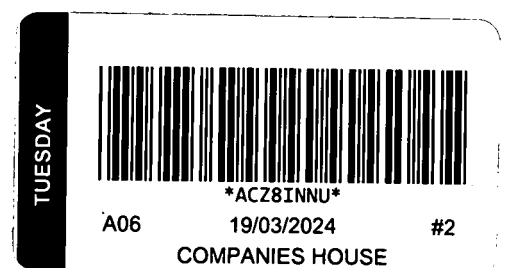


Company number 10636682

**Compare The Market Limited
Annual Report and Financial Statements
Year Ended 30 June 2023**



Compare The Market Limited

Year ended 30 June 2023

Annual report and financial statements

Contents

Strategic report	2
Report of the Directors.....	11
Statement of Directors' responsibilities.....	13
Independent auditor's report to the members of Compare The Market Limited	14
Profit and loss account	18
Balance sheet	19
Statement of changes in equity	20
Notes forming part of the financial statements	21

Directors

AD Hewitt MBE
A Babache
MM Bailie
TB Boldt
Lord JK Gadhia
R Hoskins
SD Keating
DJ Osborne
DJ Platt
M Raisbeck

Secretary and registered office

H Chouikhi
Pegasus House
Bakewell Road
Orton Southgate
Peterborough
PE2 6YS

Auditor

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Compare The Market Limited

Year ended 30 June 2023

Strategic report

The Directors present the Strategic report for the year ended 30 June 2023.

Results and dividends

The annual results of Compare The Market Limited, ("the Company") for the year ended 30 June 2023 are set out on page 18 and show a profit before taxation of £152.3m (2022: £106.0m). The Directors are satisfied with the underlying trading performance for the year and are confident in the Company's future prospects.

During the year, the Company has paid dividends on ordinary shares of £287.0m (2022: £88.7m).

Trading review and future developments

The Company's principal activities comprise its price comparison website, comparethemarket.com ("CTM"). The activities of CTM are authorised and regulated by the Financial Conduct Authority ("FCA").

During the year, the Company has continued to develop its customer proposition and to focus its investment in key strategic areas including data and digital capabilities and technology platforms in line with its purpose to *make great financial decision making a breeze for everyone*.

The Company's overall revenue has risen by 10.7% to £467.5m (2022: £422.3m). Further details can be found in note 3. This reflects progress in delivery of the Company's strategy as well as an increasing premium environment which has resulted in higher switching rates in motor insurance and other general insurance products. Revenue from the travel market now exceeds pre-Covid-19 levels as customers continue to increase their appetite for foreign travel, contributing to overall customer numbers increasing 17.2% to 7.5m (2022: 6.4m).

Customer engagement with the Company's proposition continues to be strong, with externally measured Trustpilot scores maintained at 4.8 (2022: 4.8).

Increased revenue, improvement in marketing efficiency and a controlled cost base together with non-recurrence of the prior year events detailed below, have resulted in operating profit increasing by 46.8% to £142.8m (2022: £97.3m). Profit before taxation has increased by 43.7% to £152.3m (2022: £106.0m).

During the prior period, the global increase in the wholesale price of energy caused domestic energy providers to withdraw competitive fixed tariffs from the marketplace. As customers became increasingly unlikely to save by switching energy provider, the Directors decided to remove energy products from comparethemarket.com's price comparison offerings in September 2021 and the situation continued throughout the current financial year.

The operating model launched in the prior period resulted in the de-prioritisation of certain initiatives and pivoting away from certain technologies and tools. Consequently, a non-recurring impairment loss of £20.3m relating to software development intangible assets was recorded in the year ended 30 June 2022.

In August 2022 the Competition Appeals Tribunal ruled that the £17.9m regulatory fine, issued by the Competition and Markets Authority in November 2021 in relation to Compare The Market Limited's historical use of most favoured nation clauses, should be set aside. As a result the regulatory provision of £17.9m was released in the year ended 30 June 2022.

The Company shares certain resources with fellow subsidiaries of BGL (Holdings) Limited (the "Group"). Personnel services continue to be provided to the Company by BGL Group Limited which raises a management charge in respect of these services.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Key performance indicators

The Company has continued to invest in its strategy during the year. In addition to financial metrics the Company tracks customers numbers and Trustpilot scores to assist in measuring progress in delivering its strategy. Customer numbers and Trustpilot scores support the Company in evaluating customer engagement and to track feedback on its proposition. Trustpilot scores are based on externally provided data.

	2023 £m	2022 £m	Movement
Revenue	467.5	422.3	10.7%
Operating profit	142.8	97.3	46.8%
Profit before taxation	152.3	106.0	43.7%
	Number	Number	Movement
Customer numbers	7.5m	6.4m	17.2%
Trustpilot rating	4.8	4.8	-

The Company's Balance sheet remains strong with significant positive operating cash flows. The Directors believe that the Company is able to withstand the operational and economic disruption of reasonable downside scenarios.

Principal risks and uncertainties

The Company has in place a risk management framework that seeks to identify and limit potential adverse effects on the financial performance of the Company and achievement of its objectives. The framework has been reviewed and simplified in year ended 30 June 2023 with a focus on rolling out and improving risk culture through the introduction of the "Everyone's a Risk Manager" and the "Decisions Check" initiatives.

The Company has established a risk appetite, which is monitored through a set of key risk indicators and thresholds. Any risks considered to be outside of appetite are accompanied by appropriate action plans, which are reviewed, approved and tracked by the Board and its Audit Committee and Board Risk Committee (together the "Board Risk Committees").

The Audit Committee and Board Risk Committee also review the implementation of processes for identifying, measuring, managing and controlling risks. The Committees receive and commission reports in relation to risk management activities, with escalation to the Board where appropriate.

A risk radar, looking at near and long-term impacts of internal and external risk factors, is reviewed by the Executive Risk Forum and Board Risk Committee on a regular basis. Risk reporting is managed all the way up the business through the use of Risk Dashboards.

The risks set out below are monitored using the risk management framework and through established levels of management and governance review, from Company Executive meetings through to the Board and Board Committees.

