

Registered number: 05799376

## **Gocompare.com Limited**

### **Annual Report and Financial Statements**

**For the year ended  
31 December 2020**



Registered number: 05799376

**Company information**

**Directors**

R B Addison  
Z E Byng-Thorne  
L D Griffin  
A C Seymour-Jackson

**Secretary**

A Steele

**Registered Office**

Imperial House  
Imperial Way  
Newport  
NP10 8UH

**Registered number**

05799376

**Auditor**

KPMG LLP  
Statutory Auditor  
66 Queen Square  
Bristol  
BS1 4BE

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**Gocompare.com Limited****Strategic report  
For the year ended 31 December 2020****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.

On 25 November 2020 the Boards of GoCo Group plc (the ultimate parent undertaking) and Future plc announced the terms of a recommended cash and share offer pursuant to which Future would acquire the entire issued and to be issued share capital of GoCo Group plc (and its subsidiaries, including Gocompare.com Limited) to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006. On 16 February 2021, GoCo Group announced that the High Court of Justice in England and Wales had sanctioned the Scheme at the Scheme Court Hearing held on 16 February 2021. As of 17 February 2021, the entire issued and to be issued share capital of GoCo Group plc became owned by Future.

Turnover for the year was £138.5m compared to £132.7m in the prior year, an increase of 4%. Trading in 2020 has seen some volatility in the number of UK consumers using price comparison sites as a result of the Covid-19 pandemic. Travel Insurance comparison was unavailable on the GoCompare site for most of Q2 and revenue from this vertical was £nil during the quarter (Q2 2019: £1.5m). However, despite this backdrop, overall business performance has been resilient, and healthy year-on-year revenue growth has been achieved in H2 2020 compared to H2 2019. Price Comparison delivered a strong performance with underlying revenue growth aided by a significant improvement in Car Insurance where growth has been ahead of the market.

As in previous years, the Company adopted a disciplined approach to running the Price Comparison business and chose to forego transactions where the marketing cost required to generate a transaction exceeded the revenue generated. This approach resulted in lower cost of sales in the year. Cost of sales of £24.9m were £8.4m lower than 2019, largely as a result of a significant reduction in generic paid search spend. Distribution costs of £48.2m were £3.1m higher than the prior year as a result of higher brand paid search costs and increased investment in advertising, partially compensated by a reduction in production costs. Administrative costs have increased by £3.6m to £34m primarily driven by higher wages & salary costs driven as a result of higher headcount, together with increased share based payment charges.

At year end, the Company had net assets of £35.6m (2019: £26.7m), net current assets of £8.5m (2019: £15.9m) and a cash balance of £6.9m (2019: £7.5m). Intangible assets increased from £9.6m to £10.3m as a result of increased spend on internal software development activities, partially offset by corresponding amortisation. Trade and other receivables increased by £7.9m driven by the increase in intercompany balances with its parent company.

**Key performance indicators**

	2020	Restated* 2019
Revenue (£m)	<b>138.5</b>	132.7
Operating profit margin (operating profit as a percentage of revenue)	<b>22.7%</b>	18.0%
Profit before income tax	<b>31.3</b>	23.8
Marketing margin (calculated as revenue less cost of sales and distribution costs, as a percentage of revenue)**	<b>47.2%</b>	40.9%

\*2019 prior year comparative has been restated as a result of a change in accounting policy, detailed further in Note 2, Accounting Policies, Intangible Assets.

\*\*Denotes an Alternative Performance Measure. Use of alternative performance measures is detailed in Note 2, Accounting Policies.

**Principal risks and uncertainties**

The Company recognises that informed and carefully judged risk taking combined with an appropriate risk management framework is key to the successful delivery of the Company's strategic objectives. The Company's principal risks and uncertainties are developed, documented and updated regularly with the operational risk owners, then reviewed and ratified by the Board. The principal risks and uncertainties faced by the Company have been identified as follows:

**Gocompare.com Limited****Strategic report  
For the year ended 31 December 2020****Principal risks and uncertainties (continued)*****Economic conditions and Brexit***

Income is principally derived from commission earned from the provision of comparison of financial and non-financial products for consumers in the UK. A contraction in the UK economy, changes to fiscal policy or unexpected developments linked to Brexit may lead to worsening economic conditions and performance of the Company. These risks are managed and mitigated through regular review of market conditions, having a flexible cost base, and internal initiatives and investment in scalable solutions across products.

***Legal and regulatory***

The Company operates in a number of regulated markets and is also subject to competition and data protection laws. Failure to comply with existing or adapt to changes in regulatory requirements may have a fundamental impact on the Company's business model, reputation, operational and financial performance. These risks are managed and mitigated through having an open and transparent culture, regular contact with regulators, specialist in-house legal and compliance resources with access to specialist external advice, and regulatory training and development.

***Strategic***

The Company's brand operates in highly competitive markets and generates a significant proportion of revenue from car and home insurance comparison. The emergence of new competitors, changes of approach by existing competitors, or a fundamental change in the design and distribution of general insurance products may have a significant impact on market share, revenue and profit. These risks are managed and mitigated through the Company being well established in the price comparison sector, having an experienced customer acquisition team, a comprehensive mix of offline, online, and through comprehensive brand and non-brand marketing activities to drive cost-effective and efficient customer acquisition and strong relationships with partners and product providers to drive value-led pricing strategies.

