1pence, an increase of 0.3pence (10.7%) compared to H1 17. Adjusted earnings per share, which excludes the impact of the adjusting items noted above (net of tax), is 3.8pence, an increase of 0.6pence (18.8%) on H1 17 and better reflects the earnings generated by the underlying core business.

Cash and leverage

The Group delivered a positive operating cash flow during H1 18 of £17.8m. Net cash used in investing activities of £47.5m includes the £36.9m that was paid for the acquisition of the Global Voucher Group Limited and £8.2m for the acquisition of Energylinx Limited and Energylinx for Business Limited.

The total decrease in cash and cash equivalents during the period was £9.8m and the total cash and cash equivalents at the end of the period was £14.7m. After allowing for working capital requirements and the cost of the interim dividend, surplus cash at the end of the period is approximately £5m.

	H1 18 £m	H1 17 £m
Net cash generated from operating activities	**17.8**	**7.7**
Purchase of tangible and intangible assets	(3.6)	(0.8)
Acquisition of subsidiary investments	(45.1)	-
Cash acquired on acquisition	1.2	-
Purchase of equity investment	-	(1.0)
Net cash used in investing activities	**(47.5)**	**(1.8)**
Proceeds from borrowings (net of fees)	23.5	-
Interest paid	(0.7)	(1.1)
Dividends paid to owners of the parent	(2.9)	-
Net cash generated from / (used in) financing activities	**19.9**	**(1.1)**
Net (decrease) / increase in cash and cash equivalents	(9.8)	4.8
Cash and cash equivalents at beginning of year	24.5	18.4
Cash and cash equivalents at end of period	**14.7**	**23.2**

Borrowings at 30 June 2018 were £88.5m, which, after allowing for cash and cash equivalents of £14.7m results in net debt of £73.8m. Net debt is £34.4m higher than at 31 December 2017. This is largely due to the £45.1m of acquisitions in the period, partly offset by the operating cashflow of £17.8m. Adjusted EBITDA for the 12 months to 30 June 2018 of £42.6m is £5.4m higher than in the 12 months to 31 December 2017. The combination of the increase in net debt and the increase in Adjusted EBITDA results in the leverage increasing to 1.7x compared to 1.1x at 31 December 2017. The leverage is significantly lower than the 2.8x at the time of the demerger and well within the banking covenants.

The Board does not target a specific leverage ratio but instead looks to optimise the capital structure of the Group ensuring that cash is available for investment in opportunities that will drive shareholder value over the medium term as well as for paying dividends in line with the dividend policy.

	H1 18 £m	FY 17 £m
Borrowings	(88.5)	(63.9)
Cash and cash equivalents	14.7	24.5
Net debt	**(73.8)**	**(39.4)**
Adjusted EBITDA (rolling 12 months)	42.6	37.2
Leverage	1.7	1.1

Dividends

The Board has declared an interim dividend of 0.8 pence per share. The dividend is equivalent to a pay-out ratio of approximately 21% of profit after tax (excluding adjusting items and their tax effect), which is at the lower end of the Group's target pay-out ratio of 20%-40%. The pay-out ratio balances cash returns to shareholders with our ability to fund potential investments.

The ex-dividend date is 13 September 2018, with a record date of 14 September 2018 and a payment date of 5 October 2018.

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Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are unchanged from those disclosed in the 2017 Annual Report (pages 20 to 23) which is available to view at www.gocomparegroup.com. These cover certain key areas of risk which have been summarised below.