Compare The Market Limited**Year ended 30 June 2023****Strategic report****Principal risks and uncertainties (continued)**

Risk	Risk Appetite Statement	Management & Mitigation
Customer & Conduct The risk that a business model, product design or sales practices do not deliver good customer outcomes or meet customer needs.	<i>"We will conduct our business to deliver good outcomes for customers."</i>	A clearly defined risk management framework with controls to manage conduct risk, including conflicts of interest, and to monitor customer outcomes. There has been further development to align ownership of risks to the relevant Senior Management Function ("SMF") with regular reporting to the relevant Risk Forums and Committees.
Compliance & Regulatory (including litigation) The risk the Company will breach the requirements of a regulator or competition authority.	<i>"We will not accept risks that would materially impact our ability to meet our obligations against relevant laws, rules and regulations."</i>	This risk is managed through an effective control framework and the operation of the governance structures. The Company continues to review the legal and regulatory environment, particularly as its business model and product set evolves. There has been particular focus during the period on "FCA Consumer Duty". The Company established a framework to monitor good customer outcomes and to enhance its current practices to ensure alignment with the Duty ahead of its introduction on 31 July 2023.
Operational (including people and technology) The risks arising from maintaining and making changes to people, organisational structures, systems, processes and infrastructure to support current operations and on-going growth. It can also be the risk of failure due to external factors e.g., cyber threat.	<i>"We will operate the business in a way which prevents and mitigates against material financial losses, disruptions and other adverse consequences."</i>	Key sources of operational risk include business partner and supplier management, data security, cyber threats, change management and business continuity. Risk reviews with each business area ensure an understanding of what could go wrong and the adequacy of controls in place. In addition, the Company assesses and manages execution risks of significant projects, including organisational change initiatives, through adopting a consistent project methodology, which incorporates risk management activities.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Principal risks and uncertainties (continued)

Risk	Risk Appetite Statement	Management & Mitigation
Financial The risk of inadequate regulatory capital or insufficient liquidity.	<i>"We will not accept risks that threaten our financial stability."</i>	Financial risks are mitigated through prudent Treasury management, a series of key financial controls, and a robust governance framework, underpinned by clear policy requirements and oversight forums.
Strategic The risk that market factors or management's execution will impact the Company's ability to successfully deliver the strategy.	<i>"We will not accept risks that threaten us achieving our strategic objectives"</i>	The Company continues to evolve its strategy and is investing in key strategic areas of data, digital and technology platforms to provide the simplest of experiences for its customers. Strategic risk is measured across a number of factors to determine progress against business strategy, including external market factors, market share, conversion rates and strategic project delivery on time and within budget. For each risk there are clear lines of ownership to the relevant SMF with regular reporting to the relevant Risk Forums and Committees.

If any one of the risks above materialises, then this could result in reputational risk, being the adverse publicity arising from the Company's relationships with its customers, partners, suppliers and regulators. There are robust controls in place to prevent incidents that could give rise to the reputational risks identified, which are monitored by the Board Risk Committees. The Company also seeks to manage reputational risks where they arise through established communications and public relations channels.

Cost of Living Crisis

The business model is one where we only succeed if we help our customers save money, which is even more important in a cost-of-living crisis. The Company works tirelessly to help its customers understand the benefits of searching and comparing quotes. From a risk perspective, the Company has controls in place to ensure delivery of good customer outcomes.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement

In accordance with the provisions of The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to include a statement in its Strategic report describing how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties for the 2023 financial year. This section acts as the Company's section 172 (1) statement.

The primary responsibility of the Board is to promote the long-term success of the Company, creating and delivering sustainable shareholder value as well as contributing to society. In ensuring the long-term success of the business, the Board has to have regard to a number of matters, including the views of the shareholders and stakeholders, to ensure it fully understands the potential impacts of its decisions on its stakeholders, the environment, and the communities in which it operates.

The table below sets out how the Directors of the Company have regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties:

Section 172 (1)	Examples of Director / Board engagement
(a) the likely consequences of any decision in the long term	<ul style="list-style-type: none"> • The Board is responsible for setting the overall strategy of the Company. • The Board reviewed the strategy in December 2022 and was satisfied that it continues to support the long-term success of the Company. • Throughout the year, the Board monitored progress against the strategy through key performance indicators and scheduled deep dives on key strategic initiatives.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement (continued)

Section 172 (1)	Examples of Director / Board engagement
(b) the interests of the Company's employees	<ul style="list-style-type: none"> • The Directors recognise that colleagues are core to the delivery of the Company's strategic ambitions and the success of the business is dependent on attracting, retaining, developing and motivating talented colleagues. • The Company conducts a biannual employee engagement survey and the results are reported to the Board. The Board is also regularly provided with updates on other measures of employee engagement and initiatives undertaken to improve employee relations. • The Chief Executive Officer runs a fortnightly all-colleague engagement call to update on business developments. These meetings also give employees the opportunity to ask questions and make their views known so that the Board and Executive team can take this into account when making decisions which are likely to affect their interests. • An update on matters relating to colleagues is provided by the Chief Executive Officer at each Board meeting. • The Board had discussions on succession planning across the Company to ensure that both short-term and long-term interests are aligned between all stakeholder groups and the Company's values and culture. • A number of our Non-Executive Directors engaged directly with our colleagues through "lunch and learn" sessions during the year. • The Company places significant focus on diversity & inclusion and has made good progress with the continued reduction in the gender pay gap. The Company has also voluntarily reviewed and reported on the ethnicity pay gap. The results of both the gender and ethnicity pay gap 2022 analysis and action plan were discussed with the Remuneration Committee in March 2023. • In considering the annual pay review, the Remuneration Committee took into account the rapid rise in inflation and the consequent impact on living standards, and approved the implementation of a pay review which ensured that the lower paid colleagues, who are most exposed to the impact of inflation, received a higher overall percentage salary increase. • The Company has whistleblowing procedures in place to allow all staff to raise concerns confidentially. The Audit Committee annually reviews the effectiveness of these procedures with the last review in March 2023.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement (continued)

