rightmove
find your happy

Rightmove's purpose is to make home moving easier in the UK.

We do this by creating a simpler and more efficient property marketplace

Rightmove is the UK's largest property portal

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Financial highlights

Revenue

+8%

Revenue up 8% year on year to £289.3m (2018: £267.8m) driven by continued growth in our Agency and New Homes businesses and a healthy contribution from our Other[3] business units

Underlying operating profit[1]

+8%

Underlying operating profit up 8%[1] to £219.7m (2018: £203.3m)

Underlying basic earnings per share[2]

+10%

Underlying basic earnings per share[2] up 10% to 20.2p (2018: 18.3p)

Total dividend

+11%

Final dividend of 4.4p (2018: 4.0p) per ordinary share making a total dividend of 7.2p for the year (2018: 6.5p), up 11%

Operating profit

+8%

Operating profit up 8% to £213.7m (2018: £198.6m)

Basic earnings per share

+10%

Basic earnings per share up 10% to 19.6p (2018: 17.8p)

(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) Other business units comprise Overseas and Commercial property advertising services and non-property advertising services which include our Third Party advertising and Data Services.

Operational highlights

Customer numbers

19,809

Membership numbers down 3% to 19,809 (2018: 20,454) with a decline in Agency branches offset by strong growth in New Homes

Properties advertised

900,000

UK residential properties advertised on Rightmove, which is more than any other UK property portal

Traffic: visits

+2%

Visits up over 2% averaging 135 million visits per month[4]

Traffic: time on site

1 billion

Time on site remaining over 1 billion minutes per month[4]

Average Revenue Per Advertiser

£1,088

Average Revenue Per Advertiser[5] up £83 to £1,088 per month (2018: £1,005)

Employee engagement

81%

81% of employee respondents think Rightmove is a great place to work

(4) Source: Google Analytics.
(5) Revenue from Agency and New Homes advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year.

"Rightmove's purpose is to make home moving easier in the UK and the public once again moved with Rightmove in 2019. In fact, Rightmove is synonymous with home moving, with 2019 being the ninth year in a row more people searched on Google for Rightmove than for property".

Peter Brooks-Johnson Chief Executive Officer

I am excited about the journey ahead and looking forward to working with the board and management team to create further value for all our stakeholders

Having joined the Board of Rightmove plc in January 2020, I am pleased to provide my first report as Chair of the Company.

In my short time at Rightmove I've had the privilege of seeing, first-hand, the results of a highly talented and committed team who are focused on exceeding the expectations of both customers and consumers, further improving our technology and best in class suite of digital advertising products and continuing to enhance the home moving process.

Our ambition to remain an innovative and sustainable growth company for the benefit of all stakeholders is undeterred as we continually evolve our value proposition for the benefit of our customers, consumers and shareholders. This model and approach has served us well and we believe it will continue to underpin our future success.

Given our commitment to continually increase the value we deliver to our customers on 30 September 2019 we acquired Van Mildert, a company that provides tenant referencing services and rent guarantee insurance products. We believe that Rightmove can drive scale benefits to their proposition and having completed the first steps of sales force integration during 2019 we have a strong foundation upon which to innovate further to make the process of renting a property simpler, quicker and more efficient for both agents and tenants.

Financial results

Against the backdrop of an uncertain UK macro environment the strength of our business model and core value proposition once again underpinned a healthy set of financial results in 2019. Underlying operating profit[(1)] and operating profit were both up 8% at £219.7m (2018: £203.3m) and £214.5m (2018: £198.6m) respectively driven by revenue growth of 8% to £289.3m (2018: £267.8m) and continued cost discipline. Underlying basic earnings per share[(2)] and basic earnings per share were up 10% at 20.2p (2018: 18.3p) and 19.6p (2018: 17.8p), greater than the percentage increase in profits and in part as a result of 16.3m shares bought back during the year at a cost of £88.6m reflecting our policy of returning free cash flow to shareholders.

Returns to shareholders and dividend

We have continued to promptly return excess cash to investors. In 2019 we returned £148.8m (2018: £168.5m) to shareholders through dividends and share buybacks. This was slightly lower than in 2018 due to the cash used to acquire Van Mildert of £15.9m. Operating cash conversion[(3)] was again very strong and remains in excess of 100% of operating profit.

The Board increased the interim dividend to 2.8p (H1 2018: 2.5p) per ordinary share, which was paid on 1 November 2019. We are confident in our ability to deliver sustainable returns to shareholders and consistent with our policy of increasing the total dividend for the year broadly in line with earnings per share, the Board recommends a final dividend of 4.4p (2018: 4.0p) per ordinary share. This brings the total dividend for the year to 7.2p (2018: 6.5p), an increase of 11%. The final dividend, subject to shareholder approval, will be paid on 29 May 2020 to all shareholders on the register on 1 May 2020.

Board changes

After more than 14 years as Rightmove's Chairman, Scott Forbes retired from the Board on 31 December 2019. Scott has been a key part of Rightmove's journey from pre IPO to the FTSE 100 business it is today. On behalf of the Board I would like to thank him for his invaluable contribution in guiding Rightmove to become the UK's largest property portal and a digital business that is synonymous with innovation and one of the UK's leading online destinations.

In November 2019, we announced that Robyn Perriss, our Finance Director, will step down from the Board by June 2020. Throughout the 12 years that Robyn has been at Rightmove

(1) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share-based incentives.

(2) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share-based incentives and no related adjustment for tax.

(3) Cash generated from operating activities of £222.0m compared to operating profit as reported in the profit or loss of £213.7m.

she has been a huge asset in developing strong financial management and controls during a period of rapid growth which have been a vital underpin to our success. Additionally, Robyn has kept our investors well informed and abreast of the Rightmove story. We have commenced a search for her successor and will keep the market appraised of our progress.

During the past year we welcomed Amit Tiwari as a Non-Executive Director to the Board. Amit brings a strong understanding of a range of innovative online marketplace businesses and has already made a valuable contribution, drawing upon his extensive knowledge of financial and capital markets.

UK Corporate Governance Code and stakeholder engagement

2019 was the first year that the 2018 UK Corporate Governance Code (the Code) applied to Rightmove. Confirmation of how we have complied with the Code for the year under review is set out on page 40.

Constructive, transparent and open engagement with our stakeholders outside of the boardroom forms a critical aspect of Board-level activity. On pages 27 to 29 we present our first S172 statement which sets out our consideration of our key stakeholders in our decision making. We have also discussed separately within our Corporate Social Responsibility Report on pages 34 to 35 our tailored approach to employee engagement in response to the Code.

Looking ahead

On behalf of the Board I would like to thank all our customers for their confidence and support in helping us to work together to maintain Rightmove's position as the essential marketplace for home hunters and for property advertisers to reach the widest possible audience.

Continuing to innovate to make home moving easier in the UK is key to our success and to the creation of long-term shareholder value for Rightmove. The integration of referencing and the further tools to help make renting more efficient for agents and tenants, which will be delivered in 2020, is a demonstration of our commitment to innovate for the long term growth of Rightmove.

I am excited about the journey ahead and am looking forward to working with the Board and management team to create further value for all our stakeholders.

Andrew Fisher
Chair

28 February 2020

Rightmove's purpose is to make home moving easier in the UK

Developing our brand

Our marketing connects with the strong positive emotions that moving home often generates and reflects our position at the heart of it.

Page 6

Building great teams

We focus on building great teams and making Rightmove a great place to work.

Page 12

Continuing to innovate

It is not in our DNA to stand still and we continue to restlessly innovate for both our customers and our consumers.

Page 8

Supporting our customers

We provide the most significant and effective exposure for customers' brands and properties. We are the largest source of high quality leads and offer value adding products and packages.

Page 10

Peter Brooks-Johnson
Chief Executive Officer

Our focus on innovation as a key driver to our success and creating long-term value for our customers remained undimmed during 2019.

Rightmove's purpose is to make home moving easier in the UK. This clarity of purpose has meant that Rightmove is synonymous with home moving, with 2019 being the ninth consecutive year that Google has reported that more people start their home search with 'Rightmove' rather than 'Property'.

Our purpose drives our ongoing delivery of increased value to our customers and home movers and our culture of restless innovation. Against the backdrop of continued macro uncertainty in 2019 these strengths take on an increased significance.

Over the past year we have reinforced our position as central to the UK home moving process for both home movers and property professionals. Visits from home movers grew by over 2% and they spent over a billion minutes[1] on Rightmove every month in 2019 leading to Rightmove's market share of time spent on the top four property portals continuing to be over 75%[2]. Our central position and disciplined execution has allowed us to deliver another year of healthy growth.

The uncertainty in 2019 proved challenging for some of our Agency customer base. The combination of lengthening transaction times and the tenant fee ban in June caused cash flow issues for smaller agents with lower numbers of properties. These cash flow issues resulted in some of those smaller branches leaving the industry, with 6% fewer agency branches at the end of 2019 than 31 December 2018.

Market conditions have, however, benefitted some of our agent customers. The relative stability in number of housing transactions and a slight increase in fees, coupled with fewer competitors has allowed a number of agents to grow their market share and their revenues. These agents, in particular have invested in Rightmove products to drive their businesses forward.

When faced with similar slowing sales rates many of our New Homes Developer customers chose to release more developments to market. The efficiency of the Rightmove proposition and scale of our audience led them to spend more on marketing those developments on Rightmove.

This increase in developments partially offset the loss of agency branches meaning that overall customer numbers fell 3%.

In 2019 revenue increased by 8% to £289.3m with underlying operating profit[3] and operating profit both up 8% to £219.7m and £213.7m respectively, once again underlining the value of our proposition to our customers and the robustness of the Rightmove business model.

Our focus on innovation as a key driver to our success and creating long-term value for our customers remained undimmed during 2019. Alongside the new product and tool releases and upgrades to the home hunter experience on our platforms, the acquisition of Van Mildert, a tenant referencing company, and the beginning of our mortgage partnership with Nationwide Building Society show that Rightmove's commitment to its purpose remains as strong as ever.

Rightmove's long standing ability to build smaller businesses which leverage and support the core property advertising proposition continues to drive growth. In 2019 the Commercial Property, Data Services and Overseas Property businesses grew by 19% to contribute £24.5m (2018: £20.6m) revenue.

Our continued progress is testament to the support of our customers and the huge effort Rightmovers have made to build our business in partnership with our industry customers.

Our strategy – making home moving easier

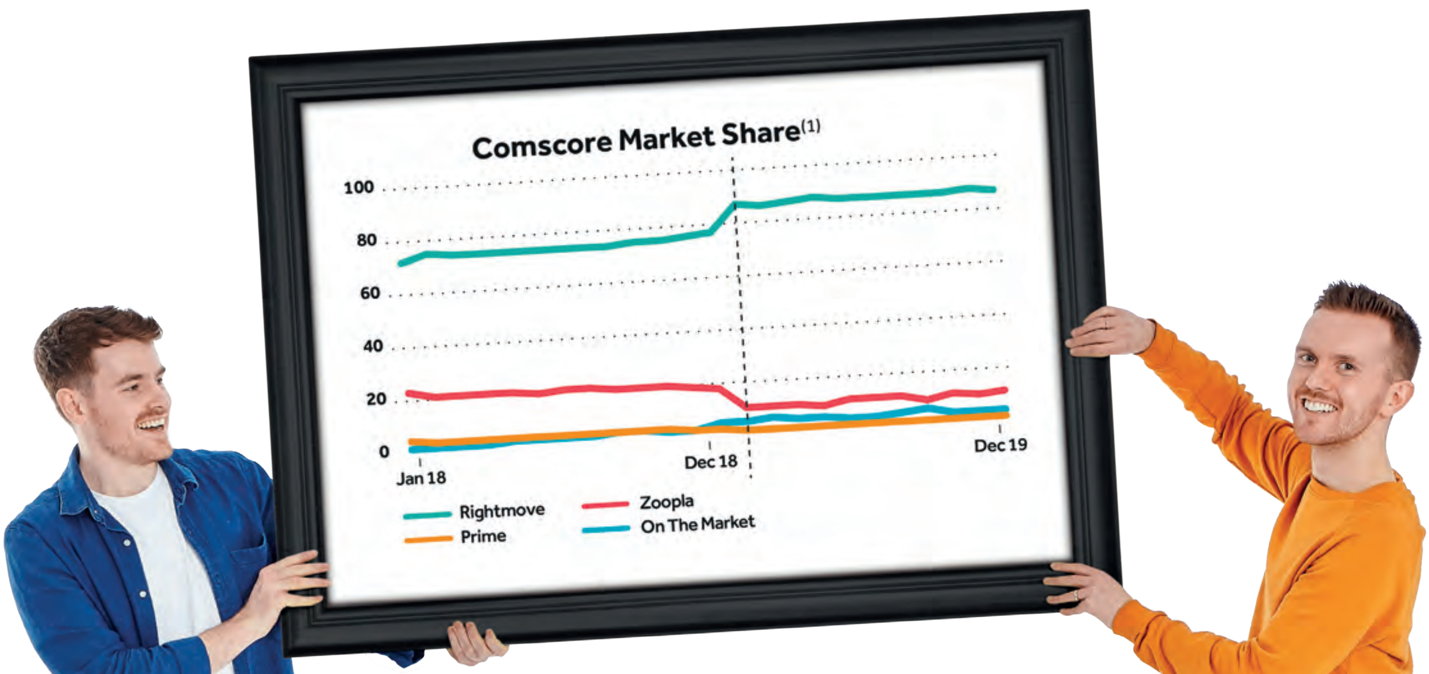
The place consumers turn to first and engage with most

Our position at the heart of the home moving process in the UK comes from being the place which consumers turn to first when thinking about property. Rightly, home movers are ever more demanding of the technology and services offered to them. Rightmove's focus on continual improvement and innovation to simplify the start of the home moving process and create the most compelling experience for consumers stands us in good stead.

Developing our brand

Investing in our market leading brand

Our marketing connects with the strong positive emotions that moving home often generates and reaffirms that the UK public moves with Rightmove.



Over 75% market share

Visits from home movers grew by 2% on Rightmove in 2019 with our market share of time spent on our platforms continuing to be over 75%.[1]

(1) There was a Comscore methodology change in February 2019 which resulted in our market share relative to our competitors increasing from 77% in January to 87% in February. Our market share of time spent in minutes on the top four UK property portals in December under this methodology was 87%.

More consumers than ever turned to Rightmove in 2019 with over 1.6[(1)] billion visits across all our platforms, those consumers spent over 12.1 billion[(1)] minutes on Rightmove. Whilst the total time on site was marginally lower then 2018, the amount of time spent per property listed increased over 4%.

Rightmove continues to provide the best experience for home hunters regardless of how they choose to access our platforms. The numerous improvements to our Android and iPhone/iPad apps mean that we have 2.5 times more active users on our mobile and tablet apps than any competitor with each user spending more than twice as much time on average.

