



Rightmove is the UK's largest property portal.

Our aim is to be the place for all UK home hunters to find details of all properties available to buy or rent. Our platforms provide an easy to use but sophisticated online property search. With the depth of information that they provide, home hunters can immediately identify their preferred properties.

The service is directed at four key membership groups:

- estate agents
- lettings agents
- new homes developers
- overseas homes agents offering properties outside the UK but interested in advertising to UK-based home hunters.



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Highlights

- Revenue increased by 17% to £139.9m (2012: £119.4m)
- Underlying operating profit⁽¹⁾ increased by 19% to £104.0m (2012: £87.5m)
- Underlying operating margin⁽¹⁾ increased to 74.3% (2012: 73.3%)
- Basic earnings per share up 21% to 74.1p (2012: 61.3p)
- Underlying basic earnings per share⁽²⁾ up 23% to 81.0p (2012: 65.7p)
- 2.8m shares bought back during 2013 (2012: 4.5m) at a cost of £60.5m (2012: £66.4m)
- Final dividend of 17.0p (2012: 14.0p) making a total dividend of 28.0p for the year (2012: 23.0p), up 22%
- Number of advertisers⁽³⁾ up 4% at 18,425 (2012: 17,680)
- Average revenue per advertiser (ARPA)⁽³⁾ up 15% to £607 per month (2012: £529 per month)
- Site traffic up 27% to 14.0bn pages (2012: 11.0bn pages)
- Generated 36.0m (2012: 21.2m) phone and email enquiries for our customers, up 70%



Revenue

+17%

Revenue grew by
£20.5m to £139.9m
(2012: £119.4m)

Profit

+19%

Underlying operating
profit⁽¹⁾ increased to
£104.0m (2012: £87.5m)

Dividend

+22%

Final dividend 17.0p
(2012: 14.0p)
Total dividend 28.0p
(2012: 23.0p)

(1) Before share-based payments and NI on share-based incentives.

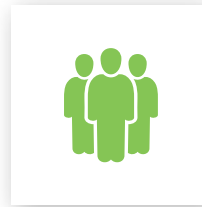
(2) Before share-based payments, NI on share-based incentives and no related adjustment for tax.

(3) For Agency and New Homes customers.

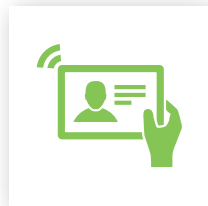
Areas of focus



Growing our brand



Building relationships



Investing in technology



Supporting our customers





Scott Forbes
Chairman

I am pleased to present Rightmove plc's results for the year ended 31 December 2013.

Amidst rapid technological changes and a steadily improving housing market in many areas of the UK in 2013, Rightmove's focus on providing the essential marketplace for home hunting has not wavered. This achievement is the result of the continuing evolution of our proposition, most recently for the increasingly mobile behaviour of home hunters, a continued focus on website design and functionality, innovative product development, and underpinned by steady and consistent investment in our brand over 14 years.

Advertising on Rightmove enables customers to leverage our audience reach as our site continues to be ranked in the top ten most popular UK sites after global brands such as Google and Facebook. As the migration from print to online property advertising continues our customers can rely upon us to deliver brand building and property advertising products in a manner conducive to changing consumer needs while also investing in value added services for a more sophisticated home hunter.

Demonstrating the reach of our website, page impressions increased 27% year on year from 11 billion in 2012 to a record 14 billion in 2013. Indicative of the effectiveness of our customers' advertising spend, enquiries from home hunters increased 70% from over 21 million to 36 million in the same period. Rightmove's commitment to providing more support

for our customers through account management, seminars, market insight tools and other programmes continues to be an imperative as our customers compete in an ever evolving environment, including the rapid growth in mobile traffic which in the month of December 2013 exceeded 40% of total page impressions. We are committed to continued investment in technology and customer engagement to enable Rightmove to offer the best service for vendors, landlords and home hunters.

The Board and I would like to express our thanks to our 18,000 customers and also to our employees whose efforts have positioned Rightmove as the place for home hunters to find their next home and for property advertisers to reach the widest possible audience by far.

Financial results

The strength of our business model and core value proposition underpin record financial results in 2013. Underlying operating profit⁽¹⁾ was up 19% to £104.0m (2012: £87.5m) driven by strong organic revenue growth of 17% coupled with continued careful cost management. Basic earnings per share (EPS) was up 21% to 74.1p (2012: 61.3p) and underlying EPS⁽²⁾ was up 23% to 81.0p (2012: 65.7p). Cash conversion remains in excess of 100% of operating profit and as at 31 December 2013 the cash position was £6.8m (2012: £7.1m).

Shareholders were rewarded with capital appreciation in 2013 as our share price increased by 90%.

Returns to shareholders

Our commitment to investors to return excess cash promptly continues to be as strong as ever. In 2013, we returned a further £85.6m (2012: £86.8m) to shareholders through dividends and share buybacks. This brings the total returned to shareholders since our flotation in March 2006 to £378.7m. Shareholders were further rewarded with capital appreciation in 2013 as the share price increased 90% from £14.36 to £27.40 at 31 December 2012 and 2013 respectively.

Dividend

The Board previously announced that it would increase the interim dividend to 11.0p (2012: 9.0p) per ordinary share, which was paid on 8 November 2013. Consistent with our policy of increasing the total dividend for the year broadly in line with underlying operating profits, the Board proposes to pay a final dividend of 17.0p (2012: 14.0p) per ordinary share giving a total dividend for the year of 28.0p (2012: 23.0p), an increase of 22%. The final dividend, subject to shareholder approval, will be paid on 6 June 2014 to shareholders on the register on 9 May 2014.

Board changes

At this time last year, we noted executive promotions of Nick McKittrick as Chief Executive Officer, Peter Brooks-Johnson as Chief Operating Officer

and Robyn Perriss as Finance Director. I am pleased to say that the transition was seamless and the results are testament to the management team's outstanding efforts.

We are delighted to welcome Peter Williams as a Non-Executive Director with effect from 3 February 2014. Peter has an extensive career comprising both non-executive and executive director positions for companies such as ASOS and Selfridges and currently Cineworld and Sportech.

Outlook

Many market observers have commented that the UK housing market is in the early stages of a cyclical recovery aided in part by government supported stimuli such as the Help to Buy and Funding for Lending schemes. Rightmove has flourished in the challenging markets of recent years. Our results for 2013 demonstrate that we are continuing to deliver in an improving market. The Board remains confident of continued success in 2014.



Scott Forbes

Chairman

(1) Before share-based payments and NI on share-based incentives.

(2) Before share-based payments, NI on share-based incentives and no related adjustment for tax.



Nick McKittrick
Chief Executive Officer

Rightmove has delivered another year of strong growth with record revenue and profits, driven by increased advertising spend by our customers on the UK's number one property website, mobile and tablet platforms.

Our growth reflects the ongoing transformation to a digital property advertising market in the UK and is underpinned by the value we deliver to our customers by enabling them to reach the largest audience of UK home hunters.

Our audience has continued to grow and set new records in 2013 through continued investment in our brand and technology and helped by an improving UK housing market. Visits to Rightmove across our desktop, mobile and tablet platforms grew strongly in the year resulting in 14 billion pages of property being viewed, up an impressive 27% on 2012.

We continue to be ranked in the top ten most popular websites in the UK alongside global brands such as Google, Facebook, YouTube, eBay and Amazon.

Average revenue per advertiser has continued to increase reflecting further adoption of our additional advertising products and packages and the effect of increases to our membership fees. Spending by our customers on additional products and packages is up 31% compared to the previous year.

We have also seen a 4% increase in the number of customers advertising on Rightmove during 2013, driven

by a combination of new joiner incentives and new office openings as the UK housing market has started to improve.

Business model

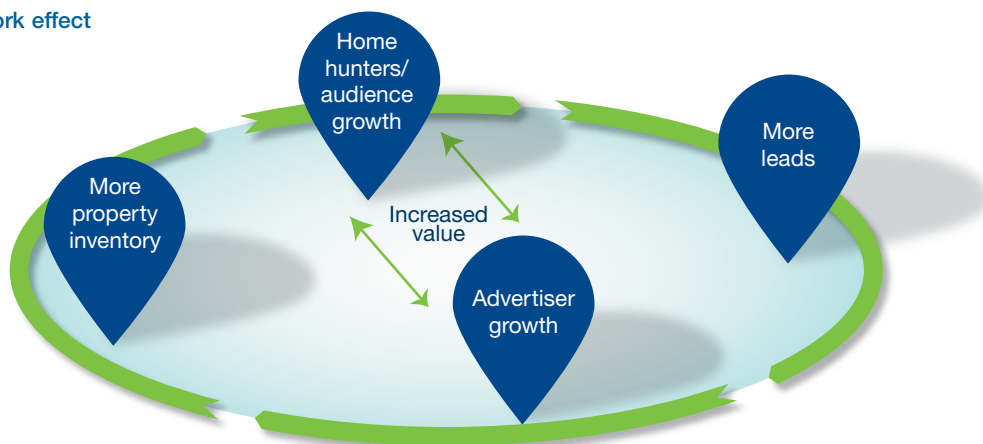
Rightmove is by far the UK's largest property portal. Our aim is to be the place for all UK home hunters to find details of all UK properties available to buy or rent. Our platforms provide an easy to use but sophisticated online property search. With the depth of information that they provide, home hunters can immediately identify their preferred properties.

Our customers are primarily estate agency and rentals offices, new homes developers and agents offering overseas properties to UK based home hunters. We operate a subscription model where each customer pays a monthly membership fee to advertise all of their properties. Rightmove also offers a range of advertising products to help our customers promote their properties, brand and proposition more strongly. Advertising products may be bought individually or as part of a package.

Our model benefits from a strong network effect with the growth of home hunters and property advertisers providing a 'virtuous circle' enhancing the Rightmove value proposition.

Rightmove's audience has grown every year and we now have around 10 million unique users, carrying out nearly

The Rightmove network effect



We continue to be ranked in the top ten most popular websites in the UK.

200 million searches every month on more than 1 million properties. Over 90% of estate agents in the UK advertise their properties on Rightmove and in total we have over 18,000 advertisers.

Our position, at the heart of home moving, has come from a focus on providing the best internet platforms for buyers, sellers, tenants and landlords backed by more than a decade of investment in our brand, infrastructure, product innovation and customer relationships.

Our strategy

The Rightmove business strategy focuses on organic growth through serving property advertisers seeking to reach the UK's largest audience of home hunters. For our advertisers we offer the most effective brand exposure, the largest source of high quality enquiries and in the case of estate agents and rentals agents, form a valuable part of their own service offering to home sellers and landlords.

Our growth potential comes from the value embedded in our market leading audience and the opportunity afforded from the ongoing structural shift of property advertising spend from offline to online, furthering our ability to derive more value from our customers. There is also the potential for further opportunity afforded from a cyclical recovery in the UK housing market.

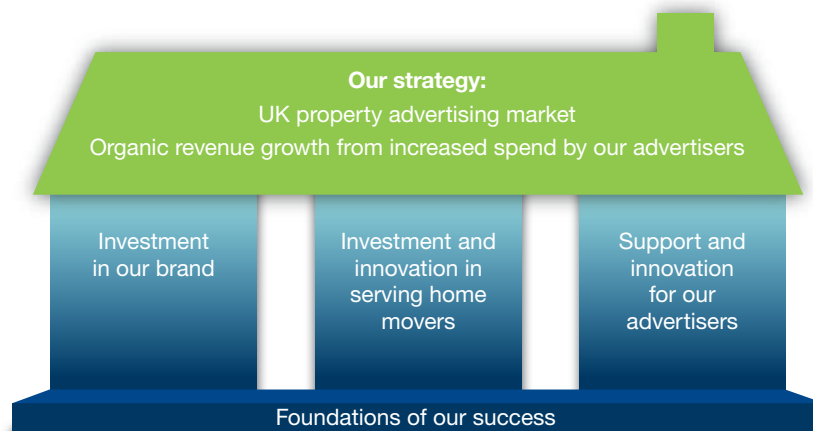
In addition, our shareholders benefit from our clear and continued policy of promptly returning the cash generated by the business through a combination of dividends and share buybacks.

Strategy in action

Sustained investment in our brand

Our strong brand recognition with the public and the simplicity of the core service we provide make Rightmove the public's first choice to help them find their next home. Much of our success comes from the positive experience that home hunters have in using our services, in addition to our considerable investment in promoting the Rightmove brand.

We have continued to promote Rightmove in 2013 in order to further increase our audience reach for our customers with investment in TV advertising, search engine optimisation and targeted campaigns in London. We ran national TV campaigns during nine months of the year and into 2014. Our new TV campaign launched in the Spring, featuring Blondie's soundtrack 'Dreaming', building on the theme of 'Britain moves at Rightmove' and reflecting the fact that Rightmove is a place where people dream about where they want to live.



Growing our brand

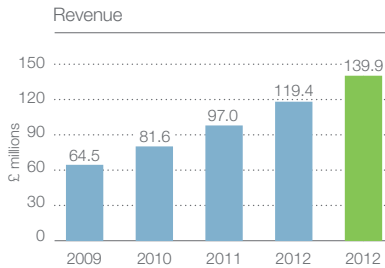
200 taxis on the road in London
promoting brand awareness.



Traffic to rightmove

14 billion

pages of property viewed,
up 27% year on year.



Spending by our customers on additional products and packages is up 31% compared to last year.

We continue to receive around four out of five visits to our website and mobile platforms from people typing in the 'Rightmove' name, using our apps, responding to our email alerts, or using unpaid links from other sites. The remainder come mainly from organic search.

Social media sites continue to be a successful way to promote Rightmove. 'Likes', 'Shares' and 'Retweets' extend the reach of the Rightmove brand generating over three quarters of a million visits every month from Facebook and Twitter. This interaction is promoted both by close integration on the Rightmove site itself and bespoke social media campaigns such as the 'My Dream Ho-Ho-Home' Christmas competition which attracted nearly 200,000 entries.

Sustained investment and innovation in serving home movers

We strive to be the best place for home hunting and browsing and continue to invest more in our industry-leading desktop, mobile and tablet platforms to ensure we provide the most engaging experience for consumers. Our focus is on improving our easy to use search and the quality of property information we deliver so it is the most accurate, informative and up to date in the market.

Our brand tracking shows that home hunters see us as the most up to date UK property resource on the internet. To drive home this advantage we launched an automated facility that enables our customers' newly marketed properties to be loaded to Rightmove in real-time via their CRM system. We will drive further adoption of this functionality in 2014 and complement it by introducing instant property alerts for consumers.

To cement our position as the most informative UK property resource, we have added data such as available broadband speeds and providers for every property, with this information viewed 275,000 times in December alone. We improved our schools information by adding nearby schools on our maps alongside information on rankings and Ofsted reports. We also launched mortgage calculators to coincide with the launch of the Government's Help to Buy scheme and related content to raise awareness and reduce confusion surrounding the schemes.

To ensure our property information is the most accurate available we have increased the size of our data quality team in 2013. As a result of this and improved processes we have removed over 300,000 out of date properties from display. The next planned improvement will enable the immediate removal of properties that have been identified as 'Sold' upon being cross-referenced with the latest HM Land Registry data.

The property details on Rightmove have been refreshed with a cleaner design, larger images and full screen views for map and street view. In addition, we prototyped the concept of 360° images and continued to drive up the number of properties that have a floorplan as this is the most requested additional information by home hunters.

To continue to capture the growing mobile trend we launched a brand new mobile website in May and in September an app for the Windows Phone to complement our iPhone, iPad and Android apps. These developments have helped to drive rapid growth in our mobile and tablet traffic with activity more than doubling to nearly five billion pages.

By the end of 2013 nearly 40% of Rightmove's monthly page impressions were being viewed on a smartphone or tablet. We will continue to invest in mobile and tablet development activity and early in 2014 our popular 'Sold Prices' functionality will start to feature on our mobile and tablet platforms. This unique functionality matches our catalogue of current and archived properties, containing over two billion property images, to the Land Registry sold prices. This functionality on our website has seen an increase in traffic of 60% in 2013.

Sustained support and innovation for our advertisers

We care about our customers' business success and focus on building strong relationships in order to support their ambitions. We're spending more time with customers than ever before providing them with more support, insight and advice through our expanded and more highly trained and segmented account management team. We are committed to continual improvements to customer service and supporting our customers with online tools and reports, marketing material and publications such as our House Price Index and Volume Two of our Little Blue Book of property trends.

Building relationships

We launched a mortgage calculator and related content to raise awareness of the Government's Help to Buy scheme.

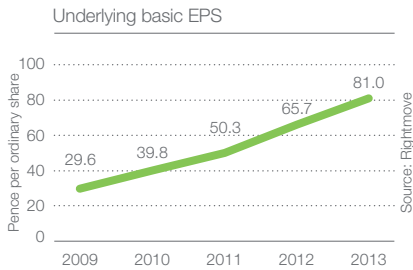


Housing market trends

The Rightmove House Price Index

is a leading indicator of residential property asking prices in England and Wales.





2013 saw a 15% improvement in housing transactions recorded by HMRC, potentially marking the first steps on the road to recovery.

Over the past five years we have run free seminars for our customers across more than 100 locations in the UK reaching 10,000 of our customers and their staff. This year was no exception as we ran another full programme of seminars from Exeter to Glasgow with more than 2,500 participants. We also introduced a dedicated Help to Buy seminar and a workshop element to our existing seminars giving our customers the opportunity to participate in interactive sessions on all our tools.

We believe our customers value this holistic partnership approach and we are proud that our customer satisfaction scores reflect this.

We continued to invest in our brand, technology and people in order to deliver more for our customers in 2013. With these investments and our audience breaking new records we have been able to deliver increased brand exposure for our customers and significantly more enquiries.

In 2013 we rolled out local telephone numbers to replace over twenty thousand 0843 telephone numbers that home hunters used to contact agents. 0843 numbers are not typically included within mobile call packages and this led home hunters to try to find other telephone numbers to contact agents. This investment together with our increased audience has helped to double the number of Rightmove attributed phone enquiries for our customers in 2013. In total we generated 36 million phone and email enquiries for our customers, up 70% on the previous year.

We have introduced more product innovation to help our customers promote their brands and properties and to give them the competitive edge they want. To that end, we have continued to launch mobile and tablet versions of our existing products which has enabled us to either provide more inventory of a product for our customers, or to extend the audience reach of a product.

We also launched Microsites for estate agents. This product allows for a much greater depth and breadth of information about the agent providing them with a way to significantly enhance their presence on Rightmove and to promote their service to potential vendors and landlords. This can include testimonials, profiles of members of staff as well as properties recently sold or rented. So far, this product has been adopted by one in ten estate agents.

Current trading and outlook

The outlook for the UK online property advertising market continues to be positive as consumers and customers become ever more digital and could be boosted by a recovery in the housing market. After a five year period where housing transactions have been at unprecedentedly low levels, 2013 saw a 15% improvement in transactions recorded by HMRC, potentially marking the first steps on the road to recovery.

Rightmove is well positioned to benefit from the continued growth in the UK online property advertising market through increased adoption of its additional advertising products, further product innovation, pricing and market-leading brand awareness. Activity on Rightmove has been strong at the start of 2014, with traffic across desktop, mobile and tablet platforms up over 15% in the first month of this year compared to last year and a record four million enquiries generated for our customers.

With traffic, customer numbers and average spend per advertiser ahead of 2013 levels, the Board remains confident of making further progress in growing the business organically in 2014 and beyond.

Nick McKittrick
Chief Executive Officer

28 February 2014

Investing in technology

In 2013 we launched a facility that enables our customers' newly marketed properties to be loaded in real time.



Continued adoption of mobile

4.7 billion

pages of traffic via mobile and tablet devices.



Robyn Perriss
Finance Director

Key performance indicators

Market share

81%

of the market share of the top 3 UK property websites by pages viewed, 1% down on 2012

Source: Experian Hitwise and Rightmove: December 2013 and December 2012

Page impressions

14.0 billion

page impressions up 27% from 11.0 billion in 2012

Source: Rightmove

Enquiries

36.0 million

36.0 million enquiries up 70% from 21.2 million in 2012

Number of advertisers

18,425

Agency and New Homes membership at end of 2013 was 18,425 (2012: 17,680), up 4% year on year

Average revenue per advertiser

£607

per month, up 15% (2012: £529)

Properties displayed

1.1 million

properties displayed on rightmove.co.uk at 31 December 2013, unchanged from 2012

Supporting our customers

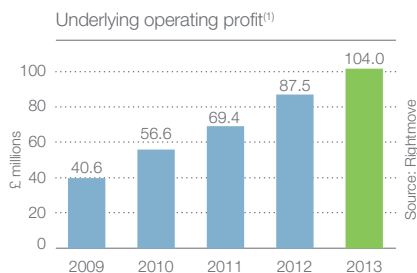
Through continual improvements to customer service, online tools and reports, marketing materials and publications such as our Little Blue Book of property trends.



Geographic telephone numbers

20,000 numbers

were deployed during 2013
helping to double phone
enquiries for our customers.



Rightmove continues to see strong cash generation with cash conversion in excess of 100% of operating profit.

Revenue

Revenue reflected a healthy increase of 17%, up £20.5m to £139.9m (2012: £119.4m). Our Agency business was the largest contributor to the revenue growth with a year on year increase of £14.9m (2012: £15.0m). Whilst we experienced some growth in Agency customer numbers, the majority of the revenue increase has come from a combination of sales of additional advertising products and increases to core membership prices. Agency continues to be by far our largest business contributing 77% (2012: 77%) of our total revenue.

Revenue from our New Homes business grew by 17% to £24.2m (2012: £20.6m) despite a 7% decline in the number of New Homes developments. Growth was driven by the sale of additional advertising products including email campaigns and by increases to core membership prices.

Other revenue across our data services, overseas, commercial and non-property advertising streams grew by £2.0m to £8.4m (2012: £6.4m), constituting 6% of our total revenue in the year.

Margin growth

The underlying operating margin⁽¹⁾ for the year increased by 1% to 74.3% (2012: 73.3%). This was driven by continued strong revenue growth coupled with a slightly lower percentage increase in underlying operating costs⁽¹⁾. Underlying operating costs⁽¹⁾ increased by £4.2m to £36.0m (2012: £31.8m) with over half of the increase relating to salary costs attributable to general wage inflation and an increased average headcount of 349 (2012: 325), up 7% reflecting investment in both sales and technical staff during the year.

Taxation

The consolidated tax rate for the year ended 31 December 2013 was 23.4% (2012: 24.8%). The effective tax rate was marginally higher than the enacted rate of 23.25% due to a reduction in the rate at which deferred tax is recognised and disallowable expenditure.

We are committed to being a responsible tax payer acting in a straightforward and open manner in all tax matters. The total tax payable in respect of 2013 was £73.5m (2012: £54.7m). £20.2m (2012: £21.1m) related to corporation tax and Employers National Insurance (NI) borne by the Group while the remaining £53.3m (2012: £33.6m) was collected in respect of payroll taxes and VAT.

Due to an increase in the number of share-based incentives exercised and the related corporation tax relief this gives rise to, the cash tax payable was lower than the income statement charge of £22.7m in the year, however these exercises resulted in significantly higher payroll taxes being paid to HMRC.

Share-based payments and National Insurance

In accordance with IFRS 2, a non-cash charge of £2.4m (2012: £2.4m) is included in profit or loss representing the amortisation of the fair value of share-based incentives granted, including Sharesave options, since 2006.

NI is being accrued, where applicable, at a rate of 13.8% on the potential employee gain on share-based incentives granted. Based on the closing share price at 31 December 2013 of £27.40 in respect of the outstanding share-based incentives granted, together with the actual NI cost on share-based incentives exercised in the year, there is a charge of £4.5m (2012: £2.0m).

Earnings per share (EPS)

Underlying basic EPS⁽²⁾ increased by 23% to 81.0p (2012: 65.7p). Diluted EPS increased by 23% to 72.6p (2012: 59.2p). The strong growth in EPS was helped by our continued share buyback programme which reduced the weighted average number of ordinary shares in issue to 100.3m (2012: 102.0m).

(1) Before share-based payments and NI on share-based incentives.

(2) Before share-based payments, NI on share-based incentives and no related adjustment for tax.

Balance sheet

Rightmove's balance sheet at 31 December 2013 reflects total equity of £8.9m (2012: £7.5m) reflecting the continuing return of capital to shareholders in the form of dividends and share buybacks during the year.

In line with stronger revenue, trade receivables increased by 19% to £19.1m (2012: £16.0m). Trade and other payables increased by £1.3m to £25.0m (2012: £23.7m) principally due to an increase in deferred revenue. Our deferred tax asset, representing future tax benefits from share-based incentives, is lower at £5.6m (2012: £9.7m) due to a combination of share-based incentive exercises in the year and a reduction in the future tax rate from 23% to 20%.

Cash flow

Rightmove continues to see strong cash generation reflecting the subscription nature of the business and the predictability of the cash flows coupled with low working capital requirements. Cash generated from operating activities was £99.2m (2012: £86.1m) representing an operating cash conversion in excess of 100%. Tax payments increased to £16.1m (2012: £14.6m) and £0.1m (2012: £0.1m) was paid in relation to bank charges and facility fees resulting in net cash from operating activities of £83.0m (2012: £71.4m).

Capital expenditure was £1.1m (2012: £2.1m) reflecting expenditure on a new finance system and continued investment in our website infrastructure. We continue to charge development costs directly to the income statement.

Proceeds of £3.7m (2012: £3.0m) were received on the exercise of share-based incentives.

£60.5m (2012: £66.4m) was invested during 2013 in the repurchase of our own shares at an average price of £21.77 (2012: £14.70) whilst a further £25.1m (2012: £20.4m) was paid in dividends reflecting the increased final dividend for 2012 and the 2p increase in the interim dividend this year. This brings the total returned to shareholders in the year to £85.6m and £378.7m since our flotation in March 2006.

The closing Group cash balance for this year was £6.8m (2012: £7.1m) with no debt in either year.

Going concern

The Group entered into a 12 month agreement with HSBC Bank plc for a £10.0m committed revolving loan facility on 10 February 2014. To date no amount has been drawn under this facility.

The Board is confident that with the existing cash resources and banking facilities in place, coupled with the strength of the underlying business model, the Group and the Company will remain cash positive and will have adequate resources to continue in operational existence for the foreseeable future.

The Board's priorities for the use of cash continue to be: investment in the business; payment of dividends; and the return of cash to shareholders via share buybacks. The Board believes that the future working capital and capital expenditure requirements of the business will continue to be low and that the business will be in a position to return surplus cash to shareholders during 2014 through a combination of dividends and share buybacks.



Robyn Perriss
Finance Director

28 February 2014

We recognise that the Group's strategic objectives can only be achieved if potential risks are monitored and managed effectively by the Board. The risks set out below are those considered principal to delivering our strategy and are specific to the nature of our business, although there are other risks that may occur and impact the Group's performance.