Risk area	Nature of risk	Mitigation and management
Competitive environment	The Group operates in a highly competitive market and changes from new or existing competitors may have a significant impact on market share, revenue and profit.	- Experienced and capable customer acquisition team. - Comprehensive mix of marketing activities to drive efficient and cost-effective customer acquisition. - Continual investment developing other verticals to diversify revenue streams.
Financial	The Group is exposed to a number of financial risks; principally credit risk, liquidity risk and interest rate risk. Failure to manage financial risks appropriately could lead to an adverse impact on the Group's financial performance, availability of cash or breach of banking covenants.	- Regular monitoring and management of debtors to ensure prompt payment. - Cash flow forecasting and headroom monitoring to manage availability of cash, debt repayment and covenant compliance.
Customer acquisition and brand	The Group is reliant on customer awareness and appreciation of the GoCompare brand, deterioration of which may lead to lower market share, revenue and profit.	- Ongoing review of the advertising approach, including performance and customer perception. - Launch of the 'Dine Card' incentive in April 2018.
Technology and cyber	The Group is reliant on high-performing comparison solutions delivered through online interaction with its customers. Inability to develop or adapt to technological changes could impact the number of customers using the Group's services. Inability to protect against cyber related incidents could impact the availability of this online service and potential loss of data.	- Continual investment in and response to developments in cyber risk management including cyber threat monitoring systems. - Regular review and testing of business and service continuity capabilities.
Legal and regulatory	The Group operates in a number of regulated markets and is also subject to competition and data protection laws. Failure to comply with existing or adapt to changes in regulatory requirements may have a fundamental impact on the Group's business model and financial performance.	- Ongoing dialogue and contact with regulatory bodies. - Established in-house Legal and Compliance resource with access to specialist advice, as required.
People, leadership and management	The Group's success depends on the performance of senior management, upon the industry, marketing and technical expertise of employees and on the Group's ability to attract, retain and motivate its people.	- Skilled senior team with experience of running online businesses. - Review and evolution of employee reward packages at all levels. - Structured approach to learning and development.
Strategic development and diversification	The Group has an opportunity to grow the brand beyond motor and home insurance into other product and price comparison services and sectors. Over reliance on products or segments made lead to adverse financial performance.	- Dedicated in-house strategy and investments team. - Acquired The Global Voucher Group Limited in January 2018 to further diversify the Group's revenue.
Economic conditions	The Group's revenue is derived from provision of product and price comparison services in the UK. A contraction in the economy, changes to fiscal policy, developments in the process for the UK to leave the EU, or changes to trading tariffs, may lead to worsening economic conditions and performance of the Group. In a time of economic uncertainty and rising costs, consumers are more likely to consider switching through a price comparison website to achieve better deals.	- Ongoing review of wider market conditions and indicators. - UK based company not reliant on imports or exports and low exposure to changes in tarffifs. - Flexible approach to cost base. - Diversification of revenue streams to adapt to future changes and development of scalable solutions in emerging markets.

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

Statement of Directors' Responsibilities

The Directors' confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of the important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- Material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors of GoCompare.com Group plc are listed in the GoCompare.com Group plc Annual Report for 31 December 2017. There have been no changes since the publication of that Annual Report to the date of this interim report.

Matthew Crummack,
Chief Executive Officer

Nick Wrighton,
Chief Financial Officer

INDEPENDENT REVIEW REPORT TO GOCOMPARE.COM GROUP PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises 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 the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Timothy Butchart
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
30 July 2018

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Condensed consolidated interim financial statements

GoCompare.com Group plc
Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2018

	Note	6 months to 30 June 2018 £m	6 months to 30 June 2017 £m
Revenue	4	**75.8**	75.8
Cost of sales		**(22.1)**	(24.0)
Gross profit		**53.7**	51.8
Distribution costs		**(17.9)**	(21.8)
Administrative expenses		**(18.5)**	(14.2)
Operating profit		**17.3**	15.8
Analysed as:			
Adjusted operating profit	5	**21.0**	17.5
Amortisation of acquired intangibles		**(1.1)**	-
Foundation Award share-based payment charges		**(0.9)**	(1.7)
Integration, restructuring and other corporate costs		**(1.3)**	-
Transaction costs		**(0.4)**	-
Operating profit		**17.3**	15.8
Finance income		**0.0**	0.0
Finance costs		**(1.4)**	(1.1)
		(1.4)	(1.1)
Profit before income tax		**15.9**	14.7
Income tax expense	6	**(3.0)**	(2.8)
Profit for the period		**12.9**	11.9
Other comprehensive income		**-**	-
Total comprehensive income for the period		**12.9**	11.9
Earnings per share (pence)	7		
Basic earnings per share		**3.1**	2.8
Diluted earnings per share		**3.0**	2.7

Notes 1 to 16 are an integral part of these condensed consolidated interim financial statements

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GoCompare.com Group plc
Condensed Consolidated Statement of Financial Position
As at 30 June 2018