The shift to mobile platforms means that the busiest time on Rightmove is now 20:48 on a Wednesday evening. Home hunters are looking at both their mobile device and the television and taking advantage of the final advert break of many prime time television shows to search for their 'hero' property.

We achieve this by providing consumers with the most up to date, engaging and comprehensive property content together with the best search, research and home moving tools to support their home moving journey. Of the hundreds of updates to our platforms each month, recent improvements have included the ability for serious home hunters to hide properties they have already considered and a redesigned and expanded "MyRightmove" for those home hunters to keep track of their search preferences.

Consumers expect the platform they rely on to be available all of the time. Testament to the engineering prowess and dedication of the team, Rightmove again recorded an industry leading level of "uptime" of 99.98% meaning the platform was only unavailable for less than nine minutes per month.

A significant proportion of people buying a home also have a home to sell. Researching the property market is an important step for many potential home sellers and is a vital step for potential landlords. The comprehensive, simple tools we provide for researching the market help sellers and landlords understand the market more easily and give them another reason to turn to Rightmove first. Our research tools, such as sold prices data, are by far the most widely used in the UK and provide the unique benefit of access to our catalogue of 900,000 currently listed UK properties and over 44 million historical property records. Perhaps reflecting the increase in pent up demand in the marketplace, consumers spent over 482 million minutes using our research tools in 2019 which was up by over 7% on the previous year.

We have consistently invested in our brand and product creating a trusted brand where 80% of the visits to Rightmove come from consumers typing the brand directly into their web browser or launching our app.

Our brand strength has continued to be reinforced by our 'find your happy' marketing campaign. Given our high level of awareness our 'always on' approach focusses on driving engagement and preference amongst home hunters. In 2019 this activity focused equally on the rental market as well as those looking to sell and or buy a home. The campaign tells human stories to illustrate why people move, not just the search process. Topics vary from downsizing, setting up home with a new partner, finding a new home after a divorce and, in our latest TV advert, having insufficient space for a growing family. These stories cover all segments of the market from first time buyers through to downsizers.

Our investment in brand building will continue to focus on national television through our partnership with Channel 4 supported by online video, digital and outdoor advertising. We will also continue to focus on our presence in London with 400 branded taxis and our exclusive partnership with the London Evening Standard.

Unrivalled exposure, leads and products for our customers

With visits to our platforms growing for the 19th consecutive year we continued to increase the exposure of our customers' brands and properties. This exposure generated over 40.5 million leads for our customers, equivalent to more than one every second in 2019. This was down 4% year on year reflecting the slight fall in the number of properties listed in 2019. The number of leads per property increased by 2%.

Winning the right to an instruction to sell or let a property is critical to an agent's success. Our premium packages, Enhanced and Optimiser, help our customers to generate more opportunities to win instructions cost effectively. The packages include branding and property promotion solutions to boost agents' performance in the 'awareness' stage of the marketing funnel, while our popular Local Valuation Alert and Rightmove Discover products fast-track agents to the 'consideration' stage. We continue to enhance the performance of these products to keep them at the forefront of digital marketing for our customers. Following a number of enhancements, Local Valuation Alert and Rightmove Discover delivered over 20% more leads from people asking for a valuation on their home in 2019 over last year.

Continuing to innovate

Focusing on making the UK property market more efficient for home hunters and agents

The acquisition of Van Mildert, a tenant referencing business, provides a foundation to enable further innovation to make the rental process more efficient for tenants and agents.

1,423 new code updates

We have a relentless focus on continual improvement. During 2019 our product and development team released 1,423 updates to our platforms.

Against the backdrop of a cautious housing marketplace estate agents continue to recognise the value of our additional marketing products and packages with penetration of the Enhanced and Optimiser packages reaching 38% of independent estate agency customers up from 27% in December 2018.

The hesitant market conditions in 2019 made it harder for our New Homes developers to grow their sales volumes. In these conditions our digital marketing solutions have become even more valuable to them. Access to our unique in-market audience of home hunters saw New Homes developers spend a record £8.9m in 2019 on our digital marketing solutions (up from £8.0m in 2018).

Our product innovation roadmap starts with our customers. It is shaped by them during development and we continue to revise our products based on their feedback. It is only by listening to our customers and working with them that we can develop products which meet their needs and deliver value to them.

We continued to launch valuable new products in 2019. Auto Featured Property was launched in May to further help higher stock agents stand out to potential sellers, with over 700 branches signed up by the end of the year. June saw the early roll out of our next generation digital marketing product, Rightmove Active Extension which micro-targets home hunters on websites beyond Rightmove based on their search behaviour.

In November 2019 we launched our new premium package 'Optimiser 2020' building on the success of our existing Optimiser package. The new package includes 'Opportunity Manager' an algorithm powered intelligence tool and 'Sold By Me' a new dynamically targeted product to attract potential sellers.

Sold By Me is built on the research insight that two thirds of potential home sellers ranked 'Handles similar property' in their top five reasons for choosing an agent. Sold By Me displays a selection of properties sold by an agent on the most visited page on Rightmove, the search results page, showcasing the agent's brand. It contextually targets potential home sellers by showing them relevant properties from their home postcode, even if they're searching for their next home somewhere else, allowing agents to showcase their success to potential home sellers and identify more instruction opportunities.

Our Commercial property advertising business is bringing the efficiency benefits of the Rightmove platform to companies looking to invest, acquire, occupy and divest of their commercial assets. We combine the largest commercial property audience with strong national coverage of a diverse range of commercial properties, both in terms of type and size.

In 2019 we deepened our relationships with our commercial agent and landlord customers at all levels. We are also innovating to take advantage of other trends in the commercial property space, for example the growing importance of flexible office space.

Our Data Services business supports the property industry by delivering tools and insights based on our unparalleled repository of property data. The Surveyor Comparable Tool, which surveyors use to make property valuations continues to be the de facto standard used in over 75% of mortgage transactions in the UK and more than 2.4 million reports were run in 2019. Our Automated Valuation Model was used by lenders to evaluate the value of more than £1.5 trillion worth of property in 2019.

Our Overseas property advertising business maintained revenue at 2018 levels and continues to have the largest audience of members of the British public looking to buy a property abroad. Whilst there is pent up demand as the dream of owning a property abroad remains strong, the market slowed overall due to continued uncertainty about the relationship of the UK with the rest of EU and the impact of currency exchange rates over the past two years.

Innovation to create a simpler and more efficient marketplace

We continue to focus on making the property marketplace more efficient for home hunters and agents throughout the journey from searching for a new home to being ready to transact on it.

Our innovation horizon stretches from near term launches to those things we are experimenting with today which will lead to future opportunities.

Supporting our customers

Helping our customers win more business

We care about our customers' business success and building strong partnerships is vital to support their ambitions.

38% of agency customers take our Optimiser and Enhanced product packages

Agents continue to recognise the value of our additional marketing products and packages with penetration up from 27% in December 2018.

Innovating for efficiency today

By combining our software's whole of market dataset and our dedicated account management teams, in addition to informing their business decisions, we help customers drive operational efficiencies. Our focus is in the areas our customers value most, which in the case of our agents is identifying potential business and winning and retaining that business.

Whilst our software tools are already recognised as being best in class and widely adopted with nearly 90% of our agency customers using our tools each month, our passion to continuously improve is evident as in 2019 we further enhanced our market intelligence software for agents, Rightmove Plus.

Rightmove Plus, included free of charge as part of all Rightmove membership packages, helps customers throughout the property marketing lifecycle. For example, agents tell us that the new version of the Best Price Guide, a reporting tool within Rightmove Plus, which helps them gather comparable properties to support their suggested property price, saves them up to an hour per market appraisal. The Best Price Guide was used over 11 million times in 2019, a 10% rise over 2018.

Our data continues to provide the basis for a rich seam of innovation. As part of the upgraded 'Optimiser 2020' package we launched 'Opportunity Manager'. The new tool uncovers potential sellers within the pool of buyers an agent already knows just before they are ready to consider instructing an agent. It is powered by an algorithm that is constantly learning and improving, intelligently spotting the buyers that are most likely to turn into potential home sellers in their area.

Rightmove account managers have further tools at their disposal to assist agents. For example, 2019 also saw the release of a tool which helps agents identify the most valuable markets they operate in allowing them to focus their marketing efforts where they are likely to yield the best return.

Innovating for growth tomorrow

Renting a property is a time-consuming process for tenants and agents alike. Tenants collate a raft of documentation and submit it with each tenancy application, which needs to be processed and verified by agents. The Tenant Fee ban, which came into force in June 2019 restricts the ability of agents to charge tenants and places extra focus on this time intensive process.

Building on our history of innovative experiments such as the RentLondon app in 2017, we released two further versions of our Tenant Passport in 2019 with the aim of better understanding how to make the process of renting a property simpler, quicker and more efficient for tenants and agents. In addition to creating over 40,000 passports, tenants and agents gave invaluable feedback to shape our continued progress in digitising the rental journey. The engagement with the passport demonstrates both the appetite for a solution and Rightmove's unique position to deliver it. It was this feedback which led us to purchase Van Mildert, an established business providing tenant references and rent guarantee insurance to lettings agents and landlords for £18.3m[(4)] in September 2019. With the first steps of sales force integration now complete this foundation will enable further innovation to make the process more efficient for tenants and agents in 2020.

In parallel with the work on tenant referencing, the next phase of the experimentation in making the rental process more efficient has begun with the launch in November 2019 of a small scale trial of a system to allow potential tenants to book viewing appointments directly with a rental agent.

In September we partnered with the Nationwide Building Society to make the process of discovering and applying for a mortgage easier for those home hunters who wish to apply online. Although early in the journey we believe this will make the mortgage research and application process easier for some home buyers in the future.

We care about our customers' business success and building strong partnerships is vital to support their ambitions. To that end we are spending more time with customers than ever before and making sure that our recommendations add value to their business.

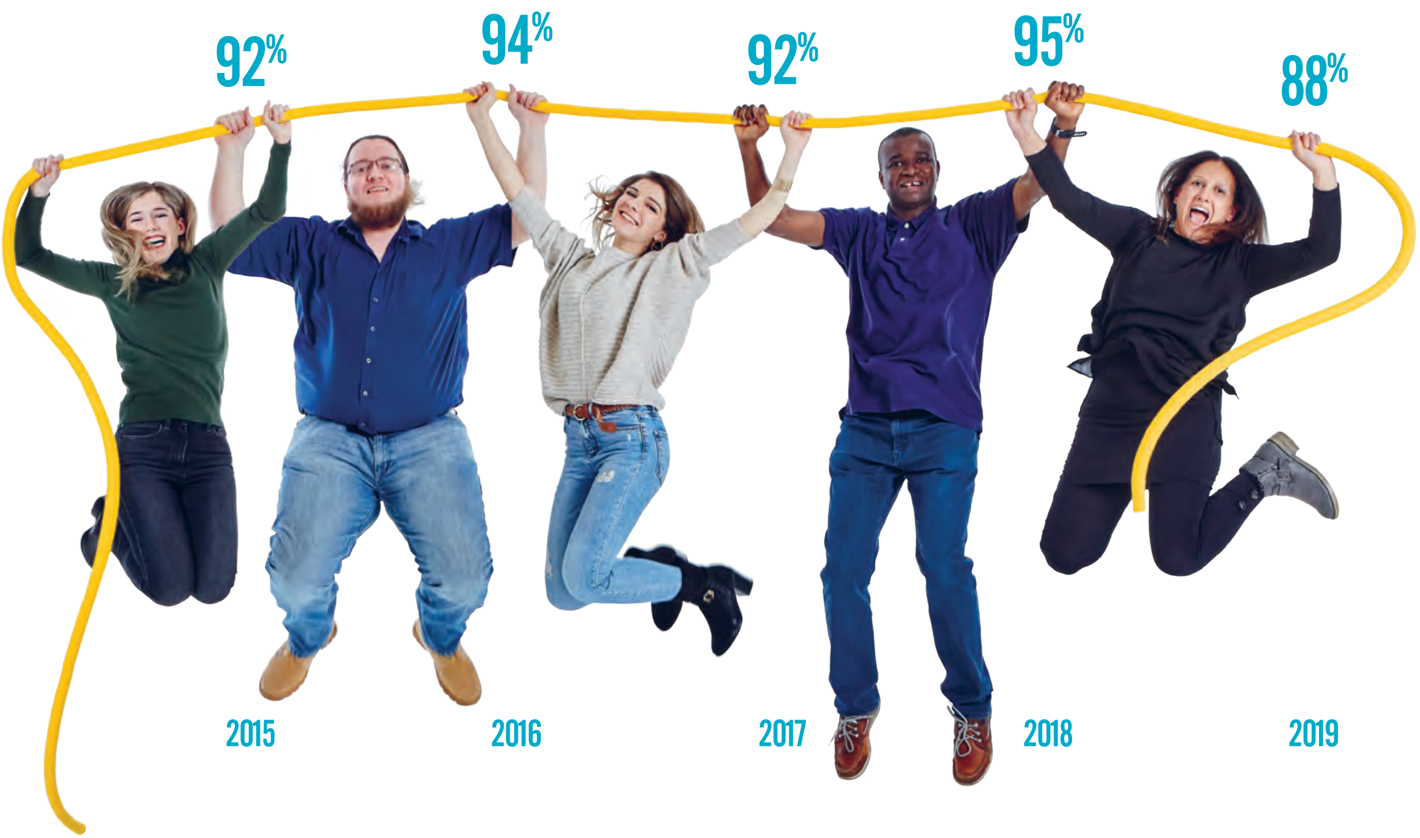
In 2019 we continued our successful customer seminar programme. Seminars covered topics which relate directly to Rightmove, such as how to create the ultimate listing on Rightmove to maximise the marketing opportunity of each property and of the agency as a whole and how to make the most of the tools and reports. However, we also recognise our role in helping our customers keep up to date with a changing industry, covering subjects as diverse as the changing lettings regulations and the requirements of the new money laundering directive. The seminars are always well attended with nearly 11,000 agents attending seminars and webinars throughout the year.

In keeping with an online culture these events are hosted on the 'Rightmove Hub', which is an 'on demand' platform, meaning our customers can benefit from this content irrespective of whether they were able to attend on the day. This easy access has seen agents watch over 600,000 minutes of compelling content on the Hub in 2019.

Building great teams

A place where everyone has the space to grow

We focus on building great teams and making Rightmove a great place to work.



I enjoy working in my team

88% of respondents to our 'Have your Say' survey enjoy working in their team.

Build great teams with a culture to innovate

Our people define Rightmove and we have a culture which is both restless and focussed. Restless, as no Rightmover ever believes we have achieved all we can, and focussed, because everything is guided by doing the right thing for both our customers and consumers.

We strive to create one team of Rightmovers with as few barriers as possible to rapid growth and innovation. We believe that this comes from a process-light, highly connected organisation with little constraining hierarchy and bureaucracy. It is about employing the right people, giving them the freedom and authority to innovate and lead, and then guiding them to succeed. Every Rightmover is both individually empowered and accountable.