Description	Impact	Monitoring and mitigation	Change from prior year
UK housing market downturn <ul style="list-style-type: none"> Substantially fewer housing transactions than the norm may lead to a reduction in the number of agent branches or new homes developments Reduction in the size of the UK property advertising market 	Under-performance as the number of agents and new homes developments are a major determinant of Rightmove's revenue	<ul style="list-style-type: none"> Monitoring of housing market leading indicators and trends in Rightmove membership Rentals advertising is counter-cyclical and mitigates recessionary decreases in estate agency revenue Cost reduction resulting from selling and servicing fewer customers 	↓
Competition <ul style="list-style-type: none"> Increased competition from existing or new entrants 	Under-performance and impact on Rightmove's ability to grow revenue due to the potential loss of: <ul style="list-style-type: none"> Audience Advertisers Demand for additional advertising products 	<ul style="list-style-type: none"> Communication of the value of Rightmove membership to advertisers Sustained marketing investment in the brand Sustained investment and innovation in serving both home hunters and our advertisers 	↑
New or disruptive technologies and changing consumer behaviours <ul style="list-style-type: none"> Failure to innovate or adopt new technologies Failure to adapt to changing consumer behaviour 	Under-performance and impact on Rightmove's ability to grow revenue due to the potential loss of: <ul style="list-style-type: none"> Audience Advertisers Demand for additional advertising products 	<ul style="list-style-type: none"> Continual improvements to our platforms and product proposition Significant and ongoing investment in mobile and tablet platforms Large and skilled in-house technology team with culture of innovation Ongoing monitoring of consumer behaviour and annual 'Hackathons' 	→
Cyber attack <ul style="list-style-type: none"> Unavailability of the website and other platforms Corruption or loss of key data 	Reputational risk	<ul style="list-style-type: none"> Disaster Recovery Policy which is reviewed regularly Use of three data centres to load balance and ensure optimal performance and business continuity capability Regular backups of key data and denial of service testing 	→
Securing and retaining the right talent	<p>The inability to recruit and retain talented people could impact our ability to maintain our financial performance and deliver growth</p> <p>When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost</p>	<ul style="list-style-type: none"> Ongoing succession planning and development of future leaders Payment of competitive rewards Staff communication and engagement 	→

 Increased risk
  Decreased risk
  Risk unchanged

Our people

Our people are our most highly valued asset; they are critical to our success and our growth. We are proud of our people and the mixture of talent and experience that they bring. We depend on their skills and commitment to achieve our objectives.

Our cultural style is open and honest. We invest in ensuring that all employees understand Rightmove's core values and goals. We achieve this through a combination of a rigorous selection process, including technical skills testing, an off-site residential course to ensure all 'Rightmovers' understand our core values, ongoing coaching and mentoring, and cross-functional team building events involving all employees. We encourage employee involvement and place emphasis on keeping employees informed of the Group's activities via bi-monthly staff forums and business performance updates with senior management and quarterly sales conferences.

We continue to offer our Rightmover-led training academy, designed to provide a structured means for employees to expand and diversify their skills and knowledge and explore new ways of working with one another. Given the specialised technical nature of the work we do and the services we provide, we also support ongoing external professional development where appropriate.

During 2013, our employee recognition scheme, which is voted on by fellow employees and is an opportunity to nominate colleagues who have shown outstanding performance or are high achievers, continued to gain momentum. Up to eight awards are presented every two months at our bi-monthly staff forums.

We offer employees a range of additional benefits, which have proved to be a useful retention tool. Rightmovers are made aware of these benefits through our induction process and intranet. In 2013 we continued to communicate the importance of saving for retirement and promoting the stakeholder pension plan we established in 2008 as well as the option to save by salary exchange. 48% of employees are now members of the pension plan. We did this by holding employee seminars and offering the opportunity for one to one briefings with external benefits advisers. This year the seminars also contained information on auto enrolment, for those employees not yet in the pension plan.

We also offer private healthcare complemented by a cash back scheme. In November 2013, the Company's fifth Sharesave contract matured allowing employees to benefit from the success of the Group over the last three years. Over 60% of our employees currently participate in the Sharesave Plan.

We offer flexible working arrangements, supporting part-time working and reduced hours to allow our employees to balance their work and family commitments.

During 2013 we upgraded our corporate website found at plc.rightmove.co.uk including the Careers section. In order to showcase Rightmove, we made a video of our people explaining what it is like to work at Rightmove, so anyone wishing to join can get a flavour of our unique culture. This, along with our updated Careers section has proved to be a great success and we have already started to recruit directly through the site.

During the year we also ran an employee satisfaction survey, with 96% of respondents saying Rightmove is a great place to work and 93% of respondents saying they are proud to tell people they work for Rightmove.

Equality and diversity

Rightmove has a strong commitment to equality of opportunity in all our employment policies, practices and procedures. We take a proactive approach throughout our recruitment and selection process to ensure that we attract, hire and retain a diverse and talented workforce and this is kept under close and regular scrutiny. No existing or potential employee will receive less favourable treatment due to their race, creed, nationality, colour, ethnic origin, age, religion or similar belief, connections with a national minority, sexual orientation, gender, gender reassignment, marital status, member or membership of a trade union, disability, or any other classification as prescribed by law.

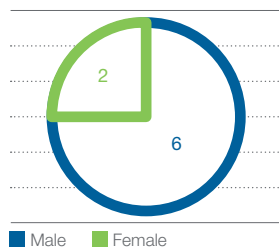
We recognise that a diverse workforce will provide a wide array of perspectives that promotes innovation and business success and drawing on what is unique about individuals adds value to the way we do business and helps us anticipate and provide what our customers want from us.

Our gender diversity throughout the group remains strong especially at the director level for the year ended 31 December 2013. Out of three executive directors, one is female. Our female representation on the Board was 25% and is therefore aligned with the minimum target representation level to be achieved by 2015 as recommended by the Davies Review.

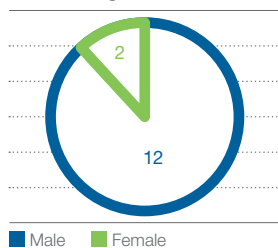
Having made substantial progress with gender diversity at Board level, the Board continues to focus on the next level of senior management in order to develop potential within this team to step up to Board level at the appropriate time and to identify and develop potential within the wider organisation with a view to strengthening the female representation within the senior management team. In 2013, 14% (2012: 13%) of our senior management team were female.

A breakdown by gender of the number of persons who were directors of Rightmove, senior managers and other employees as at 31 December 2013, is set out below:

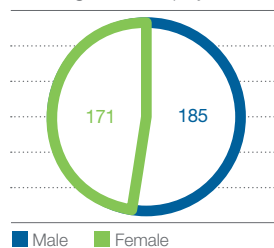
Directors



Senior management



Other Rightmove employees



Human rights

Whilst Rightmove does not have a specific human rights policy, it does have policies such as Equal Opportunities and Anti-bribery that adhere to internationally proclaimed human rights principles.

Charitable activity

We continue to encourage all our employees to devote time and fundraising efforts to charitable causes of particular importance to them as individuals. During 2013 many of our staff have been active in raising money or supporting fundraising activities across a wide range of charities for which Rightmove matched the donations raised.

Our employees are also able to donate directly from their monthly salary to any charity or recognised good cause registered within the UK through the Charities Trust. This provides a tax efficient means of giving.

Environment

Rightmove actively considers its environmental impact and we are conscious of playing our part in tackling climate change. Traditional ways of finding a home tend to involve large amounts of paper and printing, whether in the form of newspaper advertising, property particulars mailed to applicants through the post or leaflet drops by agents. Rightmove reduces the need for print media and the environmental damage that goes with them. Rightmove takes care to design the layout of property particulars to reduce the total number of pages that need to be printed out in those cases where a home hunter does want a physical copy.

Enhanced information on properties also reduces the amount of time home hunters waste in visiting properties that rapidly turn out to be inappropriate. As a high proportion of viewings involve a car journey, any reduction in wasted viewings has an environmental benefit. Rightmove has

worked hard to increase the number and size of photographs of each property, improved the size and added functionality to property floorplans and has introduced more comprehensive map searches and aerial photographs which help home hunters to identify the specific location of a property. The higher the quality of the information presented about properties, the less carbon footprint is generated by prospective buyers making wasted journeys.

The rightmove.co.uk website includes functionality for our customers to display Energy Performance Certificates which allow prospective buyers to evaluate the energy efficiency of a property they are considering buying and to identify opportunities to improve the energy efficiency once they have purchased the property.

As an internet-based Group with most staff employed in two office locations, we believe our own environmental footprint is small. We encourage our staff to take steps to address our environmental responsibilities. For instance, we continue to operate recycling schemes which were established in consultation with local authorities and recycling partners and when we moved to our new office in Milton Keynes, we removed all waste bins from desks, which encourages and increases the amount of recycling we do. We subsequently introduced this into the London office.

As an operator of an online property portal, the main environmental impact is the power usage of our data centres. Our procurement policy is to purchase hardware with the best computational performance which uses the least electrical power.

We encourage our employees to use alternatives to car travel, by promoting the use of public transport in particular when travelling between our two office locations and by encouraging participation in our Cycle to Work scheme.

As an online business, our culture emphasises a paperless environment. We also recognise that our responsibilities do not stop just with how we operate internally – we encourage all our customers, business partners and suppliers not to unnecessarily print out emails sent by us in the signature of all our emails. We also continue to focus on streamlining processes and replacing paper-based services with online services and communications, wherever possible. Steps introduced in recent years include e-communications to shareholders, online customer membership forms and product documentation and email invoicing.

Greenhouse gas reporting

Since 1 October 2013, the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has required all UK quoted companies to report on their greenhouse gas (GHG) emissions, which are classified as either direct or indirect and which are divided further into Scope 1, Scope 2 and Scope 3 emissions.

Direct GHG emissions are emissions from sources that are owned or controlled by Rightmove. Indirect GHG emissions are emissions that are a consequence of the activities of the Group but that occur at sources owned or controlled by other entities.

Scope 1 emissions: Direct emissions controlled by the Group arising from Company cars, which whilst leased, we are responsible for the emissions and therefore we report these under Scope 1.

Scope 2 emissions: Indirect emissions attributable to the Group due to its consumption of purchased electricity.

Scope 3 emissions: Other indirect emissions associated with activities that support or supply the Group's operations, we include emissions arising from our third party run data centres.

The Group is required to report Scope 1 and 2 emissions for its reporting year to 31 December 2013. Scope 3 is not yet mandatory, however the Group has chosen to report Scope 3 emissions as it relates to electricity used in data centres, in which the Group rents out space to house and operate various servers, which host our website platforms.

Rightmove emissions by scope

Scope	Source	Tonnes CO ₂ e ⁽¹⁾ 2013 ⁽²⁾
Scope 1	Company cars	461
Scope 2	Electricity	330
Scope 3	Outsourced – data centres	202
Total		993

(1) UK emissions factors have been used for all data. All emission factors have been selected from the emissions conversion factors published annually by Defra. <https://www.gov.uk/measuring-and-reporting-environmental-impacts-guidance-for-businesses>

(2) As this is the first year of Mandatory GHG reporting, there is no comparative year reported.

Emissions have also been calculated using an ‘intensity metric’, which will enable the Group to monitor how well we are controlling emissions on an annual basis, independent of fluctuations in the levels of their activity. As Rightmove is a ‘people’ business, the most suitable metric is ‘Emissions per Employee’, based on the average number of employees during the year. The Group’s emissions per employee are shown in the table opposite.

Emissions per employee⁽³⁾

	Tonnes CO ₂ e per employee 2013
Scope 1	1.3
Scope 2	0.9
Scope 3	0.6
Total	2.8

(3) Based on 349 employees taken as the average number of employees in the Group throughout the year.

Methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors’ Reports) Regulations 2013. We have used the GHG Protocol’s Operational Control consolidation method. We do not have responsibility for any emission sources that are not included in the above information.

Health and safety

The Group considers the effective management of health and safety to be an integral part of managing its business. During 2013, we continued our fire safety, first aid and work place safety training. The Group’s ongoing policy on health and safety is to provide adequate control of the health and safety risks arising from work activities, through further consultation with, and training of, employees, the provision and maintenance of plant and equipment, safe handling and use of all substances and the prevention of accidents and causes of ill health.



Scott Forbes
Chairman

Scott was appointed Chairman of Rightmove in 2005. He is non-executive director of Orbitz Worldwide, a NYSE listed online travel agency. He is also the Chief Executive of Bridge Capital Advisors Ltd, which he founded in 2007, and was a director of NetJets Management Ltd, a subsidiary of Berkshire Hathaway until October 2009. Scott has over 30 years' experience in operations, finance and mergers and acquisitions including 15 years at Cendant Corporation, which was formerly the largest worldwide provider of residential property services. Scott established the Cendant international headquarters in London in 1999 and led this division as Group Managing Director until he joined Rightmove. (Appointed 13 July 2005.)



Nick McKittrick
Chief Executive Officer

Nick became Chief Executive Officer in April 2013 having been Chief Operating Officer since 2005 and additionally Finance Director since 2009. Nick is a co-founding executive, having joined Rightmove in 2000, and was responsible for launching the original website. His prior experience is in technology consulting with Accenture. (Appointed to the Board 5 March 2004.)



Jonathan Agnew
Non-Executive Director

Jonathan joined the Board in 2006 as Senior Independent Director. He is Chairman of The Cayenne Trust. Jonathan was an investment banker for over 25 years, including being Managing Director of Morgan Stanley and Group Chief Executive of Kleinwort Benson. He has been Chairman of Nationwide Building Society, Limit, Gerrard Group, LMS Capital, Beazley and Ashmore Global Opportunities and has served on the Council of Lloyd's. (Appointed 16 January 2006.) (Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees.)



Ashley Martin
Non-Executive Director

Ashley joined Rightmove in 2009 as a non-executive director and also as Chairman of the Audit Committee, where he provides oversight of the financial reporting practices, internal control environment and compliance with the various listed company regulations. He is also a member of the Remuneration Committee. He qualified as a chartered accountant in 1981 and has a career in finance spanning 30 years. Ashley is currently Group Chief Financial Officer of The Engine Group, a private equity backed international marketing services group. He was previously Finance Director of Rok plc, the building services group, and Group Finance Director of the media services company, Tempus plc. (Appointed 11 June 2009.) (Chairman of the Audit Committee and member of the Remuneration Committee.)



Judy Vezmar
Non-Executive Director

Judy joined Rightmove in 2006 as a non-executive director. She was Chief Executive Officer of LexisNexis International until January 2014. LexisNexis®, part of the global media group Reed Elsevier PLC, is a leading worldwide provider of content-enabled workflow solutions, where Judy was responsible for the International Group and their expansion of the range of successful solutions including online services to over 100 countries. Judy is also a non-executive director of blinkx plc, an internet media company. (Appointed 16 January 2006.) (Member of the Audit, Remuneration and Nomination Committees.)



Peter Brooks-Johnson

Chief Operating Officer

Peter joined Rightmove in 2006 and developed the Home Information Packs proposition. His focus subsequently shifted to the operation of the rightmove.co.uk website. He then went on to lead, from the beginning of 2008, the estate agency business. Peter was promoted to the role of Managing Director of rightmove.co.uk on his appointment to the Board on 10 January 2011 and Chief Operating Officer in April 2013. Prior to joining rightmove, Peter was a management consultant with Accenture and the Berkeley Partnership. (Appointed to the Board 10 January 2011.)



Robyn Perriss

Finance Director and Company Secretary

Robyn joined Rightmove in 2007 as Financial Controller with responsibility for day to day financial operations, was appointed Company Secretary in April 2012 and promoted to the Board as Finance Director in April 2013. Robyn qualified as a chartered accountant in South Africa with KPMG and worked in both audit and transaction services. Prior to joining Rightmove, Robyn was Group Financial Controller at the online media business, Trader Media Group. (Appointed to the Board 30 April 2013.)



Colin Kemp

Non-Executive Director

Colin was appointed to the Board in 2007. With over 30 years' experience in high street retail banking, Colin has worked for Lloyds Banking Group companies since 1979. Between January 2005 and December 2007, Colin was Managing Director of Halifax Estate Agencies Limited and is currently the Managing Director of Telephone Banking for the Lloyds Banking Group, Retail Business. Colin is a Cranfield MBA and an Associate of the Chartered Institute of Marketing. (Appointed 3 July 2007.)



Peter Williams

Non-Executive Director

Peter joined Rightmove in February 2014 as a non-executive director. He is senior independent non-executive director of Sportech plc and non-executive director of Cineworld Group plc. Peter was previously senior independent director of ASOS plc, held non-executive director roles in the EMI group, Blacks Leisure Group plc, JJB Sports plc, GCap Media plc and Capital Radio Group plc. In his executive career, he was Chief Executive at Alpha Group plc and prior to that, Chief Executive of Selfridges plc where he also acted as Chief Financial Officer for over ten years. (Appointed 3 February 2014.)

Statement of compliance

The UK Corporate Governance Code (the Code) sets out the principles and provisions relating to good governance of UK listed companies. In this section we set out how we have applied the principles and complied with the provisions of the 2010 and 2012 Codes during 2013. As a UK listed company, the Company is required to state whether it has complied with the provisions of the Code and where the provisions have not been complied with, to provide an explanation.

The directors believe that the Company has been compliant with the Code provisions throughout the year ended 31 December 2013.

The Board, the Board balance and independence

The Board at the date of this report comprises three executive directors and six non-executive directors, including the Chairman. The three executive directors are Nick McKittrick, Chief Executive Officer, Peter Brooks-Johnson, Chief Operating Officer and Robyn Perriss, Finance Director. The non-executive directors are Scott Forbes, Chairman, Jonathan Agnew, Senior Independent Director, Colin Kemp, Ashley Martin, Judy Vezmar and Peter Williams. With the exception of Robyn Perriss, who was appointed to the Board on 30 April 2013 and Peter Williams who was appointed to the Board on 3 February 2014, all directors served throughout the year.

Ed Williams retired from the Board on 30 April 2013. As part of the announced organisational changes Nick McKittrick became Chief Executive Officer, Peter Brooks-Johnson became Chief Operating Officer and Robyn Perriss joined the Board as Finance Director. For her appointment the Board undertook a formal appointment process led by the Nomination Committee.

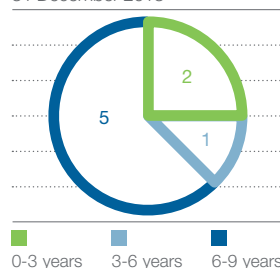
The Board has due regard for the benefits of diversity in its membership, including gender, and strives to maintain the right balance. As at 31 December 2013, 25% (2012: 12.5%) of Rightmove Board members were female and the Board was therefore aligned with the minimum target representation level to be achieved by 2015, as recommended by the Davies Review.

The directors believe that the Board currently operates effectively and that there is an appropriate balance between the executive (37%) and non-executive directors (63%) and that all the non-executive directors are fully independent of management and independent in character and judgement. Consideration of the Board balance is kept under regular review by the Nomination Committee.

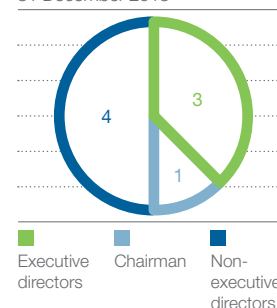
Neither the Chairman nor the executive directors hold any other non-executive directorships or commitments disclosable under the Code.

Biographical details of the directors at the date of this report appear on pages 22 to 23 and details of their committee membership appear on page 25.

Board tenure as at 31 December 2013



Balance of directors as at 31 December 2013



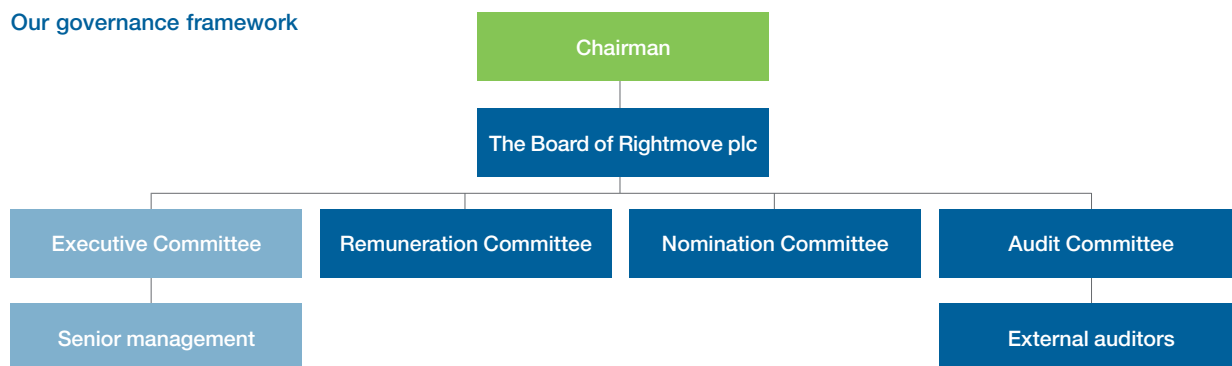
Directors' remuneration

The principles and details of directors' remuneration and contractual arrangements are contained in the Directors' Remuneration Report on pages 37 to 62.

Re-election to the Board

Directors are appointed and may be removed in accordance with the Articles of Association of the Company and the provisions of the Companies Act 2006. All directors are subject to election at the first Annual General Meeting following their appointment and to re-election at intervals of no more than three years in accordance with the Company's Articles of Association. However, following changes to the Code, all directors will seek re-election at the 2014 Annual General Meeting, in accordance with the Code provision B.7.1.

Our governance framework



Board and Committee membership and attendance

The membership of the Committees of the Board and attendance at Board and Committee meetings for the year under review are set out in the table below:

	Board	Remuneration Committee	Audit Committee	Nomination Committee
Total meetings	9	8	5	3
Scott Forbes	9	7 ⁽¹⁾	N/A	3
Nick McKittrick	9	N/A	N/A	N/A
Peter Brooks-Johnson	9	N/A	N/A	N/A
Robyn Perriss	6 ⁽²⁾	N/A	N/A	N/A
Jonathan Agnew	9	8	5	3
Colin Kemp	9	5 ⁽³⁾	3 ⁽⁴⁾	2 ⁽³⁾
Ashley Martin	9	8	5	1 ⁽⁵⁾
Judy Vezmar	9	8	5	3
Ed Williams	3 ⁽⁶⁾	N/A	N/A	N/A

- (1) The Remuneration Committee Chairman has requested that the Chairman of the Board attend the Remuneration Committee meetings.
- (2) Robyn Perriss was appointed to the Board on 30 April 2013 and has attended all Board meetings post her appointment.
- (3) Colin Kemp was appointed to the Remuneration and Nomination Committees in March 2013 and has attended all meetings post his appointment.
- (4) Colin Kemp was invited to attend Audit Committee meetings on a guest basis.
- (5) Ashley Martin was invited to attend one Nomination Committee meeting on a guest basis.
- (6) Ed Williams resigned with effect from 30 April 2013.

Any director's absence from Board meetings or meetings of the Remuneration, Audit or Nomination Committees was previously agreed with the Chairman, the Chief Executive Officer or the Chairman of the relevant committee.

In addition to the above meetings, the Chairman conducts meetings with the non-executive directors without the executive directors being present when required. Jonathan Agnew, the Senior Independent Director, chaired a meeting of the Board at which the performance of the Chairman was also reviewed (without the presence of the Chairman).

Operation of the Board

The Board is responsible to shareholders for the overall direction and control of the Group and has the powers and duties set out in the relevant laws of England and Wales and the Company's Articles of Association. The Board is:

- responsible for approving the Group strategy and ensuring the successful implementation of projects and proposals;
- monitoring the operating performance of the Group in pursuit of its objectives in the interest of maximising long-term shareholder value;
- accountable to shareholders for the proper conduct of the business; and
- responsible for ensuring the effectiveness of and reporting on our system of corporate governance.

The Board has adopted a formal schedule of matters requiring specific approval. These include:

- the approval of the annual business plan;
- review of Group strategy;
- changes to the Group's capital structure;
- approval of the dividend policy;
- acquisitions and disposals;
- appointment and removal of officers of the Company;
- approval of annual and half-year results and shareholder communications; and
- system of internal control and risk management.

In addition to its formal business, the Board received a number of briefings and presentations from senior management during the year covering a wide range of topics across the range of the Group's businesses.

The Board normally schedules eight meetings each year although meetings can be scheduled at short notice at the request of any director, if required. In addition to formal Board meetings, there is regular informal dialogue between all directors.

The Board receives meeting papers to allow sufficient time for detailed review and consideration of the documents beforehand. If any director has a concern about any aspect of the business conducted at any Board meeting, the Company Secretary shall discuss this with the director concerned and record their concern or comments in the Board minutes. The Board receives monthly management and financial reports on the operational and financial performance of the business setting out actual and forecast financial performance against approved budgets in addition to other key performance indicators. The Board also receives copies of broker reports and press releases relating to the Group.

Key roles and responsibilities

The posts of Chairman and Chief Executive Officer are separate and there are clear written guidelines to support their division of responsibilities.

The Chairman, Scott Forbes, is responsible for:

- the leadership and governance of the Board;
- ensuring effectiveness of the Board;
- effective communication with shareholders; and
- with the assistance of the Company Secretary, setting the Board's agenda and ensuring that adequate time is available for discussions and that the Board receives sufficient, pertinent, timely and clear information.

The Chief Executive Officer, Nick McKittrick, is responsible for:

- the management of the Group's business;
- leading the executive and operational teams in developing strategies and delivering results against defined targets to enable the Group to meet its objectives;
- maintaining a close working relationship with the Chairman; and
- chairing the Executive Committee.

The Senior Independent Director, Jonathan Agnew, is responsible for:

- acting as a sounding board for the Chairman;
- deputising for the Chairman if required;
- serving as an intermediary for other directors;
- being available to shareholders if they have concerns which they have not been able to resolve through the normal channels of the Chairman and Chief Executive or other executive directors for which such contact is inappropriate; and
- conducting an annual review of the performance of the Chairman and, in the event it should be necessary, convening a meeting of the non-executive directors.

The Company Secretary, Robyn Perriss, is responsible for:

- assisting the Chairman in ensuring that all the directors have full and timely access to relevant information;
- assists the Chairman by organising induction and training programmes;
- ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters; and
- administers the process whereby directors have access to independent advice on any matters relating to their responsibilities as directors and as members of the various committees of the Board at the Company's expense.

The duties of the Company Secretary continue to grow with the increase in size of the Group's activities and legislative changes. To assist in this area the Assistant Company Secretary coordinates and manages the provision of company secretarial services and share plans to the Group on behalf of Robyn Perriss and acts as Secretary to the Board, Remuneration and Nomination Committees to ensure that no conflicts of interest arise.

Board training

The breadth of management, financial and listed company experience of the non-executive directors is described in the biographical details on pages 22 and 23 and demonstrates a range of business expertise that provides the right mix of skills and experience given the size of the Group. There are procedures in place for individual Board members to receive induction and training tailored to their individual needs and to seek the advice and services of independent professional advisers, at the Group's expense, where specific expertise or training is required in furtherance of their duties.

Indemnification of directors

The Articles of Association of the Company allow for a qualifying third party indemnity provision between the Company and its directors and officers, which remains in force at the date of this report. The Group has also arranged directors' and officers' insurance cover in respect of legal action against the directors. Neither our indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

The Group has written policies in compliance with an internal code of securities dealings in relation to the process and timing for dealing in shares, which is equivalent to the Model Code published in the Listing Rules. The code applies to all directors, other persons discharging managerial responsibility and other relevant employees.

Board evaluation

The Board is committed to undertaking annual reviews of its own performance and also the performance of its committees and individual directors. Last year an externally facilitated review of the performance of the Board and its committees was undertaken by Korn Ferry International.

For the year under review the Board conducted an internal evaluation of its own performance and that of its committees and individual directors led by the Chairman and assisted by the Assistant Company Secretary. Board members were invited to comment by exception and the feedback received was discussed by the Board together during the meeting held in November 2013. The Board considers that review shows that each director continues to contribute effectively and demonstrate commitment to the role with good working relationships and in particular a smooth transition by the executive directors to their new roles. No major areas were highlighted within this review process but the Board intends to continue to develop themes on:

- non-executive director succession (as further discussed on page 29; and
- creating additional opportunities for informal discussion of key aspects of the business between Board members.