Section 172 (1)	Examples of Director / Board engagement
(c) the need to foster the Company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> • The Company's purpose is 'to make great financial decision-making a breeze for everyone'. The Board recognises that, as a business, the Company only makes money when the Company saves its customers money. In approving and monitoring progress against the strategy, the Board is focussed on ensuring that the activities of the business are clearly aligned to the Company's purpose and delivering good outcomes for its customers. • Customer satisfaction is monitored by using a variety of tools, including Trustpilot. • The Board reports include updates on key customer metrics. • Making a positive difference for customers is at the core of the Company's purpose and values. To ensure that this is achieved, whilst also complying with all applicable regulatory requirements, the Company provides training to all employees and frequently tests them on their knowledge. • The size and diversity of the Company means that third-party suppliers range from multinational organisations to local businesses. The Company aims to ensure that arrangements with suppliers are fairly negotiated and provide optimum levels of service. • The Board delegates the responsibility for day-to-day supplier management to individual business areas, which are required to follow policies relating to the procurement of suppliers, approval and monitoring of contracts, and the raising and authorisation of purchase orders. Together, these policies assist the Company in meeting its business and strategic objectives and in balancing the needs of customers, employees, commercial partners and other stakeholders. • The Board has oversight of relationships with suppliers through an update at every meeting on all contracts approved or under negotiation since the last Board meeting. The Board is also responsible for the approval of key contracts, which are significant either in terms of value or strategic importance to the Company.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement (continued)

Section 172 (1)	Examples of Director / Board engagement
(d) the impact of the Company's operations on the community and the environment	<ul style="list-style-type: none"> • The Directors understand that ensuring the Company's operations have a positive impact on the community and the environment is a strategic imperative. • The Company's Corporate Social Responsibility strategy is aligned to its purpose and, through a partnership with MyBnk, the Company is playing a role in supporting financial education and inclusion by enabling more young people get better access to high-quality financial education. • Outside of the partnership, employees are encouraged to raise and donate funds in the aid of good causes. Employees can personalise their impact through Payroll Giving, Match Funding, community volunteering and skill share volunteering. • During the year, the Board has received updates on progress against the CSR strategy through the CEO's report.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	<ul style="list-style-type: none"> • The Company considers that maintaining its reputation for the highest standard of business conduct is a key priority. The Board ensures that an appropriate framework, including relevant policies, is in place to support this and the Board is made aware of and involved in the management of all issues that might have a material impact on the Company's reputation. • The Company has monitored and responded to new and emerging regulatory developments, including GI pricing, FCA Consumer Duty and the energy market crisis. • The Company's Consumer Duty implementation plan was reviewed and approved by the Board Risk Committee, who were also responsible for monitoring delivery against the plan. • The Board has appointed an Independent Non-Executive Director as the Consumer Duty Board Champion, who, along with the Chair and CEO, will be responsible for ensuring that customer outcomes are being discussed regularly through existing governance and reported against at least annually. • The Company maintains regular and ongoing dialogue with key regulatory bodies, including the FCA, and, where appropriate, the ICO, ASA, CMA, Ofgem and Ofcom.
(f) the need to act fairly between members of the Company	<ul style="list-style-type: none"> • The relationship between the Company's parent undertaking, BGL (Holdings) Limited, and its two principal shareholders is governed by a Shareholders' Agreement, which ensures the fair treatment of the members and that the Board gives due regard to the interests of all stakeholders when it exercises its powers. • The two principal shareholders hold seats on the Board of Compare The Market Limited to ensure that their interests are appropriately represented and there is effective and regular engagement.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

On behalf of the Board:

DocuSigned by:

AF26031E7786454...

Dominic Platt

Director

28 September 2023

Compare The Market Limited

Year ended 30 June 2023

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 30 June 2023.

Results, dividends and future developments

Details of the Company's results, dividends and future developments are set out in the Strategic report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report. The financial position of the Company is disclosed on the Balance sheet on page 19.

As at 30 June 2023, the Company has net assets of £236.6m (2022: £402.0m) and net current assets of £197.7m (2022: £351.0m). The Directors have reviewed the budget and cash flow forecasts of the Company for the period to 30 September 2024 and are confident that they show the Company will have sufficient resources to meet its liabilities as they fall due. This assessment is based on management's analysis of liquidity stress testing and sensitivity analysis which considers a number of downside scenarios.

The Company currently enjoys access to significant liquidity through the Group's available cash and debt facilities. The debt facilities mature in June 2024 and April 2025. While a Group refinancing exercise currently underway is expected to complete in the first half of the next financial year, the budgets, cash flow forecasts and liquidity stress testing reviewed by the Directors for the purposes of the going concern assessment assume full repayment of the Group's debt facilities and no refinancing. The assessments show that the Group's ability to meet its financial obligations as they fall due is not contingent on the continuation of existing Group debt facilities.

The Directors believe the Company is well placed to manage its business risks and continue in operational existence for the foreseeable future and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Directors

The Directors of the Company who held office during the year and to date of signature were as follows:

AD Hewitt MBE
A Babache (Appointed 31 July 2023)
MM Bailie
TB Boldt
KH Chung (Resigned 31 July 2023)
Lord JK Gadhia
R Hoskins
SD Keating
DJ Osborne
DJ Platt
M Raisbeck

Compare The Market Limited

Year ended 30 June 2023

Report of the Directors

Disclosure of Information to auditor

Each of the persons who are Directors at the time when this report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Directors' indemnity provision

In accordance with the Company's Articles of Association, the Company has indemnified the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is still in place as at the date of this report.

Auditor

In accordance with section 487 of the Companies Act 2006, Ernst & Young LLP has been reappointed as the auditor for the year ended 30 June 2023.

Streamlined energy and carbon reporting


The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 require large companies to provide streamlined energy and carbon reporting (SECR) in their financial statements.

The Company is a qualifying subsidiary of BGL (Holdings) Limited and has taken the exemption, under Paragraph 20A, part 7A of Schedule 7 of the legislation, to not disclose this information in the Company financial statements. The relevant disclosures are presented within BGL (Holdings) Limited's Report of the Directors.

Events since the reporting date

The board of Directors are not aware of any events after the reporting date requiring disclosure in these financial statements.

On behalf of the Board:

DocuSigned by:

AF28031E7786454...

Dominic Platt

Director

28 September 2023

Compare The Market Limited

Year ended 30 June 2023

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, Directors' Report and the financial statements in accordance with applicable UK 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), 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 for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless they consider that to be inappropriate.

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 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.