***Technology, innovation and customer expectations***

The Company is reliant upon high performing tech and data science solutions in order to meet customer expectations for performance and experience through their device of choice. Insufficient investment could lead to a negative impact on market share, revenue and profit. These risks are managed and mitigated through a comprehensive approach to development and testing across a wide range of devices and operating systems, a flexible approach to change delivery, testing and release management and continued development in core technology infrastructure.

***People***

The Company's success depends on its ability to attract, retain, motivate and develop people across the organisation. Performance is dependent on the industry, marketing and technical expertise of senior management and individuals at all levels within their teams. A lack of experienced, skilled and motivated people at all levels may have a detrimental impact on business and financial performance. These risks are managed and mitigated through having a skilled executive and senior leadership team with experience in running online brands and businesses, regular review of, and updates to, our reward packages, a varied approach to talent acquisition, regular employee engagement activities that result in action and change, and an evolutionary approach to working practices to take advantage of emerging best practice, challenges, learning and success within the Company.

***Cyber risks and data***

The Company derives its revenue principally through online interaction by customers with partners. The Company is exposed to a variety of cyber threats including DDoS attacks, malware and hacking that may result in the compromise of commercial and customer data. Failure to manage, mitigate and respond to cyber-related incidents may lead to the unavailability of services and the unauthorised access or loss of data, leading to reputational damage, regulatory intervention and a negative effect on market share, revenue and profit.

**Gocompare.com Limited****Strategic report  
For the year ended 31 December 2020****Principal risks and uncertainties (continued)**

These risks are managed and mitigated through continuous monitoring of the cyber threat landscape, having a dedicated in-house information security resource, business continuity and service resilience capabilities are tested regularly, comprehensive cyber threat monitoring and alert systems, use of external cyber specialists to undertake regular testing of the website and tech infrastructure, a Data Protection Officer in post and established incident response management procedures in place.

***Ongoing uncertainty from the pandemic***

The Company is exposed to a number of risks and opportunities as a result of ongoing pandemic uncertainty and challenging economic backdrop. Whilst the Company has demonstrated operational resilience, unexpected changes in the markets in which it operates could lead to an adverse impact on its results and performance. These risks are managed and mitigated through regular review and ongoing monitoring of changes impacting market conditions, sector specific turbulence in insurance comparison, insurance partner stability, the Group's technology capabilities, ongoing engagement with the FCA, the wellbeing, availability and recruitment of people, evolution of working practices, support and flexibility that respond to the challenges and opportunities as a result of remote working.

**Going concern**

The ongoing threat of COVID-19 has resulted in significant challenges and implications for businesses both in the UK and globally. Despite this, the Company has remained financially strong and has demonstrated significant operational resilience, including increased revenue and cash generated from operations year on year. The Company continues to focus closely on working capital and cash management, including regular review of outstanding debtors, prompt invoicing and assessing the need for any discretionary or variable marketing spend.

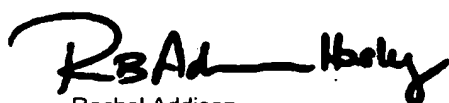
At the time of preparing the financial statements the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of these financial statements. The Directors' have assessed the Board-approved forecasts and projections which, assume an increase in revenue and direct costs in line with targets and indicate that the Company will continue to have sufficient cash reserves throughout this period. Stress testing has subsequently been performed to assess the impact of a severe yet plausible downside which would lead to a reduction in trading performance and cash flows which continues to indicate the Company would have sufficient cash reserves. The Company has demonstrated that it can transact business remotely and has continued to operate through the UK lockdown. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Future outlook**

Each Director is aware of their individual responsibilities under section 172 of The Companies Act 2006 and act in good faith to promote the success of the company for the benefit of its shareholders. Collectively, the Directors are responsible and have regard for the longer-term success of the Company including formulation of the overall strategy to help deliver the Company's objectives, maintaining business relationships, acting in the interests of the Company's employees and to maintain high standards of business conduct and corporate responsibility.

The Directors expect another year of disciplined performance for the core price comparison business. It is the intention of Future plc to help drive Gocompare's market share through lower cost of customer acquisition, driven by Future plc's excellence in search engine optimisation.

By order of the Board



Rachel Addison  
Director  
13 July 2021

**Gocompare.com Limited**

**Directors' report  
For the year ended 31 December 2020**

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2020.

**Future outlook**

The Company's strategy is to continue to maximise the amount of consumer traffic to the website via brand marketing and the continued focus on innovation and evolution of products, to remain an attractive proposition for customers.

**Dividends**

An interim dividend of £20.0m, equivalent to £21.27 per share, (2019: £30.3m, equivalent to £32.25 per share) has been paid during the year. No final dividend is proposed as at 31 December 2020 (2019: £nil).

