

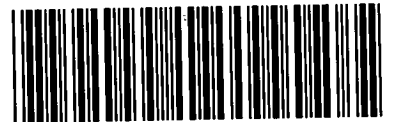
Registered number: 05799376

Gocompare.com Limited

Annual Report and Financial Statements

**For the year ended
31 December 2016**

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COMPANIES HOUSE

Registered number: 05799376

Company information

Directors

M Crummack
L D Griffin
N R Wrighton

Secretary

N Edwards

Registered Office

Imperial House
Imperial Way
Newport
NP10 8UH

Registered number

05799376

Auditors

KPMG LLP
Chartered Accountants & Statutory Auditor
15 Canada Square
London
E14 5GL

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Gocompare.com Limited**Strategic report
For the year ended 31 December 2016****Review of the business**

The Company's principal activity is the provision of an internet based price comparison website for financial and non-financial products. The Company is authorised and regulated by the Financial Conduct Authority (FCA) for insurance mediation activity.

Turnover for the year was £142.1m compared to £118.9m for the previous period, an increase of 20%. Operating profit margin of 21% has increased from 20% in 2015.

At year end, the Company had net assets of £10.4m (2015: £8.3m), net current assets of £9.3m (2015: £7.2m) and a cash balance of £11.3m (2015: £4.3m).

In 2016 we helped more people find more deals on more products, more efficiently than ever before, which is why we've been able to round off our tenth year by posting strong growth in revenues. Through a reinvigorated marketing campaign, we have been able to grow core insurance revenue in a tough, highly competitive landscape. While the lion's share of our insurance revenue comes from car and home insurance switching, only a relatively small proportion of motorists and households in the UK switch their insurance through a price and product comparison website each year, so we believe significant growth opportunities still exist in these areas and we are well placed to take our fair share. We have also made significant inroads into non-insurance product comparison areas and have seen growth from a small base, with both interactions and revenue increasing.

Principal risks and uncertainties

The table below summarises the key risks and uncertainties to the Company along with how management seeks to mitigate them:

Risk area	Potential Impact	Mitigation
Brand marketing	The risk that the Company's marketing campaigns do not appeal and attract customers, with the failure to obtain sufficient volumes at the appropriate cost and so reducing income and operating profit.	Continued investment in and monitoring of the Company's brand and broadcast advertising, along with consideration of competitor activity and campaigns.
Search engine reliance	A significant proportion of revenues are driven by volumes from search engines. Unexpected changes to paid or natural search engine algorithms could increase costs and reduce operating profit.	Investment in both paid and natural search engine activities alongside continued development of other marketing capabilities.
Competitive environment	The Company operates in a competitive market with considerable marketing spends. Market share and/or margins could be eroded if competitor activity changes the current landscape.	Focus on innovation and the continued evolution of product and marketing strategies in order to remain an attractive proposition for customers.
Business continuity and processes	The risk that current systems, including the Company's website, fail to be available and/or provide the required level of performance to support the delivery of revenue in the short term and/or longer term strategic goals.	The Company has disaster recovery capability in the event of an infrastructure failure as well as rigorous testing procedures to ensure that all website development is tested before release.

Gocompare.com Limited**Strategic report
For the year ended 31 December 2016****Key performance indicators**

	2016	2015
Revenue (£m)	142.1	118.9
Operating profit margin	21.3%	19.8%
Website interactions (quotes started, all products) (millions)	32.0	25.5
Marketing margin	38.3%	36.9%

Future outlook

The Company will continue to focus on being a consumer champion and helping people save money. We'll do this through fast, continuous innovation that drives sustainable growth and financial leverage in our core business. This growth can help fund our ambitions through investments into innovation that creates real value for all our stakeholders over the medium term.

By order of the Board

Nick Wrighton
Director
13th March 2017



Gocompare.com Limited

**Directors' report
For the year ended 31 December 2016**

The Directors present their Annual Report and the Financial Statements for the year ended 31 December 2016.

