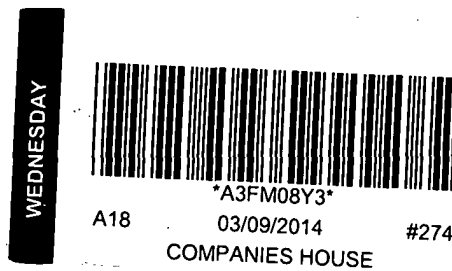


**REGISTERED NUMBER: 05799376 (England and Wales)**

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2013  
for  
Gocompare.com Limited



Gocompare.com Limited (Registered Number 05799376)

Contents of the Financial Statements  
for the Year Ended 31 December 2013

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Independent Auditor's Report to the Members of Gocompare.com Limited	6
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11

Gocompare.com Limited (Registered Number 05799376)

Company Information  
for the Year Ended 31 December 2013

**DIRECTORS:**

H Parsons  
K M Hughes  
S A Salter\*  
L D Griffin  
J L Antoniazzi\*  
R H Morgan\*

\* Non executive

**SECRETARY:**

J A Perry (appointed 20 August 2013)  
K M Hughes (resigned 20 August 2013)

**REGISTERED OFFICE:**

Imperial House  
Imperial Way  
Newport  
Gwent  
NP10 8UH

**REGISTERED NUMBER:**

05799376 (England and Wales)

**AUDITORS:**

KPMG Audit Plc  
Chartered Accountants and Registered  
Auditors  
100 Temple Street  
Bristol  
BS1 6AG

Gocompare.com Limited (Registered Number 05799376)

Strategic Report  
for the Year Ended 31 December 2013

The directors present this strategic report in respect of the financial statements of the company for the year ended 31 December 2013.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of an internet based price comparison website for financial and non-financial products.

**REVIEW OF BUSINESS**

Turnover for the year was £109.9m compared to £105.1m for the previous period, an increase of 4.6%. Gross profit margin of 23.1% has increased from 22.9% in 2012.

2013 has seen a return to both income and profit growth for the business following the significant investments made in 2012 in the company's brand, technology, website and staff. Van insurance, travel insurance and utilities are all notable in their strong performance compared to the prior year.

This investment has continued throughout 2013, with key developments being the mobile optimisation of the car insurance quote journey and the introduction of enhanced information pages for multiple products.

2013 has seen the launch of the company's brand strategy which is dedicated to providing a comprehensive service centred on each customer's needs. Major projects are underway to enhance the company's ability to interact with and enhance the experience of its customers.

The company continues to invest significantly in staff. The average number of permanent staff for 2013 of 166 has increased by 33% on 2012 as the company looks to recruit the necessary expertise to meet its longer term strategic goals.

Outside of this investment, acquisition costs of customers continue to rise in certain channels, most notably paid search, where increased competition (as a result of Google taking a key search position for their own comparison service) has driven up costs. Mitigating this somewhat has been a markedly improved performance in organic search for the second half of the year, with the company now obtaining significantly more customer volume through this channel than previously.

The outlook for 2014 is positive, with the launch of a new advertising campaign looking to evolve the company's brand and promote products outside of the existing core offering.

**PRINCIPAL RISKS**

The three principal gross risks facing the company are uncertainty regarding future regulatory changes, the highly competitive sector in which it operates and reliance on a robust IT infrastructure to support the website.

The company has continued to engage openly with the regulators in order to manage risks associated with continued scrutiny. Both the Competition Commission investigation into the Private Motor Insurance market and the FCA thematic study have been actively managed to minimise the impact on the business, including resource capacity stretch.

As mentioned previously, costs of customer acquisition in some key media channels continue to rise. There is thus a risk of failure to manage these costs, or reduce reliance upon these areas, with the consequence of both falling customer volume and/or profitability.

The company is dependent upon a functional website, supported by a robust IT infrastructure, in order to provide a service to its customers and generate revenue. In order to mitigate the impact of this infrastructure failing the group has disaster recovery capability to ensure that the services are maintained in the event of this occurring. All development is tested before release to the live site to minimise the risk of detrimental changes being introduced.