**Directors**

The Directors who served during the year were:

R B Addison (appointed 17 February 2021)  
Z E Byng-Thorne (appointed 17 February 2021)  
A Seymour-Jackson (appointed 17 June 2021)  
L D Griffin  
M Crummack (resigned 17 February 2021)  
A R Burns (appointed 14 October 2020, resigned 29 April 2021)  
N R Wrighton (resigned 14 October 2020)

**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 term of the contract causing financial loss to the Company. The Company's primary exposure to credit risk is on amounts due from its customers (Insurance and other products 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 2020**

**Employees**

The Company treats all staff and job applicants equally. Selection, recruitment, advancement and promotion are based on merit and not on any consideration of age, gender, marital status, race, colour, or religion. Managers hold regular meetings, where staff have the opportunity to raise questions or air matters of concern, and meet with the directors on a regular basis. The Company promotes an 'open door' policy whereby staff can meet or telephone any managers or director at any time without formality.

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees. It is the Company's policy for the Directors to consult and discuss with employees, matters likely to affect employees' interests via regular touch-point sessions, and to ensure that employees are provided with information on all matters that concern them. Accordingly, appropriate steps are taken to ensure that employees are aware of the financial and economic factors affecting the Company's performance, and are encouraged generally to be involved in the Company's overall performance including the offering of the all-employee share plan.

**Engagement with suppliers, customers and others in a business relationship with the Company**

The directors understand the importance of engagement with stakeholders across the business, to help promote the long term success of the Company. Examples of the directors engage and foster strong relationships with some of the Company's key stakeholders are listed below:

**Customers**

We are continually investing in the business, reviewing new opportunities and growing our offerings to enable our customers to make better educated and more informed choices, helping them to reduce their overall bills and costs. Our businesses utilise powerful tools which enable us to achieve our goals which in turn help our customers save time and money - analysing thousands of products from hundreds of suppliers to find the best product to suit the customer's goals, lifestyle and pocket. We continually develop our technologies to give us the competitive edge and truly place our customers first.

Technology is about ensuring smooth interaction and everything we do is developed from a customer's point of view, taking into consideration customer behaviours and trends. Appreciating that our customers lead busy lives, we use our technology to make things simple and clear to understand.

**Suppliers and Partners**

We rely on several key suppliers and partners to provide business-critical infrastructure services and certain outsourced operations. It is through these key relationships with our suppliers and partners that we can offer a wide and ever-changing range of services and products to our customers. We work closely with our large panel of insurance providers to bring to the market the best breadth of products for our customers to choose from. We continuously challenge ourselves and our partners to work collaboratively to identify ways in which we can use our data and insight capabilities to improve pricing and targeted offers for customers.

In consideration of our full supply chain, we take our responsibilities seriously in regard to the Modern Slavery Act 2015 and introduced our Anti-Slavery and Human Trafficking Policy and revealed the accompanying statement on our website. All employees are required to read and confirm their understanding of this annually. This policy goes hand in hand with our Whistleblowing Policy, under which, employees are encouraged to report any signs of abuse and wrong doing in the Company.

**Regulators**

The Company operates in a number of consumer markets, regulated by the Financial Conduct Authority (FCA), Ofgem, and also the Information Commissioner's Office (ICO) in relation to our approach to data related matters. We regularly engage with the regulators to better understand and respond to their views and concerns and receive feedback on our ways of working. We maintain a close relationship with the FCA to ensure that we are constantly upholding the highest standards in the way we work in the financial services sector.



**Gocompare.com Limited**

**Directors' report  
For the year ended 31 December 2020**

**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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

**Directors' and Officers' liability insurance and indemnities**

The Company maintains Directors' and Officers' liability insurance, which provides appropriate cover should legal action be brought against its Directors. In addition, indemnities are in force under which the Company has agreed to indemnify the Directors against certain liabilities and related costs that they may incur in the execution of their duties. The indemnities do not cover the Directors for fraudulent activities.

**Disclosure of information to auditor**

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 auditor is aware of that information.

**Independent Auditor**

GoCo Group plc was acquired by Future plc in February 2021. The auditors of GoCo Group plc and its subsidiaries (including Gocompare.com Limited) for financial reporting periods subsequent to 31 December 2020 will become the same as the auditors of Future plc, Deloitte LLP. KPMG LLP are expected to resign as auditors subsequent to the approval of the financial statements for the year ended 31 December 2020.

**By order of the Board**



Rachel Addison

Director

13 July 2021

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

### **Opinion**

We have audited the financial statements of Gocompare.com Limited ("the company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Company management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited opportunity to fraudulently adjust revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included accounts which drive an important metric, and which have been prone to misstatement in the past.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection laws and regulations of various bodies that regulate the company's activities including the Financial Conduct Authority ('FCA'). Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

*Kate Teal*

**Kate Teal (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
BS1 4BE  
13 July 2021

## Gocompare.com Limited

Statement of Comprehensive Income  
For the year ended 31 December 2020

		2020	Restated 2019
	Note	£m	£m
<b>Revenue</b>	4	<b>138.5</b>	132.7
Cost of sales		<u>(24.9)</u>	<u>(33.3)</u>
<b>Gross profit</b>		<b>113.6</b>	99.4
Distribution costs		(48.2)	(45.1)
Administrative expenses		<u>(34.0)</u>	<u>(30.4)</u>
<b>Operating profit</b>	5	<b>31.4</b>	23.9
Finance costs		(0.1)	(0.1)
<b>Profit before income tax</b>		<u><b>31.3</b></u>	<u>23.8</u>
<b>Income tax expense</b>	8	<b>(4.3)</b>	(3.3)
<b>Profit for the year</b>		<u><b>27.0</b></u>	<u>20.5</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><b>27.0</b></u>	<u>20.5</u>

All amounts relate to continuing operations.

