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Report of the Directors and

Financial Statements for the Year Ended 31 December 2008

for

GoCompare.com Limited

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GoCompare.com Limited

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for the Year Ended 31 December 2008

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GoCompare.com Limited

Company Information
for the Year Ended 31 December 2008

DIRECTORS:	H Parsons S A Salter K M Hughes
SECRETARY:	K M Hughes
REGISTERED OFFICE:	Unit 1 Imperial Courtyard Newport Gwent NP10 8UL
REGISTERED NUMBER:	05799376 (England and Wales)
AUDITORS:	McLay, McAlister & McGibbon LLP Chartered Accountants & Registered Auditors 145 St Vincent Street Glasgow G2 5JF

GoCompare.com Limited

Report of the Directors
for the Year Ended 31 December 2008

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the provision of web based insurance, marketing and intermediary services.

REVIEW OF BUSINESS
Turnover for the year was £49,052,618 compared to £9,998,394 for the previous period. The company is establishing itself within the comparison website industry although the directors recognise that the market is becoming increasingly competitive and are taking appropriate steps to take the company forward.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

H Parsons
S A Salter
K M Hughes

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 234ZA of the Companies Act 1985) 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.

AUDITORS
The auditors, McLay, McAlister & McGibbon LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
H Parsons - Director

Date: 10/2/09

Report of the Independent Auditors to the Shareholders of
GoCompare.com Limited

We have audited the financial statements of GoCompare.com Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the Independent Auditors to the Shareholders of
GoCompare.com Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

McLay, McAlister & McGibbon

McLay, McAlister & McGibbon LLP
Chartered Accountants & Registered Auditors
145 St Vincent Street
Glasgow
G2 5JF

Date: 11/2/09

GoCompare.com Limited

Profit and Loss Account
for the Year Ended 31 December 2008

	Notes	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
TURNOVER		49,052,618	9,998,394
Administrative expenses		(52,208,771)	(18,130,506)
OPERATING LOSS	3	(3,156,153)	(8,132,112)
Interest receivable and similar income		-	87,022
		(3,156,153)	(8,045,090)
Interest payable and similar charges	4	(980,262)	(573,199)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,136,415)	(8,618,289)
Tax on loss on ordinary activities	5	-	(280,000)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(4,136,415)	(8,898,289)

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

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current year or previous period.

The notes form part of these financial statements

GoCompare.com Limited

Balance Sheet
31 December 2008

	Notes	31.12.08 £	31.12.07 £
FIXED ASSETS			
Tangible assets	6	128,520	76,063
CURRENT ASSETS			
Debtors	7	6,609,565	5,117,488
Cash at bank		4,543,591	994,666
		11,153,156	6,112,154
CREDITORS			
Amounts falling due within one year	8	(2,131,824)	(810,998)
NET CURRENT ASSETS		9,021,332	5,301,156
TOTAL ASSETS LESS CURRENT LIABILITIES		9,149,852	5,377,219
CREDITORS			
Amounts falling due after more than one year	9	(17,561,997)	(13,831,969)
PROVISIONS FOR LIABILITIES	13	(4,814,020)	(635,000)
NET LIABILITIES		(13,226,165)	(9,089,750)
CAPITAL AND RESERVES			
Called up share capital	14	940,200	940,200
Profit and loss account	15	(14,166,365)	(10,029,950)
SHAREHOLDERS' FUNDS	18	(13,226,165)	(9,089,750)

The financial statements were approved by the Board of Directors on 10\2\09 and were signed on its behalf by:

K M Hughes - Director

H Parsons - Director

The notes form part of these financial statements

GoCompare.com Limited

Cash Flow Statement
for the Year Ended 31 December 2008

	Notes	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Net cash inflow/(outflow) from operating activities	1	899,473	(10,912,844)
Returns on investments and servicing of finance	2	(980,262)	(486,177)
Capital expenditure	2	(100,314)	(20,990)
		(181,103)	(11,420,011)
Financing	2	3,730,028	12,323,192
Increase in cash in the period		3,548,925	903,181
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		3,548,925	903,181
Cash inflow from increase in debt		(3,730,028)	(12,323,192)
Change in net debt resulting from cash flows		(181,103)	(11,420,011)
Movement in net debt in the period		(181,103)	(11,420,011)
Net debt at 1 January		(12,837,303)	(1,417,292)
Net debt at 31 December		(13,018,406)	(12,837,303)

The notes form part of these financial statements

GoCompare.com Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 2008

1. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Operating loss	(3,156,153)	(8,132,112)
Depreciation charges	46,469	22,823
Loss on disposal of fixed assets	1,388	1,192
Increase in debtors	(1,492,077)	(4,066,687)
Increase in creditors	5,499,846	1,261,940
Net cash inflow/(outflow) from operating activities	899,473	(10,912,844)

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

	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Returns on investments and servicing of finance		
Interest received	-	87,022
Interest paid	(980,262)	(573,199)
Net cash outflow for returns on investments and servicing of finance	(980,262)	(486,177)
Capital expenditure		
Purchase of tangible fixed assets	(114,313)	(20,990)
Sale of tangible fixed assets	13,999	-
Net cash outflow for capital expenditure	(100,314)	(20,990)
Financing		
New loans in year	3,730,028	12,323,192
Net cash inflow from financing	3,730,028	12,323,192

The notes form part of these financial statements

GoCompare.com Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.08 £	Cash flow £	At 31.12.08 £
Net cash:			
Cash at bank	994,666	3,548,925	4,543,591
	994,666	3,548,925	4,543,591
Debt:			
Debts falling due after one year	(13,831,969)	(3,730,028)	(17,561,997)
	(13,831,969)	(3,730,028)	(17,561,997)
Total	(12,837,303)	(181,103)	(13,018,406)

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The accounts have been prepared on a going concern basis as the directors believe that they have adequate funding available for the foreseeable future.