	Note	30 June 2018 £m	31 December 2017 £m	30 June 2017 £m
Non-current assets				
Investments	11	**2.5**	2.5	1.0
Goodwill	10	**31.7**	2.5	2.5
Intangible assets	10	**22.1**	1.4	0.5
Tangible assets		**1.6**	1.5	1.6
Deferred tax asset		**1.5**	0.8	1.0
		59.4	8.7	6.6
Current assets				
Trade and other receivables		**27.9**	18.7	23.7
Cash and cash equivalents		**14.7**	24.5	23.2
		42.6	43.2	46.9
Total assets		**102.0**	51.9	53.5
Non-current liabilities				
Borrowings		**54.3**	54.1	63.6
Provisions for liabilities and charges		**3.0**	0.4	1.0
		57.3	54.5	64.6
Current liabilities				
Trade and other payables		**27.6**	17.8	20.4
Current income tax liabilities		**3.6**	3.3	3.2
Borrowings		**34.2**	9.7	9.6
Provisions for liabilities and charges		**1.4**	0.7	-
		66.8	31.5	33.2
Total liabilities		**124.1**	86.0	97.8
Equity attributable to owners of the parent				
Ordinary shares		**0.1**	0.1	0.1
Share premium		**2.7**	2.7	2.7
Retained earnings		**(24.9)**	(36.9)	(47.1)
Total equity		**(22.1)**	(34.1)	(44.3)
Total equity and liabilities		**102.0**	51.9	53.5

Notes 1 to 16 are an integral part of these condensed consolidated interim financial statements

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GoCompare.com Group plc
Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2018

	Share capital £m	Share premium £m	Profit and loss account £m	Total equity £m
At 1 January 2017	0.1	2.7	(61.4)	(58.6)
Profit for the period	-	-	11.9	11.9
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	11.9	11.9
Transactions with owners				
Dividends paid	-	-	-	-
Share based payments	-	-	2.0	2.0
Deferred tax recognised in equity	-	-	0.4	0.4
Total transactions with owners	-	-	2.4	2.4
At 30 June 2017	0.1	2.7	(47.1)	(44.3)
At 1 July 2017	0.1	2.7	(47.1)	(44.3)
Profit for the period	-	-	12.5	12.5
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	12.5	12.5
Transactions with owners				
Dividends paid	-	-	(2.9)	(2.9)
Share based payments	-	-	0.7	0.7
Deferred tax recognised in equity	-	-	(0.1)	(0.1)
Total transactions with owners	-	-	(2.3)	(2.3)
At 31 December 2017	0.1	2.7	(36.9)	(34.1)
At 1 January 2018	**0.1**	**2.7**	**(36.9)**	**(34.1)**
Profit for the period	**-**	**-**	**12.9**	**12.9**
Other comprehensive income for the period	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**12.9**	**12.9**
Transactions with owners				
Dividends paid	**-**	**-**	**(2.9)**	**(2.9)**
Share based payments	**-**	**-**	**1.6**	**1.6**
Deferred tax recognised in equity	**-**	**-**	**0.4**	**0.4**
Total transactions with owners	**-**	**-**	**(0.9)**	**(0.9)**
At 30 June 2018	**0.1**	**2.7**	**(24.9)**	**(22.1)**

Notes 1 to 16 are an integral part of these condensed consolidated interim financial statements

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GoCompare.com Group plc
Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2018

	6 months to 30 June 2018 £m	6 months to 30 June 2017 £m
Cash flows from operating activities		
Profit for the period before tax	**15.9**	14.7
Adjustments for:		
Depreciation of property, plant and equipment	**0.3**	0.2
Amortisation of intangible assets	**1.7**	0.3
Impairment of tangible assets	**-**	0.1
Share based payment charge	**1.6**	2.0
Net finance costs	**1.4**	1.1
Changes in working capital:		
Increase in trade and other receivables	**(4.1)**	(6.9)
Increase / (decrease) in trade and other payables	**4.3**	(0.9)
Income tax paid	**(3.3)**	(2.9)
Net cash generated from operating activities	**17.8**	7.7
Cash flows from investing activities		
Purchase of property, plant and equipment	**(0.3)**	(0.6)
Purchase of intangible assets	**(3.3)**	(0.2)
Interest received	**-**	0.0
Acquisition of subsidiary investments	**(45.1)**	-
Cash acquired on acquisition	**1.2**	-
Purchase of equity investment	**-**	(1.0)
Net cash used in investing activities	**(47.5)**	(1.8)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	**-**	-
Proceeds from borrowings (net of fees)	**23.5**	-
Interest paid	**(0.7)**	(1.1)
Dividends paid to owners of the parent	**(2.9)**	-
Net cash used in financing activities	**19.9**	(1.1)
Net (decrease) / increase in cash and cash equivalents	**(9.8)**	4.8
Cash and cash equivalents at beginning of period	**24.5**	18.4
Cash and cash equivalents at end of period	**14.7**	23.2

Notes 1 to 16 are an integral part of these condensed consolidated interim financial statements

GoCompare.com Group plc
Notes to the financial statements
For the period ended 30 June 2018

1. General information

GoCompare.com Group plc ("the Company") and its subsidiaries (together, "the Group") provide internet based platforms which enable consumers to save time and money on financial and non-financial products.