Dividends

Interim dividends of £22.5m, equivalent to £23.93 per share, (2015: £49.4m, equivalent to £52.54 per share) have been paid during the year. No final dividend is proposed as at 31 December 2016 (2015: £nil).

Directors

The Directors who served during the year were:

M Crummack	Appointed 14 June 2016
L D Griffin	
N R Wrighton	Appointed 5 October 2016
J M Morrell	Resigned 31 May 2016

Political Contributions

The Company made no political donations or incurred any political expenditure during the year.

Financial instruments

The Company's activities expose it to a variety of financial risks, principally credit risk and liquidity risk. The Company's financial risk management strategy is focused on maintaining effective working capital management. Financial risk management is the responsibility of the Finance department under policies approved by the Board of Directors. The Board receives timely information regarding exposures and responses to financial risk management.

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 terms of the contract causing financial loss to the Company. The Company's primary exposure to credit risk is on amounts due from its Partners.

The creditworthiness of potential Partners is reviewed as part of a detailed due diligence check prior to acceptance. The integrity and credit worthiness of Partners is reviewed regularly as part of the Partner audit process. All trade receivables past due are analysed on a monthly basis and there is proactive engagement with any partner who has a balance outstanding that is outside the agreed terms. The Company has a small allowance for doubtful accounts and has not had any material bad debts during the current or prior period.

Liquidity risk

Liquidity risk is the risk that the Company, although solvent, may not have sufficient financial resources available to enable it to meet its debt interest and repayment obligations as they fall due.

The Company is cash generative and could be supported by additional funding from its immediate and ultimate parent companies as necessary. Liquidity risk is managed through a regular performance monitoring process which includes cash flow forecasting.

Gocompare.com Limited

**Directors' report
For the year ended 31 December 2016**

Statement of Directors' responsibilities in respect of the Annual report and the financial statements

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Statement of disclosure of information to auditors

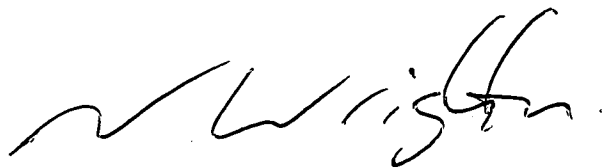
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

Nick Wrighton
Director
13th March 2017



Independent Auditor's Report to the members of Gocompare.com Limited

We have audited the financial statements of Gocompare.com Limited for the year ended 31 December 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year is consistent with the financial statements.

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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.



Timothy Butchart
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London, E14 5GL
13th March 2017

Gocompare.com Limited**Statement of Comprehensive Income
For the year ended 31 December 2016**

	Note	2016 £m	2015 £m
Revenue	4	142.1	118.9
Cost of sales		<u>(41.2)</u>	<u>(31.6)</u>
Gross profit		100.9	87.3
Distribution costs		(46.5)	(43.4)
Administrative expenses		(24.2)	(20.4)
Other operating income		<u>-</u>	<u>0.1</u>
Operating profit	5	30.2	23.6
Finance income		0.1	0.2
Profit before income tax		<u>30.3</u>	<u>23.8</u>
Income tax expense	8	(5.8)	(4.2)
Profit for the year		<u>24.5</u>	<u>19.6</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>24.5</u>	<u>19.6</u>

All amounts relate to continuing operations.
The notes on pages 9 to 22 form part of these financial statements