The company has a formal risk policy and risk management framework to monitor and mitigate the risk universe in which it operates.

Gocompare.com Limited (Registered Number 05799376)

Strategic Report - continued  
for the Year Ended 31 December 2013

**KEY PERFORMANCE INDICATORS**

	31.12.2013	31.12.2012
Turnover	£109.9m	£105.1m
Gross Profit Margin	23.1%	22.9%
Core Product Quotes (Car, Home, Bike, Van & Pet)	25.9m	28.3m
Website home page availability	100%	100%

**ON BEHALF OF THE BOARD:**

  
.....  
H Parsons – Director

Date: 6<sup>th</sup> MAY 2014.....

Gocompare.com Limited (Registered Number 05799376)

Report of the Directors  
for the Year Ended 31 December 2013

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

**DIVIDENDS**

Total interim dividends were paid as follows:

£5,500,000	30 April 2013
£6,500,000	23 August 2013

The directors have proposed a final dividend of £13,500,000 which is subject to approval and as a result is not included as a liability as at 31 December 2013.

The total distribution of dividends for the year ended 31 December 2013 will be £12,000,000 (2012: £12,000,000)

**DIRECTORS**

The directors who held office during the year and up to the date of signing the financial statements are given below.

H Parsons  
K M Hughes  
S A Salter\*  
L D Griffin  
J L Antoniazzi\*  
R H Morgan\*

\* Non executive

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report and the Directors' 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).

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 judgements 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.

Gocompare.com Limited (Registered Number 05799376)

Report of the Directors - continued  
for the Year Ended 31 December 2013

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



H Parsons - Director

Date: 6<sup>th</sup> MAY 2014

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 2013 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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](http://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 2013 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.

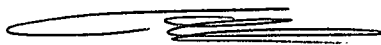
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.



**Jonathan Bell (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
**Chartered Accountants**  
**100 Temple Street**  
**Bristol**  
**BS1 6AG**

Date.....6 Mar 2014.....



Gocompare.com Limited (Registered Number 05799376)

Profit and Loss Account  
for the Year Ended 31 December 2013

	Notes	31.12.13 £'000	31.12.12 £'000
<b>TURNOVER</b>		109,911	105,108
Administrative expenses		<u>(84,705)</u>	<u>(81,179)</u>
		25,206	23,929
Other operating income		<u>177</u>	<u>180</u>
<b>OPERATING PROFIT</b>	3	25,383	24,109
Interest receivable and similar income		<u>304</u>	<u>315</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		25,687	24,424
Tax on profit on ordinary activities	4	<u>(5,930)</u>	<u>(6,025)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>19,757</u>	<u>18,399</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year.


The notes on pages 11 to 17 form part of the financial statements

Gocompare.com Limited (Registered Number 05799376)

Balance Sheet  
31 December 2013

	Notes	31.12.13 £'000	31.12.12 £'000
<b>FIXED ASSETS</b>			
Intangible assets	6	564	194
Tangible assets	7	<u>1,493</u>	<u>396</u>
		2,057	590
<b>CURRENT ASSETS</b>			
Debtors	8	9,947	9,077
Cash at bank		<u>35,038</u>	<u>29,925</u>
		44,985	39,002
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(11,315)</u>	<u>(11,193)</u>
<b>NET CURRENT ASSETS</b>		<u>33,670</u>	<u>27,809</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		35,727	28,399
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>(816)</u>	<u>(1,245)</u>
<b>NET ASSETS</b>		<u>34,911</u>	<u>27,154</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	940	940
Profit and loss account	13	<u>33,971</u>	<u>26,214</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>34,911</u>	<u>27,154</u>

The financial statements were approved by the Board of Directors on 6<sup>TH</sup> MAY 2014 and were signed on its behalf by:

  
.....  
H Parsons – Director

The notes on pages 11 to 17 form part of the financial statements

Gocompare.com Limited (Registered Number 05799376)