The notes on pages 13 to 29 form part of these financial statements.

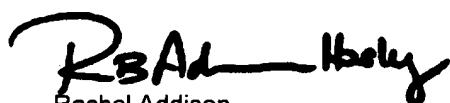
## Gocompare.com Limited

Statement of Financial Position  
As at 31 December 2020

	Note	2020 £m	Restated 2019 £m	1 January 2019 £m
<b>Fixed assets</b>				
Intangible assets	9	10.3	9.6	5.9
Property, plant and equipment	10	3.7	3.9	1.4
Investments in subsidiaries	11	0.0	0.0	0.0
Trade and other receivables	12	14.3	-	-
Deferred tax assets	18	1.7	0.9	0.7
		<u>30.0</u>	<u>14.4</u>	<u>8.0</u>
<b>Current assets</b>				
Trade and other receivables	12	19.2	25.6	44.6
Cash and cash equivalents		6.9	7.5	7.8
		<u>26.1</u>	<u>33.1</u>	<u>52.4</u>
<b>Current liabilities</b>				
Lease liabilities	15	(0.3)	(0.3)	-
Provisions for liabilities and charges	17	(0.4)	(0.4)	(1.0)
Creditors: amounts falling due within one year	13	(16.9)	(16.5)	(21.6)
		<u>(17.6)</u>	<u>(17.2)</u>	<u>(22.6)</u>
<b>Net current assets</b>		<u>8.5</u>	<u>15.9</u>	<u>29.8</u>
<b>Total assets less current liabilities</b>		<u>38.5</u>	<u>30.3</u>	<u>37.8</u>
Lease liabilities	15	(2.2)	(3.0)	-
Provisions for liabilities and charges	17	(0.4)	(0.4)	(0.3)
Deferred tax liabilities	18	(0.3)	(0.2)	(0.3)
<b>Net assets</b>		<u>35.6</u>	<u>26.7</u>	<u>37.2</u>
<b>Capital and reserves</b>				
Ordinary shares	19	0.9	0.9	0.9
Retained earnings		<u>34.7</u>	<u>25.8</u>	<u>36.3</u>
<b>Total shareholders' funds</b>		<u>35.6</u>	<u>26.7</u>	<u>37.2</u>

The notes on pages 13 to 29 form part of these financial statements. The Balance Sheet for 31 December 2019 and 1 January 2019 have been presented and restated as a result of the adoption of an accounting policy change. See the intangible assets accounting policy disclosed within note 2 of these financial statements for further detail.

The financial statements were approved by the Board on 13 July 2021 and signed on its behalf:



Rachel Addison  
Director  
13 July 2021

## Gocompare.com Limited

**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

	<b>Share capital £m</b>	<b>Retained earnings £m</b>	<b>Total equity £m</b>
<b>Year ended 31 December 2019</b>			
<b>At 1 January 2019 (restated upon adoption of IFRS 16)</b>	<b>0.9</b>	<b>36.7</b>	<b>37.6</b>
Restatement following change in accounting policy - capitalisation of intangible assets	-	(1.3)	(1.3)
Profit for the year (restated)	-	20.5	20.5
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>19.2</b>	<b>19.2</b>
<b>Transactions with owners:</b>			
Dividends	-	(30.3)	(30.3)
Capital contribution	-	0.1	0.1
Deferred tax recognised in equity	-	0.1	0.1
<b>Total transactions with owners</b>	<b>-</b>	<b>(30.1)</b>	<b>(30.1)</b>
<b>At 31 December 2019 (restated)</b>	<b>0.9</b>	<b>25.8</b>	<b>26.7</b>
<b>Year ended 31 December 2020</b>			
Profit for the year	-	27.0	27.0
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>27.0</b>	<b>27.0</b>
<b>Transactions with owners:</b>			
Dividends	-	(20.0)	(20.0)
Adjustment to IFRS 16 adoption	-	0.1	0.1
Capital contribution	-	1.4	1.4
Deferred tax recognised in equity	-	0.4	0.4
<b>Total transactions with owners</b>	<b>-</b>	<b>(18.1)</b>	<b>(18.1)</b>
<b>At 31 December 2020</b>	<b>0.9</b>	<b>34.7</b>	<b>35.6</b>

The notes on pages 13 to 29 form part of these financial statements.

**Gocompare.com Limited**

**Notes to the financial statements  
For the year ended 31 December 2020**

**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. On 17 February 2021, the entire issued and to be issued share capital of the Company's ultimate parent, GoCo Group plc, became acquired by Future plc, a public limited company which is listed on the London Stock Exchange incorporated in England and Wales. On this date, GoCo Group plc was delisted.

**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 were prepared by the Company's parent undertaking, Gocompare.com Group plc, for which consolidated financial statements can be obtained from Companies House.

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 GoCo 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 2020****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. A change in accounting policy in respect of intangible assets is detailed further within this note under the intangible assets section.

The ongoing threat of COVID-19 has resulted in significant challenges and implications for businesses both in the UK and globally. Despite this, the Company has remained financially strong and has demonstrated significant operational resilience, including increased revenue and cash generated from operations year on year. The Company continues to focus closely on working capital and cash management, including regular review of outstanding debtors, prompt invoicing and assessing the need for any discretionary or variable marketing spend.

