

REGISTERED NUMBER: 05799376 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 December 2014
for
Gocompare.com Limited

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Gocompare.com Limited (Registered Number 05799376)

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for the Year Ended 31 December 2014

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Gocompare.com Limited (Registered Number 05799376)

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

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

* Non executive

SECRETARY:

J A Perry

REGISTERED OFFICE:

Imperial House
Imperial Way
Newport
Gwent
NP10 8UH

REGISTERED NUMBER:

05799376 (England and Wales)

AUDITORS:

KPMG LLP
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 2014

The directors present this strategic report in respect of the financial statements of the company for the year ended 31 December 2014.

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 £113.1m compared to £109.9m for the previous period, an increase of 3%. Operating profit margin of 22.5% has decreased from 23.1% in 2013.

2014 has seen solid turnover growth, as the company looks to diversify income streams, whilst profit levels have been maintained at similar levels to 2013. Non-core income (i.e. travel, life, landlord's and business insurance) increased by 44% from that recorded in 2013, as a result of the company's continued strategy to promote the wide range of products on offer to customers. Travel insurance in particular was notable for its strong performance versus 2013, with income 89% greater than the prior year following mobile optimisation of the web journey and the introduction of independent 'star' ratings for the product, as well as dedicated marketing support during the year.

Investment also continued in the core product set during 2014, with most notably a redesign of the home insurance quote process which launched in Q3. This has yielded positive results, via a conversion uplift, and further investment is planned during 2015.

Q1 2014 saw the launch of new creative by the company, the "Llandofsavingmoney", supported by significant media spend during the quarter. Throughout 2014 the creative introduced a new range of characters to the public, in the form of product experts, which has supported the company's diversification strategy. This creative will be continued and developed further throughout 2015.

As has been the case in recent years, acquisition costs of customers continue to rise in certain channels. The most notably affected channel is again paid search, as a result of both increased competition from traditional sources and Google expanding the presence of its own comparison service in search listings. Brand-related paid search costs increased by 25% (at a per click level) on those seen in 2013, demonstrating the cost pressures that continue to exist in this channel.

Outside of media spend, there was also a 15% uplift in other costs during 2014, largely attributable to both major investment in IT systems to enhance the company's ability to interact with customers and a growth in headcount during the year (2014 average: 199, 2013 average: 166) to support longer term strategic goals.

As at 31st December 2014, esure Group plc had committed to acquire the remaining 50 per cent of the share capital of Gocompare.com Holdings Limited (that it does not currently own) for a cash consideration of £95m. The consideration is subject to an adjustment mechanism, such that the cash paid will increase or decrease should the reported consolidated net assets of Gocompare at the acquisition date be more or less than their forecast level, as set under the terms of the Share Purchase Agreement. The acquisition was subject to Competition and Markets Authority (CMA) approval. Subsequent to 31 December 2014, approval was granted for the acquisition and the acquisition will complete on 31 March 2015. Disclosure regarding the acquisition will be included in the 2015 financial statements. The esure Group and Gocompare will continue to operate on a strictly independent basis, regarding partnerships and comparison services.

Based on the diversification seen in 2014 the outlook for 2015 is positive and the company remains well placed for future growth.

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.

Strategic Report - continued
for the Year Ended 31 December 2014

PRINCIPAL RISKS (CONTINUED)

The Financial Conduct Authority's (FCA) thematic review in to insurance price comparison sites (PCWs) was published in July 2014 with both PCWs and providers due to consider these findings and take appropriate action, with a follow-up submitted at the end of January 2015. The company continues to cooperate with the FCA's review into the PCW industry and fully supports measures to promote best practice. This commitment is reflected by actions such as introducing independent product ratings on a number of insurance comparison services.

In addition to this, the CMA published its final report in to the UK private motor insurance market in September 2014. This included reference to PCWs, and introduced measures to remove wide price parity (or 'most favoured nation') agreements between PCWs and insurers. Gocompare.com, as part of the insurance industry as a whole, is working to implement these changes following the CMA review.

In addition to general insurance, there has also been close scrutiny of other products that the company offers comparison services for, most notably energy switching. Any changes in product and/or price comparison regulation could have a significant impact on the performance of the company, both directly and via increased compliance costs. The company has continued to engage openly with the regulators in order to manage risks associated with continued scrutiny.

In recent years the company has seen increased competition, both from the other main PCWs but also via new entrants (Google Compare) and vertical integration (Google Compare's presence in paid search listings and Moneysupermarket.com's acquisition of Moneysavingexpert.com). One result of this is that costs of customer acquisition in some key media channels (particularly paid search) continue to rise, with this trend expected to continue. 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. In seeking to rely less on these expensive channels, there is a risk that customer volumes from alternate channels do not sufficiently compensate those lost and overall sales volumes decline. The company continues to invest in a breadth of marketing channels in order to mitigate this risk.