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

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

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2017 were approved by the Board of Directors on 27 February 2018 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) and (3) of the Companies Act 2006. These condensed interim financial statements have been reviewed, not audited.

2. Summary of significant accounting policies

These condensed interim financial statements for the six months ended 30 June 2018 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS34, 'Interim financial reporting', as adopted by the European Union. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRSs as adopted by the European Union.

The accounting policies adopted are consistent with those applied to the consolidated financial statements for the year ended 31 December 2017. In addition to those accounting policies, a policy for acquired intangibles is provided as this is a new accounting item for the current financial period.

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.

Acquired intangibles

Intangible assets acquired as part of a business combination are recorded at fair value at the date of acquisition. Intangible assets are subsequently stated at initial value less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets which are as follows:

Brand	5 years
Customer relationships	5 years
Technology	5 years

New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations will be applicable to the consolidated financial statements in future years. The adoption of these standards are not expected to have a material impact on the Group financial results or disclosures.

The Group has adopted IFRS 15 – Revenue from contracts with customers and IFRS 9 – Financial instruments from 1 January 2018.

<u>IFRS 15</u>

The Group has assessed its accounting policies which applied under IAS 18 and determined that the adoption of IFRS 15 does not have a significant impact on the way that the Group recognises revenue, in terms of both value and timing.

2. Summary of significant accounting policies (continued)

IFRS 9
IFRS 9 replaces IAS 39 and sets out requirements for recognising and measuring financial assets and financial liabilities. The standard largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities and has not had a significant effect on the Group's accounting policies for financial assets or financial liabilities. With the exception of the investments in equity investments, the Group only holds basic financial instruments which will be classified as held at 'amortised cost'. For the Group's investments in equity instruments, the Group has made an irrevocable election for any changes in fair value to be recognised in Other Comprehensive Income. This is consistent with the accounting policy previously adopted under IAS 39 as the assets were classified as 'available for sale' with changes in fair value recognised through Other Comprehensive Income.

IFRS 9 also replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model which applies to financial assets measured at amortised cost and means that credit losses are recognised earlier than under IAS 39. The Group has not identified a material difference in recognition of losses for its financial assets compared to what was previously recognised under IAS 39.

Going concern
The Group meets its day to day working capital requirements through it bank facilities and cash balances held. In considering the appropriateness of the going concern assumption, the Directors' have taken into account the Group's forecasts, projections and reasonably possible changes in trading performance and cash flows. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having reassessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its condensed interim financial statements.

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 and present results in a way that is consistent with how information is reported internally.

The key non-GAAP measures presented by the Group are:
- Adjusted Operating profit: defined as Operating profit after adding back transaction costs and other exceptional corporate costs, amortisation of acquired intangibles 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 period, excluding exceptional items (adjusted for tax) divided by the weighted average number of shares in issue for the period.

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.

3. Critical accounting judgements and estimates
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty include those applied to the consolidated financial statements for the year ended 31 December 2017, in addition to the following areas which are new for 2018.

GoCompare.com Group plc
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3. Critical accounting judgements and estimates (continued)

Acquisition of The Global Voucher Group Limited
On 10 January 2018, the Group completed its acquisition of The Global Voucher Group Limited and its subsidiaries. The process of determining the fair value and useful life of assets and liabilities acquired is inherently judgemental and there is a risk that the assumptions applied or basis of methodology could lead to the valuation of acquired intangibles or goodwill being misstated. The details of the assets and liabilities recognised are set out in Note 10.

Impairment of goodwill and acquired intangibles
The Group holds goodwill and acquired intangibles in respect of business combinations which have occurred. In 2018, the Group recognised acquired intangible assets of £10.8m and goodwill of £26.6m in respect of the acquisition of The Global Voucher Group Limited. Acquired intangibles include acquired brands, customer relationships, and technology. The Group is required to review goodwill annually for impairment and assess at each reporting period whether there is any indication that an asset may be impaired. Determining whether goodwill and intangible assets are impaired or whether a reversal of impairment of intangible assets should be recorded requires an estimation of the recoverable value of the relevant cash-generating unit, which represents the higher of fair value and value in use. The value in use calculation requires estimation of the future cash flows expected to arise from the cash-generating unit, discounted using a suitable discount rate to determine if any impairment has occurred. No indications of impairment of goodwill or intangibles have been identified at 30 June 2018.