Gocompare.com Limited

Statement of Financial Position
As at 31 December 2016

	Note	2016 £m	2015 £m
Fixed assets			
Intangible assets	9	0.5	0.8
Property, plant and equipment	10	1.3	1.3
Investments in subsidiaries	11	0.0	0.0
Deferred tax asset	17	0.3	0.1
		<u>2.1</u>	<u>2.2</u>
Current assets			
Trade and other receivables	12	17.0	15.7
Cash and cash equivalents		11.3	4.3
		<u>28.3</u>	<u>20.0</u>
Creditors: amounts falling due within one year	13	<u>(19.0)</u>	<u>(12.8)</u>
Net current assets		<u>9.3</u>	<u>7.2</u>
Total assets less current liabilities		11.4	9.4
Provisions for liabilities and charges	17	<u>(1.0)</u>	<u>(1.1)</u>
Net assets		<u>10.4</u>	<u>8.3</u>
Capital and reserves			
Ordinary shares	18	0.9	0.9
Retained earnings		9.5	7.4
Total shareholders' funds		<u>10.4</u>	<u>8.3</u>

The notes on pages 9 to 22 form part of these financial statements.

The financial statements were approved by the Board on 13th March 2017 and signed on its behalf.

Nick Wrighton
Director
13th March 2017



Gocompare.com Limited

Statement of Changes in Equity
For the year ended 31 December 2016

	Share capital £m	Retained earnings £m	Total equity £m
Year ended 31 December 2015			
At 1 January 2015	0.9	37.2	38.1
Profit for the year	-	19.6	19.6
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	19.6	19.6
Transactions with owners:			
Dividends	-	(49.4)	(49.4)
Total transactions with owners	-	(49.4)	(49.4)
At 31 December 2015	0.9	7.4	8.3
Year ended 31 December 2016			
At 1 January 2016	0.9	7.4	8.3
Profit for the year	-	24.5	24.5
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	24.5	24.5
Transactions with owners:			
Dividends	-	(22.5)	(22.5)
Capital contribution	-	0.1	0.1
Total transactions with owners	-	(22.4)	(22.4)
At 31 December 2016	0.9	9.5	10.4

1. General information

Gocompare.com Limited is a private company limited by shares incorporated in England and Wales. Its registered office is Imperial House, Imperial Way, Newport, NP10 8UH.

The nature of the Company's business is an internet based price comparison website for financial and non-financial products.

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

2. Summary of significant accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). 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.

Under the provisions of Section 400 of the Companies Act, consolidated financial statements have not been prepared. Consolidated financial statements incorporating the results of the Company and its subsidiary undertakings are prepared by the Company's ultimate parent undertaking, Gocompare.com Group plc, for which consolidated financial statements can be obtained from its website, www.gocomparegroup.com.

These financial statements have been prepared in accordance with the FRS 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Act and the Regulations and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

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;
- Comparative period reconciliations for intangible assets and tangible fixed assets;
- Disclosures in respect of capital management;
- Specified disclosure exemptions for related party transactions entered into between two or more members of a group in respect of the disclosures that would otherwise be needed under IAS 24 Related Party Disclosures;
- Disclosure of the compensation of Key Management Personnel;
- The effects of new but not yet effective IFRSs; and
- Certain disclosures required by IFRS13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

As the consolidated financial statements of Gocompare.com Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Gocompare.com Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Summary of significant accounting policies (continued)

Basis of preparation (continued)

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.

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 prepared on a going concern basis. In considering the appropriateness of this assumption, the Board has reviewed the Company's projections for the next twelve 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.

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, and is measured at the fair value of the consideration received or receivable, net of reported cancellations during the 14 day cooling off period.

Cost of sales, distribution and administrative expenses

Cost of sales comprise all costs which are directly attributable to marketing of a specific product. Costs associated with the production of adverts are recognised in the Statement of Comprehensive Income once the advert has been delivered for airing. Distribution costs comprise all other marketing costs incurred which cannot be attributed to a specific product. Administrative expenses comprise all other staff, systems and remaining costs incurred.

Historically the Company presented all of its expenses as Administrative expenses. In the current year, the Company has re-assessed the classification of expenses and these have now been split between Cost of sales, Distribution costs and Administrative expenses in order to better reflect their substance. The 2015 Statement of Comprehensive Income has been presented on a comparable basis. This reclassification has no effect on operating profit, profit for the year or net or gross assets.

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.