Relations with shareholders

The Board is accountable to shareholders for the performance and activities of the Company and welcomes the opportunities to engage with shareholders.

Within the terms of the regulatory framework, the Company has conducted regular dialogue with institutional shareholders through ongoing meetings with institutional investors and research firms to discuss strategy, operating performance and financial performance. Contact in the UK is principally with the Chief Executive Officer and the Finance Director. The Chairman also participates in the USA investor roadshows. Jonathan Agnew, Senior Independent Director, is also available to shareholders if they wish to supplement their communication, or if contact through the normal channels is inappropriate.

The Board is kept informed of the views and opinions of those with an interest in the Company through reports from the Chief Executive Officer and the Finance Director, as well as reports from the Company's joint brokers, UBS and Numis.

Shareholders are also kept up to date with the Group's activities through the Annual and Half Year Reports and the investor relations section of its website, at plc.rightmove.co.uk, which provides details of all the directors, latest news, including financial results, investor presentations and Stock Exchange announcements.

Conflicts of interest

In cases of doubt, the Chairman of the Board is responsible for determining whether a conflict of interest exists.

Annual General Meeting

The Annual General Meeting is an opportunity for shareholders to vote on certain aspects of the Company's business, and to ask questions of the directors, who will also be available for discussions with shareholders prior to and after the meeting. The Annual General Meeting will be held on 7 May 2014 at the offices of UBS Limited at 1 Finsbury Avenue, London, EC2M 2PP.

The Company will arrange for the Annual Report and related papers to be available on the Company's corporate website at plc.rightmove.co.uk or posted to shareholders (where requested) so as to allow at least 20 working days for consideration before the Annual General Meeting.

The Company also complies with the Code with the separation of all resolutions put to the vote of shareholders. The Company proactively encourages shareholders to vote at general meetings by providing electronic voting for shareholders who hold their shares through the Crest system and provides personalised proxy cards to ensure that all votes are clearly identifiable. The Company presently takes votes at general meetings on a show of hands on the grounds of practicality due to the limited number of shareholders in attendance. Votes are taken by a poll at any shareholder meeting where legally required. All proxy votes are counted and the level of proxy votes including abstentions lodged for each resolution are reported after each resolution and published on the Company's website.

Board committees

The Board has established three principal committees, the Audit Committee, the Remuneration Committee and the Nomination Committee to assist it in the execution of its duties.

All of these committees operate within written terms of reference, which are reviewed annually, consistent with changes in legislation and best practice. The Chairman of each Committee reports regularly to the Board.

Each of the Committees is authorised, at the Company's expense, to obtain legal or other professional advice to assist in carrying out its duties. No person other than a Committee member is entitled to attend the meetings of these Committees, except by invitation of the Chairman of that Committee.

Current membership of the Committees is shown on page 25. The composition of these Committees is reviewed regularly, taking into consideration the recommendations of the Nomination Committee.

Remuneration Committee

The Remuneration Committee's principal responsibility is for setting, reviewing and recommending to the Board the remuneration policy and strategy to ensure that the Company's executive directors and senior management are properly incentivised and fairly rewarded for their individual contributions to the Company's overall performance, having due regard to the interests of the shareholders and to the financial and commercial health of the Group. Full details of the Remuneration Committee's responsibilities, and a report of its activities during the year, are set out in the Directors' Remuneration Report on pages 37 to 62.

Nomination Committee

The purpose of the Nomination Committee is to consider and make recommendations to the Board about the composition of the Board, including proposed appointees, and whether to fill any vacancies that arise or to change the number of Board members.

The Nomination Committee consists of Scott Forbes (who is also Chairman of the Board), Jonathan Agnew, Judy Vezmar and Colin Kemp as independent non-executive directors. The quorum for meetings of the Nomination Committee is two members. The Chairman of the Company

may not chair the Nomination Committee in connection with any discussion about the appointment of his successor to the chairmanship of the Company. In these circumstances, the Senior Independent Director will take the chair. Appointments are for a period of up to three years, extendable by no more than two additional three year periods, so long as members continue to be independent.

The Nomination Committee meets at such times as may be necessary and normally meets at least twice a year.

The Nomination Committee's terms of reference are available on the Company's corporate website, plc.rightmove.co.uk or by request from the Company Secretary.

During the year the Nomination Committee has:

- approved the organisation structure;
- approved the plans for the succession of the executive directors and senior management;
- agreed the process for the Board's annual evaluation;
- considered the diversity of the Board and agreed the policy regarding gender composition on the Board; and
- conducted an annual review of its terms of reference.

The Nomination Committee is planning for Board succession, in response to the fact that the Chairman and three of the non-executive directors are currently in their third term of service to the Board. Following Phase 2 of the independent Board evaluation conducted in 2012, a plan was implemented to ensure that any new appointments are tiered such that succession does not cause disruption to the business. To this extent Korn Ferry International, an executive search firm, which conducted the 2012 external Board evaluation, commenced a search for two new non-executive directors; one with digital media and mobile experience and the other with significant plc board experience, to ensure that the refreshment process is flexible and fluid and maintains stability and continuity of relevant skills and experience.

In February 2014, we appointed Peter Williams to the Board as a non-executive director, who brings with him significant plc executive and non-executive experience.

Audit Committee



Ashley Martin
Chairman of the Audit Committee

The Audit Committee (the Committee) is an essential part of Rightmove's governance framework to which the Board has delegated oversight of the Group's financial reporting, internal controls and compliance and the quality of the external audit process. The Committee also regularly reviews and considers the requirement for an internal audit function within the Group.

As part of the process of working with the Board and to maximise effectiveness, meetings of the Committee generally take place just prior to the Company Board meetings and I report to the Board as a separate agenda item on the activities of the Committee and matters of particular relevance to the Board in the conduct of their work.

Amongst our normal activities, the key focus of the Committee over the last year has been the audit tender and the implementation of a new financial reporting system.

This report provides an overview of the work of the Committee and details how it has discharged its duties during the year.



Ashley Martin
Chairman of the Audit Committee

Composition and attendance at meetings

Committee members	Number of meetings attended
Ashley Martin	5 out of 5
Judy Vezmar	5 out of 5
Jonathan Agnew	5 out of 5

The Committee is comprised entirely of independent non-executive directors, the biographical details which can be found on pages 22 to 23. The Board is satisfied that Ashley Martin has recent and relevant financial skills and experience necessary to fulfill his role as Chairman of the Committee.

The Finance Director and Financial Controller are normally invited to attend the meetings as well as the external auditor, KPMG Audit Plc (KPMG). Other relevant people from the business are also invited to attend certain meetings in order to provide a deeper level of insight into certain key issues and developments. During the year Colin Kemp, non-executive director, attended three meetings by invitation. The Committee regularly meets separately with the external auditors and the Finance Director without others being present.

The quorum for meetings of the Committee is two members. Appointments to the Committee are for a period of up to three years, extendable by no more than two additional three year periods, so long as members continue to be independent.

The Audit Committee's principal duties and terms of reference are available on the Company's corporate website, plc.rightmove.co.uk, or by request from the Company Secretary.

Audit tender

KPMG has been the Group's auditors since 2000. Following the 2012 revision of the UK Corporate Governance Code by the Financial Reporting Council, a decision was made by the Committee to formally tender the provision of audit and taxation services to the Group. A comprehensive tender and review process was concluded in March 2013. The Committee was satisfied that the skills and depth of industry knowledge in the team remained very strong and combined with the fresh perspective of the new audit partner decided that KPMG should be re-appointed as the Group's auditor.

The external auditor is required to rotate the audit partner responsible for the Group audit every five years. The current lead audit partner has been in place for one year.

Main activities of the Committee during the year

The principal activities of the Audit Committee through the year, and the manner in which it discharged its responsibilities were as follows:

Financial reporting

The primary role of the Committee in relation to financial reporting is to review with both management and the external auditor the appropriateness of the half year results statement and the annual report and financial statements including, amongst other matters:

- the quality and appropriateness of accounting policies and practices;
- the clarity of the disclosures and compliance with relevant financial reporting standards and governance reporting requirements;
- key accounting issues or matters in which significant judgements have been applied; and
- whether the annual report and accounts taken as a whole is fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Following the publication of the revised version of the UK Corporate Governance Code, which is applicable for financial years commencing on or after 1 October 2012, the Board requested that the Committee advise them on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The significant areas of judgement considered by the Committee in relation to the 2013 Annual Report and how these were addressed were:

Revenue recognition

The timing of revenue recognition in relation to the billing of subscription fees and additional products and the accounting for any membership offers to customers with discounted or free periods. This was a prime area of audit focus with KPMG performing detailed analytical procedures using computer assisted audit techniques throughout the year on amounts billed to the two largest customer groups (estate agency and new homes developers), investigating any anomalies and outliers identified and providing detailed reporting to the Committee in this regard.

In addition the Committee received a report from management discussing current membership offers and their impact on revenue recognition.

Share-based incentives and the related deferred tax balances

It is the responsibility of the Remuneration Committee to address, and report upon, compensation matters including share-based incentives granted to directors and employees of the Group. However the Committee considers in its review of the financial statements the measurement and accounting treatment relating to such schemes as more fully explained in Note 24 to the accounts due to the technical complexity and judgement required in establishing the IFRS 2 charge. Schemes subject to external performance conditions were valued using the Monte Carlo model by the Company's remuneration advisors, New Bridge Street, an Aon Hewitt Company. They also provided an external source of key inputs used to calculate the initial fair value of new grants, such as volatility, dividend yield and risk free rates and key management assumptions such as leaver provisions and achievement of performance conditions were reviewed and discussed by the Committee.

The assumptions used in calculating the closing deferred tax asset were reviewed and the reasons for the decrease discussed and the financial disclosures reviewed by the Committee.

As these are both areas of higher audit risk the Committee also received detailed verbal and written reporting from KPMG on this matter.

Internal audit

Given the simplicity of the Group structure, its single country focus, the open and accountable culture with clear authority limits, the straightforward financial model, strong system of internal controls, the fact that management and the Board conduct regular financial reviews and that the likely costs would be disproportionate to the anticipated benefit, the Committee recommended to the Board that an internal audit function was not currently appropriate for the business. This decision will be kept under regular review and where appropriate extended assurance will also be sought in key areas, as set out below for 2013.

External audit

The effectiveness of the external audit process is dependent on a number of factors including the quality assurance processes within the audit firm and appropriate audit risk identification at the start of the audit cycle. The Committee has reviewed, through the 2013 audit tender process, the quality assurance procedures and the skills and expertise of the audit team and are satisfied that these continue to be of a high standard. In connection with risk evaluation KPMG submitted

a detailed audit plan, identifying their assessment of key risks. For the 2013 financial year the primary risks identified were in relation to revenue recognition due to the size of the customer base and the variety of contract terms and share-based incentives and the related deferred tax balances due to the technical complexity and inherent management judgement required in these areas. The Committee challenged the work performed by the external auditors to test management's assumptions and estimates around these areas. The Committee also assessed the effectiveness of the audit process in addressing these matters through the reporting it received from the auditors at both the half year and year end. In addition they also sought feedback from management on the effectiveness of the audit process. For the 2013 financial year, management were satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and the Committee concurred with this view.

The Committee also discussed its responsibilities to safeguard audit objectivity and independence as well as the needs of the business and agreed that it was practical in many cases for the auditor to be assigned to other non-audit project work due to their knowledge and expertise of the business. This would usually relate to corporate transaction advice and tax compliance. The Committee agreed a policy that management be given authority to incur non-audit fees up to 50% of the annual agreed audit and tax fee in any financial year without the prior approval of the Committee. In 2013 the non-audit fees were £22,000 in relation to other advisory services and were £12,000 in relation to tax compliance and advice and are fully disclosed in Note 6 of the financial statements.

Internal controls

The Board has overall responsibility for the Group's system of internal controls and has established a framework of financial and other controls which is periodically reviewed in accordance with the FRC Internal Control: Guidance to Directors publication (formerly known as the Turnbull Guidance) for its effectiveness.

The Board has taken, and will continue to take, appropriate measures to ensure that the chances of financial irregularities occurring are reduced as far as reasonably possible by improving the quality of information at all levels in the Group, fostering an open environment and ensuring that the financial analysis is rigorously applied. Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's management have established the procedures necessary to ensure that there is an ongoing process for identifying, evaluating and managing the significant risks to the Group. These procedures have been in place for the whole of the financial year ended 31 December 2013 and up to the date of the approval of these financial statements and they are reviewed regularly.

During 2013, the Audit Committee requested extended assurance over a number of areas. These included the implementation and controls over the Group's new finance system, SAP Business 1, which was implemented during the year and a review of business continuity and disaster recovery plans. There was also a review of the Group's current activities and controls in relation to potential cyber security threats, which are considered to be an ongoing risk to an online business. The outcome of both of these reviews provided high levels of assurance with a small number of follow up actions identified.

The key elements of the system of internal control are:

- major commercial, strategic, competitive and financial risks are formally identified, quantified and assessed, discussed with the executive directors, after which they are considered by the Board;
- a comprehensive system of planning, budgeting and monitoring Group results. This includes monthly management reporting and monitoring of performance against both budgets and forecasts with explanations for all significant variances;
- an organisational structure with clearly defined lines of responsibility and delegation of authority;
- clearly defined policies for capital expenditure and investment exist, including appropriate authorisation levels, with larger capital projects, acquisitions and disposals requiring Board approval;
- a comprehensive disaster recovery plan based upon co-hosting of the rightmove.co.uk website across three separate locations, which is regularly tested and reviewed;
- a treasury function which manages cash flow forecasts and cash on deposit and counterparty risk and is responsible for monitoring compliance with banking agreements, where appropriate; and
- whistleblowing and bribery policies of which all employees are made aware, to enable concerns to be raised either with line management or, if appropriate, confidentially outside the line management.

Through the procedures outlined above, the Board, with advice from the Audit Committee, has considered all significant aspects of internal control for the year and up to the date of this Annual Report. No significant failings or weaknesses were identified during this review. However, had there been any such failings or weaknesses, the Board confirms that necessary actions would have been taken to remedy them.

Going concern

The Board is required under the Code to consider whether or not it is appropriate to adopt the going concern basis in preparing the Group and the Company financial statements.

As part of its normal business practice the Group prepares annual and longer term financial plans. In addition, a going concern paper was prepared and presented to the Audit Committee in February 2014 prior to it recommending the approval of the financial statements and notes to the accounts for the year ended 31 December 2013 to the Board.

After making enquiries, the Board has a reasonable expectation that the Group and the Company have adequate cash resources and banking facilities to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the Annual Report and financial statements. Further information is provided in Note 1 to the financial statements.

Rightmove plc (the Company) is incorporated as a public limited company and is registered in England with the registered number 6426485. The Company's registered office is Turnberry House, 30 Caldecotte Lake Drive, Caldecotte, Milton Keynes MK7 8LE.

The directors submit their report together with the audited financial statements for the Company and its subsidiary companies (the Group) for the year ended 31 December 2013.

Pages 33 to 35 comprise the Directors' Report that has been drawn up and presented in accordance with English company law and the liabilities of the directors in connection with the report shall be subject to the limitations and restrictions provided by such law.

Strategic Report

Pursuant to sections 414A-D Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, the business review has been replaced with a Strategic Report, which can be found on pages 4 to 21. This report sets out the development and performance of the Group's business during the financial year, the position of the Company at the end of the year and a description of the principal risks and uncertainties facing the Company.

Dividend

An interim dividend of 11.0p (2012: 9.0p) per ordinary share was paid in respect of the half year period on 8 November 2013 to shareholders on the register of members at the close of business on 11 October 2013. The directors are recommending a final dividend for the year of 17.0p (2012: 14.0p) per ordinary share, which together with the interim dividend of 11.0p, makes a total for the year of 28.0p (2012: 23.0p), amounting to £27,920,000 (2012: £23,280,000). Subject to shareholders' approval at the Annual General Meeting on 7 May 2014, the final dividend will be paid on 6 June 2014 to shareholders on the register of members at the close of business on 9 May 2014.

Share capital

The ordinary shares in issue (including 2,505,430 shares held in treasury in both years) at the year end comprised 103,115,735 (2012: 105,896,115) ordinary shares of £0.01, being £1,031,000 (2012: £1,059,000). The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. Movements in the Company's share capital and reserves in the year are shown in Note 22 and Note 23 to the financial statements. Information on the Group's share-based incentive schemes is set out in Note 24 to the financial statements. Details of the share-based incentive schemes for directors are set out in the Directors' Remuneration Report on pages 37 to 62.

Share buyback

The Company's share buyback programme continued during 2013. Of the 15% authority given by shareholders at the 2013 Annual General Meeting, a total of 2,780,380 (2012: 4,514,521) ordinary shares of £0.01 each were purchased in the year to 31 December 2013, being 2.7% (2012: 4.2%) of the shares in issue (excluding shares held in treasury) at the time the authority was granted. The average price paid per share was £21.77 (2012: £14.70) with a total consideration paid (inclusive of all costs) of £60,961,000 (2012: £66,826,000). Since the introduction of the new parent company in January 2008, a total of 28,789,673 shares have been purchased of which 2,505,430 have been transferred into treasury with the remainder having been cancelled. A resolution seeking to renew this authority will be put to shareholders at the Annual General Meeting on 7 May 2014.

Shares held in trust

As at 31 December 2013 740,324 (2012: 3,404,029) ordinary shares of £0.01 each in the Company were held by The Rightmove Employees' Share Trust (EBT) for the benefit of Group employees. These shares had a nominal value at 31 December 2013 of £7,000 (2012: £34,000) and a market value of £20,285,000 (2012: £48,882,000). The shares held by the EBT may be used to satisfy share-based incentives for the Group's employee share plans. During the year 2,663,705 (2012: 1,123,754) shares were transferred to Group employees following the exercise of share-based incentives.

The terms of the EBT provide that dividends payable on the shares held by the EBT are waived.

Substantial shareholdings

As at the date of this report, the following beneficial interests in 3% or more of the Company's issued ordinary share capital (excluding shares held in treasury) on behalf of the organisations shown in the table below, had been notified to the Company pursuant to Rule 5.1 of the Disclosure and Transparency Rules:

Shareholder	No. of shares	% ⁽¹⁾
Baillie Gifford & Co	8,615,294	8.6
Standard Life Investments	8,024,889	8.0
Marathon Asset Management LLP	7,835,467	7.8
Caledonia Investments Pty Ltd	6,431,468	6.4
Axa Investment Managers SA	5,510,468	5.5
BlackRock Inc	5,421,782	5.4
Kames Capital	5,244,642	5.2
Cantillon Capital Management	4,408,924	4.4
Old Mutual Asset Management	3,805,926	3.8

(1) The above percentages are based upon the voting rights share capital (being the shares in issue less shares held in treasury) of 100,200,915.

Directors

The directors of the Company as at the date of this report are named on pages 22 to 23 together with their profiles.

The Articles of Association of the Company require directors to submit themselves for re-appointment where they have been a director at each of the preceding two Annual General Meetings and were not appointed or re-appointed by the Company at, or since, either such meeting. Following the changes to the UK Corporate Governance Code in September 2010, all directors who have served during the year and remain a director as at 31 December 2013 will retire and offer themselves for re-election at the forthcoming Annual General Meeting.

Peter Williams will offer himself for election, this being his first Annual General Meeting following his appointment to the Board as non-executive director on 3 February 2014.

The Board is satisfied that the directors retiring are qualified for re-appointment by virtue of their skills, experience and contribution to the Board. The executive directors have service agreements with the Company which can be terminated on 12 months' notice. The appointments for the non-executive directors can be terminated on three months' notice.

The interests of the directors in the share capital of the Company at 31 December 2013, the directors' total remuneration for the year and details of their service contracts and Letters of Appointment are set out in the Directors' Remuneration Report on pages 37 to 62. At 31 December 2013 all of the executive directors were deemed to have a non-beneficial interest in 740,324 ordinary shares of £0.01 each held by the trustees of the EBT.

Research and development

The Group undertakes research and development activity in order to develop new products and to continually improve the existing property website. Further details are disclosed in Note 2 to the financial statements on page 75.

Political donations

During the year the Group did not make any donations to any political party or other political organisation and did not incur any political expenditure within the meanings of Sections 362 to 379 of the Companies Act 2006.

Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of UBS Limited at 1 Finsbury Avenue, London, EC2M 2PP on 7 May 2014 at 10am. The Notice of Annual General Meeting will be published in March 2014.

The resolutions being proposed at the 2014 Annual General Meeting are general in nature including the renewal for a further year of the limited authority of the directors to allot the unissued share capital of the Company and to issue shares for cash other than to existing shareholders. A resolution will also be proposed to renew the directors' authority to purchase a proportion of the Company's own shares, along with a new resolution to approve the Directors' Remuneration Policy.

One of the items of special business to be addressed at this Annual General Meeting relates to the requirement in the Companies (Shareholders' Rights) Regulations 2009, which came into force on 3 August 2009 that all general meetings must be held on not less than 21 clear days' notice unless shareholders approve a shorter notice period. At the 2013 Annual General Meeting, a resolution was passed allowing the Company to call general meetings (other than Annual General Meetings) on not less than 14 clear days' notice. As this authority will expire at the 2014 Annual General Meeting, a resolution will be proposed to renew this authority.

Auditor

Our auditor KPMG Audit Plc has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and a resolution concerning their appointment will be put to the forthcoming Annual General Meeting of the Company.

Audit information

So far as the directors in office at the date of signing of the report are aware, there is no relevant audit information of which the auditor is unaware and each such director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Greenhouse gas emissions

Our first report of greenhouse gas emissions in line with UK mandatory reporting regulations is provided in the Corporate Responsibility section of the Strategic Report on pages 20 to 21.

Fair, balanced and understandable

The Board has concluded that the 2013 Annual Report is fair, balanced and understandable and provides the necessary information for shareholders and other readers of the accounts to assess the Group's performance, business model and strategy.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report required by DTR 4.1.8R (contained in the Strategic Report and the Directors' Report) includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the Group, taken as a whole, together with a description of the principal risks and uncertainties that they face.

Signed by the Board:



Nick McKittrick
Chief Executive Officer
28 February 2014



Robyn Perriss
Finance Director

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent Company financial statements on the same basis.

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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company 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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Annual statement by the Chairman of the Remuneration Committee



Jonathan Agnew
Chairman of the Remuneration Committee

Dear Shareholder

I am pleased to present the report on directors' remuneration for Rightmove plc (the Company) and its subsidiary companies (the Group) for the year ended 31 December 2013.

We have complied with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Act) and made some improvements to the layout of this report to better explain our reward philosophy and how our long-term thinking influences the way in which we incentivise and retain our people.

As described in the Strategic Report, our 2013 results show strong organic revenue and profit growth. The increase in profit achieved this year once again demonstrates the strength of the Rightmove business model and brand and the effectiveness of our management team.

Performance and reward

In light of the combination of strong Company and executive directors' performance achievements during the year, the Remuneration Committee considers the remuneration paid to the executive directors to reflect fairly their performance during the year. As a result of the strong financial and operational results of the Company, the annual bonus entitlement for executive directors was 85% of the maximum for 2013.

With regard to the Company's longer-term performance, reflecting the successful implementation of its growth strategy over the last three financial years, the 2011 Performance Share Plan awards (measuring performance from 1 January 2011 to 31 December 2013) will vest in full as a result of delivering normalised EPS⁽¹⁾ growth of 99% and TSR growth of 266% over the performance period, which significantly exceeded the respective growth targets set of 50% and Index +25% over the three year period.

Remuneration policy for 2014

As previously communicated to our shareholders, 2013 was the final year of a three year remuneration policy. In order to ensure that our remuneration policy reflects the changes within the year in the Company's executive directors' roles and responsibilities, continues to support the Company's long-term growth strategy and provides appropriate reward for performance, the Committee conducted a comprehensive review of the executive director remuneration policy.

The key conclusion of the review was that the current reward philosophy of providing below market fixed pay (base salary, pension and minimal benefits) and above market variable pay opportunity (short and long-term incentives) for delivery of challenging performance targets remains appropriate for a growth orientated company. However, a number of modifications were considered appropriate to the current remuneration practices as a result of the review.

In summary, the key revisions to current remuneration practices along with the key outputs of the review were as follows:

- We remain committed to a pay model of below comparative median benchmarks on fixed pay and an above median incentive opportunity.
- Within the Rightmove pay model, non-inflationary adjustments to base salary levels are to take place to reflect the current executive directors' roles and responsibilities, with the exception of the Chief Executive Officer.
- Moderate changes to pension provision are to take place to align the current pension scheme with new requirements arising from auto enrolment.
- No changes are being made to annual bonus opportunity with 60% of any bonus earned continuing to be deferred into the Company's shares for a period of two years.

(1) Diluted underlying EPS but with a standard UK tax rate applied.

Annual statement by the Chairman of the Remuneration Committee continued

- Annual award levels under the Company's Performance Share Plan will increase to 200% of salary but with tougher underlying earnings per share growth targets. Awards in 2013 were granted at 150% of salary.
- The earnings per share target will no longer be normalised for taxation allowing investors to more easily compare it to published analyst data and consensus expectations.
- Clawback will continue to operate in relation to both deferred annual bonus awards and Performance Share Plan awards.
- The existing share ownership guidelines will be retained (200% of base salary for the Chief Executive Officer and 100% of base salary for other executive directors).

Further details in relation to the remuneration policy, which is expected to operate for at least the next three year period from January 2014 (with an effective date for the purposes of the new legislation of 7 May 2014) are set out on pages 39 to 47.

Shareholder views

We are committed to maintaining an open and transparent dialogue with shareholders.

The above changes to remuneration practices were implemented following a wide ranging pre-consultation exercise with our major shareholders which culminated in an amendment to the original proposals to reflect the feedback received.

The objective of this report is to communicate clearly how much our executive directors are earning and how this is closely linked to performance.

Shareholders will be provided with an opportunity to vote on the Remuneration Policy at our forthcoming AGM to be held on 7 May 2014 and we hope to receive your continued support.



Jonathan Agnew
Chairman of the Remuneration Committee

Remuneration Policy Report (unaudited)

Introduction

This report sets out the Company's policy on directors' remuneration for the forthcoming year, and, so far as practicable, for subsequent years, as well as information on remuneration paid to directors for the financial year ended 31 December 2013. This report has been prepared in accordance with the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Act) and the 2012 UK Corporate Governance Code (the Code).

In accordance with the Act this report has been split into two sections: a Policy Report and an Annual Report on Remuneration. The parts of the report which have been audited have been highlighted as required by the Act.

Remuneration Policy Report (the Policy Report)

This part of the Directors' Remuneration Report sets out the remuneration policy for the Company and has been prepared in accordance with the Act. The policy has been developed after taking into account Rightmove's pay philosophy that our executives should be rewarded with demonstrably lower than market base salaries and benefits and higher than market equity rewards contingent upon the achievement of challenging performance targets in accordance with the 'best practice' principles set out in the Code and the views of our major shareholders.

The Policy Report will be put to a binding shareholder vote at the 2014 AGM and, subject to the Policy Report receiving majority shareholder support, it will operate with an 'Effective Date' of 7 May 2014 for the purposes of complying with the Act. In practice, however, the Remuneration Committee (herein referred to as the Committee throughout this report) intends to apply the policy detailed below from the start of the current financial year and throughout the three year policy period that commences from the Effective Date.

