

REGISTERED NUMBER: 05799376 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 December 2010
for
Gocompare com Limited

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Gocompare.com Limited (Registered Number 05799376)

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for the Year Ended 31 December 2010

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Gocompare.com Limited (Registered Number 05799376)

Company Information
for the Year Ended 31 December 2010

DIRECTORS:

H Parsons
S A Salter
K M Hughes

SECRETARY:

K M Hughes

REGISTERED OFFICE:

Unit 6
Imperial Courtyard
Newport
Gwent
NP10 8UL

REGISTERED NUMBER

05799376 (England and Wales)

AUDITORS:

KPMG Audit Plc
Chartered Accountants and Registered
Auditors
15 Canada Square
London
E14 5GL

Gocompare.com Limited (Registered Number 05799376)

Report of the Directors
for the Year Ended 31 December 2010

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

Turnover for the year was £101,494K compared to £74,990K for the previous period. Gross profit margin of 29.7% has increased significantly from 17.9% in 2009.

The company has maintained its position as a market leader within the comparison website industry. Quote volumes for core products have continued to grow, with a total of 28.5 million in 2010 compared to 19.4 million in 2009. Growth continues to be experienced across all product segments. Although income from motor insurance comparison continues to comprise a substantial amount of the company's turnover there have been particularly encouraging results outside of this vertical in 2010, with opportunities for significant growth in future years.

The company continues to invest in the development of the website to ensure customer expectations are exceeded and activity to maintain the strength and depth of panels has continued.

Marketing spend continues to comprise a significant proportion of total expenditure and remains in line with the sector. The company continues to seek opportunities to develop the Gocompare.com brand.

Staff levels have continued to increase throughout 2010 in order to provide the company with the necessary skills to support continued growth. The company continues to invest in staff development as it recognises that their skills and enthusiasm are vital to maintain its position as market leader.

The principal risks facing the company relate to the competitive environment in which it operates and the potential impact of loss of market share. The company continues to develop its overall proposition to customers and responds to both market conditions and competition in order to maintain and grow the brand.

The company has established a risk committee of appropriate senior management in order to fulfil its risk objectives and responsibilities, the output of which is communicated directly to the directors. The risk committee monitors risk indicators in relation to principal risks and the progress of risk mitigation plans are regularly reviewed.

DIVIDENDS

Interim dividends were paid as follows

£	
4,000,000	1 April 2010
4,000,000	23 July 2010
<u>4,000,000</u>	6 September 2010
<u>12,000,000</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2010 will be £12,000,000.

Gocompare.com Limited (Registered Number 05799376)

Report of the Directors
for the Year Ended 31 December 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

H Parsons
S A Salter
K M Hughes

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:



H Parsons - Director

Date

16/3/2011

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

We have audited the financial statements of Gocompare.com Limited for the year ended 31 December 2010 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Murray Raisbeck (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants and Registered Auditors
15 Canada Square
London
E14 5GL

Date *16 March 2011*

Gocompare.com Limited (Registered Number 05799376)

Profit and Loss Account
for the Year Ended 31 December 2010

	Notes	31 12 10 £'000	31 12 09 £'000
TURNOVER		101,494	74,990
Administrative expenses		<u>(71,388)</u>	<u>(61,567)</u>
		30,106	13,423
Other operating income		<u>196</u>	<u>-</u>
OPERATING PROFIT	3	30,302	13,423
Interest receivable and similar income		<u>70</u>	<u>50</u>
		30,372	13,473
Interest payable and similar charges	4	<u>(295)</u>	<u>(1,399)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,077	12,074
Tax on profit on ordinary activities	5	<u>(7,764)</u>	<u>(10)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>22,313</u>	<u>12,064</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

Gocompare.com Limited (Registered Number 05799376)

Balance Sheet

31 December 2010

	Notes	31 12 10 £'000	31 12 09 £'000
FIXED ASSETS			
Tangible assets	7	394	320
CURRENT ASSETS			
Debtors	8	6,628	10,747
Cash at bank		<u>14,570</u>	<u>13,703</u>
		21 198	24,450
CREDITORS			
Amounts falling due within one year	9	<u>(9,506)</u>	<u>(23,041)</u>
NET CURRENT ASSETS		<u>11,692</u>	<u>1,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,086	1,729
PROVISIONS FOR LIABILITIES	12	<u>(2,935)</u>	<u>(2,891)</u>
NET ASSETS/(LIABILITIES)		<u>9,151</u>	<u>(1,162)</u>
CAPITAL AND RESERVES			
Called up share capital	13	940	940
Profit and loss account	14	<u>8,211</u>	<u>(2,102)</u>
SHAREHOLDERS' FUNDS	18	<u>9,151</u>	<u>(1,162)</u>