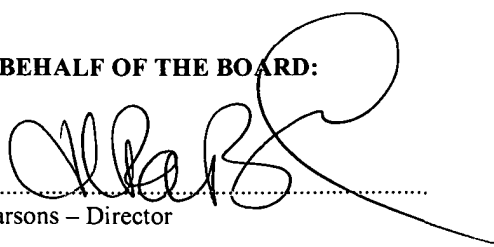
The company is dependent upon a functional website, supported by a robust IT infrastructure, in order to provide a service to its customers and generate revenue. In order to mitigate the impact of this infrastructure failing the group has disaster recovery capability to ensure that the services are maintained in the event of this occurring. 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.

KEY PERFORMANCE INDICATORS

	31.12.2014	31.12.2013
Turnover	£113.1m	£109.9m
Operating Profit Margin	22.5%	23.1%
Website interactions (quotes started, all products)	24.1m	23.0m
Website home page availability	100%	100%

ON BEHALF OF THE BOARD:



H Parsons – Director

Date: 18/03/2015

Gocompare.com Limited (Registered Number 05799376)

Report of the Directors
for the Year Ended 31 December 2014

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS

Total interim dividends were paid as follows:

£13,500,000	25 April 2014
£4,000,000	25 September 2014

The total distribution of dividends for the year ended 31 December 2014 will be £17,500,000 (2013: £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 2014

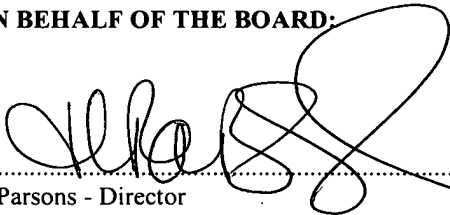
CHANGE OF AUDITOR

KPMG has instigated an orderly wind down of business and KPMG Audit Plc resigned as auditor on 6 August 2014 pursuant to section 516 of the Companies Act 2006. On 17 September 2014 the Directors appointed the parent entity KPMG LLP as auditor of the group. KPMG LLP has indicated its willingness to continue in office.

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: 18/03/2015.....

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 2014 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.

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 2014 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.

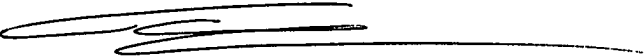
Opinion on other matters prescribed by the Companies Act 2006

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 LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

Date..... 18 March 2015

Gocompare.com Limited (Registered Number 05799376)

Profit and Loss Account
for the Year Ended 31 December 2014

	Notes	31.12.14 £'000	31.12.13 £'000
TURNOVER		113,098	109,911
Administrative expenses		<u>(87,723)</u>	<u>(84,705)</u>
		25,375	25,206
Other operating income		<u>64</u>	<u>177</u>
OPERATING PROFIT	3	25,439	25,383
Interest receivable and similar income		<u>170</u>	<u>304</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,609	25,687
Tax on profit on ordinary activities	4	<u>(5,473)</u>	<u>(5,930)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>20,136</u>	<u>19,757</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.

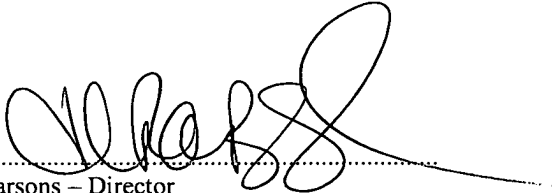
The notes on pages 11 to 17 form part of the financial statements

Gocompare.com Limited (Registered Number 05799376)

Balance Sheet
31 December 2014

	Notes	31.12.14 £'000	31.12.13 £'000
FIXED ASSETS			
Intangible assets	6	158	564
Tangible assets	7	<u>1,465</u>	<u>1,493</u>
		1,623	2,057
CURRENT ASSETS			
Debtors	8	11,767	9,947
Cash at bank		<u>36,202</u>	<u>35,038</u>
		47,969	44,985
CREDITORS			
Amounts falling due within one year	9	<u>(11,284)</u>	<u>(11,315)</u>
NET CURRENT ASSETS		<u>36,685</u>	<u>33,670</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		38,308	35,727
PROVISIONS FOR LIABILITIES	11	<u>(761)</u>	<u>(816)</u>
NET ASSETS		<u>37,547</u>	<u>34,911</u>
CAPITAL AND RESERVES			
Called up share capital	12	940	940
Profit and loss account	13	<u>36,607</u>	<u>33,971</u>
SHAREHOLDERS' FUNDS	17	<u>37,547</u>	<u>34,911</u>