Accounting convention
The financial statements have been prepared under the historical cost convention.

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

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
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost and 25% on cost

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

Hire purchase and leasing 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 operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	Year Ended 31.12.08	Period 1.4.07 to 31.12.07
	£	£
Wages and salaries	1,343,904	824,438
Social security costs	119,596	64,827
Other pension costs	30,997	10,050
	1,494,497	899,315

continued...

2. STAFF COSTS - continued

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

	Year Ended 31.12.08	Period 1.4.07 to 31.12.07
	29	19

3. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Other operating leases	42,860	20,949
Depreciation - owned assets	46,469	22,823
Loss on disposal of fixed assets	1,388	1,192
Auditors' remuneration	3,600	3,700
Auditors non-audit work	16,700	16,007
Directors' emoluments	224,530	153,510
Directors' pension contributions to money purchase schemes	7,500	2,500

Information regarding the highest paid director for the year ended 31 December 2008 is as follows:

	Year Ended 31.12.08 £
Emoluments etc	140,780
Pension contributions to money purchase schemes	7,500

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Bank interest	234	-
Loan	980,028	573,199
	980,262	573,199

continued...

5. TAXATION

Analysis of the tax charge
The tax charge on the loss on ordinary activities for the year was as follows:

	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Deferred tax	-	280,000
Tax on loss on ordinary activities	-	280,000

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.08 £	Period 1.4.07 to 31.12.07 £
Loss on ordinary activities before tax	(4,136,415)	(8,618,289)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2007 - 20%)	(868,647)	(1,723,658)
Effects of:		
Depreciation	9,758	4,565
Capital allowances	(17,397)	(3,727)
Disallowable items	12,041	1,361
Losses carried forward	864,245	1,721,459
Current tax charge	-	-

Factors that may affect future tax charges
Deferred tax asset in respect of losses carried forward has not been recognised in the financial statements. Had it been recognised, the deferred tax asset would have amounted to £2,900,000.

continued...

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2008	13,245	35,085	69,525	117,855
Additions	16,442	-	97,871	114,313
Disposals	-	(35,085)	(3,133)	(38,218)
At 31 December 2008	29,687	-	164,263	193,950
DEPRECIATION				
At 1 January 2008	3,208	13,879	24,705	41,792
Charge for year	5,794	6,570	34,105	46,469
Eliminated on disposal	-	(20,449)	(2,382)	(22,831)
At 31 December 2008	9,002	-	56,428	65,430
NET BOOK VALUE				
At 31 December 2008	20,685	-	107,835	128,520
At 31 December 2007	10,037	21,206	44,820	76,063

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08 £	31.12.07 £
Trade debtors	5,484,652	1,954,703
Other debtors	23,450	16,200
Prepayments and accrued income	1,101,463	3,146,585
	6,609,565	5,117,488

Included in other debtors is a rent deposit of £22,250 which is due in more than one year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08 £	31.12.07 £
Trade creditors	1,123,376	223,350
Social security and other taxes	43,231	27,802
Other creditors	3,190	3,445
Accrued expenses	962,027	556,401
	2,131,824	810,998

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.08 £	31.12.07 £
Other loans (see note 10)	17,561,997	13,831,969

continued...

10. LOANS

An analysis of the maturity of loans is given below:

	31.12.08	31.12.07
	£	£
Amounts falling due between two and five years:		
Other loans - 2-5 years	17,561,997	13,831,969

11. OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	31.12.08	31.12.07
	£	£
Expiring:		
Between one and five years	60,512	30,256

12. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.08	31.12.07
	£	£
Other loans	17,561,997	13,831,969

After the year end the loan became a subordinated loan and accordingly is not secured over Gocompare.com Limited.

13. PROVISIONS FOR LIABILITIES

	31.12.08	31.12.07
	£	£
Other provisions	4,814,020	635,000

continued...

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.12.08 £	31.12.07 £
1,000,000	Ordinary shares	£1	1,000,000	1,000,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.08 £	31.12.07 £
940,200	Ordinary shares	£1	940,200	940,200

15. RESERVES

	Profit and loss account £
At 1 January 2008	(10,029,950)
Deficit for the year	(4,136,415)
At 31 December 2008	(14,166,365)

16. ULTIMATE PARENT COMPANY

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

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Ms Hayley Parsons.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.08 £	31.12.07 £
Loss for the financial year	(4,136,415)	(8,898,289)
Net reduction of shareholders' funds	(4,136,415)	(8,898,289)
Opening shareholders' funds	(9,089,750)	(191,461)
Closing shareholders' funds	(13,226,165)	(9,089,750)