The Group has also made an estimation of the value of goodwill and acquired intangibles in respect of the acquisition of Energylinx Limited and Energylinx for Business Limited which occurred on 13 June 2018. The accounting for this acquisition is provisional, therefore the balances disclosed are subject to change and the final balances will be reflected in the Group's full year reporting at 31 December 2018.

4. Segment information

In January 2018, the Group acquired The Global Voucher Group Limited and its subsidiaries which represents a new source of revenue and costs. From this point, the information reported to the Board (the Chief Operating Decision Maker) for the purposes of the assessment of segment performance was amended to reflect the updated operating structure. The Group's two reportable segments are:

- "Price comparison"; and
- "Rewards".

The Chief Operating Decision Maker, does not review profit and loss items below distribution costs nor the assets and liabilities of the Group by reportable segments and therefore they are reported on an aggregated basis for the Group.

The identification and disclosure of the Group's segments has changed from those detailed in the consolidated financial statements of the Group for the year ended 31 December 2017. The results of the "Insurance" and Strategic "Initiatives" segments reported to this period are now disclosed as a combined operating segment, "Price comparison". The comparative information has therefore been restated in order to present on a comparable basis with the new segmental reporting.

Period ended 30 June 2018

	Price comparison	Rewards	Total
	£m	£m	£m
Revenue	**72.1**	**3.7**	**75.8**
Cost of sales	**(21.2)**	**(0.9)**	**(22.1)**
Gross profit	**50.9**	**2.8**	**53.7**
Distribution costs	(17.5)	(0.4)	(17.9)
Trading profit	**33.4**	**2.4**	**35.8**

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4. Segment information (continued)

Period ended 30 June 2017 (as restated)

	Price comparison £m	**Rewards £m**	**Total £m**
Revenue	75.8	-	75.8
Cost of sales	(24.0)	-	(24.0)
Gross profit	51.8	-	51.8
Distribution costs	(21.8)	-	(21.8)
Trading profit	30.0	-	30.0

The consolidated revenue recognised in the 6 months to 30 June 2018 includes £75.0m of revenue recognised at a point in time (2017: £75.8m) and £0.8m of revenue that is recognised over time (2017: £0.0m). All of the revenue that is recognised over time relates to the rewards segment.

5. Adjusted operating profit

The following transactions occurred during the year which have been added back to operating profit in arriving at adjusted operating profit:

	6 months to 30 June 2018 £m	6 months to 30 June 2017 £m
Amortisation of acquired intangibles	1.1	-
Foundation Award share-based payment charge	0.9	1.7
Integration, restructuring and other corporate costs	1.3	-
Transaction costs	0.4	-
	3.7	**1.7**

The Group acquired The Global Voucher Group Limited on 10 January 2018 and recognised acquired intangible assets of £10.8m as a result of this transaction. The intangible assets are being amortised over 5 years and the accounting charge, a non-cash item which arises on consolidation, is excluded from our adjusted operating profit.

The integration, restructuring and other corporate costs of £1.3m (H1 17: £nil) represent one-off costs that were primarily incurred in relation to the acquisition of The Global Voucher Group. The Group also incurred transaction fees of £0.4m in relation to the acquisition of Energylinx Limited and Energylinx for Business Limited. These costs are one off in nature, non-recurring and have therefore been excluded from our adjusted operating profit.

In November 2016, the Group issued a number of Foundation Awards in the form of free shares to the Executive Directors and Senior Management. These were awarded as a result of the Group's successful listing and will vest after 2 years subject to the achievement of certain stretching performance criteria.

The Awards have been treated as an adjusting item by the Group in arriving at adjusted operating profit, by virtue of their association with the listing, the quantum of shares and individual size of the Awards made in addition to the fact that they vest over a shorter 2 year period. Furthermore, the Foundation Awards are non-recurring (although accounting charges will follow until they vest) and the Directors do not, therefore, consider these Awards to be part of the ongoing trading performance of the business.