Cash Flow Statement  
for the Year Ended 31 December 2013

	Notes	31.12.13 £'000	31.12.12 £'000
<b>Net cash inflow from operating activities</b>	i	25,106	22,498
<b>Returns on investments and servicing of finance</b>	ii	310	315
<b>Taxation</b>		(6,333)	(7,262)
<b>Capital expenditure</b>	ii	(2,166)	(483)
<b>Equity dividends paid</b>		(11,804)	(12,000)
		<hr/>	<hr/>
<b>Increase in cash in the period</b>		5,113	3,068
<b>Cash and cash equivalents at 1 January</b>		<u>29,925</u>	<u>26,857</u>
<b>Cash and cash equivalents at 31 December</b>		<u>35,038</u>	<u>29,925</u>

The notes on page 10 form part of the cash flow statement

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2013

i. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.12.13	31.12.12
	£'000	£'000
Operating profit	25,383	24,109
Depreciation & amortisation charges	610	408
Loss on disposal of fixed assets	98	3
Other income	(202)	-
Decrease in debtors	(870)	(1,633)
Increase / (Decrease) in creditors & provisions	<u>87</u>	<u>(389)</u>
<b>Net cash inflow from operating activities</b>	<b><u>25,106</u></b>	<b><u>22,498</u></b>

ii. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.13	31.12.12
	£'000	£'000
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>310</u>	<u>315</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>310</u></b>	<b><u>315</u></b>
<b>Capital expenditure</b>		
Purchase of tangible and intangible fixed assets	<u>(2,166)</u>	<u>(483)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(2,166)</u></b>	<b><u>(483)</u></b>

Notes to the Financial Statements  
for the Year Ended 31 December 2013

1. **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

**Turnover**

Turnover represents amounts receivable for insurance and other product introductions. Revenue received from the insurers and other product providers is credited to the profit and loss account when the relevant policy is sold.

**Intangible fixed assets**

Licences are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 25% or 33% on cost
Building Improvements	- 10% on cost

**Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**Lease commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company makes contributions to individual staff stakeholder pension schemes. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Grants**

Government grants staged payments are recognised in the period when claims have been assessed by the issuing body and confirmation has been received that the criteria have been met for payment.

**Research and development**

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred. Research and development tax credits are recognised in the period that the claim is accepted.

2. **STAFF COSTS**

	31.12.13	31.12.12
	£'000	£'000
Wages and salaries	6,795	5,042
Social security costs	740	567
Other pension costs	<u>178</u>	<u>95</u>
	<u>7,713</u>	<u>5,704</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

2. **STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

31.12.13	31.12.12
<u>166</u>	<u>125</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.13 £'000	31.12.12 £'000
Other operating leases	453	129
Depreciation and amortisation - owned assets	610	408
Auditors' remuneration		
Audit of financial statements – Gocompare.com Ltd	24	23
Other services	<u>15</u>	<u>-</u>

Government grants of £142,000 were received during the year (2012: £0).

	31.12.13 £	31.12.12 £
Directors' remuneration	486,250	383,833
Directors' pension contributions to money purchase schemes	<u>10,669</u>	<u>7,500</u>

Information regarding the highest paid director is as follows:

	31.12.13 £	31.12.12 £
Emoluments etc	165,000	165,000
Pension contributions to money purchase schemes	<u>10,669</u>	<u>7,500</u>

4. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.13 £'000	31.12.12 £'000
Current tax:		
UK corporation tax	5,831	6,048
Deferred tax	<u>99</u>	<u>(23)</u>
Tax on profit on ordinary activities	<u>5,930</u>	<u>6,025</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

4. TAXATION - continued

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.13	31.12.12
	£'000	£'000
Profit on ordinary activities before tax	<u>25,687</u>	<u>24,424</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	5,972	5,983
Effects of:		
Capital allowances in excess of depreciation	(122)	25
Disallowable items	34	84
Group relief	<u>(53)</u>	<u>(44)</u>
Current tax charge	<u>5,831</u>	<u>6,048</u>

With effect from April 1st 2014 the standard rate of corporation tax will be reduced to 21% from 23%. The applicable corporation tax rate for the year will be 21.25%.