The financial statements were approved by the Board of Directors on

16 March 2011

and were signed on its



K M Hughes - Director



H Parsons - Director

The notes form part of these financial statements

Gocompare.com Limited (Registered Number 05799376)

Cash Flow Statement
for the Year Ended 31 December 2010

	Notes	31 12 10 £'000	31 12 09 £'000
Net cash inflow from operating activities	I	36,917	9,376
Returns on investments and servicing of finance	II	(225)	(1,349)
Taxation		(4,532)	-
Capital expenditure	II	(332)	(267)
Equity dividends paid		<u>(12,000)</u>	<u>-</u>
		19,828	7,760
Financing	II	<u>(18,961)</u>	<u>1,399</u>
Increase in cash in the period		<u>867</u>	<u>9,159</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	III		
Increase in cash in the period		867	9,159
Cash outflow/(inflow) from decrease/(increase) in debt		<u>18,961</u>	<u>(1,399)</u>
Change in net debt resulting from cash flows		<u>19,828</u>	<u>7,760</u>
Movement in net debt in the period		19,828	7,760
Net debt at 1 January		<u>(5,258)</u>	<u>(13,018)</u>
Net funds/(debt) at 31 December		<u>14,570</u>	<u>(5,258)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2010

I RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31 12 10	31 12 09
	£'000	£'000
Operating profit	30,302	13,423
Depreciation charges	259	76
Decrease/(Increase) in debtors	4,119	(4,138)
Increase in creditors	<u>2,237</u>	<u>15</u>
Net cash inflow from operating activities	<u>36,917</u>	<u>9,376</u>

II ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 12 10	31 12 09
	£'000	£'000
Returns on investments and servicing of finance		
Interest received	70	50
Interest paid	<u>(295)</u>	<u>(1,399)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(225)</u>	<u>(1,349)</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(332)</u>	<u>(267)</u>
Net cash outflow for capital expenditure	<u>(332)</u>	<u>(267)</u>
 Financing		
Loan interest charged	295	1,399
Loan repayments in year	<u>(19,256)</u>	<u>-</u>
Net cash (outflow)/inflow from financing	<u>(18,961)</u>	<u>1,399</u>

The notes form part of these financial statements

Gocompare.com Limited (Registered Number 05799376)

Notes to the Cash Flow Statement
for the Year Ended 31 December 2010

iii ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 10 £'000	Cash flow £'000	At 31 12 10 £'000
Net cash			
Cash at bank	<u>13,703</u>	<u>867</u>	<u>14,570</u>
	<u>13,703</u>	<u>867</u>	<u>14,570</u>
Debt			
Debts falling due within one year	<u>(18,961)</u>	<u>18,961</u>	<u>-</u>
	<u>(18,961)</u>	<u>18,961</u>	<u>-</u>
Total	<u>(5,258)</u>	<u>19,828</u>	<u>14,570</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2010

1 ACCOUNTING POLICIES

Accounting convention

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

Turnover

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

Tangible fixed assets

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

Fixtures and fittings	- 20% on cost
Computer equipment	- Licenses vary over length of use
	All others 25% or 33% on cost

Deferred tax

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

Lease commitments

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

Pension costs and other post-retirement benefits

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

Grants

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

Research and development

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

2 STAFF COSTS

	31 12 10	31 12 09
	£'000	£'000
Wages and salaries	2,702	2,019
Social security costs	348	220
Other pension costs	43	32
	<u>3,093</u>	<u>2,271</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

2 STAFF COSTS - continued

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

31 12 10	31 12 09
<u>84</u>	<u>52</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 12 10 £'000	31 12 09 £'000
Other operating leases	42	47
Depreciation - owned assets	258	76
Auditors' remuneration		
Audit of financial statements – Gocompare com Ltd	19	5
Other services pursuant to legislation	<u>-</u>	<u>10</u>

	31 12 10 £	31 12 09 £
Directors' remuneration	281,667	375,833
Directors' pension contributions to money purchase schemes	<u>7,500</u>	<u>7,500</u>

Information regarding the highest paid director is as follows

	31 12 10 £	31 12 09 £
Emoluments etc	165,000	226,250
Pension contributions to money purchase schemes	<u>7,500</u>	<u>7,500</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 10 £'000	31 12 09 £'000
Loan	<u>295</u>	<u>1,399</u>