Gocompare.com Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Summary of significant accounting policies (continued)

Taxation (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.

Intangible assets

Purchased software and licenses are initially recorded at historical cost and subsequently amortised over their useful life which is typically up to 3 years. Amortisation is calculated on a straight line basis and these assets are carried at cost less accumulated amortisation and any impairment charges. The carrying value is reviewed at every reporting date for evidence of impairment and the value being written down if any impairment exists.

Costs associated with maintaining computer software programmes and incremental development of the existing website are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable, unique software products or transformation of website capabilities are recognised as intangible assets when the criteria required by IAS38 are met. This means that it is technically feasible to complete the product or capability, that there are demonstrable economic benefits to the Group and that the Group has sufficient resources in order to complete the development.

The cost of internally generated software and web site costs comprise directly attributable costs which are related to that product or capability. From the point the intangible asset comes into use, it is then amortised over its expected useful life on a straight line basis, which is typically up to three years. The intangible asset is reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Other development costs which do not meet the capitalisation criteria in IAS38 are recognised as an expense as incurred.

Gocompare.com Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Summary of significant accounting policies (continued)

Tangible assets

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, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated using the straight-line method to write off the cost less residual values of the assets over their economic lives. This has been set between three and ten years.

The assets' 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 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 income statement. Impairment may be reversed if conditions subsequently improve and credited through the income statement.

Investments in group undertakings

Investments in group undertakings are stated at cost.

Cash and cash equivalents

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

Financial assets

Classification

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

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

Gocompare.com Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Summary of significant accounting policies (continued)

Financial assets (continued)

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 Comprehensive Income.

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.

Financial liabilities

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

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

Initial recognition

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

Gocompare.com Limited

**Notes to the financial statements
For the year ended 31 December 2016**

2. Summary of significant accounting policies (continued)

Financial liabilities (continued)

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 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 Statement of Comprehensive Income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 Comprehensive Income unless required or permitted by any accounting standard or interpretation.

Share based payments

Employees of the Company are eligible to participate in a number of equity-settled, share based compensation plans. Under these schemes, the Company receives services from employees as consideration for equity instruments (options) of the Company's ultimate parent, Gocompare.com Group plc (the grantor of the Awards).

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. 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.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in shareholders' funds as a capital contribution from the Company's ultimate parent.

Gocompare.com Limited**Notes to the financial statements
For the year ended 31 December 2016****2. Summary of significant accounting policies (continued)****Provisions**

Provisions are recognised when the Company 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 Company 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 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.

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 Company 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 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.

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 Company's accounting policies

The key assumptions concerning the future, and other key sources of estimation uncertainty at each balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Gocompare.com Limited

Notes to the financial statements
For the year ended 31 December 2016**3. Critical accounting judgements and estimates (continued)****Key sources of estimation uncertainty and critical judgements in applying the Company's accounting policies (continued)***Revenue*

The majority of the Group's revenue is derived from customers completing transactions with product providers 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. An estimate of the deduction to revenue is therefore made for likely cancellations which is based on historical run rates for the various products.

4. Revenue

The whole of the revenue for 2016 and 2015 is attributed to trade activities within the United Kingdom.

5. Operating profit

Operating profit is stated after charging:

	2016	2015
	£m	£m
Amortisation of intangible assets	1.2	0.6
Impairment of intangible assets	-	(0.2)
Depreciation of tangible fixed assets	0.4	0.4
Operating lease charges	0.4	0.3
Auditors' remuneration	<u>0.0</u>	<u>0.0</u>

6. Employee benefit expense

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

	2016	2015
	£m	£m
Wages and salaries	9.7	7.9
Social security costs	0.9	0.8
Share based payment charge	0.1	-
Other pension costs	<u>0.3</u>	<u>0.3</u>
	<u>11.0</u>	<u>9.0</u>

Costs associated with termination payments have been reclassified from social security costs to wages & salaries and therefore the disclosure for 2015 has been re-presented as this is considered to better reflect the underlying nature of these costs.