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6. Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2018 is 19.0%. The estimated tax rate used for the six months ended 30 June 2017 was 19.25%.

7. Earnings per share

a) Basic

Basic earnings per share 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 period.

	6 months to 30 June 2018	6 months to 30 June 2017
Profit from continuing operations attributable to owners of the parent (£m)	**12.9**	11.9
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
Earnings per share (pence per share)	**3.1**	2.8

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares at their vesting levels.

	6 months to 30 June 2018	6 months to 30 June 2017
Profit from continuing operations attributable to owners of the parent (£m)	**12.9**	11.9
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
Adjustment for share options (m)	**11.5**	15.2
Weighted average number of ordinary shares for dilutive earnings per share (m)	**429.8**	433.5
Dilutive earnings per share (pence per share)	**3.0**	2.7

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Notes to the financial statements
For the period ended 30 June 2018

7. Earnings per share (continued)

c) Adjusted basic

	6 months to 30 June 2018	6 months to 30 June 2017
Profit from continuing operations attributable to owners of the parent (£m)	**12.9**	11.9
Adjustment for amortisation of acquired intangibles, Foundation Awards, integration costs and transaction fees, net of tax (£m)	**3.1**	**1.3**
Adjusted profit from continuing operations attributable to owners of the parent (£m)	**16.0**	13.2
Weighted average number of ordinary shares in issue (m)	**418.4**	418.3
Adjusted earnings per share (pence per share)	**3.8**	3.2

8. Financial instruments

The following table sets out the financial assets and financial liabilities of the Group at the period 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.

	30 June 2018 £m	30 June 2017 £m
<u>Financial assets</u>		
Investments in equity instruments	2.5	1.0
Trade and other receivables	20.4	17.9
Cash and cash equivalents	14.7	32.2
	37.6	42.1
<u>Financial liabilities:</u>		
Trade and other payables	(7.6)	(16.8)
Borrowings	(88.5)	(73.2)
	(96.1)	(90.0)

9. Financial risk management

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

GoCompare.com Group plc
Notes to the financial statements
For the period ended 30 June 2018

10. Investments in subsidiaries

a. Acquisition of The Global Voucher Group Limited

On 10 January 2018 the Group acquired 100% of the share capital of The Global Voucher Group Limited (and its subsidiaries) trading as 'MyVoucherCodes' which is an online voucher code aggregator based in the UK. The business was acquired for cash consideration of £36.9m and the Group incurred direct costs of £0.8m in relation to the transaction which were charged to the income statement in the prior year.

MyVoucherCodes' strong position in retail vouchers is highly complementary to GoCompare's position as a leading provider of financial services and utilities comparison. GoCompare believes the acquisition will increase the opportunities for frequency of engagement with 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.

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. In calculating the goodwill arising on acquisition the fair value of net assets acquired was assessed and no material adjustments from book value were made to existing assets and liabilities. Separately identifiable intangible assets were recognised as part of the acquisition as detailed further below.

The net assets acquired and goodwill are as follows:

	On acquisition £m
Purchase consideration	36.9
Fair value of assets acquired (summarised below)	10.3
Goodwill	26.6

The goodwill recognised is attributable to Global Voucher Group's profitability and its position as a leading UK voucher code site. The acquisition also benefits from various value creation synergies including interchange of traffic between Gocompare’s and The Global Voucher Group's websites and various cross-sell opportunities.

None of the business combinations that completed during the year had any goodwill that is expected to be deductible for tax purposes.

The fair value of assets and liabilities arising on acquisition have been determined as follows:

	Fair value £m
Cash and cash equivalents	0.7
Property, plant & equipment	0.0
Software	0.1
Intangibles - Brand name	0.9
Intangibles - Customer relationships	7.8
Intangibles - Technology	2.1
Trade and other receivables	2.5
Trade and other payables	(1.9)
Deferred tax arising on acquired intangibles	(1.9)
Fair value of net assets acquired	**10.3**

The fair value of trade and other receivables acquired is £2.5m which have a gross contractual value of £2.7m. The best estimate at the acquisition date of the contractual cash flows not to be collected is £0.2m.

GoCompare.com Group plc
Notes to the financial statements
For the period ended 30 June 2018

10. Investments in subsidiaries (continued)

In the period from acquisition to 30 June 2018, the acquired business generated revenue of £3.7m and trading profit of £2.4m. Had the acquisition completed on 1 January 2018, and the results consolidated from the commencement of the 2018 financial year, the acquired business would have generated £3.9m and £2.4m of trading profit.