5 TAXATION

Analysis of the tax charge

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

	31 12 10 £'000	31 12 09 £'000
Current tax		
UK corporation tax	7,749	10
Deferred tax	<u>15</u>	<u>-</u>
Tax on profit on ordinary activities	<u>7,764</u>	<u>10</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

5 TAXATION - continued

Factors affecting the tax charge

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

	31 12 10	31 12 09
	£'000	£'000
Profit on ordinary activities before tax	<u>30,077</u>	<u>12,074</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 21%)	8,422	2,536
Effects of		
Depreciation	72	16
Capital allowances	(52)	(33)
Disallowable items	3	(7)
Group relief	(55)	-
Losses brought forward	<u>(641)</u>	<u>(2,502)</u>
Current tax charge	<u>7,749</u>	<u>10</u>

With effect from April 1st 2011 the standard rate of corporation tax will be reduced to 27% from 28%. The applicable corporation tax rate for the year will be 27.25%.

6 DIVIDENDS

	31 12 10	31 12 09
	£'000	£'000
Ordinary shares of £1 each		
Interim - Paid	<u>12,000</u>	<u>-</u>

The directors have proposed an interim dividend in respect of 2011 of £4m. This has not been included within creditors as it was approved after the year end.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST			
At 1 January 2010	110	351	461
Additions	26	306	332
Disposals	(18)	(218)	(236)
At 31 December 2010	118	439	557
DEPRECIATION			
At 1 January 2010	21	120	141
Charge for year	30	228	258
Eliminated on disposal	(18)	(218)	(236)
At 31 December 2010	33	130	163
NET BOOK VALUE			
At 31 December 2010	85	309	394
At 31 December 2009	89	231	320

8 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 10 £'000	31 12 09 £'000
Trade debtors	6,140	7,742
Other debtors	2	24
Prepayments and accrued income	486	2,981
	6,628	10,747

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 10 £'000	31 12 09 £'000
Other loans (see note 10)	-	18,961
Trade creditors	2,254	1,858
Amounts owed to group undertakings	1	-
Tax	3,227	10
Social security and other taxes	1,464	1,309
Other creditors	1,724	7
Accrued expenses	836	896
	9,506	23,041

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

10 LOANS

An analysis of the maturity of loans is given below

	31 12 10 £'000	31 12 09 £'000
Amounts falling due within one year or on demand		
Other loans	<u>-</u>	<u>18,961</u>

11 OPERATING LEASE COMMITMENTS

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

		Land and buildings
	31 12 10 £'000	31 12 09 £'000
Expiring		
Between one and five years	<u>98</u>	<u>83</u>

12 PROVISIONS FOR LIABILITIES

	Deferred Tax £'000	Other Provisions £'000
As at 1 January 2010	-	2,891
Released / utilised in the year	-	(1,841)
Charged to profit and loss in the year	<u>15</u>	<u>1,870</u>
As at 31 December 2010	<u>15</u>	<u>2,920</u>

Other provisions relate to present cost obligations and revenue recoverability provisions that are consistent in basis with prior years

	Deferred tax £'000
Accelerated capital allowances	<u>15</u>
Balance at 31 December 2010	<u>15</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	31 12 10 £'000	31 12 09 £'000
940,200	Ordinary shares		<u>940</u>	<u>940</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

14 RESERVES

	Profit and loss account £'000
At 1 January 2010	(2,102)
Profit for the year	22,313
Dividends	<u>(12,000)</u>
At 31 December 2010	<u>8,211</u>

15 ULTIMATE PARENT COMPANY

The immediate parent company is Gocompare.com Holdings Limited who own 100% of the issued share capital. Gocompare.com Holdings is controlled by Hayley Parsons who holds 51% of the issued share capital and esure Services Limited which holds 49% of the issued share capital.

16 RELATED PARTY DISCLOSURES

Sales of £5,254K were made to a major shareholder of the group during the year, of which £463K remained due at 31 December 2010.

Loan interest of £295K was paid to a major shareholder of the group during the year. The loan was repaid during the year.

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

17 ULTIMATE CONTROLLING PARTY

The company is controlled by Hayley Parsons who holds 51% of the share capital and esure Services Limited which holds 49% of the issued share capital.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 10 £'000	31 12 09 £'000
Profit for the financial year	22,313	12,064
Dividends	<u>(12,000)</u>	<u>-</u>
Net addition to shareholders' funds	10,313	12,064
Opening shareholders' funds	<u>(1,162)</u>	<u>(13,226)</u>
Closing shareholders' funds	<u>9,151</u>	<u>(1,162)</u>