At the time of preparing the financial statements the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of these financial statements. The Directors' have assessed the Board-approved forecasts and projections which, assume an increase in revenue and direct costs in line with targets and indicate that the Company will continue to have sufficient cash reserves throughout this period. Stress testing has subsequently been performed to assess the impact of a severe yet plausible downside which would lead to a reduction in trading performance and cash flows which continues to indicate the Company would have sufficient cash reserves. The Company has demonstrated that it can transact business remotely and has continued to operate through the UK lockdown. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Revenue**

The Company recognises revenue in accordance with IFRS 15 - Revenue. Revenue represents amounts receivable for insurance and other product introductions, including click through fees. The Company recognises this revenue when it has satisfied its performance obligation, being the point at which a policy is sold or in limited cases when a customer clicks through to the partner website. Upon the completion of a sale, revenue is measured at the fair value of the consideration received or receivable for which the transaction price is fixed in accordance with the terms of the contracts in place, net of an estimate of cancellations during the 14 day cooling off period. Where revenue is accrued, this is estimated based on underlying metrics of customer interactions and is subsequently validated through sales data submissions made by the partners.

**Cost of sales, distribution and administrative expenses**

Cost of sales comprise all costs which are directly attributable to marketing of a specific product.

Distribution costs comprise all other marketing costs incurred which cannot be attributed to a specific product. Costs associated with the production of adverts are recognised in the Statement of Comprehensive Income once the advert is available to the Company in a format ready for use, having been approved for airing or display. Costs associated with the broadcasting of adverts are expensed over the period in which the advert is aired or displayed.

Administrative expenses comprise all other staff, systems and remaining costs incurred.

**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****2. Summary of significant accounting policies (continued)****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.

*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 relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity as appropriate.

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, recognised within administrative expenses in the Statement of Comprehensive Income. 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 Company and that the Company 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 2020****2. Summary of significant accounting policies (continued)****Intangible assets (continued)**

As part of management's ongoing review of the suitability of accounting policies, together with the significant increase and subsequent capitalisation of development costs in recent years, it was deemed appropriate to no longer capitalise the element of overhead absorption in respect of software and website costs which are directly attributable to development work.

Given the nature of the overhead absorption assumption applied, including the selection of appropriate overheads and the methodology of calculation, its removal is deemed to reduce the level of estimation uncertainty within the financial statements, with these costs now recognised through profit and loss as incurred.

As such, this change in accounting policy has been applied retrospectively, which has led to a reduction in the development costs capitalised of £1.5m and £2.1m attributable to 2018 and 2019 respectively, and a corresponding reduction in the amortisation charge of £0.3m and £0.8m.

As a result, the 2019 comparatives have been restated, which includes a net reduction in intangible assets of £1.2m. The net reduction in relation to 2018 of £1.3m has been adjusted within prior year reserves of the 2019 comparative Balance Sheet. A summary of the changes in the Balance Sheet is shown below:

<b>Intangible assets £m</b>	<b>Original</b>	<b>Restatement</b>	<b>Revised</b>
1 January 2019	7.2	(1.3)	5.9
31 December 2019	12.1	(2.5)	9.6

<b>Retained earnings</b>	<b>Original</b>	<b>Restatement</b>	<b>Revised</b>
1 January 2019	37.6	(1.3)	36.3
31 December 2019	28.3	(2.5)	25.8

**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.

**Gocompare.com Limited**

**Notes to the financial statements  
For the year ended 31 December 2020**

**2. Summary of significant accounting policies (continued)**

**Tangible assets (continued)**

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**

*Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****2. Summary of significant accounting policies (continued)****Financial assets (continued)***Classification and subsequent measurement*

The Company has elected to classify its equity investments as measured at Fair Value through Other Comprehensive Income (FVOCI). These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

All other financial assets, which comprise trade and other receivables and cash at bank are classified as measured at amortised cost. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Company determines the classification of its financial assets at initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

*Impairment of financial assets*

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 Consolidated Statement of Comprehensive Income. Objective evidence of impairment may include default on cash flows from the asset and reporting financial difficulty of the issuer or counterparty.

*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***Classification, Initial recognition and Subsequent measurement*

The Company's financial liabilities comprise borrowings and trade and other payables and are classified as measured at amortised cost. Financial liabilities are measured initially at fair value less directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****2. Summary of significant accounting policies (continued)****Financial liabilities (continued)***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 Consolidated 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, GoCo 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.

**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.

**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****2. Summary of significant accounting policies (continued)****Contingent Liabilities**

The Company discloses a contingent liability where it has a possible obligation as a result of a past event that might, but will probably not, require an outflow of economic benefits, or where there is a probable outflow of economic benefits which cannot be reliably measured.

**Employee benefits***Pensions*

The Company contributes to a defined contribution scheme for its employees. The contributions payable to this scheme are charged to the income statement in the accounting period to which they relate.

*Bonus arrangements*

The Company provides an annual bonus arrangement for employees. The levels of bonus paid is dependent on both the performance of the business and each individual's performance review. Bonuses are paid in respect of each calendar year and therefore an accrual is made based on the estimate of amounts to be paid subsequent to the year end.

**Leases***Company as a lessee - operating leases*

The Company recognises a right of use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease repayments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received. The Company presents right of use assets within tangible assets.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of tangible assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method.