Compare The Market Limited

Year ended 30 June 2023

Independent auditor's report to the members of Compare The Market Limited

Opinion

We have audited the financial statements of Compare The Market Limited for the year ended 30 June 2023 which comprise the Profit and loss account, Statement of changes in equity, the Balance sheet, and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards [including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)].

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating 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 period to 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Compare The Market Limited

Year ended 30 June 2023

Independent auditor's report to the members of Compare The Market Limited

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Compare The Market Limited

Year ended 30 June 2023

Independent auditor's report to the members of Compare The Market Limited

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to the UK Companies Act 2006 and UK tax legislation, and the financial reporting framework (UK GAAP). Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the Financial Conduct Authority ('FCA').
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal compliance matters. We also reviewed minutes of the Board of directors; and gained an understanding of the company's approach to governance, demonstrated by the Boards approval of the governance framework.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has established to address the risks identified by the entity, or that otherwise seek to prevent, detect or deter fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the company's methods of enforcing and monitoring compliance with such policies. Further, we performed audit procedures which included testing the appropriateness of journal entries recorded in the general ledger, with a focus on manual journals and evaluating the business rationale for significant and unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Compare The Market Limited

Year ended 30 June 2023

Independent auditor's report to the members of Compare The Market Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

874BCD66436A452...

Jonathan Bell (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

28 September 2023

Compare The Market Limited**Year ended 30 June 2023****Profit and loss account**

	Note	2023 £m	2022 £m
Revenue	3	467.5	422.3
Operating expenses		(324.7)	(304.7)
Impairment loss	4	-	(20.3)
Operating profit	4	142.8	97.3
Finance income	5	10.2	9.4
Finance costs	6	(0.7)	(0.7)
Profit before taxation		152.3	106.0
Tax expense	7	(30.7)	(16.6)
Profit for the financial year		121.6	89.4

All amounts relate to continuing activities.

There are no other items of comprehensive income other than those included in the above Profit and loss account. Accordingly, profit for the financial year is also total comprehensive income for the year.

The notes from pages 21 to 39 form part of these financial statements.

Compare The Market Limited**Year ended 30 June 2023****Balance sheet**

Company number 10636682

	Note	2023 £m	2022 £m
ASSETS			
Non-current assets			
Intangible assets	9	27.8	30.8
Property, plant and equipment	10	21.4	23.9
Trade and other receivables	13	7.2	16.9
		56.4	71.6
Current assets			
Inventories	12	0.4	0.3
Trade and other receivables	13	234.4	394.2
Cash and cash equivalents	14	16.5	3.8
		251.3	398.3
Total assets		307.7	469.9
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	15	45.2	39.2
Lease liabilities	16	2.2	2.1
Provisions for liabilities	17	6.2	6.0
		53.6	47.3
Non-current liabilities			
Trade and other payables	15	-	2.0
Lease liabilities	16	11.7	13.7
Provisions for liabilities	17	5.8	4.9
		17.5	20.6
Total liabilities		71.1	67.9
Equity			
Share capital	19	35.0	35.0
Retained earnings		201.6	367.0
Total equity		236.6	402.0
Total equity and liabilities		307.7	469.9

The financial statements were approved by the Directors on 28 September 2023 and signed by:

DocuSigned by:

 AF26031E7786454...

DJ Platt

Director

The notes from pages 21 to 39 form part of these financial statements.

Compare The Market Limited
Year ended 30 June 2023
Statement of changes in equity

	Note	Share capital £m	Retained earnings £m	Total equity £m
At 30 June 2021		35.0	366.3	401.3
Profit for the financial year		-	89.4	89.4
Dividends paid	18	-	(88.7)	(88.7)
At 30 June 2022		35.0	367.0	402.0
Profit for the financial year		-	121.6	121.6
Dividends paid	18	-	(287.0)	(287.0)
At 30 June 2023		35.0	201.6	236.6

The notes from pages 21 to 39 form part of these financial statements.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

1. Accounting policies

The Company's significant accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing them, are set out below. Accounting policies have been applied consistently to all periods presented in these financial statements.

Basis of preparation

The Company, a private limited company incorporated and domiciled in England and Wales, has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards and IFRIC interpretations, as UK adopted International Accounting Standards ("IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has 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 share capital;
- disclosures in respect of transactions with wholly owned subsidiaries of BGL Group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

BGL (Holdings) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of BGL (Holdings) Limited are prepared in accordance with International Financial Reporting Standards as adopted by the UK and, as they include equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements are stated in sterling, which is the Company's functional and presentation currency. Unless otherwise noted, the amounts shown in these financial statements are rounded to the nearest £0.1m.

The financial statements have been prepared on the historical cost basis.

Going concern

The financial statements have been prepared on the going concern basis. As at 30 June 2023, the Company has net assets of £236.6m (2022: £402.0m) and net current assets of £197.7m (2022: £351.0m). The Directors have reviewed the budget and cash flow forecasts of the Company for the period to 30 September 2024 and are confident that they show the Company will have sufficient resources to meet its liabilities as they fall due. This assessment is based on management's analysis of liquidity stress testing and sensitivity analysis which considers a number of downside scenarios.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

1. Accounting policies (continued)

Going concern (continued)

The Company currently enjoys access to significant liquidity through the Group's available cash and debt facilities. The debt facilities mature in June 2024 and April 2025. While a Group refinancing exercise currently underway is expected to complete in the first half of the next financial year, the budgets, cash flow forecasts and liquidity stress testing reviewed by the Directors for the purposes of the going concern assessment assume full repayment of the Group's debt facilities and no refinancing. The assessments show that the Group's ability to meet its financial obligations as they fall due is not contingent on the continuation of existing Group debt facilities.

The Directors believe the Company is well placed to manage its business risks and continue in operational existence for the foreseeable future and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Foreign exchange

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the Profit and loss account.

Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rate, with all gains and losses being recognised in the Profit and loss account.

Financial instruments

All assets and liabilities, with the exception of intangible assets, property, plant and equipment, deferred tax, inventories, prepayments, corporation tax and deferred income, are financial instruments.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company initially recognises financial instruments on the date that they are originated.

Financial liabilities measured at amortised cost

Trade and other payables are not interest bearing and are designated as other financial liabilities. They are recognised at their carrying amount, which is deemed to be a reasonable approximation of their fair value.