Rightmove is not afraid to change to preserve the things we hold dear. As we grow, maintaining the pace of execution is vital to enhancing our innovate culture. In 2019 we restructured our product development and technology function to streamline our delivery and empower more of the team.

A diverse Rightmove is important to us. We recognise that a diverse team will provide a wide range of perspectives that promote innovation and business success. 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 and what home hunters want from the Rightmove platforms. However, as everyone has pre-conceived ideas and a view of normal, we have successfully delivered a 'Thoughtful Leadership' programme to tackle both conscious and unconscious bias for everyone with a people responsibility. We will continue to build on this foundation in 2020 and beyond and as a first step we have launched a more detailed follow up programme for those who are responsible for significant numbers of Rightmove people. We also recognise that unconscious bias of peers can impact the working environment, so we are also launching a 'Thoughtful Community' programme which will be attended by all employees.

In the design of our offices we have taken care to create a physical environment that encourages open and honest discussion, including social spaces for the teams to enjoy each other's company. Our workplace is free from the usual trappings of hierarchy.

We believe in sharing early and often, and reinforce this through events such as town halls, showcases, stand-ups, team away days and company days which share progress, successes and challenges. Everything together creates a unique and driven environment that we believe results in people feeling a sense of belonging and a passion to perform. By striving to make Rightmove a great place to work we can attract and retain the best talent and provide the best service for consumers and customers.

We are proud of our development culture and the role mobility it promotes. For example, in 2019 we ran four mentoring circles hosted by inspirational external thought leaders. The sessions covered thought provoking topics to help unleash our people's full potential.

Development is not limited to role relevant skills. To support the objectives of World Mental Health day we created events to remind Rightmovers to connect with those around them with a conversation. Rightmove was also an early adopter of the 'Spill' mental health app which gives every employee anonymous access to a qualified counsellor at the touch of a button in the familiar environment of an app or text message.

Great talent and passion to perform is not enough to make a great Rightmover; the way in which we behave towards each other, our customers and consumers is vital. We expect the very highest standards of ethical behaviour from all employees. How we go about our work is central to our recruitment, feedback and personal development processes.

The actions and behaviours of our people create the sense of belonging and connection and allow the business to continue to thrive and attract great people. In our 2019 'Have Your Say' people survey, 81% (2018: 91%) of Rightmovers responded that they think 'Rightmove is a great place to work'. Whilst 81% is still high, I am disappointed that we have fallen below our long term average as we are never complacent about the importance of acting on colleagues' feedback. We already have plans in place to move this measure upwards in 2020.

Our vibrant culture sets us apart from many organisations and is defined by every one of the nearly 600 people who are proud to call themselves Rightmovers. I would like to thank them all for creating a culture which continues to drive such business success.

Peter Brooks-Johnson
Chief Executive Officer

28 February 2020

(1) Source: Google analytics.

(2) There was a comScore methodology change in February 2019 which resulted in our market share relative to our competitors increasing from 77% in January to 87% in February. Market share of time spent in minutes on the top four UK property portals in December 2019 under this methodology was 87%.

(3) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share–based incentives.

(4) Comprises initial cash consideration of £15.9m and deferred contingent consideration of £2.4m.

The Rightmove network effect

What we do

Rightmove is the UK's number one property portal and the UK's largest property marketplace. We bring the UK's largest and most engaged property audience and the largest inventory of properties together in one place. We benefit from strong network effects as our property audience and the properties our customers advertise create a 'virtuous circle' enhancing the Rightmove value proposition.

Our customers are primarily estate agents, letting agents and new homes developers advertising properties for sale and to rent in the UK.

Our aim is to create a more efficient housing marketplace and make home moving easier

The UK housing market, both in sales and rentals, is complex and often inefficient. Moving home can be a stressful and time consuming experience for consumers and an inefficient and frustrating process for professionals, often with elements of wasted effort and unavoidable manual processes. We believe by creating a simpler and more efficient marketplace we can make home moving in the UK easier. A better marketplace which empowers consumers and property professionals alike creates a better housing market. By creating value for, and building long-term partnerships with, both consumers and property professionals we are able to grow our revenue. Our continued growth allows us to innovate to create more value for all.

How we make the market more efficient for consumers

Rightmove is free to consumers, and it is the only place where home buyers and renters can see almost the entire UK property market in one place. The ease of accessing almost the entire UK property market through fast, always available digital platforms means Rightmove has become the place consumers turn to first when they think about moving home.

Finding your next home can be a stressful experience; the simplicity Rightmove brings can reduce the stress. The carefully designed website avoids distractions in pursuit of simplicity, putting home hunters in control of their search and research.

It is not in our DNA to stand still and we are continually investing to deliver the most engaging experience for home movers. Our culture is one of restless innovation and a strong focus on driving improvement and as a result we release hundreds of updates to our platforms each month.

A vital part of innovation is a disciplined willingness to experiment and learn from the results. The RentLondon experimental app in 2017 and the Tenant Passport iterations in 2019 along with copious qualitative research were aimed at discovering the real friction points for tenants. These learnings have led to a strategic roadmap of future innovations to reduce effort and stress for tenants at the beginning of the rental journey.

Beyond finding a buyer or tenant, the tools we provide for researching the market bring simplicity and confidence to sellers and landlords as they consider one of the largest transactions of their lives and choose an agent to help them on their home moving journey.

How we make the market more efficient for industry professionals

By creating the UK's largest property marketplace we have brought together virtually all the audience our customers want to attract. We are able to offer the most significant and effective exposure for their brands and properties resulting in the largest source of high quality leads, thereby significantly increasing our customers' marketing efficiency.

Our digital solutions help our customers reach their audience faster and more efficiently. Winning new business is key, but time consuming for our Agent customers; those customers who buy our highest value Optimiser package, on average win twice as many instructions as those who do not use our solutions.

Our solutions for New Homes developers help them reach almost every serious home buyer in the UK and also help them target these buyers both on and off Rightmove. Based on our deep knowledge of search habits we introduced 'Active Display' in 2018 to allow developers to re-target interested home hunters within the Rightmove environment. Active Display has increased the exposure of the properties our New Homes customers are looking to promote by 50%. We have further developed this in 2019 with Rightmove Active Extension (RAE). RAE takes the learnings from Active Display and extends the audience reach for our customers by allowing them to continue their targeted advertising on websites beyond Rightmove.

We also help drive efficiencies within our Agent customers' businesses by providing best in class software that delivers data, market insight and analytical tools to help them inform their decisions, with 90% of our Agent customers now using our software each month.

Rightmove's culture of restless innovation helps create more efficiency opportunities for our customers. For example, as part of the upgraded 'Optimiser 2020' package we launched 'Opportunity Manager'. The new tool uncovers potential sellers within the pool of buyers an agent already knows just before they are ready to consider instructing an agent. It is powered by an algorithm that is constantly learning and improving intelligently spotting the buyers that are most likely to turn into potential home sellers in their area.

How we create value for our shareholders

Our principal sources of revenue are the monthly subscription fees paid by customers to advertise all of their properties and the fees paid for our additional advertising solutions. Our additional advertising solutions increase a customer's share of voice and competitiveness. These are critical factors for our customers and particularly for an agent to help to win the instruction opportunity to sell or rent a home, which remains the lifeblood of their business.

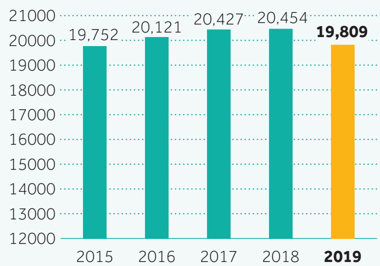
As the property industry becomes more digital, Rightmove's market leading audience, best in class software and data driven analytics are becoming even more valuable to customers. ARPA growth will continue to be driven by increased product penetration, pricing and innovation and is underpinned by the value of our unrivalled audience and data, our substantial product inventory and our culture and track record of innovation.

We believe that helping home hunters become more 'transaction ready' will in time also grow into a valuable source of revenue. Tenant referencing and rent guarantee insurance capability through our recent Van Mildert acquisition and our mortgage partnership with Nationwide Building Society are the first steps in this journey.

We also continue to develop a number of other smaller adjacent businesses such as advertising overseas and commercial properties and providing property-related data and valuation services.

We use the metrics set out below to track our operational performance.

Number of advertisers



Source: Rightmove

2019 performance

-3%

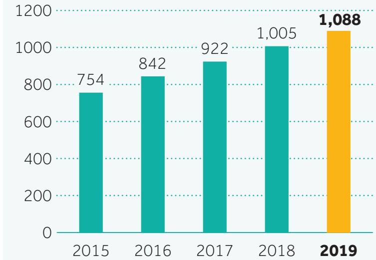
Risks

1 2 3

Definition
The total number of paid for UK estate and lettings Agency branches/branch equivalents and New Homes developer sites advertising properties on Rightmove

Strategic link
The place consumers turn to first and engage with most, and innovation to create a simpler and more efficient marketplace

Average Revenue Per Advertiser (ARPA in £ per month)



Source: Rightmove

2019 performance

+8%

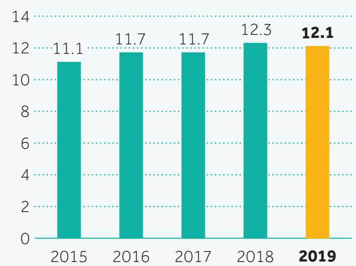
Risks

1 2 3

Definition
Revenue from Agency and New Homes advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year

Strategic link
Unrivalled exposure, leads and products for our customers

Traffic (time on site measured in billions of minutes)



Source: Google Analytics

2019 performance

-1%

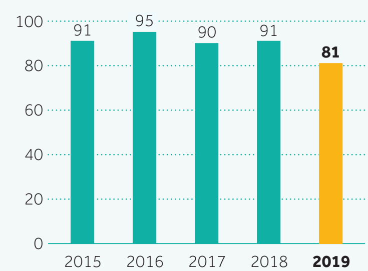
Risks

2 3 4

Definition
Total time measured in billions of minutes spent on Rightmove platforms during the year

Strategic link
The place consumers turn to first and engage with most

Employee engagement (%) – 'Rightmove is a great place to work'



Source: Rightmove

2019 performance

-10 percentage points

Risks

5

Definition
Based on the number of employee respondents selecting 'Yes' as a response to the question 'Rightmove is a great place to work' in the annual employee survey

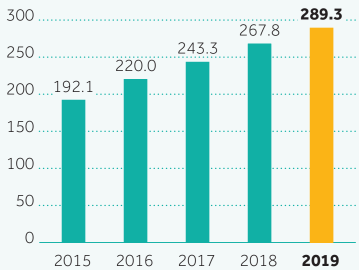
Strategic link
Build great teams with a culture to innovate

Risks relevant to our KPIs (read more on pages 23 to 25)

1 Macroeconomic environment
2 Competitive environment
3 New or disruptive technologies and changing consumer behaviours
4 Cyber security and IT systems
5 Securing and retaining the right talent

We use the metrics set out below to track our financial performance.

Revenue £m



Source: Rightmove

2019 performance

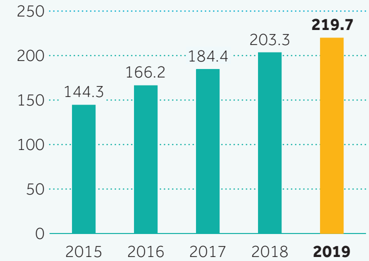
+8%

Risks

1 2 3 4 5

Revenue grew by 8% year on year to £289.3m (2018: £267.8m)

Underlying operating profit[1] £m



Source: Rightmove

2019 performance

+8%

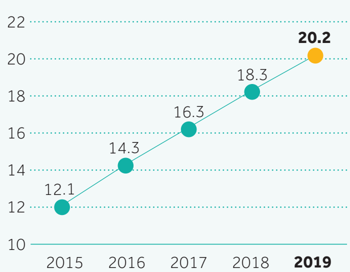
Risks

1 2 3 4 5

Underlying operating profit[1] increased by 8% to £219.7m (2018: £203.3m) with underlying operating margin[1] maintained at 75.9%

Operating profit increased by 8% to £213.7m (2018: £198.6m) with operating margin at 73.8% (2018: 74.3%)

Underlying basic EPS[2] (pence per ordinary share)



Source: Rightmove

2019 performance

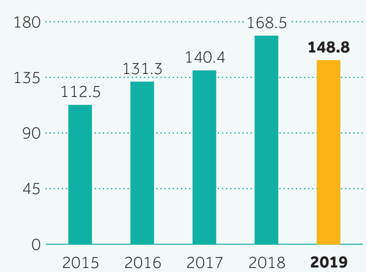
+10%

Risks

1 2 3 4 5

Underlying basic EPS[2] increased by 10% to 20.2p (2018: 18.3p[3]). Basic EPS grew by 10% to 19.6p (2018:17.8p[3])

Cash returned to shareholders £m



Source: Rightmove

2019 performance

-12%

Risks

1 2 3 4 5

During the year free cash flow was returned to shareholders in the form of share buybacks and dividends with cash returns totalling £148.8m (2018: £168.5m).

The slightly lower cash returns to shareholders reflect the fact that we financed the acquisition of Van Mildert (net cash outflow £15.9m) out of existing cash reserves and that we have ended the year with a higher net cash balance of £36.3m (2018: £19.9m)

(1) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share-based incentives.

(2) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share-based incentives and no related adjustment for tax.

The strength of the Rightmove subscription business model was once again demonstrated during 2019 with a robust financial performance, despite the backdrop of Brexit and an uncertain UK housing market.

Revenue

	2019 £m	2018 £m	Change
Agency	**209.3**	201.0	4%
New Homes	**55.5**	46.2	20%
Other	**24.5**	20.6	19%
Total revenue	**289.3**	267.8	8%

	2019	2018	Change
Agency branches	**16,347**	17,328	(6)%
New Homes developments	**3,462**	3,126	11%
Total membership at year end	**19,809**	20,454	(3)%

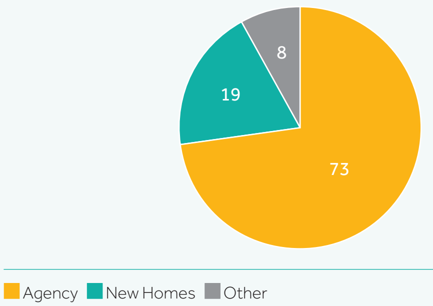
Overall revenue increased by 8% year on year to £289.3m. Our Agency business, which is our largest business, grew by £8.3m to £209.3m (2018: £201.0m). Revenue growth was driven by upgrades to our product packages with penetration of Enhanced and Optimiser product packages reaching 38% of Agency customers, together with membership price increases.