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.

**Finance costs**

Finance costs comprise interest paid which is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest bearing financial liability.

**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.

**Gocompare.com Limited**

**Notes to the financial statements  
For the year ended 31 December 2020**

**2. Summary of significant accounting policies (continued)**

**Use of alternative performance measures**

In the analysis of the Company's results, certain financial performance measures are presented which may be prepared on a non-GAAP basis. The Board believes that these measures provide a useful analysis, allow comparability of performance year on year and present results in a way that is consistent with how information is reported internally.

The key non-GAAP measure presented by the Company is:

- Marketing margin: Calculated as total revenue less cost of sales and distribution costs, as a percentage of revenue.

**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, are discussed below:

*Revenue*

The majority of the Company's revenue is derived from customers completing transactions with product providers and revenue is recognised at this point. The Company 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.

Whilst revenue is a significant balance for the Company and involves a level of estimation, the Directors have assessed that any reasonable change to this estimate would not lead to a material change in the amounts recognised.



**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****3. Critical accounting judgements and estimates (continued)***Accounting for capitalised development costs*

The Company has an accounting policy to capitalise internally generated development costs where they are directly attributable to the creation of identifiable, unique software products or transformation of website capabilities. Identified costs include staff costs. The useful life over which the assets are amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. The Company has a policy to amortise the costs identified in relation to these projects over a period of 3 years. The net book value of intangible assets is assessed for impairment where such a risk arises.

**4. Revenue**

The whole of the revenue for 2020 and 2019 is attributed to price comparison trading activities within the United Kingdom to external customers other than £2.4m (2019: £3.0m) to fellow group undertakings. £0.2m was recognised in respect of the impairment of trade receivables during the year (2019: £0.0m).

**5. Operating profit**

Operating profit is stated after charging:

	2020 £m	2019 £m
Depreciation of tangible fixed assets	0.9	0.8
Amortisation of intangible assets	6.7	3.7
Auditor's remuneration *	0.0	0.0

\* Auditor's remuneration was £45,000 for 2020 and £35,000 for 2019 respectively for the statutory audit of the Company's financial statements.

**6. Employee benefit expense**

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

	2020 £m	2019 £m
Wages and salaries	19.5	18.4
Social security costs	1.7	2.0
Share based payment charge	1.4	0.1
Other pension costs	0.8	0.4
	<u>23.4</u>	<u>20.9</u>

Gocompare.com Limited is the employer for all employees of GoCo Group plc. The amounts disclosed in the table above represent all employee benefit costs incurred by the company in the year. The company recharged £6.2m (2019: £2.9m) of employment related costs to other group companies, included within total costs recharged of £8.9m (2019: £3.8m).

**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****6. Employee benefit expense (continued)**

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Service provision	<b>312</b>	<b>258</b>
Administration	<b>61</b>	<b>53</b>
<b>Total</b>	<b>373</b>	<b>311</b>

The average monthly number of employees disclosed represents the total number of employees of Gocompare.com Limited during the year. The company recharges a portion of its employee related costs to other group companies.

**7. Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Emoluments in respect of qualifying services	<b>1.9</b>	<b>1.4</b>
Pension contributions to money purchase schemes	<b>0.1</b>	<b>0.1</b>
Other benefits	<b>0.9</b>	<b>0.6</b>
	<b>2.9</b>	<b>2.1</b>

The highest paid Director received remuneration of £1.1m (2019: £1.1m) and pension contributions of £0.0m (2019: £0.0m). As at year end, none of the directors (2019: none) are accruing post-employment benefits under a money purchase pension scheme in respect of qualifying services.

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

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

	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Current tax	<b>4.5</b>	<b>3.5</b>
Deferred tax	<b>(0.2)</b>	<b>(0.2)</b>
<b>Income tax expense</b>	<b>4.3</b>	<b>3.3</b>

## Gocompare.com Limited

**Notes to the financial statements**  
**For the year ended 31 December 2020**

**8. Taxation (continued)**

Tax expense for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19.0% (2019: 19.0%). The differences are explained below:

	<b>2020</b>	Restated
	<b>£m</b>	2019
		<b>£m</b>
Profit before taxation	<u>31.3</u>	<u>23.8</u>
Taxation calculated at 19.0% (2019: 19.0%)	5.9	4.5
Effects of:		
Expenses not deductible	0.0	0.0
Group relief	(0.9)	(1.0)
Tax rate changes	(0.1)	0.0
Origination and reversal of timing differences	(0.2)	(0.2)
Adjustments in respect of prior years	<u>(0.4)</u>	<u>(0.0)</u>
Income tax expense	<u>4.3</u>	<u>3.3</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016), which included the proposed reduction to the main rate to 19% from 1 April 2020. During 2020, in an announcement which constituted substantive enactment, the proposed reduction was cancelled. The corporation tax rates used as 31 December 2020 was therefore 19% (2019: 19%).