Revenue from contracts with customers

Revenue recognition is at provision of lead, where revenue can be reliably estimated and the business has no further outstanding performance obligations. Otherwise, recognition is at point of confirmation of sale.

Where the Company has post-sale obligations which are not sufficiently covered by future revenue, revenue is allocated to performance obligations on a relative fair value basis. The element relating to post-sale obligations is deferred and recognised in the periods in which these activities take place. None of these obligations exceed 12 months from the date of initial recognition.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

1. Accounting policies (continued)

Advertising production costs

The expense associated with the production of adverts are recognised only once the advert is available to the Company in a format ready for use, having been approved for airing or displaying. The cost of airing or displaying the advert is taken as an expense in the period in which the advert is aired or displayed.

Taxation

Current tax

The current tax expense is the expected tax payable based on the taxable profits for the year, after any adjustments in respect of prior years. The rates enacted or substantively enacted at the reporting date are used to determine the current tax.

Deferred tax

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is regarded as more likely than not that they will be recovered in the foreseeable future. Deferred tax assets and liabilities are not discounted.

The rates enacted or substantively enacted at the reporting date are used to determine the deferred tax.

Intangible assets

Software development

Acquired computer software licences are capitalised on the basis of costs to acquire and bring into use the specific software. These costs are amortised using the straight-line method over their expected useful life of 3-5 years.

Costs that are directly attributable to the production of identifiable software products controlled by the Company, where it is probable that the future economic benefits exceed the costs, are recognised as intangible assets. These include staff costs directly attributable to development of intangible assets. These costs are amortised using the straight-line method over their expected useful life of 3-5 years.

Development expenditure on websites, where future economic benefits are probable, are capitalised as intangible assets to the extent that they relate to application and infrastructure development, graphical design and content development prior to operation. Website costs that are recognised as intangible assets are amortised using the straight-line method over their expected useful life of 3-5 years and are included with operating expenses within the Profit and loss account.

Where the above requirements cannot be met, costs are expensed.

Impairment

Intangible assets are reviewed for impairment losses annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

1. Accounting policies (continued)

Intangible assets (continued)

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Property, plant and equipment

Property, plant and equipment is included on the Balance sheet at cost less accumulated depreciation and impairment.

Depreciation is provided to write off the cost less estimated residual values of all property, plant and equipment evenly over their expected useful economic lives. It is calculated at the following rates:

Buildings and right-of-use assets	4% per annum or over the term of lease
Leasehold improvements	Over the term of lease
Fixtures and fittings	Over the term of lease or minimum of 10% per annum
Office equipment	10-20% per annum
Computer equipment	10-25% per annum

Depreciation is not provided for assets under construction, which are stated at cost.

Impairment reviews are carried out by the Company on a regular basis, at least annually. If the carrying value of an asset is greater than the recoverable amount, the carrying value is reduced through an impairment charge recognised in the Profit and loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average cost principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less costs to sell.

Trade and other receivables

Trade and other receivables are recognised initially at transaction price. Subsequently to initial recognition they are measured at amortised cost using the effective interest method, less any impairment for losses.

Doubtful receivables

Loss allowances for expected credit losses ('ECLs') are recognised on financial assets, measured at amortised cost. Loss allowances for trade receivables and other receivables are measured at an amount equal to lifetime ECLs.

Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand, deposits held at call with banks, treasury bills and other short-term highly liquid investments with less than 90 days' maturity from the date of acquisition.

Trade and other payables

Trade and other payables are recognised initially at transaction price and subsequently measured at amortised cost.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

1. Accounting policies (continued)

Lease liabilities

Where a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration the Company recognises a lease liability at contract inception, except for short-term leases or leases of low value assets, which are recognised as an expense on a straight-line basis or another systematic basis.

Company as a lessee

Leases are recognised as a liability at the commencement date of the lease and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments, less any lease incentives receivable.

The Company uses its incremental borrowing rate at the lease commencement to calculate the present value of lease payments. The incremental borrowing rate applied to each lease is determined by taking into account the risk-free rate, adjusted for factors such as term of the underlying lease arrangement. The borrowing rates applied, which are equal to the average incremental rates of borrowing at commencement, are between 1.8 and 2.1%.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of the lease liabilities is subsequently remeasured if there is a modification to the underlying leasing arrangement.

The Company's lease liabilities are presented separately on the Balance sheet and in note 16.

Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision for insurer clawback of commission

The Company recognises a provision for insurer clawback of commission following the lapse of life insurance policies previously recognised as income. The key assumption in this accounting estimate is the future lapse rate.

Dilapidations provision

The Company recognises a provision for the estimated costs for dilapidations for wear and tear that may become payable under the terms of current leasehold property contracts at the end of the lease. The present value of these costs is included within the cost of the associated right-of-use asset upon initial recognition and unwound.

Onerous contract provision

The Company recognises an onerous contract provision where the obligations under a contract exceed the economic benefits expected to be received from it. The provision is calculated as the lower of the expected cash outflow over the contract life and the cost to exit the contract. The key assumptions in the determination of the value of the provision are the expected future cash flows and the discount rate used to calculate the present value of those cash flows.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

1. Accounting policies (continued)

Dividends

Dividends on equity instruments are recognised when they become legally payable.

Future developments

The Company has assessed the impact of upcoming accounting standard changes, and none are expected to cause any material adjustments to the financial statements.

2. Significant judgements and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements.

Accrued income

Revenue is recognised during the period in which a lead is provided and can be reliably estimated, and where the business has no further outstanding performance obligations. Where revenue has been recognised but has not been invoiced by the Balance sheet date, income is accrued on the Balance sheet. The key assumption made by management in the determination of the value of this accrual is the expected sales value. The accrual held on the Balance sheet at the year end was £66.6m (2022: £71.6m).

Impairment of intangible assets

The Company has recognised intangible assets as a result of investment in software development. The total value of these intangible assets at the Balance sheet date is £27.8m (2022: £30.8m). The value of these assets is expected to be recovered through value in use and the recoverability of these assets at each Balance sheet date is assessed with reference to the cash flows associated with the relevant cash generating unit ("CGU").

Various assumptions around discount rates, growth rates and future cash flows have been made by management in assessing the recoverability of intangible assets, which may differ from actual results and could lead to an impairment.