The number of Agency offices ended 2019 down 6.0% at 16,347 (2018: 17,328). This was due to slightly tighter trading conditions which resulted in a lengthening of transaction times and cash flow issues for some smaller branches who typically market a lower number of properties.

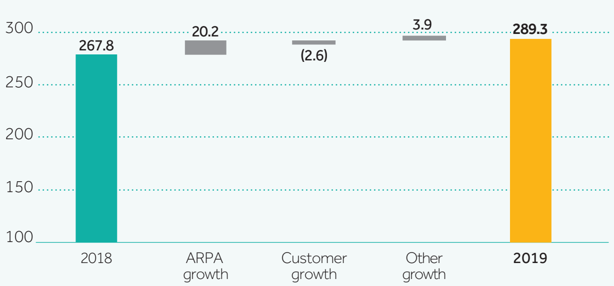
Conversely slightly tighter housing market conditions bring to the fore the strength of our New Homes proposition with housebuilders marketing more of their stock on our platforms and spending more on our suite of digital advertising products to promote their developments. Strong growth in development numbers, up 11% year on year to 3,462 developments (2018: 3,126) underpinned the record absolute New Homes revenue growth of £9.3m year on year to £55.5m (2018: £46.2m). Sales of additional advertising products were also strong with developers spending a record £8.9m (2018: £8.0m) on our digital marketing solutions.

We also continue to develop a number of adjacent businesses which broaden our offering such as advertising overseas and commercial properties and providing property-related data and valuation services. In 2019 these business lines grew strongly up 19% to £24.5m (2018: £20.6m), principally driven by growth in our Commercial business which was up 29% year on year to £7.1m due to strong growth in both the number of commercial customers and the average revenue per commercial customer.

Revenue by segment (%)



Revenue bridge (£m)



Underlying operating profit

	2019 £m	2018 £m	Change
Revenue	**289.3**	267.8	8%
Underlying operating costs	**(69.6)**	(64.5)	8%
Underlying operating profit	**219.7**	203.3	8%
Share-based payments	**(4.9)**	(4.3)	(14%)
NI on share-based incentives	**(1.1)**	(0.4)	(175%)
Operating profit	**213.7**	198.6	8%

Underlying operating profit[1] increased by 8% to £219.7m (2018: £203.3m) delivering an underlying operating margin[1] of 75.9% in line with 2018, with the business continuing to have a disciplined cost focus. Operating profit also increased by 8% year on year to £213.7m (2018: £198.6m).

Underlying operating costs[1] increased by £5.1m to £69.6m (2018: £64.5m). Of the increase, £3.1m related to salaries and associated employee costs reflecting the full year impact of the headcount increase during 2018, together with general wage inflation. Costs also included £1.1m[2] relating to Van Mildert since 30 September 2019 together with £0.3m of acquisition related costs.

Underlying operating profit[1] is reported before share-based payments, which are a significant non-cash charge driven by a valuation model, and National Insurance on share-based incentives, which is driven by reference to the Rightmove plc share price and so subject to volatility, rather than operational activity. The Directors have historically considered underlying operating profit[1] to be the most appropriate indicator of the performance of the business and year on year trends as explained in Note 1 to the financial statements.

Share-based payments and National Insurance (NI)

In accordance with IFRS 2, a non-cash charge of £4.9m (2018: £4.3m) is reflected in the income statement representing the amortisation of the fair value of share-based incentives granted.

NI is being accrued, where applicable, at a rate of 13.8% on the potential employee gain on share-based incentives granted. Based on a closing share price of £6.34 at 31 December 2019 in respect of the outstanding share-based incentives granted, together with the realised NI cost on share-based incentives exercised in the year, there was a charge of £1.1m (2018: £0.4m) in the year.

Taxation and tax strategy

The consolidated effective tax rate for the year ended 31 December 2019 was 19.0% (2018: 19.1%) in line with the UK enacted tax rate of 19.0%.

We are committed to being a responsible taxpayer acting in a straightforward and open manner in all tax matters.

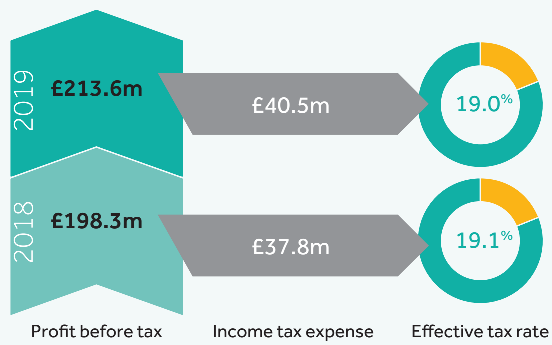
We recognise that our tax contribution supports public services and the wider economy. We endeavour to manage our tax affairs so that we pay and collect the right amount of tax, at the right time, within the ambit of all applicable tax laws and we take a conservative approach to tax risk.

This year we have again disclosed additional information in respect of our total UK tax contribution for consistency and to aid transparency in an area in which there remains significant public interest. As was the case in prior years, the total amount of taxes we pay and collect in the UK year on year is significantly more than just the corporation tax which we pay on our UK profits. Within the total, we again include other taxes paid such as taxes on employment together with employee taxes and other indirect taxes.

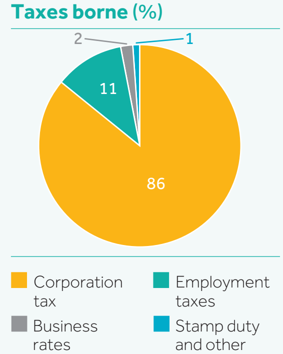
Rightmove's total tax contribution to the UK Exchequer in 2019 was £106.8m (2018: £104.5m).

£43.3m (2018: £40.5m) related to taxes borne by the Group while the remaining £63.5m (2018: £64.0m) was collected in respect of payroll taxes and VAT. The increase in our total tax contribution against prior year is primarily due to higher corporation tax and VAT payments.

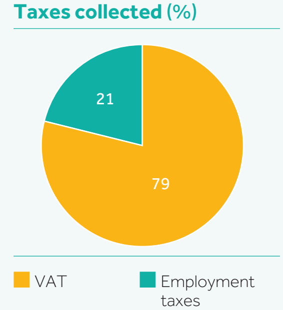
Tax highlights 2018 to 2019



Taxes borne (%)



Taxes collected (%)



Earnings per share (EPS)

Underlying basic EPS[3] increased by 10% to 20.2p (2018: 18.3p). Basic EPS increased by 10% to 19.6p (2018: 17.8p). Underlying basic EPS is considered to be more representative of the operating performance of the business and the year on year trends as share-based payments are a non-cash charge and NI on share-based incentives is subject to volatility based on the Rightmove plc share price. A reconciliation between basic EPS and underlying basic EPS is set out in Note 11.

The growth in EPS was mainly attributable to the increase in profitability in the year together with the benefit of our continued share buyback programme which reduced the weighted average number of ordinary shares in issue to 884.4m (2018: 901.3m).

Acquisition of Van Mildert

On 30 June 2019 the Group acquired 100% of the ordinary share capital of Van Mildert Landlord and Tenant Protection Limited (Van Mildert), a business providing tenant references and rent guarantee insurance to lettings agents and landlords for total consideration of £18.3m comprising cash consideration of £15.9m and contingent consideration of £2.4m as set out in Note 27.

We have recognised a goodwill balance arising on acquisition of £14.1m being intangible assets that are not separately identifiable under IFRS 3, which has contributed to the year on year increase in net assets recorded as set out in the balance sheet alongside.

Balance sheet

Summary consolidated statement of financial position

	2019 £m	2018 £m	Change £m
Property, plant and equipment	**12.8**	15.2	(2.4)
Intangible assets	**21.9**	2.9	19.0
Deferred tax asset	**2.7**	2.8	(0.1)
Trade and other receivables	**24.0**	22.5	1.5
Contract assets	**0.4**	0.4	–
Cash and money market deposits	**36.3**	19.9	16.4
Trade and other payables	**(19.5)**	(18.1)	(1.4)
Contract liabilities	**(2.1)**	(2.1)	–
Lease liabilities	**(12.2)**	(13.0)	0.8
Deferred tax liability	**(0.9)**	–	(0.9)
Provisions	**(3.2)**	(1.1)	(2.1)
Income tax payable	**(18.9)**	(16.8)	(2.1)
Net assets	**41.3**	12.6	28.7

Rightmove's balance sheet at 31 December 2019 shows total equity of £41.3m (2018: £12.6m). The year on year increase of £28.7m reflects both a higher year end cash and money market deposit balance of £36.3m together with an increase in intangible assets relating to the acquisition of Van Mildert in September 2019.

Trade and other receivables increased by 7% year on year which was slightly lower than the 8% growth in revenue, reflecting strong cash collections in the year. Trade and other payables increased by 8% due to the timing of accruals.

A deferred tax liability of £0.9m has been recognised in relation to the acquisition of Van Mildert, relating to the recognition of intangible assets on acquisition (refer to note 27).

Provisions increased by £2.1m primarily reflecting the deferred contingent consideration of £2.4m in relation to the Van Mildert acquisition.

Cash flow

Rightmove continues to see strong cash generation and to return free cash generated to shareholders. Predictable cash flows reflect the subscription nature of the business coupled with low working capital requirements. Cash generated from operating activities[4] was up 11% to £222.0m (2018: £200.4m) and operating cash conversion was once again in excess of 100%.

Tax payments were higher at £37.3m (2018: £32.8m) reflecting the growth in taxable profits in the year.

Capital expenditure in the year was £0.8m (2018: £1.7m) comprising hardware and software purchases. On 30 September 2019 we acquired Van Mildert for initial net cash consideration of £15.9m.

Proceeds of £0.9m (2018: £0.6m) were received on the exercise of share-based incentives and £2.1m (2018: £0.7m) was applied to purchase shares to fund Rightmove employee share plans.

During 2019, £88.6m was spent in the repurchase of our own shares (2018: £113.5m) whilst a further £60.2m (2018: £55.0m) was paid in dividends reflecting the increased final dividend for 2018 and the 0.3p increase in the interim dividend for 2019 to 2.8p. This brings the total cash returned to shareholders in the year to £148.8m (2018: £168.5m). As Rightmove has been a plc for more than 12 years, our cash flows also reflect £0.3m in unclaimed dividends that were returned to the Company in the year.

The closing Group cash and money market deposit balance at the end of the year was £36.3m (2018: £19.9m).

Dividends

Consistent with our policy of growing dividends in line with the increase in underlying EPS[3], the Directors are recommending a final dividend of 4.4p (2018: 4.0p) per ordinary share, which together with the interim dividend makes a total dividend for the year of 7.2p (2018: 6.5p), an increase of 11%. The final dividend, subject to shareholder approval, will be paid on 29 May 2020 to all shareholders on the register on 1 May 2020.

RPerriss

Robyn Perriss
Finance Director

28 February 2020

(1) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share-based incentives.
(2) Being costs incurred by the Van Mildert entity of £0.9m for the three months to 31 December 2019 together with amortisation of intangibles of £0.2m.
(3) Before share-based payments charge of £4.9m (2018: £4.3m) and NI charge of £1.1m (2018: £0.4m) on share-based incentives and no related adjustment for tax.
(4) Cash generated from operating activities of £222.0m compared to operating profit as reported in the profit or loss of £213.7m.

Approach to risk management and risk appetite

The Board has overall responsibility for determining the nature and extent of the risk it is willing to take and for ensuring that risks are effectively managed across the Group. The Group operates a cautious approach to risk and its 'risk appetite' is relatively low. The open culture which is embedded throughout Rightmove is such that objective views are made when assessing risks and internal controls, dialogue is encouraged, and decisions are not made until risks have been appropriately considered.

In determining its appetite for specific risks, the Board is guided by three key principles:

1. Risks should be consistent with Rightmove's core purpose, financial objectives, strategy and values;
2. Risks should only be accepted where appropriate reward is achievable on the basis of objective evidence and in a manner that is consistent with Rightmove's purpose, strategy and values; and
3. Risks should be actively controlled and monitored through the appropriate allocation of management and other resources, underpinned by the maintenance of a healthy business culture.

The primary method by which risks are monitored and managed is through the monthly Executive Committee meetings. The subject of risk is included on each monthly agenda and any significant new risks or change in status to existing significant risks is discussed and actions taken as appropriate.

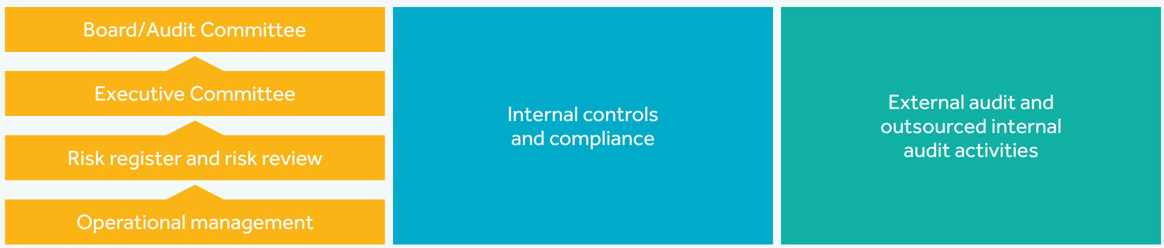
On a bi-annual basis, risk is reviewed by operational management across each business area. This review includes a detailed assessment of new and existing identified risks, the likelihood of each risk occurring and the potential impact, together with controls and mitigating procedures in place. This information is combined to form a consolidated risk register which is reported to the Executive Committee for review and challenge, ahead of final review and approval by the Board. The Board reviewed the risk register at both the February 2019 and September 2019 Board meetings, with a particular focus on the principal risks identified and any new or emerging risks.

On 30 September 2019 the Group acquired Van Mildert, an FCA regulated entity. Since acquisition the Audit Committee has carefully considered any emerging risks and received regular progress updates in relation to actions to strengthen Van Mildert's internal controls and compliance framework as it transitions from being a small standalone entity to being part of the larger Rightmove Group.

Risk management is reinforced by the Group's continuous process to design and embed strong internal controls across the business as we grow, particularly in relation to other business areas. The Group's internal control framework is aligned to a 'three lines of defence' model. Operational management is the organisation's first line of defence as they are primarily responsible for the direct management of risk and ensuring that appropriate mitigating controls are in place and that they are operating effectively. The second line is formed by the Group's internal compliance and oversight functions such as company secretariat, finance, tax, treasury and legal. The third line includes both internal and external audit reporting to the Audit Committee.

The Audit Committee receives and analyses regular reports from management and the outsourced internal audit function on matters relating to risk and control and reviews the timeliness and effectiveness of corrective action taken by management. The Audit Committee on behalf of the Board also considers the findings and recommendations of its external auditor throughout the year in relation to the design and implementation of effective financial controls. Further detail of these activities are included within the Audit Committee report on pages 56 to 57.