The key principles of the Committee's policy are as follows:

- Remuneration arrangements should be simple to explain, understand and administer.
- Remuneration arrangements should be designed to provide executive directors with the opportunity to receive a share in the future growth and development of the Company which is regarded as fair by both other employees and shareholders. This approach should allow the Company to attract and retain the dynamic, self-motivated individuals who are critical to the success of the business.

- Executive directors should have below market levels of base salary, minimal benefits (and only benefits which are made available on the same basis to all Rightmove employees), but with above market levels of variable pay potential. This arrangement is designed to best align the interests of the executive directors with the interests of shareholders and to reflect the performance driven culture of the Company. The Company will generally review market levels of remuneration for executive directors with the assistance of external, independent remuneration consultants and with shareholder consultation every three years.
- Having reviewed executive director remuneration against the market every three years, further changes to remuneration should be made infrequently and those changes made each year should, in most instances, be directly linked to the policies applied to all employees (specifically with regard to cost of living rises in base salary and changes in benefits).
- Executive directors should be principally rewarded for the overall success of the business for which they have collective responsibility. The Company has key short-term, medium/long-term goals and executive directors should be incentivised against these goals.
- Executive directors should not be able to gain significantly from short-term successes which subsequently prove not to be consistent with growing the overall value of the business. Hence a majority of any bonus payable in relation to short-term strategic goals is required to be taken in the form of shares in the Company which are deferred for a further two years after the bonus target has been achieved.

The table overleaf provides an overview of the Committee's remuneration policy which has been designed to reflect the principles described above:

Remuneration policy

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Salary	To provide a competitive base salary which will attract and retain high calibre executives to execute the Group's business strategy.	<p>Base salaries are normally reviewed annually, with changes effective from 1 January. When considering the executive's eligibility for a salary increase, the Committee considers the following points:</p> <ul style="list-style-type: none"> • size and responsibilities of the role; • individual and Group performance; • increases awarded to the wider workforce; and • broader economic and inflationary conditions. <p>Executive directors are benchmarked against external market data periodically (generally every three years). Relevant market comparators are selected for comparison, which include other companies of a similar size and complexity. The Committee considers benchmark data, alongside a broad review of the individual's skills and experience, performance and internal relativities.</p>	<p>Salaries for 2014 are as follows:</p> <ul style="list-style-type: none"> • CEO: £400,000; • COO: £335,000; and • FD: £265,000. <p>The above salary levels will be eligible for increases during the three year period that the Remuneration Policy operates from the Effective Date.</p> <p>During this time, salaries may be increased each year (in percentage of salary terms) in line with those of the wider workforce (after taking into account the annual salary budget and performance related increases within the overall salary budget).</p> <p>Increases beyond those linked to the workforce (in percentage of salary terms) may be awarded in certain circumstances such as where there is a change in responsibility, experience or a significant increase in the scale of the role and/or size, value and/or complexity of the Group.</p>	The Committee considers both individual and Company performance in a broad context when determining base salary increases.
Benefits	To provide simple, cost-effective, employee benefits which are the same as those offered to the wider workforce.	<p>The executive directors are enrolled in the Company's private medical insurance scheme and receive life assurance cover equal to four times base salary.</p> <p>Additionally, Nick McKittrick and Robyn Perriss are members of the Company's medical cash plan.</p>	The value of benefits may vary from year to year depending on the cost to the Company from third party providers.	Not applicable
Pension	To provide a basic, cost-effective, long-term retirement benefit.	<p>The Group operates a stakeholder pension plan for employees under which the employer contributes 6% of base salary subject to the employee contributing a minimum of 3% of base salary.</p> <p>The Company does not contribute to any personal pension arrangements.</p> <p>Whilst executives are not obliged to join, the Company operates a pension salary exchange arrangement whereby executives can exchange part of their salary for Company paid pension contributions. Where executives exchange salary and this reduces the Company's National Insurance Contributions the Company credits the entire saving to the executive's pension.</p>	<p>Company contributions of up to 6% of base salary subject to the employee contributing a minimum of 3% of base salary. From February 2014 the cap on Company contributions of £3,000 per annum will be removed in order for the scheme to be certified for auto enrolment purposes.</p>	Not applicable

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Annual bonus including Deferred Share Bonus Plan (DSP)	<p>To incentivise and recognise execution of the business strategy on an annual basis.</p> <p>Rewards the achievement of annual financial and operational goals.</p>	<p>The annual bonus comprises a cash award (40% of any bonus earned) and a DSP award (60% of any bonus earned).</p> <p>Deferred shares will vest after two years and be potentially forfeitable during that period.</p> <p>Payments under the annual bonus plan may be subject to clawback in the event of a material misstatement of the Company's financial results or misconduct.</p>	<p>Maximum (% salary): 125% of base salary.</p>	<p>The bonus is determined based on performance against a range of key performance indicators. The primary bonus metric will be profit-based (e.g. underlying operating profit before tax) with targets set in relation to a carefully considered business plan and requiring significant out-performance of that plan to trigger maximum payments.</p> <p>A minority of bonus will also be earned based on pre-set targets drawn from the Group's other key performance indicators relating to underlying drivers of long-term revenue growth.</p> <p>Details of the performance measures used for the current year and the targets set for the year under review and performance against them is provided on page 55.</p> <p>25% of the awards vest for hitting the threshold performance target. Bonus is earned on a graduated basis from threshold to maximum performance levels.</p>
Performance Share Plan (PSP)	<p>To incentivise and reward executives for the achievement of superior returns to shareholders over a three year period, and to retain key individuals and align interests with shareholders.</p>	<p>Following shareholder approval at the 2011 AGM, the PSP was established. The PSP permits annual awards of nil-cost options, contingent shares and forfeitable shares which vest after three years subject to continued service and the achievement of challenging performance conditions.</p> <p>A dividend equivalent provision operates enabling dividends to be paid (in cash or shares) on shares at the time of vesting.</p> <p>PSP awards may be subject to clawback in the event of a material misstatement of the Company's financial results or misconduct.</p>	<p>Maximum (% salary): 200% of base salary.</p>	<p>Awards vest based on three year performance against a challenging range of financial targets (including EPS) and relative TSR performance.</p> <p>Financial targets will determine vesting in relation to at least half of an award.</p> <p>25% of the awards vest for hitting the threshold performance target.</p> <p>The performance period for financial targets and relative TSR targets is three financial years, starting with the year in which the award is granted.</p>

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
All-employee Sharesave Plan	Provides all employees with the opportunity to become owners in the Company on similar terms.	<p>Executive directors are entitled to participate in the Group's Sharesave Plan on the same terms as all other employees.</p> <p>Periodic invitations are made to participate in the Sharesave Plan.</p> <p>Participants commit to a savings contract over a three year period through which a grant of share options is made (by reference to projected savings over a three year savings contract) with an exercise price set at up to a 20% discount to the share price at the date of grant. On the maturity of the savings contracts, participants can elect to:</p> <p>(i) use the accumulated savings to exercise the option; or</p> <p>(ii) request the return of their savings.</p>	<p>Participation in the Sharesave Plan is based on HMRC rules which limit monthly savings towards share purchases under three year savings contracts to £250 per calendar month, which is expected to increase to £500 per calendar month from tax year 2014/2015 in line with the Chancellor's Autumn Statement.</p>	None
Share ownership guidelines	To provide alignment between the executives and shareholders.	<p>Executive directors are required to retain at least half of any share awards vesting or exercised (after selling sufficient shares to meet the exercise price and to pay any tax liabilities due) until they have met the shareholding guideline.</p> <p>The Committee will regularly monitor progress towards the guideline.</p>	<p>Shareholding guideline:</p> <ul style="list-style-type: none"> • CEO – 200% of base salary; • COO & FD – 100% of base salary. 	Not applicable
Non-executive directors	To provide a competitive fee which will attract and retain high calibre individuals and reflects their relevant skills and experience.	<p>The fees for non-executive directors (including the Company Chairman) are reviewed periodically (generally every three to four years).</p> <p>The Remuneration Committee will consider the Chairman's fee, whilst the non-executive directors' fee is considered by the wider Board excluding the non-executives.</p> <p>Fee levels for each role are determined after considering the responsibility of the role, the skills and knowledge required and the expected time commitments.</p> <p>Periodic benchmarking against relevant market comparators, reflecting the size and complexity of the role, is used to provide context when setting fee levels.</p>	<p>Fees for 2014 are:</p> <ul style="list-style-type: none"> • Chairman: £114,747; • NED (Basic fee): £45,899; • Additional fee for chairing Audit or Remuneration Committee: £5,737; and • Additional fee for Senior Independent Director role: £5,737. <p>The Chairman and non-executive directors' fee increases in future years are expected to increase (in percentage terms) in line with the basic level of pay rise received by employees within the business.</p> <p>Fee increases beyond the level detailed above may take place if fee levels are considered to have become out of line with the responsibilities and time commitments of individual roles.</p> <p>Flexibility is retained to go above the above fee levels in the event that it is necessary to recruit a new Chairman or non-executive director of an appropriate calibre in future years.</p>	None

Discretions maintained by the Committee in operating its incentive plans

The Committee will operate the annual bonus plan, PSP and Sharesave Plan according to their respective rules and in accordance with the Listing Rules and HMRC rules where relevant.

The Committee retains discretion, consistent with market practice, in a number of regards to the operation and administration of these plans. These discretions include, but are not limited to, the following:

- The selection of participants in the respective plan;
- The timing of grant of an award (if any) and payments;
- The size of an award and/or a payment (with limits as described in the previous table);
- The extent of vesting based on the achievement of performance targets and applicable exercise periods where relevant;
- How to deal with a change of control (e.g. the timing of testing performance targets) or restructuring of the Group;
- Determination of a good/bad leaver for incentive plan purposes based on the rules of each plan and the appropriate treatment chosen including the timing of the delivery of shares;
- Adjustments (if any) required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends); and
- The annual review of performance measures, targets and weightings for the annual bonus plan and PSP from year to year.

The Committee also retains the ability to adjust the targets and/or set different measures for the annual bonus plan and PSP if events occur (e.g. a material divestment or acquisition) which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Any use of the above discretions would, where relevant, be detailed in the Annual Report on Remuneration and, if appropriate, the subject of prior communication with the Company's major shareholders.

All previous share options, PSP, DSP and Sharesave awards that were granted but remain outstanding at 31 December 2013 (detailed on pages 57 to 60), remain eligible to vest based on their original award terms.

Selection of performance measures and how targets are set

The performance metrics that are used for annual bonus and long-term incentive plans are a subset of the Group's key performance indicators.

For the annual bonus, underlying operating profit before tax⁽¹⁾ is the primary performance metric used as it is aligned to the Group's strategy of delivering profitable growth and is a key financial performance indicator used within the business. Consistent with previous years, operating profit is measured on an underlying basis, to exclude any volatility in relation to the Company's share price in connection with the IFRS 2 valuation and National Insurance charge on share-based incentives granted. The underlying operating profit⁽¹⁾ before tax target is set on a sliding scale based around the business plan for the year, with 25% payable for threshold performance.

The annual bonus also considers performance against other operational metrics, including the total page impressions viewed on our website and mobile platforms, and innovation revenue, for a minority of the bonus, with a sliding scale used to determine performance against each measure. Page impressions are a measure of the size and engagement of our audience and the value which Rightmove, as a media Group, brings to our customers. Therefore a challenging target to increase this audience is considered appropriate by the Committee. The innovation revenue target will measure growth in revenue from non-core businesses. Since these will in almost all cases be at an early stage, we consider growth in revenue rather than in operating profit to be the appropriate measure and note that this element of the bonus is only a small proportion of the total bonus opportunity.

For the PSP, awards are subject to a combination of EPS and relative TSR performance conditions. EPS is considered the most appropriate financial metric for this particular business at this stage in its development (since it is the measure of profitability that is most closely aligned with shareholders' interests and monitored on an ongoing basis within the business). The policy also recognises that relative TSR should also be a performance measure in order for there to be a clear alignment of executive and shareholder interests. EPS targets are set based on sliding scales that take account of internal financial planning and external analyst forecasts. Only 25% of the EPS element will pay out for threshold performance levels, with the maximum award requiring substantial out-performance. For TSR, the range of targets measure how successful the Company is in out-performing the FTSE250 Index (the Index within which the Company currently resides) with 25% of this part of the award vesting

(1) Before share-based payments and NI on share-based incentives.

at the threshold performance level, through to full vesting for 25% out-performance of the Index over the three year performance period.

The targets for awards to be granted under the PSP in 2014 are consistent with the policy set out above and are set out in the Annual Report on Remuneration.

Performance targets do not apply to Sharesave awards since these awards are structured to encourage employees to become share owners and to maintain tax-favoured status the awards must operate on a consistent basis for all employees.

How the views of employees are taken into account

The Company has not to date felt it necessary to consult directly with employees on executive remuneration matters. However, the Committee is kept aware of pay and employment conditions within the wider workforce when setting executive directors' remuneration policy.

Remuneration policy for executive directors compared to other employees

The Committee will consider the proposed salary increase budget for the whole Group when it is deciding on salary increases for executive directors specifically.

In line with the Company's strategy to keep remuneration simple and consistent benefits and pension arrangements provided to executive directors are the same as those offered to all Group employees.

The extent to which annual bonuses are offered varies by level of employee within the Group, with the quantum and performance metrics used determined by the nature of the role and responsibilities and market rates at that level.

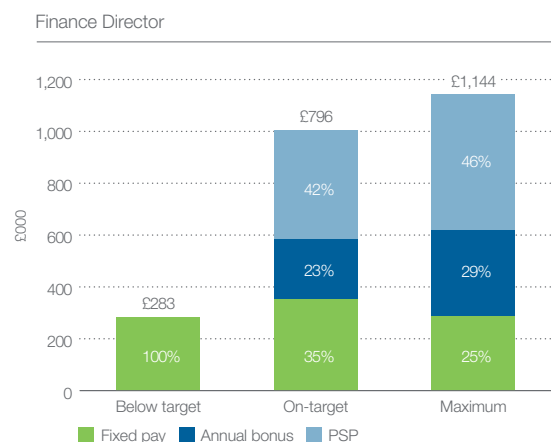
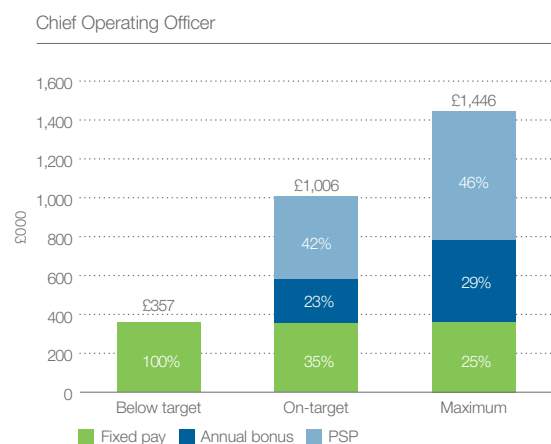
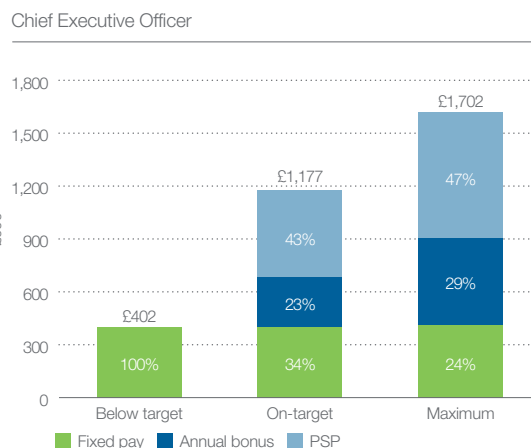
Long-term incentive awards, other than the all-employee Sharesave Plan, are only offered to senior management as those awards are more heavily weighted towards performance-related pay and have a stronger visibility on the value created for shareholders and the reward for participants.

Shareholders' views

The Committee considers it vitally important to maintain open and transparent communication with the Company's shareholders. The Committee will consult with major shareholders before any material change in remuneration policy is approved. The views of shareholders received at the AGM, during meetings with investors and through other contact during the year, are considered by the Committee and contribute to the development of the overall remuneration policy.

Reward scenarios

The Company's reward policy (as previously outlined) is illustrated below using three different performance scenarios: below target, on-target and maximum:



Assumptions:

1. **Below target** = fixed pay only (Salary + Benefits + Pension).
2. **On-target** = 55% payable of the 2014 annual bonus and 62.5% vesting of the 2014 PSP awards being the midpoint between threshold vesting of 25% and maximum vesting of 100%.
3. **Maximum** = 100% payable of the 2014 annual bonus and 100% vesting of the 2014 PSP awards.

Base salary is as set at 1 January 2014. The value of taxable benefits is based on the cost of supplying those benefits (using the cost as disclosed on page 53) for the year ending 31 December 2013. The pension value is set using a 6% of base salary contribution for the COO and FD (the CEO waives his pension entitlement).

The executive directors can participate in the Sharesave Plan on the same basis as other employees. The value that may be received under these schemes is subject to tax approved limits. For simplicity, the value that may be received from participating in these schemes has been excluded from the above charts.

Amounts have been rounded to the nearest £1,000.

Recruitment and promotion policy

The Committee proposes an executive director's remuneration package for new appointments in line with the principles outlined in the table below:

Element of remuneration	Policy
Base salary	Base salary levels will be set based on the roles and responsibilities of the individual together with their relevant skills and experience, taking into account the market rates for companies of comparable size and complexity and internal Company relativities. In some circumstances (e.g. to reflect an individual's limited experience at a PLC board level) it may be considered appropriate to set initial salary levels below the perceived market competitive rate. Phased increases, potentially above inflation, may then be offered to achieve the desired market positioning over time, subject to individual's continued performance and development in the role.
Benefits	Benefits as provided to current executive directors. Where necessary the Committee may approve the payment of relocation expenses to facilitate recruitment, and flexibility is retained for the Company to pay legal fees and other costs incurred by the individual in relation to their appointment.
Pension	A defined contribution at the level provided to current executive directors.
Annual bonus	An annual bonus would operate in the same manner as outlined for the current executives (as described above and in the Annual Report on Remuneration), although it would be pro-rated to reflect the employment period during the bonus year. The bonus maximum potential would not exceed 125% of base salary. It would be expected that the bonus for a new appointment would be assessed on the same performance metrics as that for the current executives on an ongoing basis. However, depending on the timing and nature of appointment it may be necessary to set tailored performance criteria for their first bonus plan.
Long-term incentives	A new appointment will be eligible to receive an award under the PSP policy outlined in the policy table. Share awards may be granted shortly after an appointment (subject to the Company not being in a close period) and would be measured against the same performance criteria as the current executives. The ongoing award maximum would not exceed 200% of base salary. For an internal hire, existing awards would continue over their original vesting period and remain subject to their terms as at the date of grant. The new appointment would be eligible to participate in the Sharesave Plan under the same terms as all other employees.
Buy-out awards	To facilitate an external recruitment, it may be necessary to buy-out remuneration which would be forfeited on leaving their previous employer. When determining the quantum and structure of any buy-out awards the Committee will, as a minimum, take into account the following factors: <ul style="list-style-type: none">• the form of remuneration (cash or shares);• timing of expected payment/vesting; and• expected value (i.e. taking into account the likelihood of achieving the existing performance criteria). Buy-out awards, if used, will be granted using the Company's existing share plans to the extent possible, although awards may also be granted outside of these schemes if necessary and as permitted under the Listing Rules.

Directors' service contracts and non-executive directors' terms of appointment

The Committee's policy on service agreements for executive directors is that they should provide for 12 months' notice of termination by the Company and by the executive. Any proposals for the early termination by the Company of the service agreements of directors or senior executives are considered by the Committee.

The service agreements for the executive directors allow for lawful termination of employment by making a payment in lieu of notice or by making phased payments over any remaining unexpired period of notice. The phased payments may be reduced if, and to the extent that, the executive finds an alternative remunerated position.

In addition, any statutory entitlements or sums to settle or compromise claims in connection with the termination would be paid as necessary.

For Nick McKittrick a payment in lieu of notice will be related to base salary, benefits and projected annual bonus pursuant to the Group's targets being achieved for the year (pro-rated for any unexpired period of notice where appropriate). The Committee is aware that the provision of annual bonus with a payment in lieu of notice is no longer considered in line with best practice. The provision within Nick McKittrick's contract is considered a legacy issue which would not be repeated in any future director's service contract.

For Peter Brooks-Johnson and Robyn Perriss a payment in lieu of notice will be restricted to base salary and benefits.

The treatment for share-based incentives previously granted to an executive director will be determined based on the relevant plan rules. The default treatment will be for outstanding awards to lapse on cessation of employment.

For awards granted under the PSP (approved by shareholders in 2011) 'good leaver' status may be determined, in certain prescribed circumstances, such as death, ill health, disability, redundancy, transfer or sale of the

employing company, or other circumstances at the discretion of the Committee. If defined as a good leaver, awards will remain subject to performance conditions, which will be measured over the performance period from grant to the original vesting date, unless the Committee determine to assess performance from grant to the date of cessation, and which will be reduced pro-rata to reflect the proportion of the performance period actually served. The Committee retains the discretion to disapply time pro-rating in exceptional circumstances.

For awards granted under the DSP, 'good leaver' status may be determined for reasons of death, injury, disability, redundancy, transfer or sale of the employing company or other circumstances at the discretion of the Committee. If defined as a good leaver, awards will be retained and vest on the original vesting date.

Scott Forbes' appointment may be terminated by either party giving to the other not less than three months' notice in writing. The Company may also terminate by making a payment in lieu of notice. Scott Forbes is not contractually entitled to any other benefits on termination of his contract.

The Letters of Appointment for the non-executive directors provide for a term of up to two three year periods and a possible further three year term (subject to re-election by shareholders and subject to the director remaining independent). The appointments may be terminated with a notice period of three months on either side and the Letters of Appointment set out the time commitments required to meet the expectations of their roles.

Copies are available for inspection on request to the Company Secretary.

Further details of all directors' contracts and Letters of Appointment are summarised opposite:

	Date of appointment	Date of contract/ Letter of Appointment ⁽¹⁾	Notice (months)	Length of service at 28 February 2014
Executive directors				
Nick McKittrick (Chief Executive Officer) ⁽²⁾	5 March 2004	7 February 2006	12	9 years 11 months
Peter Brooks-Johnson ⁽³⁾	10 January 2011	22 February 2011	12	3 years 1 month
Robyn Perriss ⁽⁴⁾	30 April 2013	1 May 2013	12	10 months
Non-executive directors				
Scott Forbes (Chairman)	13 July 2005	21 February 2006	3	8 years 7 months
Jonathan Agnew (Senior Independent Director)	16 January 2006	12 December 2005	3	8 years 2 months
Colin Kemp	3 July 2007	4 December 2007	3	6 years 7 months
Ashley Martin	11 June 2009	9 June 2009	3	4 years 8 months
Judy Vezmar	16 January 2006	12 December 2005	3	8 years 2 months
Peter Williams	3 February 2014	3 February 2014	3	1 month

(1) The service contracts and the Letters of Appointment for all directors appointed prior to 28 January 2008 were transferred from Rightmove Group Limited to Rightmove plc with effect from this date on completion of a Scheme of Arrangement under the Companies Act 1985.

(2) Nick McKittrick joined the Group in December 2000 and was appointed to the Board on 5 March 2004. His service with the Group at the date of this report is 13 years and 2 months.

(3) Peter Brooks-Johnson joined the Group on 9 January 2006 and was appointed to the Board on 10 January 2011. His service with the Group at the date of this report is 8 years and 1 month.

(4) Robyn Perriss joined the Group on 1 July 2007 and was appointed to the Board on 30 April 2013. Her service to the Group at the date of this report is 6 years and 8 months.

External appointments

With the approval of the Board in each case, executive directors may accept one external appointment as a non-executive director of another listed or similar company and retain any fees received.

Annual Report on Remuneration

Role and membership

Terms of reference

The primary role of the Committee is to make recommendations to the Board as to the Company's broad policy and framework for the remuneration of the executive directors, the Chairman of the Board and the Company Secretary. The remuneration and terms of appointment of the non-executive directors are determined by the Board as a whole.

In accordance with the Code, the Committee also recommends the structure and monitors the level of remuneration for the first layer of management below Board level. The Committee is also aware of, and advises on, the employee benefit structures throughout the Group and ensures that it is kept aware of any potential business risks arising from those remuneration arrangements.

The Committee has formal terms of reference which are reviewed annually and updated as required. These are available on the Company's website at plc.rightmove.co.uk or on request from the Company Secretary.

Membership

The following independent non-executive directors were members of the Committee during 2013 and continue to be members. During 2013 the Committee met eight times and attendance at the meetings is shown below:

Name of director	Number of meetings attended
Jonathan Agnew	8 out of 8
Ashley Martin	8 out of 8
Judy Vezmar	8 out of 8
Colin Kemp ⁽¹⁾	5 out of 5

(1) Colin Kemp was invited to join the Committee in March 2013 and has attended all subsequent Committee meetings.

The quorum for meetings of the Committee is two members. The Committee will meet at such times as may be necessary but will normally meet at least five times a year.

The Assistant Company Secretary acts as Secretary to the Committee.

Only members of the Committee have the right to attend Committee meetings. The Chairman of the Committee has requested that the Chairman of the Board attend the meetings except during discussions relating to his own remuneration.

The Chief Executive Officer may also be invited to meetings and the Committee takes into consideration their recommendations regarding the remuneration of executive colleagues and the first layer of management below Board level. No executive director is involved in deciding their own remuneration.

External advisers

New Bridge Street (NBS), an Aon Hewitt Company, which is a member of the Remuneration Consultants Group and has signed up to its Code of Conduct, has been retained as the Committee's remuneration adviser since 2011. The terms of engagement between the Company and NBS are available from the Company Secretary on request.

During the year, the Committee commissioned an independent review by NBS to assist in its determination of an appropriate future remuneration framework for executive directors to apply from 2014. The total fees paid to NBS in respect of services to the Committee during the year were £68,000.

During 2013 NBS also provided services to the Company in connection with the valuation of share-based incentives (as required by IFRS 2) and confirmed that, in its view, these services did not present a conflict of interest with the other services provided to the Committee.

The Committee reviews its relationship with external advisors on a regular basis and continues to believe that there are no conflicts of interest.

What has the Committee done during the year?

The Committee met eight times during the year to consider and, where appropriate, approve key remuneration items including the following:

Pay and incentive plan reviews

- Annual review and approval of executive directors' base salaries and benefits;
- Reviewed year end business performance against relevant performance targets to determine annual bonus payouts and vesting of long-term incentives;
- Reviewed and approved overall remuneration policy for executive directors for 2014, including appropriate benchmarks and performance measures for the annual performance related bonus and 2014 PSP awards to ensure measures are aligned with strategy and that targets are appropriately stretching;
- Ongoing monitoring of senior management remuneration structures;

- Consulted with institutional shareholders with a significant shareholding on the proposed changes to the executive remuneration policy;
- Approval of share awards granted under the Deferred Share Bonus Plan (DSP) and the Rightmove Performance Share Plan (PSP); and
- Amended the rules of the 2006 and 2008 Rightmove Group Unapproved Executive Share Option Plans to facilitate net settlement.

Governance

- Reviewed and approved the Directors' Remuneration Report;
- Reviewed the Department for Business Innovation & Skills executive remuneration disclosure proposals and assessed the Company's approach to compliance ahead of the changes which were enacted on 1 October 2013 and closely monitored guidance and directional themes from institutional bodies;
- Reviewed the 2013 AGM voting and feedback from institutional investors;
- Evaluated the Committee's performance during the year; and
- Reviewed the Committee's terms of reference.