Clawback provisions

Provisions are made on the Balance sheet for the expected level of cancellations in relation to life insurance policies on which the Company has earned commission. The key assumption made by management in the determination of the value of this provision is the expected future lapse rates. The provision held on the Balance sheet at the year end was £10.1m (2022: £9.4m).

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****3. Revenue from contracts with customers****(i) Disaggregation of revenue**

	2023	2022
	£m	£m
Price comparison	464.4	418.8
Other	3.1	3.5
Revenue	467.5	422.3

Price comparison revenue is wholly attributable to the principal activity of the Company and arises within the United Kingdom. Performance obligations are satisfied upon the introduction of customers to new deals with payment generally due within 30 to 60 days from the date of introduction.

Included within price comparison revenue is £6.6m (2022: £2.4m) subject to constraint whereby the Company's performance obligations are completed within the current financial year but the total variable consideration is contingent on future events outside of the control of the Company. Management has estimated this consideration by using historic data informed by expected market conditions to forecast future cash flows. The variable consideration recognised is subject to constraint until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur in future periods.

Also included within price comparison revenue is £1.6m (2022: £nil) from performance obligations satisfied in previous periods, whereby accrued income had previously been constrained, and £1.2m (2022: £0.9m) where revenue had not previously been recognised.

Included within other revenue are fees of £2.1m (2022: £2.1m) which arise from a related party in Australia and £1.3m (2022: £0.4m) relating to management services provided to a third party. £1.4m of revenue relating to UK research and development tax credits, which is outside the scope of IFRS 15, was recognised in the comparative period. Of this amount, £0.3m was subsequently reversed in the current period.

(ii) Contract balances

The following tables provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

The following table shows the contract assets balance:

	2023	2022
	£m	£m
Value at start of the period	71.6	81.5
Revenue recognised	463.7	411.2
Transferred to receivables	(468.4)	(420.5)
Loss allowance	(0.3)	(0.6)
Value at the end of the period	66.6	71.6

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

3. Revenue from contracts with customers (continued)

Contract assets consists entirely of accrued income. The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, meaning only the passage of time is required before payment of consideration is due.

The following table shows the contract liabilities balance:

	2023 £m	2022 £m
Value at start of period	0.2	0.1
Recognised in revenue	(1.9)	(0.1)
Contract liabilities recognised	3.0	0.2
Value at the end of the period	1.3	0.2

Contract liabilities consists entirely of deferred income.

Refund liabilities ('Clawback provisions') are recognised in relation to life insurance policies on which the Company has earned commission. Movements in the clawback provision are presented in note 17.

4. Operating profit

Operating profit is stated after charging the following:

	2023 £m	2022 £m
<i>Included within operating expenses:</i>		
Auditor's fees - fees for the audit of the Company	0.2	0.1
Auditor's fees - fees for the audit of fellow Group companies	0.1	-
Amortisation of intangible assets	13.1	15.8
Depreciation of property, plant and equipment	4.7	4.7
Foreign exchange (gains) / losses	0.3	(1.2)
Impairment of intangible assets	0.5	-
Impairment of trade and other receivables	0.1	5.2
Impairment of property, plant and equipment	0.2	-
Impairment of accrued income	0.3	0.6
	2023 £m	2022 £m
<i>Included within impairment loss:</i>		
Impairment of intangible assets	-	20.3

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

4. Operating profit (continued)

Total Auditor's fees of £0.3m relating to the audit of BGL (Holdings) Limited and its subsidiaries have been incurred by the Company. Of these fees, £0.2m is determined to be attributable to the Company (2022: £0.1m). The Company has not sought compensation from fellow Group companies for the remaining fees of £0.1m, which are also included within operating expenses. In the prior year, total Auditor's fees relating to the audit of the BGL (Holdings) Limited and its subsidiaries were incurred by a fellow Group company which recharged the amounts attributable to the audit of the Company.

In the prior year the Company completed the implementation of a new operating model, which resulted in the de-prioritisation of certain initiatives and pivoting away from certain technologies and tools. Consequently, an impairment loss of £20.3m relating to software development intangible assets was recorded in the year ending 30 June 2022.

As the adoption of the operating model was completed in the prior period, losses relating to the impairment of intangible assets in the current year have been recognised within operating expenses.

5. Finance income

	2023 £m	2022 £m
Interest receivable from Group undertakings	9.8	8.8
Other finance income	0.4	0.6
	10.2	9.4

6. Finance costs

	2023 £m	2022 £m
Other finance costs	0.7	0.7
	0.7	0.7

7. Tax expense

	2023 £m	2022 £m
Current tax		
UK corporation tax charge	31.3	16.1
Adjustments in respect of prior years	0.1	-
Total tax expense	31.4	16.1
Deferred tax		
Charge to Profit and loss account	(0.2)	0.5
Impact of change in tax rates	(0.1)	-
Adjustment in respect of prior years	(0.4)	-
Total deferred tax	(0.7)	0.5
Total tax expense	30.7	16.6

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

7. Tax expense (continued)

The weighted average rate of tax for the year, based on the UK standard rate of corporation tax is 20.5% (2022: 19%). The actual tax charge for the current year and the previous year differs from the weighted average rate for the reasons set out in the following reconciliation:

	2023 £m	2022 £m
Profit for the financial year	121.6	89.4
Total tax expense	30.7	16.6
Profit before taxation	152.3	106.0
Tax at the weighted average corporate tax rate of 20.5% (2022: 19%)	31.2	20.1
Effects of:		
Expenses not deductible for tax purposes	-	(3.4)
Impact of rate change	(0.1)	-
Adjustments in respect to previous periods	(0.3)	-
Other movements	(0.1)	(0.1)
Total tax expense	30.7	16.6

8. Employees

In the prior year, the Group completed a restructuring programme relating to the devolution of certain management services provided by BGL Group Limited to its subsidiaries. This means provision of employees are provided to the Company by BGL Group Limited, which holds the contracts of service of employees and which raises a management charge in respect of these services.

Although the Company did not directly employ any staff during the year, following the restructure the employees are wholly dedicated to the service of the Company. Consequently, monthly average employee numbers and costs are disclosed below.