**9. Intangible assets (restated)**

	<b>Software and website costs</b>
	<b>£m</b>
<b>Cost</b>	
At 1 January 2020	13.7
Additions	7.4
Impairment/Disposals	<u>(3.9)</u>
<b>At 31 December 2020</b>	<u><b>17.2</b></u>
<b>Accumulated amortisation</b>	
At 1 January 2020	4.1
Charge for the year	6.7
Disposals	<u>(3.9)</u>
<b>At 31 December 2020</b>	<u><b>6.9</b></u>
<b>Net book value</b>	
<b>At 31 December 2020</b>	<u><b>10.3</b></u>
At 31 December 2019	<u>9.6</u>

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 2020**

**10. Property, plant and equipment**

	<b>Right-of-use assets £m</b>	<b>Fixtures, fittings and equipment £m</b>	<b>Total £m</b>
<b>Cost</b>			
At 1 January 2020	3.0	2.7	5.7
Adjustment to IFRS 16 adoption	(0.5)	-	(0.5)
Additions	-	1.2	1.2
Disposals	-	(0.0)	(0.0)
<b>At 31 December 2020</b>	<b>2.5</b>	<b>3.9</b>	<b>6.4</b>
<b>Accumulated depreciation</b>			
At 1 January 2020	0.3	1.5	1.8
Charge for the year	0.3	0.6	0.9
Eliminated on disposal	-	(0.0)	(0.0)
<b>At 31 December 2020</b>	<b>0.6</b>	<b>2.1</b>	<b>2.7</b>
<b>Net book value</b>			
<b>At 31 December 2020</b>	<b>1.9</b>	<b>1.8</b>	<b>3.7</b>
At 31 December 2019	2.7	1.2	3.9

**11. Investments in subsidiaries**

	<b>Shares in group undertakings</b>
<b>Cost</b>	
At beginning and end of year	0.0
<b>Provisions</b>	
At beginning and end of year	0.0
<b>Net Book Value</b>	
<b>At 31 December 2020</b>	<b>0.0</b>
At 31 December 2019	0.0

Fixed asset investments relate to unlisted equity investments recorded at cost.

The company directly owns shares in the following undertakings:

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

The registered office of the Company's undertakings is the same as the Company: Imperial House, Imperial Way, Newport, Gwent, NP10 8UH.

## Gocompare.com Limited

**Notes to the financial statements**  
**For the year ended 31 December 2020**

**12. Trade and other receivables**

	2020 £m	2019 £m
Trade receivables	11.1	12.3
Less: provision for impairment of trade receivables	<u>(0.2)</u>	<u>(0.1)</u>
Trade receivables - net	10.9	12.2
 Prepayments	 1.5	 1.6
Accrued income	0.8	0.8
Corporation tax receivable	0.6	-
Amounts due from other group companies	<u>19.7</u>	<u>11.0</u>
	33.5	25.6
 Less non-current portion: amounts due from other group companies	 <u>(14.3)</u>	 <u>-</u>
	<u>19.2</u>	<u>25.6</u>

The non-current element of amounts due from other group companies represent balances which are repayable on demand which are not expected to be realised within 12 months of the reporting date. No interest has been levied on the balances.

**13. Creditors: Amounts falling due within one year**

	2020 £m	2019 £m
Trade payables	5.5	5.5
Corporation tax	0.2	1.6
Social security and other taxes	2.3	1.5
Accrued expenses	8.4	7.6
Other creditors	<u>0.5</u>	<u>0.3</u>
	16.9	16.5

**14. Financial instruments**

The following table sets out the financial assets and financial liabilities of the Company at year end. The carrying amounts of the Company's financial instruments are considered to be a reasonable approximation of their fair value and therefore no separate disclosure of fair values is given.

	2020 £m	2019 £m
<b>Financial assets:</b>		
Trade and other receivables	31.4	24.0
Cash and cash equivalents	<u>6.9</u>	<u>7.5</u>
	38.3	31.5
<b>Financial liabilities:</b>		
Trade and other payables	<u>14.4</u>	<u>13.4</u>
	14.4	13.4

## Gocompare.com Limited

**Notes to the financial statements**  
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**15. Leases as a lessee (IFRS 16)**

The Company leases its office in Newport which falls within the scope of IFRS 16.

**Right of use assets**

Right of use assets relate to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment (see note 10).

	2020	2019
	£m	£m
At 1 January	2.7	3.0
Adjustment to IFRS 16 Adoption	(0.5)	-
Depreciation charge for the year	(0.3)	(0.3)
<b>At 31 December</b>	<b>1.9</b>	<b>2.7</b>

**Lease liabilities**

	2020	2019
	£m	£m
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Less than one year	0.4	0.4
One to five years	1.6	1.9
More than five years	0.8	1.5
<b>Total undiscounted lease liabilities at 31 December</b>	<b>2.8</b>	<b>3.8</b>
<b>Lease liabilities included in the Statement of Financial Position at 31 December</b>	<b>2.5</b>	<b>3.3</b>
Current	0.3	0.3
Non-current	2.2	3.0

**Amounts recognised in profit or loss**

Interest on lease liabilities	0.1	0.1
Capital repayments on lease liabilities	0.2	0.5

**16. Share based payments**

Certain employees of the Company have been granted options over shares in GoCo Group plc. In December 2016, the Group awarded a number of free shares to all eligible employees which will vest upon a 3 year service condition. At the same time, 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 2017, 2018 and 2019 financial years. In 2017, 2018, 2019 and 2020, the Group awarded options under the Performance Share Plan to Directors and Senior Management (as well as the introduction of the Restricted Stock Unit Plan during 2020 for senior management) which are dependent on the achievement of certain performance measures over the 2017-2019, 2018-2020, 2019-2021 and 2020-2022 financial years respectively. Employees are also eligible to participate in other share incentive plans through the 'Save As You Earn' and 'Partnership Shares' plans. 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 GoCo Group plc. The amount is treated as a reduction of the capital contribution and is recognised directly in equity.