Intangible assets recognised on consolidation

i) Brand
£0.9m has been recognised in respect of the acquired brand name, representing its inherent value. MVC is one of the UK's leading voucher codes businesses with c2.5m monthly visits. The brand valuation has been determined using a relief from royalty approach. A brand royalty rate of 3.5% and a post-tax discount rate of 11.7% have been applied. The useful economic life has been assessed as 5 years.

ii) Customer relationships
£7.8m has been recognised in respect of the customer relationships held by The Global Voucher Group Limited. The intangible value has been determined using a multi-period excess earnings model. A post-tax discount rate of 11.7% has been applied to forecast cashflows relating to the existing customers. The useful economic life of the customer relationships has been assessed as an average of 5 years.

iii) Technology
£2.1m has been recognised in respect of the Technology acquired in the acquisition. The entity has a website, mobile app and supporting infrastructure in order to enable customers to use the vouchers. The software infrastructure can also be used as a white label product to other providers. A post-tax discount rate of 11.7% has been applied. The useful economic life has been assessed as 5 years.

b. Acquisition of Energylinx Limited and Energylinx for Business Limited

On 13 June 2018 the Group acquired 100% of the ordinary share capital of Energylinx Limited and Energylinx for Business Limited (and its subsidiaries) for total consideration of £10.0m. Cash consideration of £8.2m was paid upfront with £1.8m deferred consideration which is dependent on key personnel remaining with the business. The purchase will be accounted for as a business combination under the acquisition method in accordance with IFRS 3.

Energylinx is a leading UK energy switching and price comparison service with strong commercial relationships. The business compliments Gocompare's core price comparison services, provides a number of key partnerships in this sector and supports the Group's automation strategy, Savings as a Service.

The goodwill recognised is attributable to the profitability of the Energylinx businesses and their leading position as an energy price comparison website. The Group also expects to benefit from synergies, including Energylinx becoming the provider for Gocompare's energy comparison services.

At the date of this report, the acquisition accounting is ongoing and therefore provisional balances for the acquired net assets, intangible assets and goodwill are included in these consolidated financial statements. The final balances will be reported in the Group's full year reporting at 31 December 2018.

GoCompare.com Group plc
Notes to the financial statements
For the period ended 30 June 2018

10. Investments in subsidiaries (continued)

The net assets and goodwill arising from the acquisition, provisionally determined are as follows:

	On acquisition £m
Purchase consideration	10.0
Fair value of net assets acquired	0.7
Intangible assets arising on acquisition	8.3
Deferred tax on acquired intangibles	(1.5)
Goodwill	2.5

The intangible assets acquired have provisionally been assessed as brand, customer relationships, supplier relationships, database and technology.

11. Investments in equity instruments

The Group's investment in equity instruments are identified as follows:

	6 months to 30 June 2018 £m	6 months to 30 June 2017 £m
MortgageGym Limited	**1.0**	1.0
Souqalmal Holdings Limited	**1.5**	-
	2.5	1.0

On 30 June 2017 the Group acquired a minority shareholding in Mortgage Gym 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.

Both of the investments are classified as equity investments recognised at fair value through other comprehensive income, held at fair value and are both unquoted. Fair value is classified as level 3 within the IFRS7 fair value hierarchy, as the inputs for their fair values are not based on observable market data. At period end, fair value has been determined based on the consideration paid, as the completion date is the same as the reporting date and this is deemed to represent fair value of the investment. The fair value movement recognised through other comprehensive income in the period is £nil (2017: £nil).

12. Share based payments

The Group has a number of equity-settled, share-based compensation plans. Following 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 Foundation Awards, the 2017 and 2018 Performance Share Plan ('PSP'), as well as the Free Share Awards, Partnership and Matching shares issued under the all-employee Share Incentive Plan ("SIP").

GoCompare.com Group plc
Notes to the financial statements
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12. Share based payments (continued)

The share-based payment charge recognised in the Statement of Comprehensive Income is attributed to each of the schemes as shown:

	6 months to 30 June 2018 £m	6 months to 30 June 2017 £m
Foundation Awards	0.9	1.7
2017 PSP	0.4	0.3
2018 PSP	0.3	-
Free Share Awards	0.0	0.0
Partnership Shares	0.0	0.0
Save As You Earn Shares	0.0	0.0
	1.6	2.0

The following table shows the number of share options awarded, exercised and outstanding at the period end.