	2023 Number	2022 Number
Management, business development and support services	804	706
	804	706
	2023 £m	2022 £m
Wages and salaries	64.2	52.5
Social security costs	7.9	5.5
Pension costs	6.7	5.3
	78.8	63.3

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****8. Employees (continued)**

In addition to the aggregate remuneration above, expenditure of £1.0m (2022: £0.8m) was incurred by BGL Group Limited relating to direct non-monetary benefits for employees.

9. Intangible assets

	Software development	Software development in progress	Total
	£m	£m	£m
Cost			
At 30 June 2021	52.8	34.6	87.4
Additions	-	16.4	16.4
Transfers	26.8	(26.8)	-
Disposals	(15.4)	(14.5)	(29.9)
At 30 June 2022	64.2	9.7	73.9
Additions	-	10.9	10.9
Transfers	13.2	(13.2)	-
Disposals	(3.1)	-	(3.1)
At 30 June 2023	74.3	7.4	81.7
Accumulated amortisation			
At 30 June 2021	35.7	1.2	36.9
Charge for the year	15.8	-	15.8
Impairment	7.0	13.3	20.3
Disposals	(15.4)	(14.5)	(29.9)
At 30 June 2022	43.1	-	43.1
Charge for the year	13.1	-	13.1
Impairment	0.5	-	0.5
Disposals	(2.8)	-	(2.8)
At 30 June 2023	53.9	-	53.9
Net book value			
At 30 June 2023	20.4	7.4	27.8
At 30 June 2022	21.1	9.7	30.8

In the prior year the Company launched a new operating model, resulting in the de-prioritisation of certain initiatives and pivoting away from certain technologies and tools. Consequently, an impairment loss of £20.3m relating to software development intangible assets was recorded in the year ended 30 June 2022.

There are no commitments to purchase intangible assets at the reporting date (2022: £nil).

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****10. Property, plant and equipment**

	Right-of-use assets	Fixtures and fittings	Office equipment	Computer equipment	Total
	£m	£m	£m	£m	£m
Cost					
At 1 July 2021	-	-	-	1.9	1.9
Additions	18.6	3.3	2.1	4.1	28.1
Disposals	-	-	(0.1)	(0.2)	(0.3)
At 30 June 2022	18.6	3.3	2.0	5.8	29.7
Additions	0.9	0.4	0.1	1.0	2.4
Disposals	-	-	-	(1.0)	(1.0)
At 30 June 2023	19.5	3.7	2.1	5.8	31.1
Accumulated depreciation					
At 1 July 2021	-	-	-	1.4	1.4
Charge for the period	2.3	0.6	0.6	1.2	4.7
Disposals	-	-	(0.1)	(0.2)	(0.3)
At 30 June 2022	2.3	0.6	0.5	2.4	5.8
Charge for the period	2.3	0.4	0.6	1.4	4.7
Impairment	-	0.2	-	-	0.2
Disposals	-	-	-	(1.0)	(1.0)
At 30 June 2023	4.6	1.2	1.1	2.8	9.7
Net book value					
At 30 June 2023	14.9	2.5	1.0	3.0	21.4
At 30 June 2022	16.3	2.7	1.5	3.4	23.9

Details of the lease liabilities associated with the right-of-use assets disclosed above are disclosed in note 16.

There are no capital commitments for the Company at the reporting date (2022: £nil).

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****11. Deferred tax**

	2023	2022
	£m	£m
Property, plant and equipment deferred tax asset / (liability)	(0.2)	(0.4)
Other temporary differences	0.5	-
Deferred tax asset / (liability)	0.3	(0.4)

Deferred tax assets are included within non-current trade and other receivables on the Balance sheet as shown in note 13. Details of movement in deferred tax are show below:

	Property, plant and equipment	Other temporary differences	Deferred tax asset
	£m	£m	£m
At 1 July 2021	0.1	-	0.1
Recognised in income	(0.5)	-	(0.5)
At 30 June 2022	(0.4)	-	(0.4)
Recognised in income	0.1	0.1	0.2
Impact of rate change	(0.1)	0.1	0.1
Adjustment in respect of prior year	0.2	0.3	0.4
At 30 June 2023	(0.2)	0.5	0.3

12. Inventories

	2023	2022
	£m	£m
Finished goods	0.4	0.3
	0.4	0.3

Finished goods relate to inventory held for customer reward schemes. During the year, costs of £1.9m (2022: £2.3m) were recognised in operating expenses as goods were dispatched. £0.1m of finished goods, which had previously been fully impaired, were disposed of and at 30 June 2023 a provision of £0.5m (2022: £0.6m) is recognised net against the remaining inventory.

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****13. Trade and other receivables**

	2023	2022
	£m	£m
Current		
Trade receivables	15.1	11.1
Amounts due from Group undertakings	148.3	318.6
Accrued income	59.8	54.7
Prepayments	9.1	7.3
Other debtors	0.6	-
Corporation tax receivable	1.0	1.3
Financial assets	0.5	1.2
	234.4	394.2
	2023	2022
	£m	£m
Non-current		
Accrued income	6.8	16.9
Prepayments	0.1	-
Deferred tax assets	0.3	-
	7.2	16.9

At 30 June 2023 Compare The Market Limited held a bad debt provision of £5.4m (2022: £5.2m) in relation to impairment of trade receivables and £0.9m (2022: £0.6m) in relation to impairment of accrued income.

At 30 June 2023 the Company had commitments to purchase foreign currency totalling USD 9.0m (2022: USD 15.0m) via forward contracts held by a fellow Group company. The last of these commitments matures in December 2024 and an asset of £0.5m (2022: £1.2m) is held on the Balance sheet relating to the financial assets which arise from the forward contracts.

Further details regarding the deferred tax assets of £0.3m (2022: liabilities of £0.4m) are disclosed in note 11.

14. Cash and cash equivalents

	2023	2022
	£m	£m
Cash and cash equivalents	16.5	3.8
	16.5	3.8

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****15. Trade and other payables**

	2023	2022
	£m	£m
Current		
Trade payables	10.2	2.7
Accruals and deferred income	28.4	32.0
Other payables	6.6	4.5
	45.2	39.2
	2023	2022
	£m	£m
Non-current		
Accruals and deferred income	-	1.6
Deferred tax liabilities	-	0.4
	-	2.0

16. Lease liabilities

Leases of land and buildings have remaining lease terms between 4 and 8 years, with an option to renew the lease after the expiry date. Lease expiry dates range from February 2027 to December 2031. One lease has an exercisable break clause in December 2026. The Company's leases are subject to rent reviews in accordance with the terms of the lease.