The financial statements were approved by the Board of Directors on 18/03/2015 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 2014

	Notes	31.12.14 £'000	31.12.13 £'000
Net cash inflow from operating activities	i	24,307	25,106
Returns on investments and servicing of finance	ii	178	310
Taxation		(5,437)	(6,333)
Capital expenditure	ii	(670)	(2,166)
Equity dividends paid		(17,214)	(11,804)
		<hr/>	<hr/>
Increase in cash in the period		1,164	5,113
Cash and cash equivalents at 1 January		<u>35,038</u>	<u>29,925</u>
Cash and cash equivalents at 31 December		<u>36,202</u>	<u>35,038</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 2014

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

	31.12.14	31.12.13
	£'000	£'000
Operating profit	25,439	25,383
Depreciation & amortisation charges	1,060	610
Loss on disposal of fixed assets	44	98
Other income	(296)	(202)
Increase in debtors	(1,820)	(870)
(Decrease) / Increase in creditors & provisions	<u>(120)</u>	<u>87</u>
Net cash inflow from operating activities	<u>24,307</u>	<u>25,106</u>

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

	31.12.14	31.12.13
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	<u>178</u>	<u>310</u>
Net cash inflow for returns on investments and servicing of finance	<u>178</u>	<u>310</u>
Capital expenditure		
Purchase of tangible and intangible fixed assets	<u>(670)</u>	<u>(2,166)</u>
Net cash outflow for capital expenditure	<u>(670)</u>	<u>(2,166)</u>

Notes to the Financial Statements
for the Year Ended 31 December 2014

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. A new financial reporting framework in the UK is effective from 1 January 2015. The company will adopt EU-IFRS under FRS 101, with the main impact anticipated to be as a result of the mandatory capitalisation of development costs meeting the criteria of IAS 38 and SIC 32.

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**

	31.12.14	31.12.13
	£'000	£'000
Wages and salaries	8,317	6,795
Social security costs	839	740
Other pension costs	<u>252</u>	<u>178</u>
	<u>9,408</u>	<u>7,713</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

2. STAFF COSTS - continued

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

31.12.14	31.12.13
<u>199</u>	<u>166</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.14	31.12.13
	£'000	£'000
Operating leases	391	453
Depreciation and amortisation - owned assets	1,060	610
Research & Development costs	1,134	773
Auditors' remuneration		
Audit of financial statements – Gocompare.com Limited	35	24
Other services	<u>5</u>	<u>15</u>

Government grants of £nil were received during the year (2013: £142,000).

The 2013 auditors' remuneration for audit of financial statements and other services relate solely to amounts paid to KPMG Audit Plc. The 2014 amounts relate solely to amounts paid to KPMG LLP.

	31.12.14	31.12.13
	£	£
Directors' remuneration (2014: 5, 2013: 5)	508,000	486,250
Directors' pension contributions to money purchase schemes	<u>11,897</u>	<u>10,669</u>

Information regarding the highest paid director is as follows:

	31.12.14	31.12.13
	£	£
Emoluments etc	165,000	165,000
Pension contributions to money purchase schemes	<u>10,669</u>	<u>10,669</u>

4. TAXATION

Analysis of the tax charge

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

	31.12.14	31.12.13
	£'000	£'000
Current tax:		
UK corporation tax	5,581	5,831
Deferred tax	<u>(108)</u>	<u>99</u>
Tax on profit on ordinary activities	<u>5,473</u>	<u>5,930</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

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:

	31.12.14	31.12.13
	£'000	£'000
Profit on ordinary activities before tax	<u>25,609</u>	<u>25,687</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49% (2013 – 23.25%)	5,504	5,972
Effects of:		
Capital allowances in excess of depreciation	(11)	(122)
Adjustments to tax charge in respect of previous periods	126	-
Disallowable items	22	34
Group relief	<u>(60)</u>	<u>(53)</u>
Current tax charge	<u>5,581</u>	<u>5,831</u>

With effect from April 1st 2015 the standard rate of corporation tax will be reduced to 20% from 21%. The applicable corporation tax rate for the year will be 20.25%.