At 31 December 2020, 14,419,000 share award options were outstanding (2019: 12,685,000). During the year, the Group granted 6,399,000 share awards (2019: 5,552,000). In addition, 650,000 and 706,000 shares were exercised in respect of the 2017 PSP and SAYE schemes respectively (2019: 1,781,000 attributable to the Foundation Awards scheme) with a weighted average share price at the date of exercise of £0.77.

## Gocompare.com Limited

**Notes to the financial statements**  
**For the year ended 31 December 2020**

**17. Provisions for liabilities**

	2020 £m	2019 £m
At 1 January 2020	0.8	1.4
Released / utilised in the year	(0.5)	(0.7)
Charged to profit and loss in the year	0.5	0.1
<b>At 31 December 2020</b>	<b>0.8</b>	<b>0.8</b>

Included within provisions at 31 December 2020 are amounts for:

- 'Not taken up' provision – an estimate is made for policies which may be cancelled within the 14-day cooling-off period;
- Holiday provision - representing the approved unused employee annual holiday entitlement;
- Life clawback provision – an estimate of commission which may need to be paid back for life insurance policies that may be cancelled; and
- Dilapidation provision – an estimate of rectification work associated with the building which is leased by the Group.

Analysis of total provisions:

	2020 £m	2019 £m
Current	0.4	0.4
Non-current	0.4	0.4
<b>Total</b>	<b>0.8</b>	<b>0.8</b>

The 'Not taken up' and holiday provisions are expected to be settled fully within 12 months. The dilapidation provision is expected to be utilised or released at the point the Group vacates its current premises – the lease for which runs to 2028 with a break clause in 2023. A portion of the life clawback provision is expected to be utilised in the next 12 months, with the remainder in the subsequent three years.

**18. Deferred tax**

	Deferred tax assets £m	Deferred tax liabilities £m
At 1 January 2020	0.9	(0.2)
Released / utilised in the year	-	-
Credited / (charged) to profit and loss in the year	0.4	(0.1)
Credited / (charged) to equity in the year	0.4	-
<b>At 31 December 2020</b>	<b>1.7</b>	<b>(0.3)</b>
	2020 £m	2019 £m
Analysis of deferred tax assets and liabilities:		
Accelerated capital allowances	(0.3)	(0.2)
Share based payments	1.5	0.7
Other timing differences	0.2	0.2
<b>Total deferred tax</b>	<b>1.4</b>	<b>0.7</b>

**Gocompare.com Limited****Notes to the financial statements  
For the year ended 31 December 2020****19. Share Capital**

	2020	2019
	£m	£m
Authorised, allocated, called up and fully paid		
940,200 (2019: 940,200) Ordinary shares of £1 each	<u>0.9</u>	<u>0.9</u>

**20. Dividends**

	2020	2019
	£m	£m
Dividends paid during the period	<u>20.0</u>	<u>30.3</u>

Dividends were paid in respect of the year ended 31 December 2020 of £21.27 per share, amounting to a total dividend of £20.0m (2019: £32.25 per share amounting to £30.3m). No final dividend is proposed as at 31 December 2020 (2019: £nil).

**21. Guarantees**

The Company acts as a guarantor to certain banks in respect of credit facilities granted to its parent, Gocompare.com Finance Limited. At 31 December 2020, the facilities include a £12.0m term loan (2019: £15.0m) and a multicurrency revolving credit facility totalling £105.0m (2019: £105.0m), of which £43.0m (2019: £37.0m) remains undrawn. On 23 February 2021 the Group cancelled its debt facilities which were fully repaid by Future plc following their acquisition of the Group on 17 February 2021 (see note 23 below).

**22. Controlling parties**

The immediate parent undertaking of the Company is Gocompare.com Finance Limited. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is GoCo Group plc. Copies of the consolidated financial statements for GoCo Group plc can be obtained from Companies House.

**23. Subsequent events**

On 25 November 2020 the Boards of GoCo Group plc (the ultimate parent undertaking of Gocompare.com Limited) and Future plc announced the terms of a recommended cash and share offer pursuant to which Future would acquire the entire issued and to be issued share capital of GoCo Group (and its subsidiaries) to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006. On 16 February 2021, GoCo Group announced that the High Court of Justice in England and Wales had sanctioned the Scheme at the Scheme Court Hearing held on 16 February 2021. As of 17 February 2021, the entire issued and to be issued share capital of GoCo Group became owned by Future. The registered office of Future plc is Quay House, The Ambury, Bath, BA1 1UA.

On 1 March 2021, the trade and assets of Energylinx Limited, Energylinx for Business Limited, and Energylinx Limited for Business Trading Limited were transferred to the Company for consideration of £9.1m settled via intercompany.

On 30 June 2021, as part of a reorganisation of the Future plc Group, the Company's immediate parent changed from Gocompare.com Finance Limited to Future Holdings 2002 Limited via the sale of the investment in the Company.