Risk management framework



A description of the principal risks and uncertainties faced by the Group in 2019, together with the potential impact and monitoring and mitigating activities is set out in the table below.

We recognise that the Group is exposed to risks wider than those listed, however we have disclosed those that we believe are likely to have the greatest impact on the Group delivering its strategic objectives and those that have been the subject of discussion at recent Board and Audit Committee meetings.

	Key risk and description	Impact	Changes in the year	Monitoring and mitigation	Change from prior year
1	**Macroeconomic environment** The Group derives almost all its revenues from the UK and is therefore dependent on the macroeconomic conditions surrounding the UK housing market and consumer confidence which impacts on property transaction levels. Specific considerations resulting from the UK's decision to leave the EU have been outlined on page 26.	Substantially fewer housing transactions than the norm may lead to a reduction or consolidation in the number of Agency branches or a reduction in the number of New Homes developments advertised, both of which are a major determinant of the Group's revenue. A more uncertain macro and political environment may also lead to a lengthening of the typical property transaction cycle, resulting in cash flow issues for smaller agents with lower numbers of properties. In addition, a contraction in the volume of transactions in the UK housing market could lead to a reduction in advertisers' marketing budgets which could reduce the demand for the Group's property advertising products.	Housing transactions in 2019 were down 1.4% year on year versus 2018 ending the year at 1.2m(1). Overall membership numbers were down 3% since December 2018, reflecting a 6% reduction in Agency branches offset to some extent by an 11% growth in New Homes developments. ARPA was up £83 year on year to £1,088(2), reflecting continued adoption of our suite of digital advertising products, higher value membership packages and price rise activities.	• Monitoring of housing market including leading indicators and trends in Rightmove membership. • Continuing to provide the most significant and effective exposure for customers' brands and properties, be the largest source of high quality leads and offer value-adding products and packages and help drive operational efficiencies for our customers, thereby embedding the value of our membership. • Maintaining a flexible cost base that can respond to changing conditions.	Small increase in risk
2	**Competitive environment** The Group operates in a competitive marketplace with attractive margins and low barriers to entry. This may result in increased competition from existing competitors or new entrants targeting the Group's primary revenue markets.	Increased competition may impact on Rightmove's ability to grow revenue due to the potential loss of: • audience; • advertisers; and • demand for additional advertising products.	Market share of the top four property portals has seen a small increase to 87%(3) with Rightmove continuing to have the largest and most engaged audience of any UK property portal.	• Communication of the value of Rightmove membership to advertisers. • Continued investment in our account management teams to ensure we stay close to our customers and local markets and help our customers run their businesses more efficiently. • Sustained marketing investment in the Rightmove brand. • Sustained investment and innovation in serving both home hunters and our customers.	Risk unchanged

Small increase in risk   Risk unchanged

(1) Source: HMRC transactions for the UK as published on 21 February 2020.
(2) Revenue from Agency and New Homes advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year.
(3) Source: comScore, December 2019.

Key risk and description	Impact	Changes in the year	Monitoring and mitigation	Change from prior year
3 New or disruptive technologies and changing consumer behaviours Rightmove operates in a fast-moving online marketplace. Failure to innovate or adopt new technologies or failure to adapt to changing customer business models and evolving consumer behaviour may impact the Group's ability to offer the best products and services to its advertisers and the best consumer experience.	Failing to innovate may impact on Rightmove's ability to grow revenue due to the potential loss of: • audience engagement; • advertisers; and • demand for additional advertising products.	On 30 September 2019 we completed the acquisition of Van Mildert, providing a foundation for further innovation within our business to make the lettings process more efficient for tenants and agents	• Continual improvements to our platforms including ongoing investment in mobile and tablet platforms. • Developing our product proposition to meet our customers' needs and evolving business models. • Large in-house technology team with culture of innovation. • Ongoing monitoring of consumer behaviour and annual 'Hackathons' which allow employees to spend time during work hours to develop their own online property related ideas. • Regular contact with the start-up and prop-tech communities to stay abreast of innovations in the marketplace.	
4 Cyber security and IT systems The Group has a high dependency on technology and internal IT systems. In today's digital world there are increased risks associated with external cyber attacks which could result in unavailability of our platforms. A security breach such as corruption or loss of key data may disrupt the efficiency and functioning of the Group's day to day operations.	Any loss of website availability or theft or misuse of data held within the Group's databases and IT systems could result in: • reputational damage to the Group as a result of loss of consumer and customer confidence in the Rightmove brand; and • financial loss arising from potential penalties and fines.	During the year we have further invested in protecting rightmove.co.uk against the risk of increasingly sophisticated attacks such as high-volume distributed denial of service (DDoS) attacks. We have also made significant investments in a managed threat detection service as well as systems to help prevent both accidental and malicious data loss. The constantly evolving threat of a cyber attack means that overall the risk level is unchanged.	• Disaster Recovery and Business Continuity Plans in place, subject to regular review and testing. • Use of three data centres to load balance and ensure optimal performance and business continuity capability. • Regular backups of key data. • Regular testing of the security of the IT systems and platforms including penetration testing and distributed denial of service attack procedures. • Ongoing investment in security systems. • Ongoing monitoring of external threats through updates from external specialists and collaboration with other online organisations. • Regular internal security training and 'spearphishing' tests to minimise risk of social engineering attacks.	

Key risk and description	Impact	Changes in the year	Monitoring and mitigation	Change from prior year
5 **Securing and retaining the right talent** Our continued success is dependent on our ability to attract, recruit, retain and motivate our highly skilled workforce.	The inability to recruit and retain talented people could impact our ability to maintain our financial performance and deliver growth. When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost.	The Nomination Committee continued its focus on Board succession, with a new Chair appointed with effect from 1 January 2020. The Remuneration Committee carried out a full review of Rightmove's Remuneration Policy and consulted with shareholders thereon. In response to the changes to the 2018 Corporate Governance Code, our Non-Executive Directors participated in a programme of informal employee engagement sessions, before each Board meeting, to share their own business experience on a variety of topics relevant to Rightmove, answer employees' questions raised in the sessions and receive direct feedback from employees about their roles, the Rightmove culture and what areas they'd like more management focus in. Early in 2019 we restructured our sales account management team and introduced a new baseline for the skills, standards and management processes in the team to ensure the individual account managers receive the highest levels of management support. In Q4 the product and technology team was restructured to follow current best practice. This reorganisation also aligns role responsibilities more closely with market norms with the aim of reducing friction in the recruiting process. This year we have seen some decline in employee sentiment with our 'great place to work' score falling below 90% for the first time in several years. We are never complacent about the importance of acting on colleagues' feedback and we are aware of some of the drivers for these results, which include the restructuring of our product development team as we strive to meet and exceed our customers' expectations.	• Ongoing succession planning and development of future leaders. • Payment of competitive reward, including a blend of short and long-term incentives for senior management • The ability for all employees to participate in the success of the Group through the SIP and SAYE schemes • Regular staff communication and engagement • Maintaining the culture of the Group, which generates significant staff loyalty.	↗

The result of the UK's EU referendum in 2016 increased the level of macroeconomic uncertainty and could increase the likelihood of the housing market macroeconomic risks set out on page 23. During 2019 the Board has continued to assess the impact of the EU referendum result in relation to the broader housing market, transaction levels and our customer base and has concluded that there has been no material change to the severity of this risk. In particular, the Directors considered the following:

- The Rightmove business is largely subscription based and is therefore less susceptible to short-term shocks or variations in the property market or wider economy;
- Around two-thirds of our Agency customers also provide lettings services which may mitigate the impact of any downturn in the property market on their business; and
- A reduction in housing market activity increases the propensity for advertisers to evaluate their marketing spend both offline and on other portals and we remain confident in the strength of the Rightmove value proposition.

The Directors believe that our strong market position and relationships with our customers, and the value embedded in our membership continue to position us well providing that housing transaction volumes do not take a sharp downward turn.

In relation to both our cost base and day to day operational issues we perceive the potential impact on Rightmove of ongoing Brexit negotiations to be low as:

- We are a UK domiciled business with very little interaction with EU customers or suppliers;
- None of our employees will lose the right to stay in the UK; we currently employ 22 EU nationals; and
- We purchased less than £500,000 in supplies from EU based suppliers in 2019. The impact of further depreciation of Sterling versus the US Dollar in relation to licence costs is also not considered to be material.

Our balance sheet philosophy to date has been to maintain a simple debt-free position, which we believe is a strength as we have no debt-refinancing or interest-related Brexit risks.

Strategic report | Viability statement

In accordance with the Code, the Directors have assessed the viability of the Group over a three-year period, taking into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 23 to 25. Based upon the robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity, the Directors have a reasonable expectation that the Group and the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 December 2022.

The Directors have determined that a three-year period to 31 December 2022 constitutes an appropriate period over which to provide its viability statement, as the Group operates within an online digital marketplace, and projections looking out further than three years become significantly less meaningful in the context of the fast moving nature of the market. Three years is also the period considered under the Group's current three-year strategic plan. The three-year plan is reviewed by the Board and is developed on a segment by segment basis using a bottom up model. The three-year plan makes certain assumptions about Agency and New Homes customer numbers, ARPA growth and Other revenue streams and considers the Group's cost base, profitability, cash flows and dividend cover over the period.

The plan is subject to robust downside sensitivity analysis which involves flexing a number of the main assumptions underlying the plan. Where appropriate, analysis is carried out to evaluate the potential financial impact over the period of the Group's principal risks actually occurring. Specific scenarios that have been modelled include downside scenarios in relation to the key drivers of revenue being customer numbers and ARPA together with the impact of a plausible combination of these scenarios. Furthermore, our business model is structured so that the Group is not overly reliant on a concentrated customer base with no single customer constituting more than 2.5% of Group revenue.

Our high margin levels together with significant free cash flow generation and our ability to adjust our discretionary share buyback programme provide long-term comfort around viability in the face of adverse economic or competitive conditions.

Whilst this review does not consider all the risks that the Group may face, the Directors consider that this stress-testing based assessment of the Group's prospects is reasonable in the circumstances of the inherent uncertainty involved.

Here we explain how the Directors have fulfilled their duty to promote the success of the Company, under Section 172 of the Companies Act 2006 (the Act), and considered the interests of Rightmove's key stakeholders when making decisions.

Rightmove has a clear purpose which is to make home moving easier in the UK, by bringing together the largest property audience of home hunters with the UK's largest inventory of properties.

Rightmove aims to be a company in which people want to invest, which consumers and customers use as their property portal destination of choice, with which people want to partner and for which people want to work. This requires the Board, senior leadership team and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172.

Our long-term business success relies upon delivering an efficient, innovative and sustainable service to our customers and consumers through our talented and committed employees and close working relationships with suppliers, providing benefits to both the wider UK property market and our shareholders.

We are passionate about innovating our platforms to provide the best consumer property search experience and with the recent addition of Van Mildert we have started our journey to make renting faster and easier. We have the opportunity through these initiatives to further reduce the carbon footprint of our customers and home hunters, make a positive impact on the environment and growing a sustainable business.

Business decisions are made with the needs of our key stakeholders in mind, in particular Rightmove's customers, consumers, employees, suppliers, investors and regulators. Our strategy for each of these stakeholder groups, how we engage or manage our relationship with them and some of the Board and Committee decisions that demonstrate those principles are set out below.

Shareholders

We have long-standing relationships with our largest shareholders; indeed, many have owned Rightmove shares since the Company's IPO in 2006. Currently our top 10 shareholders own over 45% of shares in issue and we have a good geographic split in the register with 53% held in the UK, 35% held in North America and 12% in the rest of the world. Rightmove's shareholders own the Company and expect to earn a return on their investment.

Strategy

Our strategy is one of sustainable, long-term growth and shareholder returns through successful delivery of our business strategy.

Engagement

We are committed to maintaining constructive dialogue with shareholders and engage with them regularly to understand their perspectives and ensure these are considered in our decision making.

During 2019 we engaged directly with our investors over Rightmove's full year and interim results, executive remuneration and our Board succession plans.

The Executive Directors maintain an "open door" policy for current and potential investors to meet in Rightmove offices beyond the regular results calendar.

Board and Committee decisions

- The Remuneration Committee
  - consulted major shareholders about proposed changes to the Remuneration Policy, which are designed to meet investors' requirements for fair rewards and benefits linked to the wider workforce (page 71 of the Directors' Remuneration Report)
  - reviewed and approved challenging financial and operational targets for the 2019 bonus plan and Performance Share Plan to align directors' rewards with shareholder interests (pages 80 to 81 of the Directors' Remuneration Report)
- The Board approved the capital management policy which is to return all excess free cash flow to shareholders and reviewed the allocation of cash returned through dividends and our share buyback programme in the light of shareholders preferences (page 21 of the Financial Review)
- The Nomination Committee focussed on the Board and business succession plan which is key to delivering the business strategy and value to shareholders, consulting shareholders on the Chair's succession plan
- The Board reviewed and endorsed a governance framework and Company policies that meet the high standards expected of a listed company (page 41 of the Corporate Governance Report)

Customers

Our customers are principally estate agents and new home developers who advertise properties for sale or to rent on Rightmove platforms.

Strategy

Our strategy is to provide our customers with the best platforms to promote their services and support them with innovative products, market intelligence tools and training to achieve their business objectives.

Engagement

We actively seek to understand and respond to our customers' business requirements by engaging regularly with them through our account management and customer experience teams, customer events and training.

Board and Committee decisions

- The strategic plan was approved by the Board in the year and provides for:
  - growth in the account management and product development teams, to better support and meet our customers' requirements
  - more customer choice in the packages and product mix they can choose to support their business objectives
  - investment in new and improved tools and products, such as the Best Price Guide and Sold by Me to enable customers to promote their success and win instructions from potential home sellers
- The Board approved a cyber risk plan and supported further investment in cyber-attack detection and prevention tools to safeguard the reliability and resilience of Rightmove's platforms (pages 25 to 26 Principle Risks and Uncertainties)

Consumers

Our consumers are home hunters, home sellers and researchers who visited Rightmove over 1.6 billion times in 2019 spending on average a total of a billion minutes on the Rightmove platforms each month.

Strategy engagement

Our strategy is to provide the largest and best quality online marketplace for property buyers, home sellers and landlords together with market intelligence and research tools and advice to help make home moving easier.

Engagement

We engaged with consumers directly through our consumer support and marketing teams, receiving feedback and responding to consumer enquiries and concerns about property advertisements, data protection and staying safe online.

Board and Committee decisions

- The Board approved the strategic plan which provides for:
  - investment in our data quality systems to ensure the accuracy of property data advertised on Rightmove
  - increased investment in product development to provide improved search facilities and enable the consumer experience to be more intuitive and tailored to individual requirements
- The Board and its Committees received regular updates on data quality and data protection matters and considers data privacy when approving new systems or products that use consumers' personal data. The monthly management report includes data protection statistics and trends
- The Audit Committee requested an internal audit review of data protection to give the Board assurance that Rightmove's policy and processes protect consumers' data
- The Board approved the acquisition of Van Mildert Landlord and Tenant Protection Limited as part of Rightmove's strategy to improve the tenant referencing experience

Employees

Rightmove directly employs just under 600 people across the UK, based out of offices in London, Milton Keynes and Newcastle. Rightmove's long-term success depends on the shared talent, skills and values of its employees.