5. DIVIDENDS

	31.12.14	31.12.13
	£'000	£'000
Ordinary shares of £1 each		
Interim - Paid	17,500	12,000
Final - Proposed for approval (not recognised as a liability at 31 Dec)	<u>-</u>	<u>13,500</u>

A special dividend of £19,673,000 will be proposed immediately prior to the sale of the parent company (Gocompare.com Holdings Limited). Further information is contained within note 16 to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

6. INTANGIBLE FIXED ASSETS

	Software licenses £'000
COST	
At 1 January 2014	872
Additions	303
Write-offs	<u>(794)</u>
At 31 December 2014	<u>381</u>
AMORTISATION	
At 1 January 2014	308
Charge for year	681
Eliminated on write off	<u>(766)</u>
At 31 December 2014	<u>223</u>
NET BOOK VALUE	
At 31 December 2014	<u>158</u>
At 31 December 2013	<u>564</u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings (including Building Improvements) £'000	Computer equipment £'000	Totals £'000
COST			
At 1 January 2014	1,308	597	1,905
Additions	53	314	367
Disposals	<u>(92)</u>	<u>(120)</u>	<u>(212)</u>
At 31 December 2014	<u>1,269</u>	<u>791</u>	<u>2,060</u>
DEPRECIATION			
At 1 January 2014	199	213	412
Charge for year	163	216	379
Eliminated on disposal	<u>(91)</u>	<u>(105)</u>	<u>(196)</u>
At 31 December 2014	<u>271</u>	<u>324</u>	<u>595</u>
NET BOOK VALUE			
At 31 December 2014	<u>998</u>	<u>467</u>	<u>1,465</u>
At 31 December 2013	<u>1,109</u>	<u>384</u>	<u>1,493</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£'000	£'000
Trade debtors	7,972	7,498
Prepayments and accrued income	3,755	2,409
Other debtors	40	40
	<u>11,767</u>	<u>9,947</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£'000	£'000
Trade creditors	2,849	803
Amounts owed to group undertakings	863	965
Tax	3,028	2,885
Social security and other taxes	1,318	1,706
Accrued Expenses	1,484	3,122
Other Creditors	1,741	1,834
	<u>11,284</u>	<u>11,315</u>

10. OPERATING LEASE COMMITMENTS

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

		Land and buildings
	31.12.14	31.12.13
	£'000	£'000
Expiring:		
Over five years	<u>223</u>	<u>205</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

11. PROVISIONS FOR LIABILITIES

	Deferred Tax £'000	Other Provisions £'000	Totals £'000
At 1 January 2014	73	743	816
Released / utilised in the year (Credited) / charged to profit & loss in the year	- <u>(108)</u>	(493) <u>546</u>	(493) <u>438</u>
At 31 December 2014	<u>(35)</u>	<u>796</u>	<u>761</u>

Other provisions relate to present cost obligations.

	Deferred tax £'000
Accelerated capital allowances	<u>(35)</u>
Balance at 31 December 2014	<u>(35)</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.12.14 £'000	31.12.13 £'000
Number:	Class:	£1		
940,200	Ordinary shares		<u>940</u>	<u>940</u>

13. RESERVES

	Profit and loss account £'000
At 1 January 2014	33,971
Profit for the year	20,136
Dividends	<u>(17,500)</u>
At 31 December 2014	<u>36,607</u>

14. ULTIMATE PARENT COMPANY

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

15. **RELATED PARTY DISCLOSURES**

Sales of £4,843K (2013: £6,446K) were made to a major shareholder of the group during the year, of which £309K (2013: £231K) remained due at 31 December 2014.

Commissions of £36K (2013: £44K) were paid to a major shareholder of the group during the year, of which £2K (2013: £3K) remained payable at 31 December 2014.

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.

As at 31st December 2014, esure Group plc had committed to acquire the remaining 50 per cent of the share capital of Gocompare.com Holdings Limited (that it does not currently own) for a cash consideration of £95m. The consideration is subject to an adjustment mechanism, such that the cash paid will increase or decrease should the reported consolidated net assets of Gocompare at the acquisition date be more or less than their forecast level, as set under the terms of the Share Purchase Agreement. The acquisition was subject to CMA approval. Subsequent to 31 December 2014, approval was granted for the acquisition and the acquisition will complete on 31 March 2015. Disclosure regarding the acquisition will be included in the 2015 financial statements. The esure Group and Gocompare will continue to operate on a strictly independent basis, regarding partnerships and comparison services. A special dividend of £19,673,000 will be proposed for approval immediately prior to the sale of Gocompare.com Holdings Limited.

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

	31.12.14	31.12.13
	£'000	£'000
Profit for the financial year	20,136	19,757
Dividends	<u>(17,500)</u>	<u>(12,000)</u>
Net addition to shareholders' funds	2,636	7,757
Opening shareholders' funds	<u>34,911</u>	<u>27,154</u>
Closing shareholders' funds	<u>37,547</u>	<u>34,911</u>