Application of policy for year ending 31 December 2014

Salaries

The executive directors' salaries for the 2014 financial year are set out in the table below:

	Salary 1 January 2014	Salary 31 December 2013
Executive directors		
Nick McKittrick	£400,000	£385,632
Peter Brooks-Johnson	£335,000	£289,224
Robyn Perriss	£265,000	£240,000

The above revised salaries were set to reflect the roles and responsibilities of each individual that became effective from 1 May 2013.

A decision was taken at the time of the Board changes that took place in May 2013 to recognise each individual's revised role and responsibilities in full with effect from 1 January 2014 (as opposed to the time of promotion in May 2013). This was due to the fact that the Committee had previously committed to operating a three year policy which included predetermined salary increases (in principle) for each position. Since this three year period has now ended, and

noting the Committee's objective of pre-consulting the Company's major shareholders on remuneration policy for the next three year period prior to effecting changes for 2014 which has now been concluded, these salary levels are considered appropriate.

The revised salary levels were set after taking account of remuneration levels in FTSE250 companies and in light of the Company's focus on below market fixed pay.

The salary increase awarded to Nick McKittrick, the Chief Executive Officer, is considered by the Committee to be below the market rate for the role but influenced by the individual's desire, for leadership reasons, to limit the salary increase to approximately inflation.

The salary increase for the new Chief Operating Officer (Peter Brooks-Johnson – promoted from Managing Director of rightmove.co.uk) reflects his wider Group responsibilities.

Robyn Perriss' salary was increased initially following her appointment to the Board as Finance Director, with a view to transitioning to the appropriate salary level, along with the other executive directors, with effect from 1 January 2014 in light of her responsibilities.

Pension and other benefits

The Group operates a stakeholder pension plan for employees under which the employer contributes 6% of base salary, subject to the employee contributing a minimum of 3% of base salary. Nick McKittrick has chosen not to participate in this arrangement. The Company does not contribute to any personal pension arrangements.

The executive directors are enrolled in the Group's private medical insurance scheme and receive life assurance cover equal to four times base salary. Additionally, Nick McKittrick and Robyn Perriss are members of the Group's medical cash plan.

Annual bonus

The annual bonus for the 2014 financial year will operate on the same basis as for the 2013 financial year and will be consistent with the policy detailed on page 41 of the Remuneration Policy section of this report in terms of maximum bonus opportunity, deferral and clawback provisions. The measures have been selected to reflect a range of financial and strategic targets that support the key objectives of the Company.

The performance measures and weightings will be as follows:

Measure	As a % of maximum bonus opportunity
Financial targets	
Underlying operating profit before tax ⁽¹⁾	70%
Strategic targets	
Page impressions	20%
Innovation revenue	10%

(1) Operating profit before share-based payments and NI on share-based incentives.

In relation to the financial target a challenging sliding scale will operate with 25% of the maximum bonus opportunity payable at the threshold underlying operating profit⁽¹⁾ target relative to 2014 business plan through to 100% becoming payable for significant outperformance relative to the plan. A greater proportion of the award will be paid for exceeding on-target performance.

The targets themselves, as they relate to the 2014 financial year, are deemed to be commercially sensitive. However, retrospective disclosure of the targets and performance against them will be provided in next year's Annual Report on Remuneration to the extent that they do not remain commercially sensitive at the time.

Long-term incentives

To ensure that the Company's total remuneration is competitive overall, following a wide reaching shareholder pre-consultation exercise, subject to achieving demanding performance targets, the award levels under the PSP will be increased to 200% of base salary for all executive directors.

Consistent with current market practice and previous years, awards to the executive directors under the PSP in 2014 will be subject to a mixture of EPS (75% of awards) and relative TSR (25% of the awards) performance conditions. The 2014 targets are as follows:

EPS condition

The Group's EPS growth will be measured over the period of three financial years (2014 to 2016). The EPS figure used will be equivalent to the Group's basic underlying EPS (before share-based payments, National Insurance on share-based incentives and no related adjustment for tax). Reflecting the feedback received last year from some shareholders in relation to the Company's 2013 awards, and with a view to ensuring appropriately stretching but achievable targets are set in light of market expectations for the Company, the following range of targets will apply to the 2014 awards:

Underlying basic EPS growth from 2014 to 2016 ⁽¹⁾	% of award vesting (maximum 75%)
Less than 40%	0%
40%	18.75%
70%	75%
Between 40% and 70%	Straight-line vesting

(1) The benchmark underlying basic EPS for the financial year 2013 from which these targets will be measured is 81.04p.

The range of factors considered by the Committee in setting these targets included, current market expectations for EPS growth for the Company, the growth aspirations of the Board, wider FTSE250 market practice and the prospects for the housing sector and the wider UK economy.

Given that 2013 was another record year at Rightmove, the above range of targets run from a record high base EPS result. This provides even more demanding targets than had the above range of targets been set in prior years.

Relative TSR condition

The vesting schedule for the relative TSR element of executive directors' 2014 PSP awards is set out below. It is consistent with the TSR condition used for previous grants under the share-based incentive schemes. Performance is measured over three financial years.

TSR performance of the Company relative to the FTSE250 Index ⁽¹⁾	% of award vesting (maximum 25%)
Less than the Index	0%
Equal to the Index	6.25%
25% higher than the Index	25%
Intermediate performance	Straight-line vesting

(1) If the FTSE250 Index's TSR was 50% over the three year performance period, then the Company's TSR would have to be at least 75% for all 25% of the PSP shares to vest.

Chairman and non-executive directors' fees

In 2009, the Board decided to increase fees for the non-executive directors in future years annually, directly in line with the basic level of pay rise received by employees within the business until such time as it is considered appropriate to conduct a wider review of non-executive remuneration. Accordingly the Board approved an increase of 3% to the annual fees payable to the non-executive directors. The Committee approved a 3% increase in the annual fees payable to the Chairman.

The fees for the Chairman and non-executive directors for the 2014 financial year are set out in the table below:

	Salary 1 January 2014	Salary 31 December 2013	Change
Scott Forbes (Chairman)	£114,747	£111,405	3%
Jonathan Agnew	£57,373	£55,702	3%
Colin Kemp	£45,899	£44,562	3%
Ashley Martin	£51,636	£50,132	3%
Judy Vezmar	£45,899	£44,562	3%
Peter Williams ⁽¹⁾	£45,899	–	–

(1) Peter Williams' base salary will be pro-rated to reflect his appointment to the Board on 3 February 2014.

The basic non-executive fee has been set at £45,899 (2012: £44,562) with an additional £5,737 (2012: £5,570) fee per annum paid for the chairing of the Audit and Remuneration Committees. Jonathan Agnew is paid a £5,737 (2012: £5,570) fee per annum as the Senior Independent Director.

Statement of shareholding voting at AGM

At the 2013 AGM, the Directors' Remuneration Report received the following votes from shareholders:

	Total number of votes	% votes cast
For	60,550,491	78.11%
Against	16,956,858	21.88%
Chairman's discretion	9,119	0.01%
Total votes cast (for and against)	77,516,468	100.00%
Votes withheld ⁽¹⁾	992,173	–
Total votes cast (including withheld votes)	78,508,641	–

(1) A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes cast 'For' and 'Against' a resolution.

In line with the Company's commitment to ongoing dialogue with its shareholders, meetings are offered, where appropriate, to understand the reasons for any potential or actual opposition to the Company's Remuneration Policy. Changes are made to our policy where it is considered appropriate to do so.

Following the 2013 AGM, the Committee consulted extensively with major shareholders in advance of the 2014 Directors' Remuneration Report and, at the same time as amending a number of remuneration practices, we have also improved our disclosures to better enable other shareholders to take a fully informed view on the proposed remuneration framework and practices at the Company.

Review of past performance

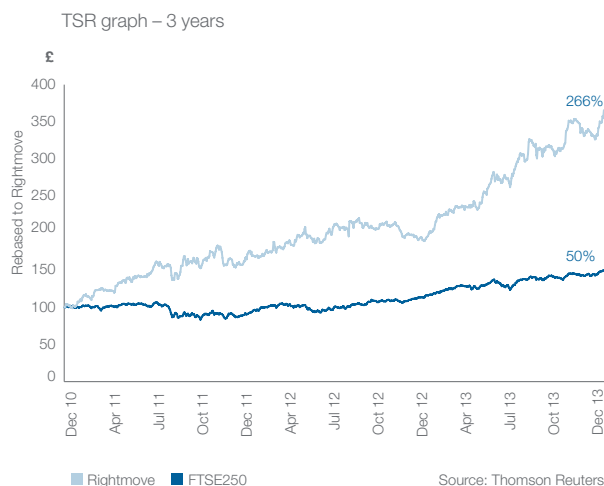
Share price performance

In 2013, the Company's share price ended the year at £27.40 up 91% year on year (the FTSE250 Index was up 29%). On a three year basis the share price has more than trebled and has significantly outperformed the FTSE250 Index over that period as shown in the graphs on page 52.

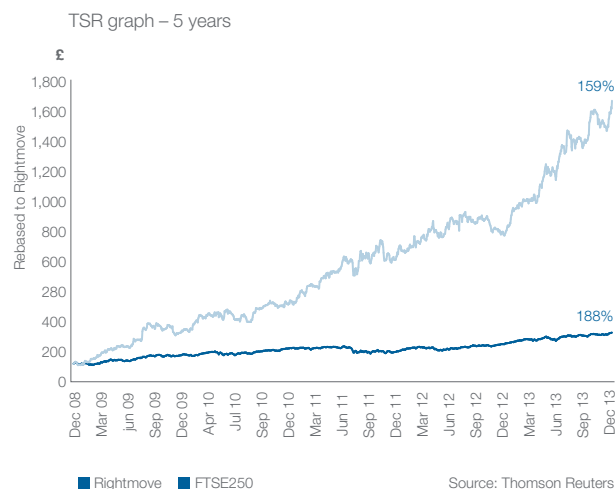
Total shareholder return (TSR)

The first graph overleaf compares the TSR of Rightmove's shares against the FTSE250 Index for the period from 1 January 2011 to 31 December 2013. TSR is the product of movements in the share price plus dividends reinvested on the ex-dividend date. TSR provides a useful, widely used benchmark to illustrate the Company's performance over the last three years. Specifically, it illustrates the value of £100 invested in Rightmove's shares and in the FTSE250 Index over that period.

As required by the Act, the Company's TSR performance is required to be shown against a recognised broad-based share index. The FTSE250 Index was chosen as the comparator because Rightmove is a current constituent of this index. It was used as a comparator in the performance condition applying to PSP awards in previous years and it will also be used as the criteria applied to 25% of the PSP awards to be granted in March 2014.



This graph shows the value, by 31 December 2013, of £100 invested in Rightmove on 31 December 2010, compared with the value of £100 invested in the FTSE250 Index, on a daily basis.



This graph shows the value, by 31 December 2013, of £100 invested in Rightmove on 31 December 2008, compared with the value of £100 invested in the FTSE250 Index, on a daily basis.

Total remuneration for the Chief Executive Officer

The table below shows the total remuneration figure for the Chief Executive Officer over a five year performance period. The total remuneration figure includes the annual bonus and long-term incentive awards which vested based on performance in those years:

Year	Executive	Total single figure £	Annual bonus outturn (% of maximum)	Long-term incentive outturn (% of maximum)
2013	Nick McKittrick	2,199,335	85%	100%
	Ed Williams ⁽¹⁾	1,531,515	n/a	100%
2012	Ed Williams	2,219,882	90%	100%
2011	Ed Williams	4,934,942	100%	100%
2010	Ed Williams	652,800	100%	— ⁽²⁾
2009	Ed Williams	627,641	100%	— ⁽²⁾

(1) Ed Williams was Chief Executive Officer until his retirement on 30 April 2013. Nick McKittrick was appointed Chief Executive Officer at this time.

(2) The table above includes share-based incentive awards in the period that the associated performance conditions, excluding service conditions are satisfied. Certain pre-float share option awards prior to 2006, which had only service conditions and no performance conditions would have been included in the single figure remuneration table in the year of grant in accordance with Schedule 8 of the Act. The table above therefore excludes the following amounts of awards with no performance conditions, which vested in 2009 and 2010 of £2,026,674 and £4,151,532 respectively.

Directors' remuneration (audited)

The remuneration of the directors of the Company during the year for time served as a director is as follows:

	Fixed pay			Fixed pay subtotal £	Performance related pay			Total remuneration in 2013 £
	Salary £	Benefits ⁽¹⁾ £	Pension £		Annual bonus ⁽⁴⁾ £	Long-term incentives (PSPs) ⁽⁵⁾ £	Performance related pay subtotal £	
Executive directors								
Nick McKittrick	385,632	1,690	–	387,322	409,734	1,402,279	1,812,013	2,199,335
Peter Brooks-Johnson	289,224	1,685	3,000	293,909	307,300	674,180	981,480	1,275,389
Robyn Perriss	160,000 ⁽²⁾	1,112	2,000	163,112	170,000	169,904 ⁽⁶⁾	339,904	503,015
Former executive director								
Ed Williams	128,544 ⁽³⁾	692	–	129,236	–	1,402,279	1,402,279	1,531,515
Non-executive directors								
Scott Forbes	111,405	–	–	111,405	–	–	–	111,405
Jonathan Agnew	55,702	–	–	55,702	–	–	–	55,702
Colin Kemp	44,562	–	–	44,562	–	–	–	44,562
Ashley Martin	50,132	–	–	50,132	–	–	–	50,132
Judy Vezmar	44,562	–	–	44,562	–	–	–	44,562

(1) Benefits in kind for the executive directors relate to private medical insurance and the medical cash plan.

(2) Robyn Perriss received a salary of £160,000 for her eight month period as an executive director from 1 May 2013 to 31 December 2013.

(3) Ed Williams received a salary of £128,544 for the four month period from 1 January 2013 to 30 April 2013, until his resignation as a director.

(4) The annual bonus amount relates to the accrued payment in respect of the full year results for the year ended 31 December 2013 including the deferred element of 60%.

(5) The value of the nil cost PSPs vesting is calculated by taking the number of nil cost options expected to vest in March 2014 (including dividend roll up), which are dependent on the three year performance period ended 31 December 2013 and multiplying by the year end closing share price of £27.40.

(6) These relate to nil cost PSPs granted to Robyn Perriss prior to her appointment as director, which are expected to vest in March 2014 which are dependent on the three year performance period ended 31 December 2013 and multiplying by the year end closing share price of £27.40.

	Fixed pay			Fixed pay subtotal £	Performance related pay			Total remuneration in 2012 £
	Salary £	Benefits ⁽¹⁾ £	Pension £		Annual bonus ⁽²⁾ £	Long-term incentives ⁽³⁾ £	Performance related pay subtotal £	
Executive directors								
Ed Williams	318,240	1,576	–	319,816	429,624	1,470,442	1,900,066	2,219,882
Nick McKittrick	318,240	1,391	–	319,631	429,624	1,286,640	1,716,264	2,035,895
Peter Brooks-Johnson	245,000	1,185	3,000	249,185	330,750	592,272	923,022	1,172,207
Non-executive directors								
Scott Forbes	108,160	–	–	108,160	–	–	–	108,160
Jonathan Agnew	54,080	–	–	54,080	–	–	–	54,080
Colin Kemp	43,264	–	–	43,264	–	–	–	43,264
Ashley Martin	48,672	–	–	48,672	–	–	–	48,672
Judy Vezmar	43,264	–	–	43,264	–	–	–	43,264

(1) Benefits in kind for the executive directors relate to private medical insurance (all directors) and the medical cash plan for Nick McKittrick.

(2) The annual bonus amounts relate to the cash amount paid in respect of the full year results for the year ended 31 December 2012 and the nil cost deferred shares granted in March 2013, which have been valued using the share price at grant date of £17.93.

(3) This relates to the 2010 unapproved share options granted which vested in March 2013 based on the satisfaction of performance criteria for the three year period ended 31 December 2012. These options were granted at £6.66 and have been valued using the share price at grant date of £17.93.

Payment for loss of office

Ed Williams retired as Chief Executive Officer on 30 April 2013. As detailed in the 2012 Remuneration Report the Committee had determined that he would not be entitled to receive a bonus for 2013 due to his service terminating prior to the end of the relevant performance period. Under the discretion afforded by the Committee under the rules of the relevant plans he was treated as a 'good leaver'. In respect of his DSP awards, this will result in these vesting in full on the normal vesting dates. His 2011 PSP award will vest in full on the normal vesting date (March 2014) based on the performance targets having been met in full over the three year performance period ended 31 December 2013. In respect of his 2012 PSP award this will result in, following the application of a pro-rata reduction to reflect the proportion of the vesting period elapsed until the date of retirement, the award vesting in March 2015 to the extent to which the performance targets are met over the performance period. After applying the pro-rata reduction, the maximum proportion of the 2012 PSP award that will be eligible to vest is 36% of the original award.

To the extent that any vested share options remained unexercised on his retirement, Ed Williams retained a 12 month window within which the options could be exercised. There were no other payments made in respect of Ed Williams' retirement.

Defined contribution pension

The Group operates a stakeholder pension plan for employees under which the employer contributes 6% of base salary (to a maximum of £3,000) subject to the employee contributing a minimum of 3% of base salary. Ed Williams and Nick McKittrick chose to not participate in this arrangement. Peter Brooks-Johnson and Robyn Perriss are members of the stakeholder pension plan and during 2013 the Company contributed £3,000 and £2,000 per annum respectively. The Company does not contribute to any personal pension arrangements.

How was pay linked to performance in 2013?

Annual bonus plan

The incentive for the financial year ended 31 December 2013 was in the form of a cash bonus of up to 50% of salary (reduced from 55% in 2012) and a DSP bonus of up to 75% of salary (reduced from 95% in 2012). The bonus (both cash and DSP elements) was determined by a mixture of underlying operating profit performance (70%) and key performance indicators (30%) relating to underlying drivers of long-term revenue growth.

When comparing performance against the 2013 bonus targets set, the Committee determined that 85% of the maximum achievable cash and DSP bonus should be paid to the executive directors. Accordingly a cash bonus of 42.5% of base salary will be paid to the executives and 63.75% of base salary will be granted to the executives under the DSP, which will be deferred until March 2016. More details are provided in the table below:

Performance hurdle	Total bonus % of base salary	Actual performance achieved	Resulting bonus outturn % of base salary
Growth in underlying operating profit of between 8% (25% payout) and 16% (100% payout) over 2012.	87.5%	Actual growth was 18.8%	87.5%
Achieving 81% market share among the top three UK property portals was worth 6.25%, with a further 6.25% for each 1% above 81% market share to a maximum of 25% at 84% market share.	25%	81% market share	6.25%
Customer retention	12.5%	All major customers retained	12.5%
Total	125%		106.25%

Long-term incentives

The PSP awards granted in May 2011 were subject to EPS (75% of the awards) and relative TSR (25% of the awards) performance conditions which related to the three year period ended 31 December 2013.

The vesting schedule for the relative TSR element of executive directors' 2011 PSP awards is set out below:

Relative TSR condition	% of award vesting (maximum 25%)
Less than the Index	0%
Equal to the Index	6.25%
25% higher than the Index	25%
Intermediate performance	Straight-line vesting

At the end of the performance period, Rightmove's TSR was 266% compared to 50% for the FTSE250 Index. As this level of outperformance is more than 25%, these options will vest in full from 4 March 2014.

Rightmove's EPS growth is measured over a period of three financial years (2011 to 2013). The EPS figure used is equivalent to Rightmove's reported diluted underlying EPS but with a standard UK tax rate applied (Normalised EPS) and the vesting schedule is set out to the right:

Normalised EPS growth from 2011 to 2013	% of award vesting (maximum 75%)
Less than 25%	0%
25%	18.75%
50%	75%
Between 25% and 50%	Straight-line vesting

At the end of the performance period, Normalised EPS growth over the three year performance period was 99% and the options will vest in full from 4 March 2014.

Share awards granted during the year

On 8 March 2013 Nick McKittrick, Peter Brooks-Johnson and Robyn Perriss were awarded shares under the PSP, which vest in March 2016, and are subject to a mixture of EPS (75% of the awards) and relative TSR (25% of the awards) performance with the greater weighting on EPS to reflect its particular relevance to the performance of the business.

Executive	Basis of grant	Number of shares	Face value of award ⁽¹⁾
Nick McKittrick	150% of base salary	32,279	£578,440
Peter Brooks-Johnson	150% of base salary	24,210	£433,843
Robyn Perriss	150% of base salary	14,928 ⁽²⁾	£267,510

(1) Based on the average mid market share price of £17.92 for the three consecutive days prior to grant, taken from the Official Daily List.

(2) Comprises 1,535 PSPs granted in her capacity as Financial Controller prior to being appointed Finance Director and 13,393 PSPs in relation to her pro-rata salary of £160,000 for the eight month period from 1 May 2013 to 31 December 2013.

The vesting schedule for the relative TSR element of executive directors' 2013 PSP awards is set out below. It is consistent with the TSR condition used for previous grants under the share option scheme. Performance will be measured over three financial years.

Relative TSR condition	% of award vesting (maximum 25%)
Less than the Index	0%
Equal to the Index	6.25%
25% higher than the Index	25%
Intermediate performance	Straight-line vesting

Rightmove's EPS growth will be measured over a period of three financial years (2013-2015). The EPS figure used will be equivalent to the Normalised EPS.

The following vesting schedule will apply for executive directors' awards granted in 2013:

Normalised EPS growth from 2013 to 2015	% of award vesting (maximum 75%)
Less than 22.5%	0%
22.5%	18.75%
40%	75%
Between 22.5% and 40%	Straight-line vesting

Assuming no change in the enacted corporation tax rate of 24% before the end of the three year performance period, the benchmark Normalised EPS for the financial year 2012 from which these growth targets will be measured is 63.01p.

Share-based incentives held by the directors and not exercised as at 31 December 2013

	Date granted	Share-based incentives held 1 January 2013	Granted in year	Exercise price	Exercised in year	Average share price at date of exercise	Share-based incentives held at 31 December 2013	Vesting date	Expiry date
Executive directors									
Nick McKittrick	14/3/2006 (Approved)	6,000	–	£4.10	(6,000) ⁽¹⁾	£23.64	–	Between 14/3/2009 & 14/3/2011	13/3/2016
	15/3/2006 (Unapproved)	200,000	–	£3.35	(200,000) ⁽¹⁾	£23.64	–	Between 15/3/2009 & 15/3/2011	14/3/2016
	10/10/2007 (Unapproved)	75,000	–	£5.22	(75,000) ⁽²⁾	£23.64	–	15/3/2011	9/10/2017
	5/3/2009 (Unapproved)	279,755	–	£2.24	–	–	279,755⁽³⁾	5/3/2012	4/3/2019
	1/10/2009 (Sharesave)	2,135	–	£4.25	(2,135) ⁽⁴⁾	£17.96	–	1/11/2012	30/4/2013
	5/3/2010 (Unapproved)	114,165	–	£6.66	–	–	114,165⁽⁵⁾	5/3/2013	4/3/2020
	4/3/2011 (DSP)	29,199	–	£0.00	(29,199) ⁽⁶⁾	£23.64	–	4/3/2013	3/3/2014
	4/5/2011 (PSP)	49,289	–	£0.00	–	–	49,289⁽⁷⁾	4/3/2014	3/3/2016
	2/3/2012 (DSP)	20,183	–	£0.00	–	–	20,183⁽⁸⁾	2/3/2014	1/3/2015
	2/3/2012 (PSP)	39,303	–	£0.00	–	–	39,303⁽⁹⁾	2/3/2015	1/3/2017
	1/10/2012 (Sharesave)	694	–	£12.95	–	–	694⁽¹⁰⁾	1/11/2015	30/4/2016
	8/3/2013 (DSP)	–	15,184 ⁽¹¹⁾	£0.00	–	–	15,184	8/3/2015	7/3/2016
	8/3/2013 (PSP)	–	32,279 ⁽¹²⁾	£0.00	–	–	32,279	8/3/2016	7/3/2018
Total		815,723	47,463		(312,334)		550,852		

Share-based incentives held by the directors and not exercised as at 31 December 2013 continued

	Date granted	Share-based incentives held 1 January 2013	Granted in year	Exercise price	Exercised in year	Average share price at date of exercise	Share-based incentives held at 31 December 2013	Vesting date	Expiry date
Peter Brooks-Johnson	14/3/2006 (Approved)	2,439	–	£4.10	–	–	2,439⁽¹⁾	Between 14/3/2009 & 14/3/2011	13/3/2016
	10/10/2007 (Unapproved)	75,000	–	£5.22	–	–	75,000⁽²⁾	15/3/2011	9/10/2017
	5/3/2009 (Unapproved)	139,286	–	£2.24	–	–	139,286⁽³⁾	5/3/2012	4/3/2019
	1/10/2009 (Sharesave)	2,135	–	£4.25	(2,135) ⁽⁴⁾	£17.96	–	1/11/2012	30/4/2013
	5/3/2010 (Unapproved)	52,553	–	£6.66	–	–	52,553⁽⁵⁾	5/3/2013	4/3/2020
	4/3/2011 (DSP)	18,393	–	£0.00	(18,393) ⁽⁶⁾	£23.64	–	4/3/2013	3/3/2014
	4/5/2011 (PSP)	23,697	–	£0.00	–	–	23,697⁽⁷⁾	4/3/2014	3/3/2016
	2/3/2012 (DSP)	14,114	–	£0.00	–	–	14,114⁽⁸⁾	2/3/2014	1/3/2015
	2/3/2012 (PSP)	25,935	–	£0.00	–	–	25,935⁽⁹⁾	2/3/2015	1/3/2017
	1/10/2012 (Sharesave)	694	–	£12.95	–	–	694⁽¹⁰⁾	1/11/2015	30/4/2016
	8/3/2013 (DSP)	–	11,689 ⁽¹¹⁾	£0.00	–	–	11,689	8/3/2015	7/3/2016
	8/3/2013 (PSP)	–	24,210 ⁽¹²⁾	£0.00	–	–	24,210	8/3/2016	7/3/2018
Total		354,246	35,899		(20,528)		369,617		
Robyn Perriss	4/5/2011 (PSP)	5,972	–	£0.00	–	–	5,972⁽⁷⁾	4/3/2014	3/3/2016
	3/10/2011 (Sharesave)	910	–	£9.88	–	–	910⁽¹³⁾	1/11/2014	30/4/2015
	2/3/2012 (DSP)	2,668	–	£0.00	–	–	2,668⁽⁸⁾	2/3/2014	1/3/2015
	2/3/2012 (PSP)	5,086	–	£0.00	–	–	5,086⁽⁹⁾	2/3/2015	1/3/2017
	8/3/2013 (DSP)	–	2,172 ⁽¹¹⁾	£0.00	–	–	2,172	8/3/2015	7/3/2016
	8/3/2013 (PSP)	–	14,928 ⁽¹²⁾	£0.00	–	–	14,928	8/3/2016	7/3/2018
Total		14,636	17,100				31,736		

Share-based incentives held by the directors and not exercised as at 31 December 2013 continued

Former executive director

	Date granted	Share-based incentives held 1 January 2013	Granted in year	Exercise price	Exercised in year	Average share price at date of exercise	Share-based incentives held at 31 December 2013	Vesting date	Expiry date
Ed Williams	14/3/2006 (Approved)	7,317	–	£4.10	(7,317) ⁽¹⁾	£19.10	–	Between 14/3/2009 & 14/3/2011	13/3/2016
	15/3/2006 (Unapproved)	1,381,412	–	£3.35	(1,381,412) ⁽¹⁾	£19.38	–	Between 15/3/2009 & 15/3/2011	14/3/2016
	5/3/2009 (Unapproved)	373,007	–	£2.24	(373,007) ⁽³⁾	£19.14	–	5/3/2012	4/3/2019
	1/10/2009 (Sharesave)	2,135	–	£4.25	(2,135) ⁽⁴⁾	£17.96	–	1/11/2012	30/4/2013
	5/3/2010 (Unapproved)	130,474	–	£6.66	(130,474) ⁽⁵⁾	£19.12	–	5/3/2013	4/3/2020
	4/3/2011 (DSP)	29,199	–	£0.00	(29,199) ⁽⁶⁾	£19.12	–	4/3/2013	3/3/2014
	4/5/2011 (PSP)	49,289	–	£0.00	–	–	49,289⁽⁷⁾	4/3/2014	3/3/2016
	2/3/2012 (DSP)	20,183	–	£0.00	–	–	20,183⁽⁸⁾	2/3/2014	1/3/2015
	2/3/2012 (PSP)	14,193	–	£0.00	–	–	14,193⁽⁹⁾	2/3/2015	1/3/2017
	8/3/2013 (DSP)	–	15,184 ⁽¹¹⁾	£0.00	–	–	15,184	8/3/2015	7/3/2016
Total		2,007,209	15,184		(1,923,544)		98,849		

	Date granted	Share-based incentives held 1 January 2013	Granted in year	Exercise price	Exercised in year	Average share price at date of exercise	Share-based incentives held at 31 December 2013	Vesting date	Expiry date
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Non-executive director

Scott Forbes	15/3/2006 (Unapproved)	388,729	–	£3.35	(388,729) ⁽¹⁴⁾	£20.84	–	Between 15/3/2007 & 15/3/2009	14/3/2016
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(1) In March 2006, 1,981,412, 987,047 and 257,847 pre-admission options were granted to Ed Williams, Nick McKittrick and Peter Brooks-Johnson under the Rightmove Unapproved Executive Share Option Plan and 7,317 pre-admission options were granted to each of the executive directors under the Rightmove Approved Executive Share Option Plan. The options vested as to one third of the number of option shares on each of the third, fourth and fifth anniversaries of the date of the option grant.