Gocompare.com Limited**Notes to the financial statements
For the year ended 31 December 2016****6. Employee benefit expense (continued)**

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

	2016	2015
Service provision	95	101
Administration	75	75
Total	170	176

7. Directors' remuneration

	2016	2015
	£m	£m
Emoluments in respect of qualifying services	1.1	0.4
Pension contributions to money purchase schemes	0.1	0.0
Other benefits	0.0	-
Gains on exercise of share options	0.0	0.0
Compensation for loss of office	0.3	-

The highest paid Director received remuneration of £0.4m (2015: £0.3m) and pension contributions of £0.0m (2015: £0.0m). As at year end, none of the directors (2015: 2) are accruing post-employment benefits under a money purchase pension scheme in respect of qualifying services. One of the directors exercised share options in the current and prior year.

8. Taxation**Analysis of the tax charge**

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

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

Gocompare.com Limited

Notes to the financial statements
For the year ended 31 December 2016**8. Taxation (continued)**

Tax expense for the year is lower (2015: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.0% (2015: 20.25%). The differences are explained below:

	2016	2015
	£m	£m
Profit before taxation	<u>30.3</u>	<u>23.8</u>
Taxation calculated at 20.0% (2015: 20.25%)	6.1	4.8
Effects of:		
Group relief	(0.3)	(0.1)
Disallowable items	0.0	(0.6)
Other	<u>0.0</u>	<u>0.1</u>
Income tax expense	<u>5.8</u>	<u>4.2</u>

The Budget on 8 July 2015 announced changes in the main UK corporation tax rate. The rate (currently 20%) will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. The reduction in tax rates was included in the 2015-2016 Finance Act which was substantively enacted on 26 October 2015. The Budget on 16 March 2016 announced further changes in the main UK corporation tax rate. The effective rate of 18% from 1 April 2020 was to be further reduced to 17%. This further reduction in tax rates was included in the 2016 Finance Act which was substantively enacted on 6 September 2016.

9. Intangible assets

	Software and website costs £m
Cost	
At 1 January 2016	1.6
Additions	0.9
Disposals	(0.7)
At 31 December 2016	<u>1.8</u>
Accumulated amortisation	
At 1 January 2016	0.8
Charge for the year	1.2
Disposals	(0.7)
At 31 December 2016	<u>1.3</u>
Net book value	
At 31 December 2016	<u>0.5</u>
At 31 December 2015	<u>0.8</u>

In the prior year the Company recognised £0.2m of impairment losses in relation to assets dedicated to an onerous contract provided for in the year (see note 17). Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

Gocompare.com Limited**Notes to the financial statements
For the year ended 31 December 2016****10. Property, plant and equipment**Fixtures, fittings
and equipment
£m**Cost**

At 1 January 2016	-
Additions	0.4
Disposals	(0.3)
At 31 December 2016	0.1

Accumulated depreciation

At 1 January 2016	-
Charge for the year	0.4
Eliminated on disposal	(0.3)
At 31 December 2016	0.1

Net book value

At 31 December 2016	0.0
At 31 December 2015	1.3

11. Investments in subsidiariesShares in group
undertakings*Cost*

At beginning and end of year	0.0
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Provisions

At beginning and end of year	0.0
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Net Book Value

At 31 December 2016	0.0
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At 31 December 2015	0.0
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Fixed asset investments relate to unlisted equity investments recorded at cost.