Strategy

Our strategy is to make Rightmove a great place to work through an open, collaborative culture and based on the belief that 'we are all in it together'. Rightmove aims to be a supportive and inclusive employer with a diverse workforce.

Engagement

The Board participated in a programme of employee engagement sessions through the year gaining direct feedback from our teams and received feedback via management, including the 'Have Your Say' survey results.

Board and Committee decisions

- In response to direct employee feedback, our Non-Executive Directors challenged management to increase investment in internal systems, including robotics, as appropriate to further automate and improve Rightmove's finance, communications and data quality systems
- The Nomination Committee approved the Board and senior leadership team succession plan (page 59 of the Nomination Committee Report)
- The Remuneration Committee considered the framework for employee remuneration and proposed alignment of Executive Directors' benefits and pensions with the wider workforce (page 71 of the Directors' Remuneration Report)
- The Board approved the implementation of the Real Living Wage for all Group employees and contract staff who work regularly at Rightmove offices (page 36 of the Corporate Responsibility Report)
- The Nomination Committee received an update on Rightmove's Gender Pay Gap and actions to continue to close the gap (pages 32 to 33 of the Corporate Responsibility Report)

Suppliers

Rightmove works closely with our larger suppliers, principally in relation to the provision of technology, marketing, recruitment and professional services. Rightmove aims to build strong relationships with suppliers so it can successfully deliver projects whilst maximising cost efficiencies and enhancing outcomes.

Strategy

Our strategy is to select suppliers who meet our ethical standards, can deliver excellent service, pay them promptly and work closely to ensure close alignment of interests.

Engagement

We engage with suppliers before entering into agreements, regularly throughout the contract period and on renewal.

Board and Committee decisions

- The Audit Committee requested a review of Rightmove's supplier risk management framework, which has resulted in the implementation of an enhanced procurement policy in relation to key areas of spend or risk
- The Board endorsed the Payment Practices Report and the prompt payment of suppliers

Regulators and industry bodies

Rightmove is regulated by the Information Commissioner's Office for data protection and the FCA for some credit referencing and rent guarantee insurance services. We work with professional property organisations including The Property Ombudsman and ARLA Property Mark to support our customers in meeting all relevant regulations and codes of best practice.

Strategy

Our strategy is to work with our regulators and professional bodies to meet the Group's regulatory responsibilities and help our customers comply with their responsibilities to ensure our platforms offer a safe and transparent market for consumers.

Engagement

We engage with regulators and professional bodies through regulatory reporting and direct consultation on emerging trends, new legislation and best practice solutions for our customers and consumers.

Board and Committee decisions

- The Board considered the impact of the Tenant Fee Ban on our UK lettings agent customers and supported the development of customer tools and products to improve letting agents' efficiency
- The Board is updated on emerging consumer trends and lobbying from consumer groups, and supports Rightmove's work with National Trading Standards and professional bodies to reach practical solutions that are fair to our customers and consumers for example, we issued guidance to our customers to remove 'No DSS' from lettings advertisements
- The Board approved Business Plan for 2019 provided for significant investment in people and systems focussed on fraud prevention and data protection
- The Board approved the Business Plan recommendation to further automate our data quality processes to improve the accuracy and transparency of data on Rightmove platforms and support our customers in meeting regulatory and best practice standards

Corporate responsibility at a glance

Rightmove is committed to being a responsible corporate member of society and we believe that our approach to our employees, our marketplace (customers and consumers), the environment and wider society supports Rightmove's success.

Making a difference to our employees in the workplace

Recruiting the people with the right skills, capability and experience to build our business and embrace the 'Hows' is essential to our business plan.

Being a trusted marketplace

Rightmove is the largest property portal in the UK, advertising 900,000 properties for sale or to rent on behalf of estate agents and new homes developers, who pay to advertise their properties across our platforms.

Making a difference to our communities

In 2019 we continued with the second year of our charitable fundraising initiative 'On The Move', which aims to raise funds and awareness for charitable causes by connecting people particularly in our home town of Milton Keynes.

Making a difference to our environment

Rightmove's purpose is to make home moving in the UK easier and in doing so, we will innovate to help our consumers and customers use technology to save time and resources, reducing their environmental impact and carbon footprint.

At the heart of everything we do are the Rightmove Hows, the essential values and behaviours our employees exemplify, which reflect our culture and benefit both the business and the wider communities in which we operate.

At the heart of everything we do is Rightmove's open, innovative and supportive culture, which emulates the Board and senior leadership team. Our culture has been shaped by our values, the Rightmove 'hows', which support our fast-paced, customer-oriented business and benefit the business and the wider communities in which we operate.

Rightmove acquired Van Mildert Landlord and Tenant Protection Limited (Van Mildert) on 30 September 2019. Beyond being a good strategic fit, the Van Mildert team stood out for their entrepreneurial culture and for having many shared values with the core Rightmove business. We intend for Van Mildert to retain its own identity within the Group whilst sharing the most appropriate practices described below. To be clear, any reference in the body of this report to Group includes both Rightmove and Van Mildert; where we have referred to Rightmove, this relates to Rightmove Group Limited employees and practices only; references to the Board are to the board of Directors of Rightmove plc.

Making a difference to our employees in the workplace

A great place to work

Our people (Rightmovers) bring great talent, energy and experience to the business and are vital to Rightmove's success. Making Rightmove a great place to work is a management objective and recognises that Rightmovers are our most valued asset.

Recruitment

Recruiting the people with the right skills, capability and experience to build our business and embrace the 'hows' is essential to our business plan. The market for individuals with technology and customer-centric skills is highly competitive. We are strongly focussed on maintaining a happy, supportive working environment and providing a comprehensive range of benefits to attract and retain the best people.

Rightmove's success and culture relies on the long-term commitment from Rightmovers and we are proud that 74 people (12% of Rightmove employees) have celebrated ten or more years' service.

Referrals from existing employees continue to be a valuable source of new recruits, typically ensuring a higher quality candidate with a better cultural fit. In 2019, 11 new employees were introduced to Rightmove by an existing employee.

Equality and diversity

Rightmove's continued success relies on people having a wide range of experience and skills to help bring different perspectives and promote innovation and constructive challenge. Rightmove's large consumer audience of home-hunters and wide variety of customers expect excellence from the Rightmove platforms and we need an equally wide variety of skills and personal perspectives to meet that demand and create value for our stakeholders.

Rightmove is committed to equal opportunities in all of our employment policies and practices. Our recruitment and selection processes focus on selecting the best candidate for each role, regardless of their age, gender, ethnicity, sexuality or disability.

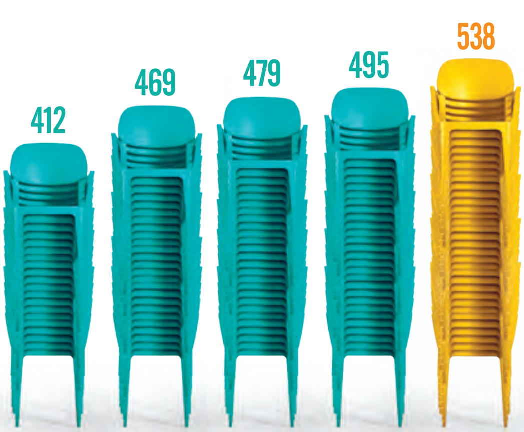
The Board continues to focus on succession planning and developing diversity and potential within the senior leadership team. Our policy is to recruit and promote individuals on merit, based on the skills and experience required for each role, with an objective of achieving as near gender parity as possible on the Board and in the wider workforce.

We note the Parker Review recommendation for all FTSE 100 Boards to have at least one Director from an ethnically diverse background by 2021, and are pleased to confirm that Rightmove is ahead of this target with three out of eight (37%) Directors from ethnically diverse backgrounds as at 31 December 2019.

As at 31 December 2019, female employees made up 39% (2018: 36%) of the Rightmove senior leadership team[1]. The Board is keen to strengthen female representation in senior roles and has been a contributor to the Hampton-Alexander Review, a Government sponsored initiative which aims to increase female leadership within the FTSE 350. Rightmove met its Hampton-Alexander Review target of 33% female leadership by 2019, ahead of schedule.

Average headcount

This year we were pleased to announce the acquisition of Van Mildert, which resulted in an increase in average headcount.



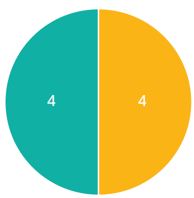
We continue to attract the right people

The Van Mildert team stood out for their entrepreneurial culture and for having many shared values with the Rightmove business.

Our commitment to gender equality starts from our leadership. We are proud that, as a listed company, 50% of the Board consists of female Directors, with equal representation at an Executive Director level, making our Board amongst the best-balanced in the FTSE 100. This combined with our strong female leadership team representation resulted in Rightmove being placed second in the 2019 Hampton-Alexander FTSE 100 Women Leaders table.

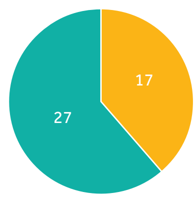
A breakdown by gender of the number of Directors and employees as at 31 December 2019 by various classifications as required by the Companies Act 2006, is set out below:

Directors



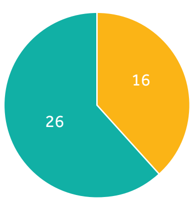
Female (50%) Male (50%)

Hampton-Alexander[1]



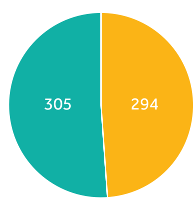
Female (39%) Male (61%)

Senior Leadership Team[2]



Female (38%) Male (62%)

All Rightmove Employees



Female (49%) Male (51%)

(1) The Hampton-Alexander cohort comprises members of the Executive Committee and their direct reports.

(2) The senior leadership team comprises the Hampton-Alexander cohort, excluding the Executive Directors.

Gender pay

Rightmove has published its gender pay gap report for Rightmove employees, based on data as at April 2019, and we have seen a modest improvement in our mean gender pay gap of 0.6% year on year. We have continued to take actions towards closing our pay gap and remain committed to a number of longer term actions, many of which are already well underway, and we believe will start to have a positive impact in 2020 and beyond. Full details can be found on the Company's website at plc.rightmove.co.uk.

Rightmove employees are paid equally for working in the same jobs and we are pleased to report that men and women are almost equally represented in our wider workforce. The main contributor to Rightmove's gender pay gap is the mix in Rightmove communities comprising the highest and lowest quartile salaries. Women are under-represented in the higher paid senior management and technology teams and men are under-represented in the customer experience teams.

Below is our gender pay gap as at April 2019 and a description of some of the initiatives we have implemented to improve our gender balance going forward.

Difference between male and female pay

	2019		2018	
	Mean	Median	Mean	Median
Difference in hourly rate of pay[1]	27.6%	37.7%	28.2%	36.4%
Difference in bonus pay[2]	76.9%	54.5%	63.8%	45.6%

(1) Calculated using Rightmove Group Limited pay data from April 2019.

(2) Calculated using 12 months of Rightmove Group Limited bonus pay data to 5 April 2019. The bonus gap has increased in this period as there were several male employees who either exercised share options for the first time or exercised twice in this period (having not exercised in the previous one).

We work hard to create an environment where men and women have the opportunity to build careers throughout the business and believe that our open, collaborative culture is key to that objective. We are committed to a number of actions to balance our teams in a fair and transparent way, including:

Balance for all

- Offering a range of family-friendly and agile working policies to both men and women. These include workshops to women before, during and after maternity leave to help us retain talent. We also offer workshops to all employees to help consider how best to balance work and family life.
- We have successfully delivered a 'Thoughtful Leadership' programme to tackle both conscious and unconscious bias and have launched a follow-up programme to enhance the learning (detailed in the development and training section).
- To support our commitment to providing a diverse thought culture we have hosted a series of 'Mentoring Circles' with external keynote speakers (detailed in the development and training section).

Addressing imbalance

- We are participants in the 30% Club cross company mentoring programme. This supports our aim to bring more talent diversity into senior manager roles. We have eight females participating from varying career stages. We match this with an equivalent number of mentors from our senior leadership team to mentees from other participating organisations.
- We continuously review all job specifications and our interview process to ensure universal appeal and fair progression for all to ensure we attract the best talent.
- We ask our recruiting partners to provide for a 50/50 shortlist at candidate stage. Where this is not possible, we seek to understand how it can be achieved. We aim for 50/50 gender representation through the interview process.
- Our internal talent pipeline provided role changes and promotion opportunities for 43 people between April 2018 and April 2019, with 42% of these being female.

Employees with disabilities

Rightmove is committed to its policy of giving full and fair consideration to people with disabilities for all vacancies. We continue to support and retain employees who become disabled during their employment with us.

People development and training

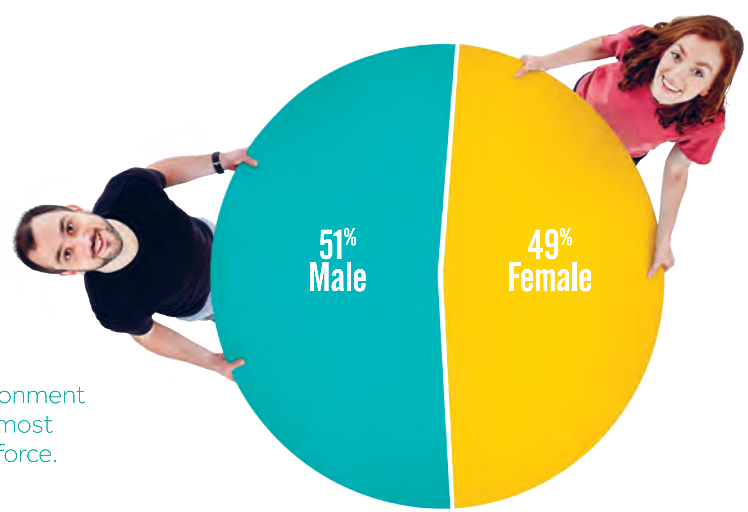
We invest in extensive training and leadership programmes, designed to equip Rightmovers with all the necessary skills to provide exceptional service to our customers and consumers. All new Rightmove employees are introduced to the business and our customers by attending two 'How Rightmove fits together' courses based at our Milton Keynes and London offices. They also attend an off-site, residential induction course to reinforce Rightmove's culture and values.

Our employees have different learning styles and we tailor training opportunities to individual requirements in both technical and non-technical skills. Our training programmes include workshops, on the job training, attendance at conferences, coaching and mentoring, online learning and professional qualifications.