Nick McKittrick exercised 200,000 pre-admission unapproved options and 6,000 approved options in October 2013 and sold all the shares immediately on exercise at a market value of £23.64 per share.

Ed Williams exercised 1,381,412 pre-admission unapproved options and 7,317 approved options in May 2013 and sold all the shares immediately on exercise at an average market value of £19.38 and £19.10 per share respectively.

Of the 2,439 pre-admission approved options outstanding for Peter Brooks-Johnson as at 31 December 2013, all options have vested and are eligible for exercise.

(2) The unapproved options granted on 10 October 2007 were exercisable from 15 March 2011 at an exercise price of £5.22.

Nick McKittrick exercised 75,000 unapproved options in October 2013 and sold all the shares immediately on exercise at a market value of £23.64 per share.

Of the 75,000 unapproved options outstanding for Peter Brooks-Johnson as at 31 December 2013, all options have vested and are eligible for exercise.

- (3) The options granted on 5 March 2009 were exercisable from 5 March 2012 at an exercise price of £2.24, subject to TSR performance criteria which were met in full. Ed Williams exercised 373,007 unapproved options in May 2013 and sold all the shares immediately on exercise at an average market value of £19.14 per share.
Of the 279,755 and 139,286 unapproved options outstanding for Nick McKittrick and Peter Brooks-Johnson respectively as at 31 December 2013, all options have vested and are eligible for exercise.
- (4) The Sharesave options were granted in October 2009 at an exercise price of £4.25 and were exercisable from 1 November 2012.
Nick McKittrick exercised 2,135 Sharesave options in April 2013 and sold 785 shares immediately on exercise at a market value of £17.96 per share.
Peter Brooks-Johnson and Ed Williams both exercised 2,135 Sharesave options in April 2013 and retained the shares.
- (5) The unapproved options granted on 5 March 2010 were exercisable from 5 March 2013 at an exercise price of £6.66 subject to the relative TSR and Normalised EPS growth performance conditions which were met in full.
Ed Williams exercised 130,474 unapproved options in May 2013 and sold all the shares immediately on exercise at an average market value of £19.12 per share.
- (6) On 4 March 2011 the executive directors were awarded nil cost deferred shares under the DSP, which vested in full from 4 March 2013. The closing share price on the date of grant was £9.59.
Nick McKittrick exercised 29,199 deferred shares in October 2013 and sold all the shares immediately on exercise at a market value of £23.64 per share.
Peter Brooks-Johnson exercised 18,393 deferred shares in October 2013 and sold all the shares immediately on exercise at a market value of £23.64 per share.
Ed Williams exercised 29,199 deferred shares in May 2013 and sold all the shares immediately on exercise at an average market value of £19.12 per share.
- (7) On 4 May 2011, the executive directors were awarded nil cost options under the PSP, which vest in 2014 and were subject to a mixture of EPS and relative TSR performance which was met in full as described on pages 55 to 56.
- (8) On 2 March 2012, Ed Williams, Nick McKittrick, Peter Brooks-Johnson and Robyn Perriss were awarded 20,183, 20,183, 14,114 and 2,668 deferred shares respectively under the DSP, which vest in 2014. The average mid market share price for the three consecutive preceding days taken from the Official Daily List and used to calculate the number of shares awarded was £14.17.
- (9) On 2 March 2012, Ed Williams, Nick McKittrick, Peter Brooks-Johnson and Robyn Perriss were awarded 39,303, 39,303, 25,935 and 5,086 shares respectively under the PSP, which vest in 2015 and are subject to a mixture of EPS (75% of the award) and relative TSR (25% of the awards) performance with the greater weighting on EPS to reflect its particular relevance to the performance of the business. The average mid market share price for the three consecutive preceding days taken from the Official Daily List and used to calculate the number of shares awarded was £14.17.
25,110 of Ed Williams' PSPs were forfeited in 2012 in accordance with his retirement arrangements as set out on page 54 under which the 2012 award was pro-rated to reflect the proportion of the vesting period lapsed at the date of retirement. Accordingly, the schedule above reflects the net position of 14,193 shares.
The vesting schedule for the relative TSR element of executive directors' 2012 PSP awards is set out below. It is consistent with the TSR condition used for previous grants under the share option scheme. Performance will be measured over three financial years.

Relative TSR condition	% of award vesting (maximum 25%)
Less than the Index	0%
Equal to the Index	6.25%
25% higher than the Index	25%
Intermediate performance	Straight-line vesting

Rightmove's EPS growth will be measured over a period of three financial years (2012 to 2014). The EPS figure used will be equivalent to the Normalised EPS. The following vesting schedule will apply for executive directors' awards granted in 2012:

Normalised EPS growth from 2012 to 2014	% of award vesting (maximum 75%)
Less than 30%	0%
30%	18.75%
50%	75%
Between 30% and 50%	Straight-line vesting

Assuming no change in the enacted corporation tax rate of 24% before the end of the three year performance period, the benchmark Normalised EPS for the financial year 2011 from which these growth targets will be measured is 47.5p.

- (10) On 1 November 2012, Nick McKittrick and Peter Brooks-Johnson were granted 694 Sharesave options. The options vest in 2015 and have an exercise price of £12.95.
- (11) On 8 March 2013, following achievement of the 2012 annual bonus targets, Nick McKittrick, Peter Brooks-Johnson, Robyn Perriss and Ed Williams were granted 15,184, 11,689, 2,172 and 15,184 nil cost deferred shares respectively under the DSP, which vest in 2015. The average mid market share price for the three consecutive preceding days taken from the Official Daily List and used to calculate the number of shares awarded was £17.92.
- (12) On 8 March 2013 Nick McKittrick, Peter Brooks-Johnson and Robyn Perriss were awarded 32,279, 24,210 and 14,928 shares respectively under the PSP, which vest in 2016, further details are described on pages 55 to 56.
- (13) In November 2011 prior to her appointment as Finance Director, Robyn Perriss was granted 910 Sharesave options. The options vest in 2014 and have an exercise price of £9.88.
- (14) Pre-admission unapproved options granted to Scott Forbes in March 2006 under the Rightmove Unapproved Executive Share Option Plan, vested as to one third of the number of option shares on each of the first, second and third anniversaries of the date of the option grant.
Scott Forbes exercised 250,000 of the vested pre-admission unapproved options in April 2013 and sold all the shares immediately on exercise at an average market value of £18.01 per share. He exercised and sold the remaining 138,729 options in November 2013 at an average market value of £25.94. The average share price achieved for all options exercised in the year was £20.84.

Dilution

All existing executive share-based incentives can be satisfied from shares held in the Rightmove Employees' Share Trust (EBT) and shares held in treasury. It is intended that the 2014 share-based incentive awards will also be settled from shares currently held in the EBT or from shares held in treasury without any requirement to issue further shares.

Directors' interests in shares

The interests (both beneficial and family interests) of the directors in office at 31 December 2013 in the share capital of the Company were as follows:

	Interests in ordinary shares of £0.01		Interests in share-based incentives		
	At 31 December 2013	At 1 January 2013	Outstanding PSP & DSP awards (unvested)	Outstanding Options (unvested)	Outstanding Options (vested but unexercised)
Executive directors					
Nick McKittrick	130,350	129,000	156,238	694	393,920
Peter Brooks-Johnson	15,016	12,881	99,645	694	269,278
Robyn Perriss	–	–	30,826	910	–
Non-executive directors					
Scott Forbes	619,300	619,300	–	–	–
Jonathan Agnew	5,000	5,000	–	–	–
Ashley Martin	2,060	2,060	–	–	–
Judy Vezmar	16,343	16,343	–	–	–

- The Company's shares in issue (including 2,505,430 shares held in treasury) as at 31 December 2013 comprised 103,115,735 (2012: 105,896,115) ordinary shares of £0.01 each.
- The mid market share price of the Company was £14.52 as at 2 January 2013 (the first day of trading in 2013) and was £27.40 as at 31 December 2013 (the last day of trading in 2013). These were also the lowest and highest share prices respectively during the year.
- The executive directors are regarded as being interested, for the purposes of the Companies Act 2006, in 740,398 (2012: 3,404,029) ordinary shares of £0.01 each in the Company currently held by the EBT as they are, together with other employees, potential beneficiaries of the EBT.
- The directors' beneficial holdings represent 0.8% of the Company's shares in issue as at 31 December 2013 (2012: 0.9%) (excluding shares held in treasury).
- There have been no changes to the above interests between the year end and the date of this report.

Executive director share awards guidelines are set out in the Policy Report on page 42. The interests of the executive directors in office at 31 December 2013 in the share capital of the Company as a percentage of base salary were as follows:

	Base salary	Number of shares held at	Value of shares at	Value of shares as a %
	1 January 2014	31 December 2013	31 December 2013	of base salary
Executive directors				
Nick McKittrick	£400,000	130,350	£3,571,590	893
Peter Brooks-Johnson	£335,000	15,016	£411,438	123
Robyn Perriss	£265,000	–	–	–

Percentage increase in the remuneration of the Chief Executive Officer

The table below shows the movement in the salary, benefits and annual bonus for the Chief Executive Officer between the current and previous financial year compared to that of the total amounts for all employees of the Group for each of these elements of pay.

	2013 £	2012 £	% change
Chief Executive Officer			
Salary	385,632	318,240	21%
Benefits	1,690	1,391	21%
Annual bonus	409,734	429,624	(5%)
Average of all employees			
Salary	42,317	41,166	3%
Benefits	761	597	27%
Annual bonus	3,056	3,135	(3%)

Relative importance of the spend on pay

The table below shows the total pay for all of Rightmove's employees compared to other key financial indicators. Additional information on the number of employees, total revenue and underlying operating profit has been provided for context.

	Year ended 31 December 2013	Year ended 31 December 2012	% change
Employee costs (refer Note 7)	£19,218,000	£17,540,000	10%
Dividends to shareholders (refer Note 12)	£25,126,000	£20,439,000	23%
Purchase of own shares (refer Note 22)	£60,537,000	£66,359,000	(9%)
Income tax (refer Note 10)	£22,680,000	£20,642,000	10%
Average number of employees (refer Note 7)	349	325	7%
Revenue	£139,935,000	£119,365,000	17%
Underlying operating profit ⁽¹⁾	£103,962,000	£87,533,000	19%

(1) Before share-based payments and NI on share-based incentives.

External directorships

During his period as a director, Ed Williams (former Chief Executive Officer), held a non-executive director role at Trader Media Group for which he received fees of £10,000, which were donated directly to charity. No other executive directors held any non-executive roles during the year.

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Rightmove plc for the year ended 31 December 2013 set out on pages 66 to 103. In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2013 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit were as follows:

Revenue recognition (£139,935,000)

Refer to page 30 (Corporate Governance Report), page 77 (accounting policy) and pages 80 to 81 (financial disclosures)

- The risk: Revenue primarily consists of subscription fees and spend on additional advertising products in respect of properties listed on rightmove.co.uk, and is recognised over the period of subscription and as additional advertising products are used. Individual contracts exist with each customer, which include a variety of differing terms and conditions. In addition Rightmove operate a number of membership offers during the year, some of which include discounted or free periods. Given these complexities we consider a significant risk exists in relation to revenue, specifically that the billing of customers is in line with the appropriate contract and that membership incentives are recognised in the period to which they relate.

- Our response: Our audit procedures included, among others, testing management's controls in place over the billing of customers in line with contract terms. For the most significant revenue streams we performed detailed analytical procedures using computer assisted audit techniques to analyse the amounts billed to customers by product in order to identify trends and investigate any anomalies and outliers. We inspected significant contracts signed in the year on a sample basis, to assess whether revenue has been recognised in accordance with the specific contract terms and conditions and relevant accounting standards. For new membership offers operated during the year we assessed the impact of discounts or free periods by inspecting details of the membership contracts and subscription numbers for the year. We assessed the appropriateness of deferred revenue at the period end with reference to subscription fee billings in December and consideration of specific product deferrals, where amounts are billed in advance but revenue recognition deferred until use or expiry. We also considered the adequacy of the Group's accounting policy and disclosures (see Notes 1, 2 and 5) in respect of revenue recognition, and whether disclosures properly reflect the risks inherent in recognising revenue.

Share-based incentives and related deferred tax balances £2,408,000 and £5,338,000 respectively

Refer to page 31 (Corporate Governance Report), pages 76 to 78 (accounting policy) and page 92 to 93; 96 to 100 (financial disclosures)

- The risk: The Group provides share-based incentive plans allowing executive directors and other selected senior management to acquire shares in the parent Company. Each scheme differs based on the terms of the scheme with varying levels of complexity. The choice of valuation methodology and the inputs used to calculate the initial fair value for new grants is one of the key judgemental areas of our audit. In view of the materiality of the amounts involved, the sensitivity of these amounts to a change in the assumptions used and the complexities of calculating the share-based incentive charge and related deferred tax balances, this is deemed to be an area of significant risk.

- Our response: In this area our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group to value new schemes in the year and estimate the number of shares that will eventually be issued. We agreed key inputs in the models to internally and externally derived sources. Certain of the key inputs, specifically the risk free rate, share volatility, expected dividend yield, leaver assumptions and performance conditions, require significant estimation and judgement in their selection, and can have a significant impact on the derived fair value. For these key inputs we critically assessed the reasonableness of the Group's assumptions by reference to external data and historical trends, along with reports from the Group's external consultants. We also obtained the share-based incentive workings and performed procedures over the accuracy of calculation of the share-based incentive charge. In addition, we used our own tax specialists to consider the accuracy of the related deferred tax charge for the year. We also assessed whether the Group's disclosures in these areas (see Notes 21 and 24) are appropriate.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £5.0m. This has been determined with reference to a benchmark of Group profit before tax (of which it represents 5.2%) which we consider to be one of the principle considerations for members of the Company in assessing financial performance of the Group.

We agreed with the Audit Committee to report to it all uncorrected misstatements we identified through our audit with a value in excess of £0.25m, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds. We agreed to report misstatements corrected by management where we believe these will assist the Audit Committee in fulfilling its governance responsibilities.

The Group audit team also audit the wholly owned component, Rightmove Group Limited which represents all of the operations of the Group, and accordingly 100% of total Group revenue; 100% of Group profit before taxation and 100% of total Group assets were audited to the above materiality.

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.
- the information given in the Corporate Governance Statement set out on pages 24 to 32 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

5. We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- the Corporate Governance Report does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 32, in relation to going concern;
- the part of the Corporate Governance Statement on pages 24 to 32 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2013a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.



Karen Wightman (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
Altius House
1 North Fourth Street
Milton Keynes
Buckinghamshire
MK9 1NE
28 February 2014

Consolidated statement of comprehensive income

for the year ended 31 December 2013

	Note	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Revenue	5	139,935	119,365
Administrative expenses		(42,919)	(36,283)
Operating profit before share-based payments and NI on share-based incentives		103,962	87,533
Share-based payments	24	(2,408)	(2,410)
NI on share-based incentives	24	(4,538)	(2,041)
Operating profit	6	97,016	83,082
Financial income	8	142	240
Financial expenses	9	(143)	(129)
Net financial (expense)/income		(1)	111
Profit before tax		97,015	83,193
Income tax expense	10	(22,680)	(20,642)
Profit for the year being total comprehensive income		74,335	62,551
Attributable to:			
Equity holders of the parent		74,335	62,551
Earnings per share (pence)			
Basic	11	74.11	61.30
Diluted	11	72.61	59.24
Dividends per share (pence)	12	25.00	20.00
Total dividends	12	25,126	20,439

Consolidated statement of financial position

as at 31 December 2013

	Note	31 December 2013 £000	31 December 2012 £000
Non-current assets			
Property, plant and equipment	13	1,679	1,757
Intangible assets	14	1,593	1,616
Trade and other receivables	16	–	1,674
Deferred tax assets	21	5,635	9,667
Total non-current assets		8,907	14,714
Current assets			
Trade and other receivables	16	22,838	18,476
Cash and cash equivalents	17	6,799	7,082
Total current assets		29,637	25,558
Total assets		38,544	40,272
Current liabilities			
Trade and other payables	18	(24,993)	(23,738)
Income tax payable		(4,472)	(8,892)
Total current liabilities		(29,465)	(32,630)
Non-current liabilities			
Provisions	20	(164)	(129)
Total non-current liabilities		(164)	(129)
Total liabilities		(29,629)	(32,759)
Net assets		8,915	7,513
Equity			
Share capital	22,23	1,031	1,059
Other reserves	23	401	373
Retained earnings	23	7,483	6,081
Total equity attributable to the equity holders of the parent	23	8,915	7,513

The financial statements were approved by the Board of directors on 28 February 2014 and were signed on its behalf by:



Nick McKittrick
Director



Robyn Perriss
Director

Company statement of financial position

as at 31 December 2013

	Note	31 December 2013 £000	31 December 2012 £000
Non-current assets			
Investments	15	541,720	540,928
Deferred tax assets	21	3,357	7,692
Total non-current assets		545,077	548,620
Total assets		545,077	548,620
Current liabilities			
Trade and other payables	18	(24,799)	(21,181)
Total current liabilities		(24,799)	(21,181)
Net assets		520,278	527,439
Equity			
Share capital	22,23	1,031	1,059
Other reserves	23	108,493	107,673
Retained earnings	23	410,754	418,707
Total equity attributable to the equity holders of the parent	23	520,278	527,439

The financial statements were approved by the Board of directors on 28 February 2014 and were signed on its behalf by:



Nick McKittrick
Director



Robyn Perriss
Director

Consolidated statement of cash flows

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Cash flows from operating activities			
Profit for the year		74,335	62,551
Adjustments for:			
Depreciation charges	13	770	752
Amortisation charges	14	407	327
Loss on disposal of property, plant and equipment		–	42
Loss on disposal of intangible assets		–	1
Financial income	8	(142)	(240)
Financial expenses	9	143	129
Share-based payments	24	2,408	2,410
Income tax expense	10	22,680	20,642
Operating cash flow before changes in working capital			
		100,601	86,614
Increase in trade and other receivables		(2,691)	(3,501)
Increase in trade and other payables		1,218	2,879
Increase in provisions	20	35	129
Cash generated from operating activities			
		99,163	86,121
Financial expenses paid		(143)	(129)
Income taxes paid		(16,062)	(14,618)
Net cash from operating activities			
		82,958	71,374
Cash flows from investing activities			
Interest received		145	248
Acquisition of property, plant and equipment	13	(762)	(1,431)
Acquisition of intangible assets	14	(314)	(624)
Net cash used in investing activities			
		(931)	(1,807)
Cash flows from financing activities			
Dividends paid	12	(25,126)	(20,439)
Purchase of own shares for cancellation	23	(60,537)	(66,359)
Share related expenses	23	(387)	(482)
Proceeds on exercise of share-based incentives	23	3,740	3,027
Net cash used in financing activities			
		(82,310)	(84,253)
Net decrease in cash and cash equivalents		(283)	(14,686)
Cash and cash equivalents at 1 January		7,082	21,768
Cash and cash equivalents at 31 December			
	17	6,799	7,082

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Company statement of cash flows

for the year ended 31 December 2013

	Note	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Cash flows from operating activities			
Profit for the year	23	71,015	155,761
Adjustments for:			
Financial income	27	(77,640)	(160,197)
Financial expenses	27	517	565
Share-based payments	24	1,616	1,576
Income tax credit		(1,727)	(1,066)
Operating cash flow before changes in working capital		(6,219)	(3,361)
Increase in trade and other payables	18	92,269	90,641
Cash generated from operating activities		86,050	87,280
Cash flows from financing activities			
Dividends paid	12	(25,126)	(20,439)
Purchase of own shares for cancellation	23	(60,537)	(66,359)
Share related expenses	23	(387)	(482)
Net cash used in financing activities		(86,050)	(87,280)
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December	17	-	-

Consolidated statement of changes in shareholders' equity

for the year ended 31 December 2013

	Note	Share capital £000	EBT shares reserve £000	Treasury shares £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2012		1,104	(10,258)	(11,917)	190	138	45,397	24,654
Total comprehensive income								
Profit for the year		–	–	–	–	–	62,551	62,551
Transactions with owners recorded directly in equity								
Share-based payments	24	–	–	–	–	–	2,410	2,410
Tax credit in respect of share-based incentives recognised directly in equity	21	–	–	–	–	–	2,136	2,136
Dividends to shareholders	12	–	–	–	–	–	(20,439)	(20,439)
Exercise of share-based incentives	23	–	2,347	–	–	–	680	3,027
Cancellation of own shares	23	(45)	–	–	45	–	(66,359)	(66,359)
Share related expenses	23	–	–	–	–	–	(467)	(467)
At 31 December 2012		1,059	(7,911)	(11,917)	235	138	25,909	7,513
At 1 January 2013		1,059	(7,911)	(11,917)	235	138	25,909	7,513
Total comprehensive income								
Profit for the year		–	–	–	–	–	74,335	74,335
Transactions with owners recorded directly in equity								
Share-based payments	24	–	–	–	–	–	2,408	2,408
Tax credit in respect of share-based incentives recognised directly in equity	21	–	–	–	–	–	7,006	7,006
Dividends to shareholders	12	–	–	–	–	–	(25,126)	(25,126)
Exercise of share-based incentives	23	–	5,493	–	–	–	(1,753)	3,740
Cancellation of own shares	23	(28)	–	–	28	–	(60,537)	(60,537)
Share related expenses	23	–	–	–	–	–	(424)	(424)
At 31 December 2013		1,031	(2,418)	(11,917)	263	138	21,818	8,915

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Company statement of changes in shareholders' equity

for the year ended 31 December 2013

	Note	Share capital £000	Treasury shares £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2012		1,104	(11,917)	3,274	103,520	359,171	455,152
Total comprehensive income							
Profit for the year		-	-	-	-	155,761	155,761
Transactions with owners recorded directly in equity							
Share-based payments	24	-	-	-	-	1,576	1,576
Tax credit in respect of share-based incentives recognised directly in equity	21	-	-	-	-	1,381	1,381
Capital contribution	23	-	-	834	-	-	834
Dividends to shareholders	12	-	-	-	-	(20,439)	(20,439)
Cancellation of own shares	23	(45)	-	45	-	(66,359)	(66,359)
Share related expenses	23	-	-	-	-	(467)	(467)
At 31 December 2012		1,059	(11,917)	4,153	103,520	430,624	527,439
At 1 January 2013		1,059	(11,917)	4,153	103,520	430,624	527,439
Total comprehensive income							
Profit for the year		-	-	-	-	71,015	71,015
Transactions with owners recorded directly in equity							
Share-based payments	24	-	-	-	-	1,616	1,616
Tax credit in respect of share-based incentives recognised directly in equity	21	-	-	-	-	5,503	5,503
Capital contribution	23	-	-	792	-	-	792
Dividends to shareholders	12	-	-	-	-	(25,126)	(25,126)
Cancellation of own shares	23	(28)	-	28	-	(60,537)	(60,537)
Share related expenses	23	-	-	-	-	(424)	(424)
At 31 December 2013		1,031	(11,917)	4,973	103,520	422,671	520,278

1 General information

Rightmove plc (the Company) is a company registered in England (Company no. 6426485) domiciled in the United Kingdom (UK). The consolidated financial statements of the Company as at and for the year ended 31 December 2013 comprise the Company and its interest in its subsidiaries (together referred to as the Group). Its principal business is the operation of the rightmove.co.uk website, which has the largest audience of any UK property website (as measured by page impressions).

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 are available upon request to the Company Secretary from the Company's registered office at Turnberry House, 30 Caldecotte Lake Drive, Caldecotte, Milton Keynes, MK7 8LE or are available on the corporate website at plc.rightmove.co.uk.

Statement of compliance

The Group and Company financial statements have been prepared and approved by the Board of directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (Adopted IFRSs) and issued by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of directors on 28 February 2014.

Basis of preparation

On publishing the Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements.

The accounting policies set out below have been consistently applied to both periods presented, unless otherwise stated.

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

Changes in accounting policies

The accounting policies applied by the Group in these consolidated financial statements are in accordance with Adopted IFRSs and are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012.

There were no new standards or amendments to standards that were mandatory for the first time for the financial year beginning 1 January 2013 that have had an impact on the Group or Company financial statements.

Going concern

Throughout 2013, the Group was debt free and has continued to generate significant cash. The Group has net cash balances of £6,799,000 at 31 December 2013 (2012: £7,082,000).

The Group entered into a 12 month agreement with HSBC Bank plc for a £10,000,000 committed revolving loan facility on 10 February 2014. To date no amount has been drawn under this facility.

After making enquiries, the Board of directors has a reasonable expectation that the Group and the Company have adequate resources and banking facilities to continue in operational existence for the foreseeable future. Accordingly, the Board of directors continues to adopt the going concern basis in preparing the annual report and financial statements.

Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 21. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 15 to 16. In addition Note 4 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

1 General information continued

Capital structure

The Company was incorporated and registered in England and Wales on 14 November 2007 under the Companies Act 1985 as a private company limited by shares with the name Rightmove Group Limited, registered no. 6426485. The Company was re-registered as a public limited company under the name Rightmove Group plc on 29 November 2007. On 28 January 2008 the Company became the holding company of Rightmove Group Limited (formerly Rightmove plc, Company no. 3997679) and its subsidiaries pursuant to a Scheme of Arrangement under s425 of the Companies Act 1985. The shares in the Company were admitted to trading on the Official List of the London Stock Exchange on 28 January 2008 and the Company immediately changed its name to Rightmove plc. Details of the share capital of the Company are disclosed in Note 22.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Judgements and estimates

The preparation of the consolidated and Company financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods, if applicable.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and Company financial statements is included in the following notes:

- Note 2 (j) Revenue recognition and the associated deferral, specifically regarding the period to which services relate, when specific products have expired and the recognition of revenue from membership offers including discounted or free periods.
- Notes 21 and 24 The choice of valuation methodology and the inputs and assumptions used to calculate the initial fair value for new share-based incentives granted and the rate at which the related deferred tax asset is measured.