5. DIVIDENDS

	31.12.13	31.12.12
	£'000	£'000
Ordinary shares of £1 each		
Interim - Paid	12,000	12,000
Final - Proposed for approval (not recognised as a liability at 31 Dec)	<u>13,500</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

6. INTANGIBLE FIXED ASSETS

	Software licenses £'000
<b>COST</b>	
At 1 January 2013	447
Additions	704
Write-offs	<u>(279)</u>
At 31 December 2013	<u>872</u>
<b>AMORTISATION</b>	
At 1 January 2013	253
Charge for year	312
Eliminated on write off	<u>(257)</u>
At 31 December 2013	<u>308</u>
<b>NET BOOK VALUE</b>	
At 31 December 2013	<u>564</u>
At 31 December 2012	<u>194</u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings (including Building Improvements) £'000	Computer equipment £'000	Totals £'000
<b>COST</b>			
At 1 January 2013	233	457	690
Additions	1,159	312	1,471
Disposals	<u>(84)</u>	<u>(172)</u>	<u>(256)</u>
At 31 December 2013	<u>1,308</u>	<u>597</u>	<u>1,905</u>
<b>DEPRECIATION</b>			
At 1 January 2013	80	214	294
Charge for year	128	170	298
Eliminated on disposal	<u>(9)</u>	<u>(171)</u>	<u>(180)</u>
At 31 December 2013	<u>199</u>	<u>213</u>	<u>412</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>1,109</u>	<u>384</u>	<u>1,493</u>
At 31 December 2012	<u>153</u>	<u>243</u>	<u>396</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.13	31.12.12
	£'000	£'000
Trade debtors	7,498	7,583
Prepayments and accrued income	2,409	1,489
Other debtors	40	5
	<u>9,947</u>	<u>9,077</u>

9. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.13	31.12.12
	£'000	£'000
Trade creditors	803	1,894
Amounts owed to group undertakings	965	1,001
Tax	2,885	3,378
Social security and other taxes	1,706	1,698
Accrued expenses	3,122	1,387
Other creditors	1,834	1,835
	<u>11,315</u>	<u>11,193</u>

10. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	31.12.13	31.12.12
	£'000	£'000
Expiring:		
Between one and five years	-	119
Over five years	<u>205</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2013

11. PROVISIONS FOR LIABILITIES

	Deferred Tax £'000	Other Provisions £'000
As at 1 January 2013	(26)	1,271
Released / utilised in the year	-	(1,039)
(Credited) / charged to profit and loss in the year	<u>99</u>	<u>511</u>
As at 31 December 2013	<u>73</u>	<u>743</u>

Other provisions relate to present cost obligations and revenue recoverability provisions. Controls around revenue have improved in the year to the extent that a significant proportion of the provision held at 31 December 2012 has now been released.

	Deferred tax £'000
Accelerated capital allowances	<u>73</u>
Balance at 31 December 2013	<u>73</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	31.12.13	31.12.12
Number:	Class:	value:	£'000	£'000
940,200	Ordinary shares	£1	<u>940</u>	<u>940</u>

13. RESERVES

	Profit and loss account £'000
At 1 January 2013	26,214
Profit for the year	19,757
Dividends	<u>(12,000)</u>
At 31 December 2013	<u>33,971</u>

14. ULTIMATE PARENT COMPANY

The immediate parent company is Gocompare.com Holdings Limited who own 100% of the issued share capital.

15. **RELATED PARTY DISCLOSURES**

Sales of £6,446K (2012: £6,154K) were made to a major shareholder of the group during the year, of which £231K (2012: £240K) remained due at 31 December 2013.

Commissions of £44K (2012: £64K) were paid to a major shareholder of the group during the year, of which £3K (2012: £3K) remained payable at 31 December 2013.

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

16. **ULTIMATE CONTROLLING PARTY**

Gocompare.com Holdings is controlled by Hayley Parsons who holds 50% of the issued share capital and esure Services Limited which holds 50% of the issued share capital.

17. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.12.13	31.12.12
	£'000	£'000
Profit for the financial year	19,757	18,399
Dividends	<u>(12,000)</u>	<u>(12,000)</u>
<b>Net addition to shareholders' funds</b>	7,757	6,399
Opening shareholders' funds	<u>27,154</u>	<u>20,755</u>
<b>Closing shareholders' funds</b>	<u>34,911</u>	<u>27,154</u>