In 2019, everyone with line management responsibilities attended an externally facilitated 'Thoughtful Leadership' course to help them recognise unconscious bias and support fairness and equality in our culture. We are implementing a follow-up programme for managers responsible for significant numbers of Rightmovers to help maintain and embed learning and momentum and to ensure that those with the greatest influence over our culture are the best equipped to be role models of behaviour and values. We recognise that the unconscious bias of peers can have a negative impact on the working environment and we are launching a continuation of the 'Thoughtful Leadership' programme called 'Thoughtful Culture' which will be attended by all employees in 2020 to support a truly connected, thoughtful and inclusive environment.

A diverse workforce

We work hard to create an environment in which men and women are almost equally represented in the workforce.



As part of our commitment to a diverse and thoughtful culture, we have hosted a series of 'Mentoring Circles' for Rightmove employees with external keynote speakers who provided stimulus for insightful discussion. Speakers came from a variety of sports and business backgrounds, and covered topics including resilience, wellbeing, creativity and innovation.

Wherever possible, we offer Rightmovers the opportunity to apply for new roles before advertising them outside Rightmove. In 2019, 43 Rightmove employees were promoted into new roles, often from our customer experience team joining our technology teams in a variety of technical roles.

Following the acquisition Van Mildert employees received data protection and information security training in addition to their ongoing regulatory and business specific training.

Employee benefits

Whilst we believe that being a great place to work helps us retain the best talent, we also offer a comprehensive range of competitive benefits to our employees.

Rightmove provides a group stakeholder pension plan, under which Rightmove employees can contribute 3% or more of their salary and Rightmove contributes 6%. Opt-out rates for the Rightmove pension are low with 89% of employees currently members of the pension plan. Van Mildert employees can opt into a NEST pension scheme with a 71% take up rate. We also offer private healthcare and a cash plan scheme for all Rightmove employees' medical needs.

We want Rightmovers to benefit directly from their contribution to Rightmove's success and offer two all-employee share plans. Every Rightmove employee can join the Group's Save As You Earn Scheme (Sharesave), which allows employees to save money from their salary with the option to purchase shares at a discount after three years. Over 54% of Rightmove employees currently participate in Sharesave and many have benefitted from the strong share price growth over recent years.

Every eligible Rightmove employee received a Free Share award of 450 shares under the Share Incentive Plan (SIP) in December 2019. Over 82% of Rightmove employees participate in the SIP and can sell their shares, subject to tax, after three years. In January 2019, the SIP free share award became available for Rightmove employees to sell, allowing them to benefit from the increase in the value of their award since January 2016.

The Group supports flexible working arrangements, part-time working and reduced hours to allow our employees to balance their home and work commitments. Under the flexible holiday scheme, Rightmove employees can buy or sell up to five days (or the part-time equivalent) of holiday each year to suit their personal circumstances. The scheme is popular, with 24% of Rightmove employees taking advantage of buying or selling holiday in 2019.

Wider workforce engagement

The Board discussed its approach to employee engagement at the beginning of the year and the methods of employee representation recommended in the 2018 Corporate Governance Code (Code). The Directors considered the relatively small, simple structure and geography of Rightmove's workforce, and their collective responsibility to preserve and encourage the open, supportive culture that is key to the Group's success. It was agreed that an alternative, tailored approach to the methods set out in the Code would be appropriate for Rightmove and all Non-Executive Directors (NEDs) should be involved in a series of engagement sessions with Rightmove teams to gain direct feedback from employees.

Throughout 2019, our NEDs participated in a programme of informal employee engagement sessions, before each Board meeting, to share their own business experience on a variety of topics relevant to Rightmove, answer employees' questions raised in the sessions and receive direct feedback from employees about their roles, the Rightmove culture and which areas they would like more management focus in.

The key messages and insights from these sessions have supplemented our NEDs' understanding of the challenges and opportunities facing Rightmove and informed some of the Board's decision making, particularly in management recommendations to explore further automation in highly manual and routine processes and to expand our customer facing teams to provide even greater customer contact. The engagement sessions have been well received by colleagues in our London and Milton Keynes offices and the programme will continue to evolve and expand to include a variety of engagement activities for our Chairman, NEDs and employees throughout 2020.

Employee engagement and feedback is also encouraged through regular business updates from our Executive Directors and senior leadership team, including town halls, Company days and conferences. The Rightmove 'hows' form the basis for an employee recognition scheme, which allows Rightmovers to thank and commend colleagues for how they work not just for what they achieve. Every month, we focus on one of the Rightmove 'hows' and employees have the opportunity to recognise colleagues demonstrating these behaviours.

We conduct a bi-annual 'Have your Say' people survey to gauge how Rightmove employees feel about working for the Company. The survey results are followed up by every manager, supported by our people and development team. We are never complacent about the importance of acting on colleagues' feedback and this year have seen some decline in employee sentiment with our 'great place to work' score falling below 90% for the first time in several years. We are aware of some of the drivers for these results, which include significant changes to the restructuring of our product development team and our sales force resulting in higher staff turnover as we strive to meet and exceed our customers' expectations. We are proud that many underlying indicators of employee sentiment remain strong, including:

- 81% of respondents think Rightmove is a great place to work;
- 88% of respondents enjoy working in their team; and
- 87% of respondents are proud to tell people they work for Rightmove.

An employee satisfaction target will again form part of the senior management bonus criteria in 2020, demonstrating the importance of employee engagement to the continuing success of Rightmove. No payout has been earned for 2019 as the results were below the high 90% threshold.

Being a trusted marketplace

Rightmove is the largest property portal in the UK, advertising 900,000 properties for sale or to rent on behalf of estate agents and new homes developers, who pay to advertise their properties across our platforms. We carry out vetting checks on all Rightmove customers to ensure they can meet all relevant regulations and best practice standards before we allow them to advertise on Rightmove.

It is important to our consumer audience and customers that property adverts displayed on Rightmove are accurate and genuine. In 2019, we implemented a comprehensive, automatic detection system to identify any anomalous images or text uploaded to Rightmove in any property advert. This has allowed us to work very quickly with our customers to rectify property listings and remove misleading or incorrect images and property descriptions. Our dedicated data quality team has continued to grow and investigates any misleading or inaccurate adverts that are discovered or reported.

In 2019, the Tenant Fees Act, and equivalent legislation, came into force in England and Wales. These statutes provide additional protection for tenants, banning lettings agents from charging tenants unpermitted payments and requiring agents to disclose details of their redress and client money protection schemes on Rightmove and other property websites. We provided the technology and support for our agency customers to comply with the new legislation and our data quality team continues to support our customers in compliance with the new regulations.

All Rightmove (and in future Group) employees undergo annual training and awareness on fraud, anti-bribery, the corporate criminal offence of facilitating tax evasion, data protection and information security to ensure they remain up to date and alert to unethical practices and potential risks to our consumers or customers. We have continued to update the dedicated safety and security section on our website and our customer hub, which are designed to help consumers stay safe and avoid fraud when searching for their next home online, and to provide online security advice to our customers.

Protecting customer and consumer data
Protecting customer and consumer data is of paramount importance to Rightmove. We have continued to invest heavily in data security and protection, and our fraud prevention, data protection and information security teams work vigilantly to ensure that the data Rightmove processes is secure and that we comply with data protection legislation. We have reassessed and undertaken internal audits of our cyber security and consumer data protection provisions and continue to review and strengthen our policies and processes in line with legislation and to meet new threats and challenges facing all online businesses.

Anti-bribery and corruption
We will not tolerate any form of bribery and corruption within our business and/or in any dealings with our customers, suppliers and other third parties we deal with in the course of our business. We will not conduct business with any service provider, customer or supplier which does not meet the principles of our Anti-Bribery Policy, which can be found on our website plc.rightmove.co.uk.

Human rights including modern slavery
Rightmove has a framework of policies and statements that adhere to internationally recognised human rights principles, covering equal opportunities, dignity at work, disability, anti-slavery and anti-bribery.

Rightmove is committed to preventing slavery and human trafficking in its business and supply chains. We require the highest standards of honesty and integrity in all our business dealings and relationships and will not tolerate the mistreatment of people in our employment and, wherever possible, employed in our supply chain. Our Modern Slavery Act Statement can be found on our website plc.rightmove.co.uk.

All Rightmove employees have historically been paid in excess of the Real Living Wage and, following a review in 2019 of both Van Mildert employees and contractors who regularly work in our offices, the Rightmove Group has been accredited as a Living Wage employer from January 2020.

Whistleblowing
At Rightmove, we follow clear and transparent business practices and strive to apply high ethical standards in all our business dealings. We believe this contributes to a fairer and honest marketplace where customers and consumers know that we can be trusted. Rightmove operates an anonymous, independent whistleblowing facility and Van Mildert has an internal reporting facility for employees if they suspect anything inappropriate or experience any serious misconduct or wrongdoing in our business.

Making a difference to our communities

In 2019 we continued with the second year of our charitable fundraising initiative 'On The Move', which aims to raise funds and awareness for charitable causes by connecting people particularly in our home town of Milton Keynes.

During the year we supported local charity Winter Night Shelter and national charity Meningitis Now. We broadened the reach of the campaign and invited members of the local community to join us to run and raise money for these two charitable causes. Over ten thousand people, including 55 Rightmovers and their supporters, came together on a May bank holiday to run 5 kilometres, the half or the full marathon. In total over £55,000 was raised, including a contribution of £26,000 from Rightmove.

Since the launch of our On The Move campaign in 2018 we, together with our employees, have raised over £125,000 for these two charities. This support has been significant, in particular for Winter Night Shelter which has used the money raised specifically to support their new project, Unity Park Station. The project aims to reach out to those at risk of homelessness before it happens, putting them in touch with vital services from financial support to mental health advice. Unity Park Station has launched a new centre in Central Milton Keynes which is available for the community to use seven days a week, and it is estimated more than 250 people a week will benefit from the project.

Our On The Move campaign will continue into 2020, following the success of the first two years. We will be supporting two new charities: Harry's Rainbow, a local charity dedicated to supporting bereaved children, and CALM, a national charity raising awareness of mental health and suicide prevention. Our aim, as ever, is to have more runners, raise more awareness and to celebrate the team's achievements on the day by hosting the Rightmove MK Marathon Race Village, a family-friendly event for spectators and runners alike.

We also continue to support our local community in Milton Keynes including our support for the local volleyball and ice hockey teams, as well as the MK College football team for the fourth consecutive year.

Rightmove also matches any funds our employees raise for a charity or recognised cause that is important to them. Rightmove employees are also able to donate directly from their monthly salary to any charity as an individual, through the Charities Trust, which provides a tax efficient means of giving.

Making a difference to our environment

Rightmove's purpose is to make home moving in the UK easier and in doing so, we will innovate to help our consumers and customers use technology to save time and resources, reducing their environmental impact and carbon footprint.

Following the externally facilitated Energy Saving Opportunities Scheme (ESOS) compliance review in 2018, we reviewed and audited our 2018 reported energy usage in 2019, assisted by Carbon Footprint, a sustainability and carbon management consultant. The review identified previously unreported, non-mandatory carbon emissions, including public transport used by our employees and gasses used in air-conditioning units in our offices, which will be included in our 2020 greenhouse gas report. The review has also enabled us to accurately assess and develop strategies to reduce and off-set 100% of our carbon usage in future. Carbon Footprint identified a number of suitable carbon off-setting initiatives for Rightmove to support. These include UK tree planting in educational and wildlife trust areas, and in late 2019 the Surrey Wildlife Trust held a planting day to plant a large hedgerow at a farm in Surrey, which was managed by them, with local Girl Guides and Brownies volunteering to do the planting to earn their badges. As a result of these activities, Rightmove is now a carbon neutral Company and we are committed to the continued reduction and off-setting of all the Group's greenhouse gas emissions in future.

As an operator of an online property portal, our main environmental impact is from the power usage of our data centres. Our policy is to purchase hardware with the best computational performance which uses the least electrical power. In 2020, we are committed to reviewing our energy supply agreements across our whole business and, where Rightmove contracts directly with electricity providers, we will move to green energy.

As an internet-based business with fewer than 600 employees, based in three UK office locations, our direct environmental footprint is relatively small. However, we continue to encourage our colleagues to minimise their use of resources, reduce unnecessary travel, paper and energy consumption and recycle materials wherever possible.

We encourage our employees to use public transport rather than driving between our office locations in London, Milton Keynes and Newcastle. In 2019, we invested in a significant improvement in our online meeting technology, which will further reduce the impact of working across three office locations. We continue to encourage participation in our Cycle to Work scheme and have many keen cyclists. Employees entitled to a company car can select hybrid electric cars as an alternative to petrol or diesel engines and in 2019 our fuel card provider Allstar continued to partner with Forest Carbon to capture the CO_2 emissions from our fleet of company cars and turn them into new UK woodlands.

As an online business, we work in a near paperless environment and we encourage all our customers, business partners and suppliers to use online records and reduce printing, especially emails. Wherever possible we have replaced paper-based services and communications with online alternatives, including e-communications for shareholders and customers, management information, marketing reports and product documentation, which are all available online.

Our most significant environmental contribution continues to be how we have changed the way people search for property. Our platforms optimise the information available to home-hunters, giving our customers the ability to advertise high quality photographs, floor plans and property particulars all on screen and available instantly, reducing unnecessary travel to visit unsuitable properties. All our innovations help to reduce the carbon footprint generated by prospective home buyers and estate agents, by reducing the reliance on printed marketing materials and property details.

Greenhouse gas reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires all UK-quoted companies to report on their greenhouse gas (GHG) emissions, which are classified as either direct or indirect and which are divided between Scope 1, Scope 2 and Scope 3 emissions.

Direct GHG emissions (Scope 1) are emissions from sources that are owned or controlled by Rightmove, specifically company cars. Indirect GHG emissions (Scopes 2 & 3) are emissions that are a consequence of the activities of the Group but that occur at sources owned or controlled by other entities. These include our electricity consumption at our Milton Keynes and London offices and our data centres.

We do not have responsibility for any other material emission sources. We have used the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064 Part 1 2006 and emission factors from UK Government's Conversion Factors for Company Reporting 2018.

The Group is required to report Scope 1 and Scope 2 emissions for its reporting year to 31 December 2019. Scope 3 is not mandatory, however the Group has again chosen to report Scope 3 emissions as it relates to electricity used in data centres, in which the Group rents space to house and operate various servers, which host our platforms.

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 below.

Group emissions by scope

		Tonnes CO_2e[1]	
Scope	**Source**	**2019**	**2018**
Scope 1[2]	Company cars	**485**	484
Scope 2[3]	Electricity	**150**	187
Scope 3	Outsourced data centres	**180**	206
Total		**815**	877
Total (Scopes 1 & 2 only)		**635**	671
Scope 1, 2 & 3 emissions normalised per employee (tCO_2e)		**1.5**	1.8
Scope 1 & 2 emissions normalised per employee[4] (tCO_2e)		**1.2**	1.4

(1) UK emissions factors have been used for all data. All emission factors have been selected from the emissions conversion factors published annually: www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018.