2 Significant accounting policies

(a) Investments

Investments in subsidiaries are held at cost less any provision for impairment in the parent Company financial statements.

(b) Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. In respect of business acquisitions that have occurred since 1 January 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount previously recorded under UK Generally Accepted Accounting Principles (GAAP). The classification and accounting treatment of business combinations that occurred prior to 1 January 2004 were not reconsidered in preparing the Group's opening IFRS statement of financial position at 1 January 2004.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested annually for impairment. This applies to all goodwill arising both before and after 1 January 2004.

2 Significant accounting policies continued

(ii) Research and development

The Group undertakes research and development expenditure in view of developing new products and improving the existing property website. Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of a new product or substantially enhanced website, is capitalised if the new product or the enhanced website is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes subcontractors and direct labour. Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed when incurred.

(iii) Computer software and licences

Computer software and externally acquired software licences are capitalised and stated at cost less accumulated amortisation and impairment losses. Amortisation is charged from the date the asset is available for use. Amortisation is provided to write off the cost less the estimated residual value of the computer software or licence by equal annual instalments over its estimated useful economic life as follows:

Computer software	20.0% – 33.3% per annum
Software licences	20.0% – 33.3% per annum

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal annual instalments over their estimated useful economic lives as follows:

Office equipment, fixtures & fittings	20.0% per annum
Computer equipment	20.0% – 33.3% per annum
Leasehold improvements	remaining life of the lease

(d) Impairment

The carrying value of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are tested for impairment annually and whenever there is an indication that they might be impaired. An impairment loss is recognised for the amount by which the carrying value of the asset exceeds its recoverable amount.

2 Significant accounting policies continued

Investments are assessed for possible impairment when there is an indication that the fair value of the investments may be below the Company's carrying value. When such a condition is deemed to be other than temporary, the carrying value of the investment is written down to its fair value and the amount written off is included in profit or loss. In making the determination as to whether a decline is other than temporary, the Company considers such factors as the duration and extent of the decline, the investee's financial performance and the Company's ability and intention to retain its investment for a period that will be sufficient to allow for any anticipated recovery in the investment's market value.

(e) Financial instruments

Trade receivables are recognised at fair value less any impairment loss. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Inter-group balances and transactions, and any unrealised income and expenses arising from inter-group transactions, are eliminated in preparing the consolidated financial statements.

Trade payables are recognised at fair value. Trade payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

A provision is maintained in respect of lease dilapidations based on an estimated cost to make good per square foot multiplied by the floor area of each premise.

(h) Employee benefits

(i) Pensions

The Group provides access to a stakeholder pension scheme (a defined contribution pension plan) into which employees may elect to contribute via salary exchange. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due.

(ii) Employee share schemes

The Group provides share-based incentive plans allowing executive directors and other selected senior management to acquire shares in the Company. An expense is recognised in profit or loss, with a corresponding increase in equity, over the period during which the employees become unconditionally entitled to acquire equity settled share-based incentives.

Fair value is measured using either the Monte Carlo or Black Scholes pricing model as is most appropriate for each scheme. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option behaviour), expected dividends, and risk-free interest rates (based on government bonds). Service and non-market performance conditions attached to the awards are not taken into account in determining the fair value.

For share-based incentive awards with non-vesting conditions, the grant date fair value of the share-based incentives is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. When either the employee or the Company chooses not to meet the non-vesting condition, the failure to meet the non-vesting condition is treated as a cancellation and the cost that would have been recognised over the remainder of the vesting period is recognised immediately in profit or loss.

2 Significant accounting policies *continued*

(iii) Own shares held by The Rightmove Employees' Share Trust (EBT)

The EBT is treated as an agent of Rightmove Group Limited and as such EBT transactions are treated as being those of Rightmove Group Limited and are therefore reflected in the Group's consolidated financial statements. In particular, at a consolidated level, the EBT's purchases of shares in the Company are charged directly to equity.

(iv) National Insurance (NI) on share-based incentives

Employer's NI is accrued, where applicable, at a rate of 13.8%, which management expects to be the prevailing rate when share-based incentives are exercised. In the case of share options, it is provided on the difference between the share price at the reporting date and the average exercise price of share options. In the case of nil cost performance shares and deferred shares, it is provided based on the share price at the reporting date.

(i) Treasury shares and shares purchased for cancellation

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares are either held in treasury or cancelled.

(j) Revenue

Revenue principally represents the amounts, excluding value added tax (VAT), receivable from customers in respect of properties advertised on the Group website. All revenue is recognised in the month to which it relates. Agency and overseas branches are billed in advance with net revenue deferred until the service commencement date. The VAT liability is recognised at the point of invoice. New homes developers are typically billed monthly in arrears. Where invoices are raised on other than a monthly basis, the amounts, including those relating to discounts or free periods, are recognised as deferred or accrued revenue and released to the income statement on a monthly basis in line with the provision of services as stipulated in the contract terms.

(k) Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

(l) Leases

Operating lease rentals are charged to profit or loss on a straight-line basis over the period of the lease. Where cash is received in exchange for entering into a lease with rates above market value, this upfront payment is deferred and released on a straight-line basis over the lease term.

(m) Financial income and expenses

Financial income comprises interest receivable on cash balances, deposits and dividend income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

Financial expenses comprise debt issue costs and bank charges and the unwinding of the discount on provisions.

(n) Taxation

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period net of any charge or credit posted directly to equity, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and the differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted by the reporting date.

2 Significant accounting policies continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

In accordance with IAS 12, the Group policy in relation to the recognition of deferred tax on share-based incentives is to include the income tax effect of the tax deduction in profit or loss to the value of the income tax charge on the cumulative IFRS 2 charge. The remainder of the income tax effect of the tax deduction is recognised in equity.

(o) Dividends

Dividends unpaid at the reporting date are only recognised as a liability (and deduction to equity) at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

(p) Earnings per share

The Group presents basic, diluted and underlying earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all potential dilutive instruments, which comprise share-based incentives granted to employees. The calculation of underlying EPS is disclosed in Note 11.

3 IFRSs not yet applied

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2013 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

4 Financial risk and capital management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group and Company's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The primary method by which risks are monitored and managed by the Group is through the monthly Executive Management Board, where any significant new risks or change in status to existing risks will be discussed and actions taken as appropriate.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's internal controls and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

4 Financial risk and capital management *continued*

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or banking institution fails to meet its contractual obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group provides credit to customers in the normal course of business. The Group provides its services to a wide range of customers in the UK and overseas and therefore believes it has no material concentration of credit risk.

More than 90.0% (2012: 94.0%) of the Group's agency and new homes customers pay via monthly direct debit, minimising the risk of non-payment. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables based on individually identified loss exposures.

The Group's treasury policy is to monitor cash balances on a daily basis to ensure that no more than £30,000,000 is held with any single institution.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's revenue model is largely subscription-based, which results in a regular level of cash conversion allowing it to service working capital requirements.

The Group and Company ensure that they have sufficient cash on demand to meet expected operational expenses excluding the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Throughout the year, the Group typically had sufficient cash on demand to meet operational expenses on continuing operations, before financing activities, for a period of 136 days (2012: 256 days).

The Group entered into a 12 month agreement with HSBC Bank plc for a £10,000,000 committed revolving loan facility on 10 February 2014. To date no amount has been drawn under this facility.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Currency risk

All of the Group's sales and more than 95.0% (2012: 95.0%) of the Group's purchases are Sterling denominated, accordingly it has no significant currency risk.

(ii) Interest rate risk

The Group and Company have no interest bearing financial liabilities. The Group is exposed to interest rate risk on cash balances and amounts held in Escrow.

Capital management

The Board of directors' policy is to maintain an efficient statement of financial position so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of directors considers that the future working capital and capital expenditure requirements of the Group will continue to be low and accordingly return on capital measures are not key performance targets. The Board of directors monitors the spread of the Company's shareholders as well as underlying basic earnings per share. The Board of directors has a progressive dividend policy and also monitors the level of dividends to ordinary shareholders in relation to profit growth. The Board's policy is to return surplus capital to shareholders through a combination of dividends and share buybacks.

The Company purchases its own shares in the market; the timing of these purchases depends on market conditions. In 2013, 2,780,380 (2012: 4,514,521) shares were bought back and were cancelled at an average price of £21.77 (2012: £14.70).

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4 Financial risk and capital management continued

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified;
- requirements for reporting of operational losses and proposed remedial action;
- development and regular testing of business continuity and disaster recovery plans;
- training and professional development; and
- risk mitigation, including insurance where this is effective.

5 Operating segments

The Group determines and presents operating segments based on internal information that is provided to the Chief Executive Officer, who is the Group's Chief Operating Decision Maker.

The Group's reportable segments are as follows:

- The **Agency** segment which provides resale and lettings property advertising services on www.rightmove.co.uk; and
- The **New Homes** segment which provides property advertising services to new home developers and housing associations on www.rightmove.co.uk.

The **Other** segment which represents activities under the reportable segments threshold, comprises overseas and commercial property advertising services and non-property advertising services which include our third party and consumer services as well as data and Automated Valuation Model services. Management monitors the business segments at a revenue and trade receivables level separately for the purpose of making decisions about resources to be allocated and of assessing performance. All revenues in both years are derived from third parties and there are no inter-segment revenues.

5 Operating segments continued

Operating costs, financial income, financial expenses and income taxes in relation to the Agency, New Homes and the Other segment are managed on a centralised basis at a Rightmove Group Limited level and as there are no internal measures of individual segment profitability, relevant disclosures have been shown under the heading of Central in the table below.

The Company has no reportable segments.

	Agency £000	New Homes £000	Sub total £000	Other £000	Central £000	Adjustments £000	Total £000
Year ended 31 December 2013							
Revenue	107,307	24,170	131,477	8,458	–	–	139,935
Operating profit ⁽¹⁾	–	–	–	–	103,962	(6,946) ⁽²⁾	97,016
Depreciation and amortisation	–	–	–	–	(1,177)	–	(1,177)
Financial income	–	–	–	–	142	–	142
Financial expenses	–	–	–	–	(143)	–	(143)
Trade receivables ⁽³⁾	13,124	4,717	17,841	1,225	–	80 ⁽⁴⁾	19,146
Other segment assets	–	–	–	–	19,347	51 ⁽⁵⁾	19,398
Segment liabilities	–	–	–	–	(29,498)	(131) ⁽⁴⁾⁽⁵⁾	(29,629)
Capital expenditure ⁽⁶⁾	–	–	–	–	1,076	–	1,076
Year ended 31 December 2012							
Revenue	92,387	20,599	112,986	6,379	–	–	119,365
Operating profit ⁽¹⁾	–	–	–	–	87,533	(4,451) ⁽⁷⁾	83,082
Depreciation and amortisation	–	–	–	–	(1,079)	–	(1,079)
Financial income	–	–	–	–	240	–	240
Financial expenses	–	–	–	–	(129)	–	(129)
Trade receivables ⁽³⁾	10,693	4,003	14,696	1,290	–	51 ⁽⁴⁾	16,037
Other segment assets	–	–	–	–	24,219	16 ⁽⁵⁾	24,235
Segment liabilities	–	–	–	–	(32,692)	(67) ⁽⁴⁾⁽⁵⁾	(32,759)
Capital expenditure ⁽⁶⁾	–	–	–	–	2,055	–	2,055

(1) Operating profit is stated after the charge for depreciation and amortisation.

(2) Operating profit for the year ended 31 December 2013 does not include share-based payments charge (£2,408,000) and NI on share-based incentives (£4,538,000).

(3) The only segment assets that are separately monitored by the Chief Operating Decision Maker relate to trade receivables net of any associated provision for impairment. All other segment assets are reported on a centralised basis.

(4) The adjustments column reflects the reclassification of credit balances in accounts receivable made on consolidation for statutory accounts purposes.

(5) The adjustments column reflects the reclassification of debit balances in accounts payable made on consolidation for statutory accounts purposes.

(6) Capital expenditure consists of additions of property, plant and equipment and intangible assets (excluding goodwill).

(7) Operating profit for the year ended 31 December 2012 does not include share-based payments charge (£2,410,000) and NI on share-based incentives (£2,041,000).

5 Operating segments continued

Geographic information

In presenting information on the basis of geography, revenue and assets are based on the geographical location of customers.

Group	Year ended 31 December 2013		Year ended 31 December 2012	
	Revenue £000	Trade receivables £000	Revenue £000	Trade receivables £000
UK	138,380	19,007	118,329	15,954
Rest of the world	1,555	139	1,036	83
	139,935	19,146	119,365	16,037

6 Operating profit

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Operating profit is stated after charging:		
Employee benefit expense	19,218	17,540
Depreciation of property, plant and equipment	770	752
Amortisation of computer software	407	327
Loss on disposal of property, plant and equipment	–	42
Loss on disposal of intangible assets	–	1
Bad debt impairment charge	235	198
Operating lease rentals		
Land and buildings	867	899
Other	535	432

Auditor's remuneration

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Fees payable to the Company's auditor in respect of the audit		
Audit of the Company's financial statements	15	15
Audit of the Company's subsidiaries pursuant to legislation	105	102
Total audit remuneration	120	117
Fees payable to the Company's auditor in respect of non-audit related services		
Tax compliance services and advisory	12	11
All other services	22	17
Total non-audit remuneration	34	28

7 Employee numbers and costs

The average number of persons employed (including executive directors) during the year, analysed by category, was as follows:

	Year ended 31 December 2013	Year ended 31 December 2012
	Number of employees	Number of employees
Administration	332	307
Management	17	18
	349	325

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2013	Year ended 31 December 2012
	£000	£000
Wages and salaries	16,716	15,281
Social security costs	2,066	1,887
Pension costs	436	372
	19,218	17,540

Social security costs do not include £4,538,000 (2012: £2,041,000) NI on share-based incentives which has been disclosed in the Statement of Comprehensive Income.

8 Financial income

	Year ended 31 December 2013	Year ended 31 December 2012
	£000	£000
Interest income on cash balances	136	233
Interest income on amounts held in Escrow	6	7
	142	240

9 Financial expenses

	Year ended 31 December 2013	Year ended 31 December 2012
	£000	£000
Other financial expenses	143	129

10 Income tax expense

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Current tax expense		
Current year	22,517	20,805
Adjustment to current tax charge in respect of prior years	(169)	(15)
	22,348	20,790
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	150	(299)
Adjustment to deferred tax charge in respect of prior years	3	(4)
Reduction in tax rate	179	155
	332	(148)
Total income tax expense	22,680	20,642
Income tax (credit)/charge recognised directly in equity		
	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Current tax		
Share-based incentives	(10,706)	(3,301)
Deferred tax		
Share-based incentives	3,700	1,165
Total income tax credit recognised directly in equity	(7,006)	(2,136)

10 Income tax expense *continued*

Reconciliation of effective tax rate

The Group's income tax expense for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	Year ended 31 December 2013 £000	Year ended 31 December 2012 £000
Profit for the year	74,335	62,551
Total income tax expense	22,680	20,642
Profit excluding income tax	97,015	83,193
Current tax at 23.25% (2012: 24.5%)	22,556	20,382
Reduction in tax rate	179	155
Non-deductible expenses	130	107
Share-based incentives	(19)	17
Adjustment to current tax charge in respect of prior years	(169)	(15)
Adjustment to deferred tax charge in respect of prior years	3	(4)
	22,680	20,642

The Group's consolidated effective tax rate on the profit of £97,015,000 for the year ended 31 December 2013 is 23.4% (2012: 24.8%). The difference between the standard rate and effective rate at 31 December 2013 is attributable to a reduction in the rate at which the deferred tax asset is recognised 0.2% (2012: 0.2%) and disallowable expenditure 0.1% (2012: 0.1%) offset by a prior year adjustment in respect of research and development 0.15% (2012: 0.0%).

11 Earnings per share (EPS)

	Weighted average number of ordinary shares	Total earnings £000	Pence per share
Year ended 31 December 2013			
Basic EPS	100,302,258	74,335	74.11
Diluted EPS	102,375,057	74,335	72.61
Underlying basic EPS	100,302,258	81,281	81.04
Underlying diluted EPS	102,375,057	81,281	79.40
Year ended 31 December 2012			
Basic EPS	102,036,054	62,551	61.30
Diluted EPS	105,587,648	62,551	59.24
Underlying basic EPS	102,036,054	67,002	65.67
Underlying diluted EPS	105,587,648	67,002	63.46

Weighted average number of ordinary shares (basic)

	Year ended 31 December 2013 Number of shares	Year ended 31 December 2012 Number of shares
Issued ordinary shares at 1 January less ordinary shares held by the EBT	102,492,086	105,882,853
Effect of own shares held in treasury	(2,505,430)	(2,505,430)
Effect of own shares purchased for cancellation	(1,232,171)	(1,846,076)
Effect of share-based incentives exercised	1,547,773	504,707
	100,302,258	102,036,054

11 Earnings per share (EPS) continued

Weighted average number of ordinary shares (diluted)

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive shares. The Group's potential dilutive instruments are in respect of share-based incentives granted to employees, which will be settled by ordinary shares held by the EBT and shares held in treasury.

	Year ended 31 December 2013	Year ended 31 December 2012
	Number of shares	Number of shares
Weighted average number of ordinary shares (basic)	100,302,258	102,036,054
Dilutive impact of share-based incentives outstanding	2,072,799	3,551,594
	102,375,057	105,587,648

The average market value of the Group's shares for the purposes of calculating the dilutive effect of share-based incentives was based on quoted market prices for the period during which the share-based incentives were outstanding.

Underlying EPS

Underlying EPS is calculated before the charge for share-based payments and NI on share-based incentives but without any adjustment to the tax charge in respect of these items. A reconciliation of the basic earnings for the year to the underlying earnings is presented below:

	Year ended 31 December 2013	Year ended 31 December 2012
	£000	£000
Basic earnings for the year	74,335	62,551
Share-based payments	2,408	2,410
NI on share-based incentives	4,538	2,041
Underlying earnings for the year	81,281	67,002

12 Dividends

Dividends declared and paid by the Company were as follows:

	2013		2012	
	Pence per share	£000	Pence per share	£000
2011 final dividend paid	–	–	11.0	11,273
2012 interim dividend paid	–	–	9.0	9,166
2012 final dividend paid	14.0	14,114	–	–
2013 interim dividend paid	11.0	11,012	–	–
	25.0	25,126	20.0	20,439

After the reporting date a final dividend of 17.0p (2012: 14.0p) per qualifying ordinary share being £16,908,000 (2012: £13,981,000) was proposed by the Board of directors.

The 2012 final dividend paid on 7 June 2013 was £14,114,000 being a difference of £133,000 compared to that reported in the 2012 Annual Report, which was due to an increase in the ordinary shares entitled to a dividend between 31 December 2012 and the final dividend record date of 10 May 2013.

The 2013 interim dividend paid on 8 November 2013 was £11,012,000 being a difference of £91,000 compared to that reported in the 2013 Half Year Report, which was due to a reduction in the ordinary shares entitled to a dividend between 30 June 2013 and the interim dividend record date of 11 October 2013.

The terms of the EBT provide that dividends payable on the ordinary shares held by the EBT are waived. No provision was made for the final dividend in either year and there are no income tax consequences.

13 Property, plant and equipment

Group	Office equipment, fixtures & fittings £000	Computer equipment £000	Leasehold improvements £000	Work in progress £000	Total £000
Cost					
At 1 January 2013	647	3,126	451	87	4,311
Additions	40	722	–	–	762
Brought into use	–	17	–	(87)	(70)
At 31 December 2013	687	3,865	451	–	5,003
Depreciation					
At 1 January 2013	(407)	(2,112)	(35)	–	(2,554)
Charge for year	(64)	(648)	(58)	–	(770)
At 31 December 2013	(471)	(2,760)	(93)	–	(3,324)
Net book value					
At 31 December 2013	216	1,105	358	–	1,679
At 1 January 2013	240	1,014	416	87	1,757

13 Property, plant and equipment continued

Group	Office equipment, fixtures & fittings £000	Computer equipment £000	Leasehold improvements £000	Work in progress £000	Total £000
Cost					
At 1 January 2012	698	2,486	102	–	3,286
Additions	152	741	451	87	1,431
Disposals	(203)	(101)	(102)	–	(406)
At 31 December 2012	647	3,126	451	87	4,311
Depreciation					
At 1 January 2012	(504)	(1,585)	(77)	–	(2,166)
Charge for year	(76)	(616)	(60)	–	(752)
Disposals	173	89	102	–	364
At 31 December 2012	(407)	(2,112)	(35)	–	(2,554)
Net book value					
At 31 December 2012	240	1,014	416	87	1,757
At 1 January 2012	194	901	25	–	1,120

The work in progress consisted of a new finance system that was brought into use during 2013. This resulted in a transfer of £17,000 to computer equipment and £70,000 to computer software (refer Note 14).

The Company had no property, plant or equipment in either year.

14 Intangible assets

Group	Goodwill £000	Computer software £000	Total £000
Cost			
At 1 January 2013	732	3,685	4,417
Additions	–	314	314
Brought into use (refer Note 13)	–	70	70
At 31 December 2013	732	4,069	4,801
Amortisation			
At 1 January 2013	–	(2,801)	(2,801)
Charge for year	–	(407)	(407)
At 31 December 2013	–	(3,208)	(3,208)
Net book value			
At 31 December 2013	732	861	1,593
At 1 January 2013	732	884	1,616

14 Intangible assets continued

Group	Goodwill £000	Computer software £000	Total £000
Cost			
At 1 January 2012	732	3,093	3,825
Additions	–	624	624
Disposals	–	(32)	(32)
At 31 December 2012	732	3,685	4,417
Amortisation			
At 1 January 2012	–	(2,505)	(2,505)
Charge for year	–	(327)	(327)
Disposals	–	31	31
At 31 December 2012	–	(2,801)	(2,801)
Net book value			
At 31 December 2012	732	884	1,616
At 1 January 2012	732	588	1,320

The Company had no intangible assets in either year.

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operations which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments as reported in Note 5.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	31 December 2013 £000	31 December 2012 £000
Agency	732	732

The carrying value of the £732,000 purchased goodwill in Agency, arising pre-transition to IFRS, is reviewed annually for impairment. Due to its level of significance the disclosures as required by IAS 36 Impairment of Assets have not been made.

15 Investments

The subsidiaries of the Group as at 31 December 2013 are as follows:

Company	Nature of business	Country of incorporation	Holding	Class of shares
Rightmove Group Limited	Online advertising	England and Wales	100%	Ordinary
Rightmove.co.uk Limited	Dormant	England and Wales	100%	Ordinary
Rightmove Home Information Packs Limited	Dormant	England and Wales	100%	Ordinary

All the above subsidiaries are included in the Group consolidated financial statements.

15 Investments continued

Company	31 December 2013 £000	31 December 2012 £000
Investment in subsidiary undertakings		
At 1 January	540,928	540,094
Additions – subsidiary share-based payments charge (refer Note 24)	792	834
At 31 December	541,720	540,928

In 2008 the Company became the holding company of Rightmove Group Limited (formerly Rightmove plc, Company no. 3997679) and its subsidiaries pursuant to a Scheme of Arrangement under s425 of the Companies Act 1985 by way of a share-for-share exchange. Following the Scheme of Arrangement, the Company underwent a court-approved capital reduction. The consolidated assets and liabilities of the Group immediately after the Scheme were substantially the same as the consolidated assets and liabilities of the Group immediately prior to the Scheme.

Following the capital reconstruction in 2008 all employees' share-based incentives were transferred to the new holding company, Rightmove plc. In addition certain directors' contracts of employment were transferred from Rightmove Group Limited to Rightmove plc, whilst all other employees remained employed by Rightmove Group Limited. Accordingly the share-based payments charge has been split between the Company and Rightmove Group Limited with £792,000 (2012: £834,000) being recognised in the Company accounts as a capital contribution to its subsidiary.

16 Trade and other receivables

Group	31 December 2013 £000	31 December 2012 £000
Trade receivables	19,582	16,484
Less provision for impairment of trade receivables	(436)	(447)
Net trade receivables	19,146	16,037
Prepayments	1,743	2,183
Amounts held in Escrow	1,680	1,674
Accrued income	139	142
Interest receivable	41	50
Other debtors	89	64
	22,838	20,150
Non-current	–	1,674
Current	22,838	18,476
	22,838	20,150

Amounts held in Escrow relate to the completion proceeds and contingent consideration on the sale on 21 June 2010 of the Group's 66.7% shareholding in Holiday Lettings Holdings Limited (HLHL), which owned 100% of the shares in the trading entity Holiday Lettings Limited (HLL).

Under the terms of the sale agreement the amounts held in Escrow earn interest at Barclays Bank Plc's current interest rate and become available on the fourth anniversary of the completion date of the transaction and have accordingly been reclassified from non-current to current in the period. No discount has been applied as the account is interest bearing and £6,000 has been credited to profit or loss in the current year, bringing the total amount held in Escrow to £1,680,000 (2012: £1,674,000).

Exposure to credit and currency risks and impairment losses relating to trade and other receivables are disclosed in Note 28. The Company has no trade and other receivables in either year.

17 Cash and cash equivalents

Group	31 December 2013 £000	31 December 2012 £000
Bank accounts	6,799	7,082

Cash balances were held in current accounts during the year and attracted interest at a weighted average rate of 0.7% (2012: 0.7%).

The Company had cash and cash equivalent balances at 31 December 2013 of £208 (2012: £238).

18 Trade and other payables

	Group		Company	
	31 December 2013 £000	31 December 2012 £000	31 December 2013 £000	31 December 2012 £000
Trade payables	685	1,220	–	–
Trade accruals	5,704	7,694	3,768	5,863
Other creditors	369	146	–	–
Other taxation and social security	5,961	4,770	–	–
Deferred revenue	12,274	9,908	–	–
Inter-group payables	–	–	21,031	15,318
	24,993	23,738	24,799	21,181

Exposure to currency and liquidity risk relating to trade and other payables is disclosed in Note 28.

The Company movement in trade and other payables during the year is reconciled as follows:

	31 December 2013 £000	31 December 2012 £000
Trade payables at 1 January	21,181	93,315
Inter-group dividend settled via reduction in inter-group loan balance	(77,640)	(160,197)
Group relief settled via reduction in inter-group loan balance	(11,565)	(3,128)
Inter-group interest (refer Note 27)	517	565
Stamp duty on share buybacks accrued to equity	37	(15)
Movement in working capital in statement of cash flows	92,269	90,641
	24,799	21,181

19 Loans and borrowings

The Group entered into a 12 month agreement with HSBC Bank plc for a £10,000,000 committed revolving loan facility on 10 February 2014. To date no amount has been drawn under this facility.

The Company had no loans and borrowings in either year.

20 Provisions

The Group booked a provision for lease dilapidations of £35,000 during the year (2012: £129,000) bringing the lease dilapidations provision to £164,000 (2012: £129,000). The provision is charged throughout the life of the lease and is based on an estimated cost to make good per square foot multiplied by the floor area of each premise.

The Company had no provisions in either year.