	Foundation	2017 PSP	2018 PSP	Free Share Awards	2016 SAYE	2017 SAYE	**Total**
At 30 June 2017	13,457	3,476	-	319	1,045	-	**18,297**
Awards granted during the period	-	-	-	-	-	329	**329**
Awards exercised during the period	-	-	-	-	-	-	**-**
Awards forfeited during the period	-	-	-	(15)	(41)	(5)	**(61)**
At 31 December 2017	13,457	3,476	-	304	1,004	324	**18,565**
Awards granted during the period	-	-	3,259	-	-	-	**3,259**
Awards exercised during the period	-	-	-	-	-	-	**-**
Awards forfeited during the period	(321)	(157)	-	(17)	(43)	(26)	**(564)**
At 30 June 2018	**13,136**	**3,319**	**3,259**	**287**	**961**	**298**	**21,260**

The Group has awarded an equity settled Performance Share Plan (the '2018 PSP') to the Executive Directors and Senior Management. The 2018 PSP Awards were granted on 28 March 2018. The awards are subject to an EPS growth performance condition, for which the fair value of the awards was estimated using a Black-Scholes valuation model, and a total shareholder return ('TSR') condition, which has been valued using a Monte-Carlo simulation.

GoCompare.com Group plc
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12. Share based payments (continued)

The inputs into the model were:

	2018-2020 PSP Awards
Number of options granted	3,258,695
Valuation method - TSR	Monte-Carlo
Valuation method - EPS	Black-Scholes
Share price at grant	£1.13
Exercise price	£nil
Volatility % p.a.	32.6%
Dividend yield % p.a.	Nil
Risk-free rate %	1.10%
Expected life	3yrs
Fair value per share – TSR	£0.66
Fair value per share – EPS	£1.13

Details of the other equity-settled, share-based compensation plans are set out in the GoCompare.com Group plc Annual Report 2017.

Scheme limits

The rules of the various Plans described above provide that, in any 10 year rolling period, not more than 10 per cent. of the Company's issued ordinary share capital may be issued under the combined Plans and under any other employee share plan adopted by the Company. In addition, the rules of the Performance Share Plan and the Deferred Bonus Plan provide that, in any 10 year rolling period, not more than 5 per cent. of the Company's issued ordinary share capital may be issued under these two schemes (and any other discretionary employee share plan adopted by the Company).

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.

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13. Dividends

	6 months to 30 June 2018 £m	12 months to 31 December 2017 £m	6 months to 30 June 2017 £m
Dividends paid	**2.9**	2.9	-

In November 2017, an interim dividend for 2017 of £2.9m was paid, equivalent to 0.7 pence per share.
In May 2018, a final dividend for 2017 of £2.9m was paid, equivalent to 0.7 pence per share

The Directors have recommended an interim dividend for 2018 of £3.3m, equivalent to 0.8 pence per share.

Dividends per share are disclosed based on the number of shares in issue at the point they were declared and paid.

14. Contingent liabilities

The Group continues to be 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. The Group has appealed the decision and will continue to seek resolution on the matter in order to agree an approved method. Should the appeal be unsuccessful, HMRC may require us to apply the standard method from which would result in an additional cost being recognised in the Statement of Comprehensive Income. These events give rise to a contingent liability. At 30 June 2018, the impact of this is estimated to be £1.7m (30 June 2017: £nil)

15. Related parties

Intercompany transactions between entities that are members of the Group at year end and have been eliminated on consolidation are not disclosed, as per the exemption available in IAS24.

Key management includes the executive and non-executive directors of GoCompare.com Group plc.

During the period there were no transactions, and at the period end there were no outstanding balances, relating to key management personnel and entities over which they have control, other than the share option arrangements as set out in Note 12. A number of share options have been granted to key management and other senior management, none of which have yet vested.

During the period, the Group had the following related party transactions with related entities:

The Group paid fees of £88,000 (6 months to 30 June 2017: £nil) to a company in which one of the Directors of the Group has a controlling interest. The arrangement was made under normal commercial terms with consideration settled in cash. The amount outstanding at the period end was £nil (30 June 2017: £nil).

16. Post balance sheet event

On 30 July 2018, the Group paid £1.3m in order to acquire an increased shareholding in MortgageGym Limited. In these financial statements this investment is recognised at fair value through other comprehensive income. Following this increase in investment, it will be accounted for as an Associate of the Group.