- 'Property, plant and equipment' includes leased assets that do not meet the definition of investment property. Additions, depreciation and carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset is disclosed in note 10.
- Provisions for dilapidations which are included in the carrying amount of right-of-use assets are disclosed in note 17.
- Expense recognised in relation to short-term and low-value leases are £nil (2022: £nil).

Lease liabilities are 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 easily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability include fixed payments as set out within the underlying contract.

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****16. Lease liabilities (continued)**

The table below summarises the maturity profile of the Company's lease liabilities:

	2023	2022
	£m	£m
Lease liabilities maturing in less than one year	2.2	2.1
Current lease liabilities	2.2	2.1
Lease liabilities maturing in one to five years	7.5	8.3
Lease liabilities maturing in more than five years	4.2	5.4
Non-current lease liabilities	11.7	13.7
Total lease liabilities	13.9	15.8

The table below summarises the movement the Company's lease liabilities:

	2023	2022
	£m	£m
Lease liability at start of the period	15.8	-
Additions	0.2	17.9
Interest	0.3	0.4
Payments	(2.4)	(2.5)
Lease liability at end of the period	13.9	15.8

17. Provisions for liabilities

	Clawback provisions	Onerous contracts	Dilapidations	Total
	£m	£m	£m	£m
At 30 June 2022	9.4	0.7	0.8	10.9
Increase in provision	7.3	-	0.7	8.0
Utilisation	(7.0)	(0.3)	-	(7.3)
Unwinding of discounting	0.4	-	-	0.4
At 30 June 2023	10.1	0.4	1.5	12.0
Current provisions	5.8	0.4	-	6.2
Non-current provisions	4.3	-	1.5	5.8
At 30 June 2023	10.1	0.4	1.5	12.0

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

17. Provisions for liabilities (continued)

Clawback provisions

The Company provides for an estimate of the insurer or partner clawback of commission following the lapse of life insurance policies previously recognised as income. The key assumption in this accounting estimate is the future lapse rate.

Onerous contracts

Onerous contracts are where the obligations under the contract exceed the economic benefits expected to be received from it. The provision is calculated as the lower of the expected cash outflow over the contract life and the cost to exist contract. The key assumptions in the determination of the value of this provision are the expected future cash flows and the discount rate used to calculate the present value of those cash flows.

Dilapidations

The Company recognises a provision for the estimated costs of dilapidations that may become payable under the terms of leasehold property contracts at the end of the lease. The costs have been accrued at the inception of the lease and are reassessed each year.

The Directors are of the opinion that the carrying value of the provisions held reflect their fair value.

18. Dividends

	2023 £m	2022 £m
<i>Declared and paid during the year:</i>		
Equity dividends on ordinary shares:		
Interim dividend for 2022 (£2.53 per share)	-	88.7
Interim dividend for 2023 (£8.20 per share)	287.0	-
	287.0	88.7

19. Share capital

	2023 m	2022 m
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	35.0	35.0

The Company has one class of ordinary shares all of which carry equal voting and dividend rights.

Compare The Market Limited

Year ended 30 June 2023

Notes forming part of the financial statements

20. Contingent liabilities

The Group has access to substantial committed debt facilities comprising an unsecured £175.0m (2022: £175.0m) revolving credit facility maturing June 2024, an unsecured £100.0m (2022: £100.0m) term loan maturing June 2024, and a £50.0m (2022: £50.0m) seven year fixed rate senior note with a bullet maturity date of April 2025. Under the terms of these facilities, BGL (Holdings) Limited, BGL Group Limited and Compare the Market Limited provide a joint and several guarantee. At 30 June 2023 the drawn balance under these facilities, therefore the maximum exposure to this contingent liability, was £150.0m (2022: £150.0m).

The Company has joint and several liability under the group VAT registration and joint liability under the Group payment arrangement in relation to corporation tax.

The Company is involved in a certain number of proceedings and litigation cases during the normal course of business. Liabilities and contingencies in connection with these matters are periodically assessed based upon the latest information available, usually with the assistance of lawyers and other specialists. A liability is accrued only if an adverse outcome is probable and the amount of the future loss can be reasonably estimated.

21. Related party transactions

The Company has taken the exemption available under paragraph 8(k) FRS 101 from the disclosure requirements of IAS 24 in relation to entities which are wholly owned members of the same group.

Transactions with the following related parties have been identified with respect to the Company:

Compare The Market Pty Ltd Common shareholders

Transactions between the Company and these related parties are disclosed below:

	2023 £m	2022 £m
Royalty income		
Compare The Market Pty Ltd	2.1	2.1

Director's interests and emoluments

The Company did not directly employ any staff during the year. £0.1m (2022: £0.1m) of consideration for services provided by one Director (2022: one) was paid to CPPIB Equity Investments Inc. All other Directors were remunerated by fellow Group companies.

The proportion of the remuneration which relates to the Company in the current year is shown below.

Directors' emoluments	2023 £m	2022 £m
Short term employee benefits	2.8	1.2
Compensation for loss of office and related costs	-	0.3
	2.8	1.5

Compare The Market Limited**Year ended 30 June 2023****Notes forming part of the financial statements****21. Related party transactions (continued)**

Highest paid Director	2023 £m	2022 £m
Short-term employee benefits	1.3	0.4
	1.3	0.4

22. Events after the reporting date

The board of Directors are not aware of any events after the reporting date requiring disclosure in these financial statements.

23. Ultimate and immediate parent company

The immediate parent company is BGL Group Limited which is incorporated and domiciled in England and Wales.

The Company's ultimate parent undertaking and ultimate controlling party is BHL Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by BHL (UK) Holdings Limited. The smallest group in which they are consolidated is that headed by BGL (Holdings) Limited.

The consolidated financial statements of BHL (UK) Holdings Limited can be obtained from BHL (UK) Holdings Limited, Bath House, 16 Bath Row, Stamford, PE9 2QU. The consolidated financial statements of BGL (Holdings) Limited can be obtained from BGL (Holdings) Limited, Pegasus House, Bakewell Road, Orton Southgate, Peterborough, PE2 6YS.