21 Deferred tax assets

Deferred tax assets are attributable to the following:

Group	Assets	
	31 December 2013	31 December 2012
	£000	£000
Share-based incentives	5,338	9,347
Property, plant and equipment	213	227
Provisions	84	93
Tax assets	5,635	9,667

The deferred tax asset relating to share-based incentives at 31 December 2013 is £5,338,000 (2012: £9,347,000). The decrease in the deferred tax asset is due to the exercise of share-based incentives and a reduction in the future tax rate at which deferred tax has been recognised from 23% to 20%, partly offset by an increase in the Company's share price from £14.36 at 31 December 2012 to £27.40 at 31 December 2013.

Company	Assets	
	31 December 2013	31 December 2012
	£000	£000
Share-based incentives being tax assets	3,357	7,692

The decrease in the deferred tax asset is due to the exercise of share-based incentives and a reduction in the future tax rate at which deferred tax has been recognised from 23% to 20%, partly offset by an increase in the Company's share price from £14.36 at 31 December 2012 to £27.40 at 31 December 2013.

Movement in deferred tax during the year:

Group	1 January 2013	Recognised	Recognised	31 December 2013
	£000	in income	directly in equity	
	£000	£000	£000	£000
Share-based incentives	9,347	(309)	(3,700)	5,338
Property, plant and equipment	227	(14)	–	213
Provisions	93	(9)	–	84
	9,667	(332)	(3,700)	5,635

Company	1 January 2013	Recognised	Recognised	31 December 2013
	£000	in income	directly in equity	
	£000	£000	£000	£000
Share-based incentives	7,692	(224)	(4,111)	3,357

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

21 Deferred tax assets *continued*

Movement in deferred tax during the prior year:

Group	1 January 2012 £000	Recognised in income £000	Recognised directly in equity £000	31 December 2012 £000
Share-based incentives	10,402	110	(1,165)	9,347
Property, plant and equipment	199	28	–	227
Provisions	83	10	–	93
	10,684	148	(1,165)	9,667

The deferred tax asset arising on equity settled share-based incentives in both years was recognised in profit or loss to the extent that the related equity settled share-based incentives charge was recognised in profit or loss.

Company	1 January 2012 £000	Recognised in income £000	Recognised directly in equity £000	31 December 2012 £000
Share-based incentives	8,373	88	(769)	7,692

22 Share capital

	Ordinary shares of £0.01 each	
	31 December 2013 Number of shares	31 December 2012 Number of shares
In issue		
At 1 January	105,896,115	110,410,636
Purchase and cancellation of own shares	(2,780,380)	(4,514,521)
At 31 December	103,115,735	105,896,115
Authorised – par value £0.01 each	300,000,000	300,000,000

During 2013, 2,780,380 (2012: 4,514,521) ordinary shares were bought back by the Company and were subsequently cancelled. Further details are disclosed in Note 23.

All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at general meetings of the Company.

Included within shares in issue at 31 December 2013 are 740,324 ordinary shares (2012: 3,404,029) held by the EBT and 2,505,430 (2012: 2,505,430) held in treasury.

23 Reconciliation of movement in capital and reserves

Group	Share capital £000	EBT shares reserve £000	Treasury shares £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2012	1,104	(10,258)	(11,917)	190	138	45,397	24,654
Profit for the year	–	–	–	–	–	62,551	62,551
Share-based payments	–	–	–	–	–	2,410	2,410
Tax credit in respect of share-based incentives recognised directly in equity	–	–	–	–	–	2,136	2,136
Dividends to shareholders	–	–	–	–	–	(20,439)	(20,439)
Exercise of share-based incentives	–	2,347	–	–	–	680	3,027
Cancellation of own shares	(45)	–	–	45	–	(66,359)	(66,359)
Share related expenses	–	–	–	–	–	(467)	(467)
At 31 December 2012	1,059	(7,911)	(11,917)	235	138	25,909	7,513
At 1 January 2013	1,059	(7,911)	(11,917)	235	138	25,909	7,513
Profit for the year	–	–	–	–	–	74,335	74,335
Share-based payments	–	–	–	–	–	2,408	2,408
Tax credit in respect of share-based incentives recognised directly in equity	–	–	–	–	–	7,006	7,006
Dividends to shareholders	–	–	–	–	–	(25,126)	(25,126)
Exercise of share-based incentives	–	5,493	–	–	–	(1,753)	3,740
Cancellation of own shares	(28)	–	–	28	–	(60,537)	(60,537)
Share related expenses	–	–	–	–	–	(424)	(424)
At 31 December 2013	1,031	(2,418)	(11,917)	263	138	21,818	8,915

Share buyback

In June 2007, the Company commenced a share buyback programme to purchase its own ordinary shares. The total number of shares bought back in 2013 was 2,780,380 (2012: 4,514,521) representing 2.7% (2012: 4.2%) of the ordinary shares in issue (excluding shares held in treasury). All of the shares bought back in both years were cancelled. The shares were acquired on the open market at a total consideration (excluding costs) of £60,537,000 (2012: £66,359,000). The maximum and minimum prices paid were £26.50 (2012: £16.00) and £14.49 (2012: £12.65) per share respectively.

EBT shares reserve

This reserve represents the carrying value of own shares held by the EBT. 2,971,962 (2012: 1,123,754) share-based incentives were exercised by Group employees during the year at an average price of £3.39 (2012: £2.69) per ordinary share of which 2,663,705 were satisfied by shares held in the EBT. At 31 December 2013 the EBT held 740,324 (2012: 3,404,029) ordinary shares in the Company of £0.01 each, representing 0.7% (2012: 3.2%) of the ordinary shares in issue (excluding shares held in treasury). The market value of the shares held in the EBT at 31 December 2013 was £20,285,000 (2012: £48,882,000).

	Year ended 31 December 2013 Number of shares	Year ended 31 December 2012 Number of shares
Shares held in EBT at 1 January	3,404,029	4,527,783
Share-based incentives exercised in period	(2,971,962)	(1,123,754)
Reduction in shares released from EBT due to net settlement (refer Note 24)	308,257	–
Shares held in EBT at period end	740,324	3,404,029

23 Reconciliation of movement in capital and reserves *continued*

Treasury shares

This represents the cost of acquiring 2,505,430 shares held in treasury. These shares were bought back in 2008 at an average price of £4.76 and may be used to satisfy certain share-based incentive awards.

Other reserves

This represents the cumulative value of own shares bought back and cancelled. The movement of £28,000 (2012: £45,000) is the nominal value of ordinary shares cancelled during the year.

Retained earnings

The gain on the exercise of share-based incentives is the difference between the value that the shares held by the EBT were originally acquired at and the price at which share-based incentives were exercised during the year.

Company	Share capital £000	Treasury shares £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2012	1,104	(11,917)	3,274	103,520	359,171	455,152
Profit for the year	–	–	–	–	155,761	155,761
Dividends to shareholders	–	–	–	–	(20,439)	(20,439)
Share-based payments	–	–	–	–	1,576	1,576
Tax credit in respect of share-based incentives recognised directly in equity	–	–	–	–	1,381	1,381
Capital contribution	–	–	834	–	–	834
Cancellation of own shares	(45)	–	45	–	(66,359)	(66,359)
Share related expenses	–	–	–	–	(467)	(467)
At 31 December 2012	1,059	(11,917)	4,153	103,520	430,624	527,439
At 1 January 2013	1,059	(11,917)	4,153	103,520	430,624	527,439
Profit for the year	–	–	–	–	71,015	71,015
Dividends to shareholders	–	–	–	–	(25,126)	(25,126)
Share-based payments	–	–	–	–	1,616	1,616
Tax credit in respect of share-based incentives recognised directly in equity	–	–	–	–	5,503	5,503
Capital contribution	–	–	792	–	–	792
Cancellation of own shares	(28)	–	28	–	(60,537)	(60,537)
Share related expenses	–	–	–	–	(424)	(424)
At 31 December 2013	1,031	(11,917)	4,973	103,520	422,671	520,278

Treasury shares

This represents the cost of acquiring 2,505,430 shares held in treasury. These shares were bought back in 2008 at an average price of £4.76 and may be used to satisfy certain share-based incentive awards.

Reverse acquisition reserve

This reserve resulted from the acquisition of Rightmove Group Limited by the Company and represents the difference between the value of the shares acquired at 28 January 2008 and the nominal value of the shares issued.

Other reserves

Awards relating to share-based incentives made to Rightmove Group Limited employees have been treated as a deemed capital contribution. The principal movement in other reserves for the year comprises £792,000 (2012: £834,000) in respect of the share-based incentives charge for employees of Rightmove Group Limited. In addition a movement of £28,000 (2012: £45,000) has been recorded in relation to the nominal value of ordinary shares cancelled during the year.

24 Share-based payments

The Group and Company operate share-based incentive schemes for executive directors and other selected senior management employees. Since flotation, the Company has awarded share options under the Rightmove Unapproved Executive Share Option Plan (Unapproved Plan) and the Rightmove Approved Executive Share Option Plan (Approved Plan). The Group also operates a Savings Related Share Option Scheme (Sharesave Plan), a Deferred Share Bonus Plan (DSP) and in May 2011 the Rightmove Performance Share Plan (PSP) was introduced.

All share-based incentives are subject to a service condition. Such conditions are not taken into account in the fair value of the service received. The fair value of services received in return for share-based incentives is measured by reference to the fair value of share-based incentives granted. The estimate of the fair value of the share-based incentives is measured using either the Monte Carlo or Black Scholes pricing model as is most appropriate for each scheme.

During 2013 the Group amended the rules of the Unapproved Plan to enable such awards to be net settled whereby the number of shares released by the EBT and sold to satisfy the award is equivalent to the gain due to the option holder. Consequently no proceeds are received by the EBT on exercise of unapproved share options.

The total share-based payments charge for the year relating to all share-based incentive plans was £2,408,000 (2012: £2,410,000).

A 2% reduction in the employee leaver assumption (excluding executive directors) for the DSP and the PSP would have increased the share-based payments charge in the year by £40,000 (2012: £42,000). A 2% increase in the employee leaver assumption would have reduced the share-based payments charge by £40,000 (2012: £42,000).

The Company charge for the year was £1,616,000 (2012: £1,576,000).

NI is being accrued, where applicable, at a rate of 13.8%, which management expects to be the prevailing rate when the awards are exercised, based on the share price at the reporting date. The total NI charge for the year ended 31 December 2013 relating to all awards is £4,538,000 (2012: £2,041,000).

The total Company NI charge for the year was £4,043,000 (2012: £1,248,000).

Approved and Unapproved Plans

There has been no award of share options since 5 March 2010.

Unapproved executive share option awards granted on 5 March 2010, at an exercise price of £6.66, vested in full on 5 March 2013. They were subject to an equal measure of Total Shareholder Return (TSR) relevant to the constituents of the FTSE250 and growth in earnings per share (EPS) over a three year performance period.

The assumptions used in the measurement of the fair values at grant date of the Approved and Unapproved Plans are as follows:

Grant date	Share price at grant date (pence)	Exercise price (pence)	Expected volatility (%)	Option life (years)	Risk free rate (%)	Dividend yield (%)	Employee turnover	Fair value per option (pence)
							before vesting/ non-vesting condition (%)	
14 March 2006 (Approved)	413.50	410.00	27.0	7.0	4.5	4.0	16.0	92.00
15 March 2006 (Unapproved)	413.75	335.00	27.0	7.0	4.5	4.0	0.0	116.00
15 March 2006 (Unapproved)	413.75	335.00	27.0	6.0	4.5	3.0	16.0	130.00
12 October 2006 (Unapproved)	348.00	347.00	27.0	7.0	4.5	4.0	16.0	76.00
6 September 2007 (Approved)	613.00	597.00	32.0	7.0	5.8	2.0	17.0	228.00
6 September 2007 (Unapproved)	613.00	597.00	32.0	7.0	5.8	2.0	17.0	181.00
10 October 2007 (Unapproved EPS dependent) ⁽¹⁾	525.00	522.00	32.0	6.8	5.8	2.0	17.0	189.00
5 March 2009 (Unapproved TSR dependent) ⁽¹⁾	226.75	224.00	50.3	6.5	2.6	4.4	12.0	69.00
5 March 2010 (Unapproved TSR dependent) ⁽¹⁾	677.00	666.00	49.0	6.5	3.2	1.5	12.0	267.00
5 March 2010 (Unapproved EPS dependent) ⁽¹⁾	677.00	666.00	49.0	6.5	3.2	1.5	12.0	312.00

(1) For details of TSR and EPS performance conditions refer to the Directors' Remuneration Report on pages 37 to 62.

24 Share-based payments *continued*

Expected volatility is estimated by considering historic average share price volatility at the grant date.

Group and Company	2013		2012	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	3,469,875	357.83	4,343,545	349.78
Exercised	(2,785,835)	352.74	(873,670)	317.83
Outstanding at 31 December	684,040	378.56	3,469,875	357.83
Exercisable at 31 December	684,040	378.56	3,049,996	315.40

The weighted average market value per ordinary share for options exercised in 2013 was £19.97 (2012: £15.90).

The options outstanding at 31 December 2013 have an exercise price in the range of £2.24 to £6.66 (2012: £2.24 to £6.66) and a weighted average contractual life of 5.3 years (2012: 4.5 years).

The share-based payments charge for approved and unapproved executive share options for the year ended 31 December 2013 is £91,000 (2012: £512,000).

The Company charge for the year was £49,000 (2012: £332,000).

Sharesave Plan

The Group operates an HMRC Approved Sharesave Plan under which employees are granted an option to purchase ordinary shares in the Company at up to 20% less than the market price at invitation, in three years' time, dependent on their entering into a contract to make monthly contributions into a savings account over the relevant period. These funds are used to fund the option exercise. No performance criteria are applied to the exercise of Sharesave options. The assumptions used in the measurement of the fair value at grant date of the Sharesave Plan are as follows:

Grant date	Share price at grant date (pence)	Exercise price (pence)	Expected volatility (%)	Option life (years)	Risk free rate (%)	Dividend yield (%)	Employee turnover before vesting/ non-vesting condition (%)		Fair value per option (pence)
1 October 2009	545.00	425.00	50.3	3.3	3.5	4.4	25.0	199.00	
5 October 2010	745.50	553.00	49.0	3.3	2.3	1.6	25.0	318.00	
3 October 2011	1200.00	988.00	42.9	3.3	2.8	1.3	25.0	446.00	
1 October 2012	1577.00	1295.00	34.8	3.3	0.5	1.3	25.0	475.00	
1 October 2013	2371.00	1896.00	27.3	3.3	0.7	1.1	25.0	659.00	

Expected volatility is estimated by considering historic average share price volatility at the grant date.

The requirement that an employee has to save in order to purchase shares under the Sharesave Plan is a non-vesting condition. This feature has been incorporated into the fair value at grant date by applying a discount to the valuation obtained from the Black Scholes pricing model. The discount has been determined by estimating the probability that the employee will stop saving based on expected future trends in the share price and past employee behaviour.

24 Share-based payments continued

Group and Company	2013		2012	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	118,229	884.47	145,982	572.10
Granted	38,643	1896.00	40,136	1295.00
Forfeited	(12,327)	1041.95	(8,190)	703.15
Exercised	(46,925)	506.64	(59,699)	420.92
Outstanding at 31 December	97,620	1446.19	118,229	884.47
Exercisable at 31 December	1,300	553.00	16,994	425.00

The weighted average market value per ordinary share for Sharesave options exercised in 2013 was £23.34 (2012: £15.82).

The Sharesave options outstanding at 31 December 2013 have an exercise price in the range of £5.53 to £18.96 (2012: £4.25 to £12.95) and a weighted average contractual life of 2.1 years (2012: 1.8 years).

The share-based payments charge for Sharesave options for the year ended 31 December 2013 is £121,000 (2012: £129,000).

The Company charge for the year was £2,000 (2012: £4,000).

Performance Share Plan (PSP)

The PSP permits awards of nil cost options or contingent shares which will only vest in the event of prior satisfaction of a performance condition.

119,065 PSP awards were made on 8 March 2013 (the Grant Date) subject to EPS and TSR performance. Performance will be measured over three financial years (1 January 2013 – 31 December 2015). The vesting in March 2016 (Vesting Date) of 25% of the 2013 PSP award will be dependent on a relative TSR performance condition measured over a three year performance period and the vesting of the 75% of the 2013 PSP award will be dependent on the satisfaction of an EPS growth target measured over a three year performance period. PSP award holders are entitled to receive dividends accruing between the Grant Date and the Vesting Date and this value will be delivered in shares.

The PSP awards have been valued using the Monte Carlo model for the TSR element and the Black Scholes model for the EPS element and the resulting share-based payments charge is being spread evenly over the period between the Grant Date and the Vesting Date.

Grant date	Share price at grant date (pence)	Exercise price (pence)	Expected volatility (%)	Option life (years)	Risk free rate (%)	Dividend yield (%)	Employee turnover	Fair value per option (pence)
							before vesting/ non-vesting condition (%)	
4 May 2011 (TSR dependent) ⁽¹⁾	1039.00	nil	42.9	2.8	1.4	0.0	3.1	739.00
4 May 2011 (EPS dependent) ⁽¹⁾	1039.00	nil	n/a	2.8	1.4	0.0	3.1	1039.00
2 March 2012 (TSR dependent) ⁽¹⁾	1391.00	nil	34.8	3.0	0.5	0.0	3.7	708.00
2 March 2012 (EPS dependent) ⁽¹⁾	1391.00	nil	n/a	3.0	0.5	0.0	3.7	1391.00
8 March 2013 (TSR dependent) ⁽¹⁾	1781.00	nil	27.3	3.0	0.4	0.0	4.8	1003.00
8 March 2013 (EPS dependent) ⁽¹⁾	1781.00	nil	n/a	3.0	0.4	0.0	4.8	1781.00

(1) For details of TSR and EPS performance conditions refer to the Directors' Remuneration Report on pages 37 to 62.

Expected volatility is estimated by considering historic average share price volatility at the Grant Date.

24 Share-based payments continued

Group and Company	2013		2012	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	288,424	–	164,258	–
Granted	119,065	–	156,685	–
Forfeited	(16,432)	–	(32,519)	–
Outstanding at 31 December	391,057	–	288,424	–
Exercisable at 31 December	–	–	–	–

The PSP awards outstanding at 31 December 2013 have a weighted average contractual life of 3.0 years (2012: 3.7 years).

The share-based payments charge for the year ended 31 December 2013 is £1,471,000 (2012: £948,000).

The Company charge for the year was £1,054,000 (2012: £685,000).

Deferred Share Bonus Plan (DSP)

In March 2009 a DSP was established which allows executive directors and other selected senior management the opportunity to earn a bonus determined as a percentage of base salary settled in nil cost deferred shares. The award of shares under the plan is contingent on the satisfaction of pre-set internal targets relating to underlying drivers of long-term revenue growth (the Performance Period). The right to the shares is deferred for two years from the date of the award (the Vesting Period) and potentially forfeitable during that period should the employee leave employment. The deferred share awards have been valued using the Black Scholes model and the resulting share-based payments charge is being spread evenly over the combined Performance Period and Vesting Period of the shares, being three years.

The assumptions used in the measurement of the fair value of the deferred share awards are calculated at the date on which the potential DSP bonus is communicated to senior management (the Grant Date) as follows:

Grant date	Award date	Share price at grant date (pence)	Exercise price (pence)	Expected term (years)	Risk free rate (%)	Dividend yield (%)	Employee turnover before vesting/ non-vesting condition (%)		Fair value per share (pence)
							Employee turnover before vesting/ non-vesting condition (%)	Employee turnover before vesting/ non-vesting condition (%)	
5 March 2009	5 March 2010	226.75	nil	3.0	2.6	4.4	12.0	199.00	
5 March 2010	4 March 2011	677.00	nil	3.0	3.2	1.5	12.0	648.00	
4 March 2011	2 March 2012 ⁽¹⁾	1039.00	nil	2.8	1.4	1.4	3.4	1000.00	
2 March 2012	8 March 2013 ⁽²⁾	1391.00	nil	3.0	0.5	1.3	4.1	1338.00	
8 March 2013	– ⁽³⁾	1781.00	nil	3.0	0.4	1.4	5.3	1708.00	

(1) Following the achievement of the 2011 internal performance targets, 76,048 nil cost option deferred shares were awarded to executives and senior management on 2 March 2012 (the Award Date) with the right to the release of the shares deferred until March 2014.

(2) Following the achievement of 90% of the 2012 internal performance targets, 63,331 nil cost deferred shares were awarded to executives and senior management on 8 March 2013 (the Award Date) with the right to the release of the shares deferred until March 2015.

(3) Based on the 2013 internal performance targets, the Remuneration Committee determined that 85% of the maximum award in respect of the year will be made in March 2014. The number of shares to be awarded will be determined based on the share price at the Award Date in March 2014.

24 Share-based payments continued

Group and Company	2013		2012	
	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	217,652	–	331,989	–
Awarded	63,331	–	76,048	–
Forfeited	(7,848)	–	–	–
Exercised	(139,202)	–	(190,385)	–
Outstanding at 31 December	133,933	–	217,652	–
Exercisable at 31 December	–	–	25,573	–

The weighted average market value per ordinary share for deferred shares exercised in 2013 was £20.44 (2012: £15.44).

The DSP awards outstanding at 31 December 2013 have a weighted average contractual life of 1.1 years (2012: 0.9 years).

The share-based payments charge for the year ended 31 December 2013 is £725,000 (2012: £821,000).

The Company charge for the year was £511,000 (2012: £555,000).

25 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

Group	31 December 2013			31 December 2012		
	Plant & machinery £000	Land & buildings £000	Total £000	Plant & machinery £000	Land & buildings £000	Total £000
Less than one year	248	949	1,197	408	949	1,357
Between one and five years	179	2,682	2,861	231	3,338	3,569
More than five years	–	882	882	–	1,175	1,175
	427	4,513	4,940	639	5,462	6,101

The Company had no operating lease commitments in either year.

26 Capital commitments

As at 31 December 2013 the Group had no significant capital expenditure commitments (2012: £nil).

The Company had no capital commitments in either year.

27 Related party disclosures

Inter-group transactions with subsidiaries

During the year the Company was charged interest of £517,000 (2012: £565,000) by Rightmove Group Limited in respect of balances owing under the inter-group loan agreement dated 30 January 2008.

As at 31 December 2013 the balance owing under this agreement was £21,031,000 (2012: £15,318,000) including capitalised interest (refer Note 18).

On 12 December 2013 Rightmove Group Limited declared an interim dividend of 60.0p per ordinary share to the Company. The dividend of £77,640,000 was settled via a reduction in the inter-group loan balance owed by Rightmove plc to Rightmove Group Limited.

Directors' transactions

There were no transactions with directors in either year other than those disclosed in the Directors' Remuneration Report. Information on the emoluments of the directors, who served during the year, together with information regarding the beneficial interest of the directors in the ordinary shares of the Company is included in the Directors' Remuneration Report on pages 37 to 62.

During the year the directors in office in total had gains of £13,539,000 (2012: £10,003,000) arising on the exercise of share-based incentive awards.

Key management personnel

No other Rightmove employees are considered to meet the definition of key management personnel other than those disclosed in the Directors' Remuneration Report on pages 37 to 62.

28 Financial instruments

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Group	
		31 December 2013 £000	31 December 2012 £000
Net trade receivables	16	19,146	16,037
Amounts held in Escrow	16	1,680	1,674
Accrued interest receivable	16	41	50
Other debtors	16	89	64
Cash and cash equivalents	17	6,799	7,082
		27,755	24,907

The Company had no exposure to credit risk in either year.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

Group	Note	31 December 2013	31 December 2012
		£000	£000
UK		19,007	15,954
Rest of the world		139	83
	16	19,146	16,037

28 Financial instruments continued

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

Group	Note	31 December 2013 £000	31 December 2012 £000
Property advertisers		18,325	14,956
Other		821	1,081
	16	19,146	16,037

The Group's most significant customer accounts for £1,574,000 (2012: £968,000) of the trade receivables carrying amount.

Impairment losses

The ageing of trade receivables at the reporting date was:

Group	31 December 2013		31 December 2012	
	Gross £000	Impairment £000	Gross £000	Impairment £000
Not past due	12,663	(30)	10,140	(15)
Past due 0 – 30 days	3,607	(44)	3,357	(236)
Past due 30 – 60 days	2,710	(109)	2,522	(124)
Past due 60 – 90 days	429	(189)	263	(38)
Past due older	173	(64)	202	(34)
	19,582	(436)	16,484	(447)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Group	31 December 2013 £000	31 December 2012 £000
At 1 January	447	429
Charged during the year	235	198
Utilised during the year	(246)	(180)
At 31 December	436	447

The Group has identified specific balances for which it has provided an impairment allowance on a line by line basis across all ledgers, in both years. No general impairment allowance has been provided in either year.

The allowance accounts in respect of trade receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the financial asset directly.

28 Financial instruments continued

Liquidity risk

The following are the contractual maturities of undiscounted financial liabilities, including undiscounted estimated interest payments:

Group	Carrying amount £000	Contractual cash flows £000	6 months or less £000
At 31 December 2013			
Trade payables being non-derivative financial liabilities	685	(685)	(685)

Group	Carrying amount £000	Contractual cash flows £000	6 months or less £000
At 31 December 2012			
Trade payables being non-derivative financial liabilities	1,220	(1,220)	(1,220)

The Company had no non-derivative financial liabilities in either year.

It is not expected that the cash flows included in the maturity analysis could occur earlier or at significantly different amounts and all payables are due within six months of the balance sheet date.

Currency risk

During 2013 all the Group's sales and more than 95.0% (2012: 95.0%) of the Group's purchases were Sterling denominated and accordingly it has no significant currency risk.

Interest rate risk

The Group and the Company have exposure to interest rate risk on their cash balances and amounts held in Escrow. As at 31 December 2013 the Group had total cash of £6,799,000 (2012: £7,082,000) and £1,680,000 (2012: £1,674,000) held in Escrow.

Fair values

The fair values of all financial instruments in both years are equal to the carrying values.

29 Contingent liabilities

The Group and the Company had no contingent liabilities in either year.

30 Subsequent events

There have been no subsequent events having a material impact on the financial statements between 31 December 2013 and the reporting date.

Advisers and shareholder information

Contacts

Chief Executive Officer: Nick McKittrick
Chief Operating Officer: Peter Brooks-Johnson
Finance Director and
Company Secretary: Robyn Perriss
Website: www.rightmove.co.uk

Registered office

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Turnberry House
30 Caldecotte Lake Drive
Milton Keynes
MK7 8LE
Registered in
England no. 6426485

Corporate advisers

Financial adviser

UBS Investment Bank

Joint brokers

UBS Limited
Numis Securities Limited

Auditor

KPMG Audit Plc

Bankers

Barclays Bank Plc
HSBC Bank plc
Santander UK Plc

Solicitors

Slaughter and May
Pinsent Masons

Registrar

Capita Asset Services*

Financial calendar 2014

2013 full year results	28 February 2014
Annual General Meeting	7 May 2014
Final dividend record date	9 May 2014
Final dividend payment	6 June 2014
Interim Management Statement	May, November 2014
Half year results	30 July 2014
Interim dividend	November 2014

*Shareholder enquiries

The Company's registrar is Capita Asset Services. They will be pleased to deal with any questions regarding your shareholding or dividends. Please notify them of your change of address or other personal information. Their address details are:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Capita Asset Services is a trading name of Capita Registrars Limited.

Capita shareholder helpline: 0871 664 0300
(calls cost 10p per minute plus network extras)
(Overseas: +44 20 8639 3399)
Email: shareholderenquiries@capita.co.uk
Share portal: www.capitashareportal.com

Through the website of our registrar, Capita Asset Services, shareholders are able to manage their shareholding online and facilities include electronic communications, account enquiries, amendment of address and dividend mandate instructions.



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