The company directly owns shares in the following undertakings:

	Country of Incorporation	Class of shares held	Principal activity	Percentage of shares held
Gio Compario Limited	United Kingdom	Ordinary	Dormant	100%
Go Compare Limited	United Kingdom	Ordinary	Dormant	100%

Gocompare.com Limited**Notes to the financial statements
For the year ended 31 December 2016****12. Trade and other receivables**

	2016	2015
	£m	£m
Trade receivables	12.7	12.6
Less: provision for impairment of trade receivables	<u>(0.1)</u>	<u>(0.1)</u>
Trade receivables - net	12.6	12.5
Prepayments and accrued income	3.7	3.0
Amounts due from other group companies	0.7	-
Other receivables	<u>-</u>	<u>0.2</u>
	<u>17.0</u>	<u>15.7</u>

13. Creditors: Amounts falling due within one year

	2016	2015
	£m	£m
Trade payables	3.3	2.1
Amounts owed to group undertakings	-	0.4
Corporation tax	2.9	1.7
Social security and other taxes	3.1	1.4
Accrued expenses	9.6	7.1
Other creditors	<u>0.1</u>	<u>0.1</u>
	<u>19.0</u>	<u>12.8</u>

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

14. Financial instruments

	2016	2015
	£m	£m
<u>Financial assets:</u>		
Trade and other receivables	14.6	13.6
Cash and cash equivalents	<u>11.3</u>	<u>4.3</u>
	25.9	17.9
<u>Financial liabilities:</u>		
Trade and other payables	<u>16.1</u>	<u>10.6</u>
	16.1	10.6

Gocompare.com Limited**Notes to the financial statements
For the year ended 31 December 2016****15. Operating lease commitments**

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

	2016	2015
	£m	£m
Land and buildings		
Within 1 year or on demand	0.4	0.3
More than 1 year but less than 5 years	1.8	1.8
More than 5 years	0.6	1.0
	2.8	3.1

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

16. Share based payments

Certain employees of the Company have been granted options over shares in Gocompare.com Group plc. As at 31 December 2016, the Group had awarded a number of free shares to all eligible employees which will vest upon a 3 year service condition. In addition, the Group made a number of Foundation Awards to Directors and Senior Management which are dependent on the achievement of certain performance measures over the forthcoming two financial years.

The Company recognises a share-based payment expense based on the fair value of the awards granted and an equivalent credit entry directly in equity as a capital contribution.

On exercise of the shares by the employees, the Company is charged the intrinsic value of the shares by Gocompare.com Group plc. The amount is treated as a reduction of the capital contribution and is recognised directly in equity.

Of the 13,943,172 outstanding options, no options were exercisable. There were no options that were exercised in 2016 as the share schemes only came into existence subsequent to the Group's listing on the London Stock Exchange in November 2016.

17. Provisions for liabilities and deferred tax

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

Gocompare.com Limited**Notes to the financial statements
For the year ended 31 December 2016****17. Provisions for liabilities and deferred tax (continued)**

Included within Other provisions are amounts for:

"Not taken up" provision - an estimate is made for policies which may be cancelled within the 14 day cooling off period;

Life clawback provision - an estimate of amounts of commission which may need to be paid back for life insurance policies that may be cancelled;

Dilapidation provision - an estimate of rectification work associated with the building which is leased by the Group; and

Media provision - contingent payment associated with the Group's advertising costs.

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

Deferred tax assets are attributable to:	Deferred tax £m
Other timing differences	<u>(0.3)</u>
At 31 December 2016	<u>(0.3)</u>

18. Share Capital

	2016	2015
	£m	£m
940,200 (2015: 940,200) Ordinary shares of £1 each	<u>0.9</u>	<u>0.9</u>

19. Guarantees

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

20. Controlling parties

The immediate parent undertaking of the Company at 31 December 2016 is Gocompare.com Finance Limited. Prior to 9 September 2016, the immediate parent undertaking of the Company was Gocompare.com Group plc (formerly Gocompare.com Holdings Limited). The change was the result of a corporate restructuring which involved Gocompare.com Finance Limited being inserted into the group structure.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Gocompare.com Group plc. Copies of the consolidated financial statements for Gocompare.com Group plc can be obtained from its website, www.gocomparegroup.com.

The address of the registered office of Gocompare.com Group plc and Gocompare.com Finance Limited are the same as that for the Company as disclosed on the Company Information page.