(2) Van Mildert has no Scope 1 emissions.

(3) Scope 2 emissions for 2019 include Van Mildert's office emissions from 1 October to 31 December 2019.

(4) Based on 538 (2018: 495) employees taken as the average number of employees in the Group throughout the year, including Van Mildert employees from 1 October to 31 December 2019.

Our overall emissions, including Scope 2 emissions for Van Mildert, are down 7% on the previous year, attributable to more efficient energy use in Rightmove's offices and outsourced data centres. Emissions per employee have also decreased by 17%, which was mainly due to the above-mentioned efficiencies and an increase in the office-based headcount, including three months' headcount for Van Mildert, resulting in a lower percentage of Group employees as a whole requiring a company car.

We will continue to monitor and look for ways to improve our carbon footprint.

Health and safety

Rightmove has a fully compliant Health and Safety Policy and appropriate insurance for all its employees. Our approach to the effective management of health and safety is to treat it as an integral part of business management. The Group's policy on health and safety is to provide adequate control of the health and safety risks arising from work activities. This is delivered through consultation with, and training of employees, including fire safety, first aid and work place safety training. Rightmove also ensures the maintenance of plant and equipment, safe handling and use of all substances and the prevention of accidents and causes of ill-health.

FTSE4Good Index

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

We are pleased to report that having been independently assessed according to the FTSE4Good criteria, FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) has confirmed that Rightmove has satisfied the requirements of a constituent of the FTSE4Good Index Series.

Non-Financial Information Statement

Rightmove aims to comply with the new Non-Financial Reporting Directive requirements. The table below sets out where relevant information can be found in this Annual Report.

Reporting Requirement	Policies	Relevant Information
Environmental matters	The Company does not have a specific policy on environmental issues, however, more information on our business impact on the environment can be found in the Corporate Responsibility Report, pages 37 to 38, which also contains the statutory carbon emission data on page 38	
Employees	• Employee Handbook, which includes: – Code of Conduct – Whistleblowing Policy	• Chief Executive Officer's review, pages 5 to 13 • Corporate Responsibility Report, pages 31 to 36
Human rights	• Modern Slavery Statement • Data Retention Policy • Privacy Policy	• Corporate Responsibility Report, page 36
Social matters	The Company does not have a specific policy on social matters however information on how our business supports the local and wider community can be found in the Corporate Responsibility Report, pages 36 to 37	
Anti-bribery and corruption	• Employee Handbook, which includes: – Anti-Bribery and Corruption Policy – Code of Conduct	• Anti-Bribery and Corruption, page 36
Business model	• Business model, pages 14 to 15	
Principal Risks	• Strategic Report, page 22 • Principal risks and uncertainties, pages 23 to 25	
Non-financial key performance indicators	• Operational key performance indicators, page16	

Governance overview


Andrew Fisher
Chair

I am pleased to introduce our Corporate Governance Report which explains how the Company has applied the provisions of the UK Corporate Governance Code 2018 (the Code) during the year, through a framework of governance policies, procedures and initiatives.

Our Corporate Governance Report includes:
- A statement of compliance with the Code
- Rightmove's corporate governance structure
- Our directors' biographies
- Key Board and committee activities

and reports from the:
- Audit Committee
- Nomination Committee
- Remuneration Committee, and
- Directors

Board priorities
A key priority in 2019 was the implementation of the Board succession plan, which resulted in my appointment as Chair from January 2020. Other priorities were the evolution of Rightmove's business strategy and risk management framework, including a comprehensive cyber security plan, engaging with employees and other key stakeholders, and the acquisition of Van Mildert. Details are set out on page 45 of this report.

Board changes
2019 was a year of change for the Rightmove Board with Scott Forbes retiring from the Board on 31 December 2019, having served as Chairman for 14 years. In line with previous communication and consultation with Rightmove shareholders around orderly succession, the Board approved my appointment as Scott's successor, with effect from 1 January 2020.

We have also announced that our Finance Director, Robyn Perriss, plans to step down by 30 June 2020. Peter Williams retired from the Board on 10 May 2019, having served six years as a Non-Executive Director, and Amit Tiwari joined the Board on 1 June 2019. Full details of all Board changes and the work of the Nomination Committee can be found on pages 58 to 60.

Statement of compliance
The Code sets out the principles and provisions relating to good governance of UK listed companies and can be found on the FRC's website at frc.org.uk.

We are pleased to confirm that for the year under review, with the exception of the previous Chairman's tenure, described above, the Company has complied with the principles and provisions of the Code.

Director's duties
An explanation of how Directors have engaged with and taken into consideration the requirements of Rightmove's key stakeholders, in accordance with S172 of the Act, can be found on pages 27 to 29 of the Strategic Report.

The Board governance structure at Rightmove

Shareholders of Rightmove plc

The Board (primarily through the Chief Executive Officer and Finance Director and supported by the Chair and the Senior Independent Director) actively engaged with the Company's institutional investors throughout the year.

Details of the Board's engagement with shareholders during the year can be found on page 48

The Board of Rightmove plc (8 Directors)

The Board is collectively responsible for promoting the long-term success of the Group for the benefit of the Company's shareholders and also the wider community it serves. It sets the overall direction and control of the Group and has the powers and duties set out in the Companies Act 2006 (the Act) and the Company's Articles of Association. The Board delegates certain matters to the Board committees and delegates the day to day operation of the business to the Executive Directors.

Chair

The Chair is responsible for leadership and governance of the Board, planning the Board's agenda and ensuring that Directors receive sufficient, relevant, timely and clear information and that all subjects requiring discussion are allocated sufficient time to support effective decision making. He also ensures that the Board remains effective by encouraging constructive relationships between the Executive and Non-Executive Directors and ensures ongoing and effective communication between the Board and its key stakeholders.

Executive Directors

Responsible for:
- the day to day management of the Group, and its operations and results; and
- implementation of the Group strategy.

Led by the Chief Executive Officer and supported by the Finance Director and their senior leadership team.

The roles of Chair and Chief Executive Officer are separate with clear written guidelines on the division of responsibilities.

Non-Executive Directors

Responsible for:
- constructively challenging the Executive Directors; and
- monitoring the delivery of the strategy within the risk and control framework set by the Board.

One of the Non-Executive Directors is appointed as the Senior Independent Director, who is responsible for:
- acting in an advisory capacity to the Chair;
- deputising for the Chair if required;
- serve as an intermediary for other Directors when necessary;
- be available to shareholders if they have concerns which they have not been able to resolve through the normal channels of the Chair and Chief Executive Officer or other Executive Directors for which such contact is inappropriate; and
- conduct an annual review of the performance of the Chair.

Matters reserved to the Board:

- Rightmove's business strategy
- the annual business plan
- changes to the Group's capital structure
- the capital management and dividend policies
- the system of internal control and risk management
- the annual and half year results and shareholder communications
- major acquisitions and disposals
- appointment and removal of officers of the Company
- corporate governance and policies

Further information on Board activities during the year can be found on pages 45 to 46

The Board Committees (composed of Non-Executive Directors (NEDs) only)

The Board delegates certain matters of business to its three sub-committees. The Committees review and report back to the Board on the matters within each of their remits.

Only Committee members are entitled to attend Committee meetings. Other Board members may attend Committee meetings by invitation only (except where the Committee is discussing matters relating directly to that Director or to that Director's successor).

Audit Committee (Quorum: 2 independent NEDs)

Responsible for:
- the oversight of accounting, financial reporting and internal control processes;
- Rightmove's outsourced internal audit function; and
- the relationship with the Group's external auditor.

Audit Committee Report on pages 50 to 57.

Remuneration Committee (Quorum: 2 independent NEDs)

Responsible for:
- making recommendations to the Board for the overall policy and framework for the remuneration of the Chair, the Executive Directors and the senior leadership team.

Remuneration Committee Report on pages 61 to 90.

Nomination Committee (Quorum: 2 NEDs, majority must be independent)

Responsible for:
- keeping the structure, size and composition of the Board and its Committees under review with the primary objective of matching the skills, knowledge and experience of Directors to Rightmove's business strategy and requirements.

Nomination Committee Report on pages 58 to 60.

Terms of reference for each of the Board Committees are available on the Company's corporate website at plc.rightmove.co.uk

The Company Secretary

The Board and its Committees are supported by the Company Secretary, who is responsible for advising the Board on corporate governance matters and assisting the Chair in ensuring that the Board has all the relevant policies, procedures in place with full and timely access to relevant information.

Andrew Fisher
Chair

Nationality:
British
Appointment to the Board:
1 January 2020
Committee membership:
Nomination (Chair)
Current external commitments:
Non-Executive Director (and Remuneration Committee Chair) of Marks and Spencer plc

Non-Executive Director (and Remuneration Committee Chair) of Moneysupermarket.com Group plc (until 7 May 2020)
Previous roles and relevant skills and experience:
Andrew has a background in building digital, media and entrepreneurial businesses and executing a high growth strategy. He also has experience of serving on the Boards of a number of listed companies as a non-executive director.

Andrew was previously CEO and Executive Chair of Shazam, where he was instrumental in developing and executing a growth strategy to establish one of the world's leading mobile consumer brands. He was also European Managing Director of Infospace Inc and the founder and Managing Director of TDLI.com. Until 2019, Andrew was a non-executive director at Merlin Entertainments plc.

Peter Brooks-Johnson
Chief Executive Officer

Nationality:
British
Appointment to the Board:
10 January 2011
Current external commitments:
Non-Executive Director of Adevinta ASA

(The international online classifieds operation of Schibsted Media Group)
Previous roles and relevant skills and experience:
Peter joined Rightmove in 2006 and became Chief Operating Officer in April 2013 having been Managing Director of rightmove.co.uk since 2011 and Head of the Agency business since 2008. He was promoted to Chief Executive Officer in May 2017. Prior to joining Rightmove, Peter was a management consultant with Accenture and the Berkeley Partnership.

Peter has substantial experience and understanding of the online media and property markets, developing Rightmove's business plan and strategy over many years, with strong leadership and stakeholder management skills.

Robyn Perriss
Finance Director

Nationality:
British and South African
Appointment to the Board:
30 April 2013
Current external commitments:
Non-Executive Director (and Audit Committee Chair) of Softcat plc
Previous roles and relevant skills and experience:
Robyn joined Rightmove in 2007 as Financial Controller with responsibility for day to day financial operations and was promoted to the Board as Finance Director in April 2013. She was also Company Secretary from April 2012 to July 2014 and from June to October 2016. 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, Auto Trader.

Robyn has extensive experience in commerce with a particular focus in online classified businesses. Her relevant skills include financial and corporate governance expertise and she is also a skilled negotiator and mentor. Robyn also has a wealth of knowledge about capital markets and heads up our investor relations function.

Nationality:
British
Appointment to the Board:
30 December 2016
Committee membership:
Audit, Nomination, Remuneration
Current external commitments:
President of techUK
Non-Executive Director of Costain Group plc
Non-Executive Director of FDM Group (Holdings) plc
Previous roles and relevant skills and experience:
Jacqueline is a recognised technology leader with many years' experience in the software, technology and digital sectors, working in enterprise and sales-focused businesses. She has extensive knowledge and skills in promoting technology-based solutions and cyber security and is a passionate advocate for diversity and inclusion.

Jacqueline has been employed throughout her career by global blue-chip software companies and has held senior positions at Citrix, CA Technologies, McAfee and Ascential Software. She was a Non-Executive Director of Home Retail Group from 2012 to 2016, and of AO World plc from 2017 to 2019. Jacqueline is the co-Chair at the Institute of Coding, and is also an advisor to the Digital Leaders Technology Group and the board of accelerateHER, which addresses the under-representation of women in technology. She is a passionate advocate for diversity and inclusion in the workplace with a particular focus on getting women and girls into digital careers and studying STEM subjects. Jacqueline is especially delighted to lend her support to The Youth Group to improve the odds for young people, and to the Girlguide Association for technology transformation. She was awarded a CBE for services to international trade in the technology industry in 2018.

Nationality:
American/British
Appointment to the Board:
28 July 2014
Committee membership:
Remuneration, Nomination
Current external commitments:
Non-Executive Director of Kingfisher plc
Non-Executive Director of Schroders plc
Previous roles and relevant skills and experience:
Rakhi has extensive knowledge of the customer and consumer experience and innovation across a wide range of digital products, desktop and mobile platforms, augmented by a varied non-executive portfolio in other customer centric businesses and sectors.

Rakhi was a non-executive director of Be Heard Group plc until August 2018 and of Intu Properties plc to May 2019, and a Director of UK Media at Amazon to June 2014. She held various other senior positions during her 12-year tenure at Amazon including Media, Entertainment, General Merchandise and Book divisions as well as advising Zappos. Prior to Amazon, Rakhi held strategy roles at TomTom and Oliver Wyman.

Nationality:
British
Appointment to the Board:
1 February 2018
Committee membership:
Remuneration (Chair), Nomination
Current external commitments:
Non-Executive Director of Jupiter UK Growth Investment Trust plc
Non-Executive Director of Proven VCT plc
Non-Executive Director of Finsbury Growth & Income Trust PLC
Non-Executive Director of Euromoney Institutional Investor PLC
Previous roles and relevant skills and experience:
Lorna has extensive experience as a media analyst and investment adviser to the media sector with strong financial analysis and leadership skills. She was Executive Director and Head of the Media Sector in Corporate Broking & Advisory at Numis Corporation PLC until September 2017. She was a founder of Numis when it launched in 2001 having worked at Sheppards, as a director of SG Warburg and executive director of WestLB Panmure. Lorna sits on the Advisory Panel of TechNation's Future Fifty programme and has served as a Cabinet Ambassador (for Creative Britain) for the Department of Culture, Media & Sport. She was a non-executive director of M&C Saatchi PLC to December 2019.

Andrew Findlay
Non-Executive Director

Nationality:
British

Appointment to the Board:
1 June 2017

Committee membership:
Audit (Chair), Nomination

Current external commitments:
Director of easyJet plc

Previous roles and relevant skills and experience:
Andrew is a chartered accountant with a wealth of financial expertise, proven commercial experience and strong consumer-centric background. He has a deep knowledge of financial reporting and risk management, technological solutions and consumer platforms.

Andrew has been the Chief Financial Officer of easyJet plc since 2015. Before joining easyJet, Andrew was Chief Financial Officer of Halfords plc and prior to that Director of Finance, Tax and Treasury at Marks and Spencer Group plc. He formerly held senior finance roles at the London Stock Exchange and at Cable and Wireless, in the UK and US. Andrew qualified as a chartered accountant with Coopers & Lybrand.

Amit Tiwari
Non-Executive Director

Nationality:
American

Appointment to the Board:
1 June 2019

Committee membership:
Audit, Nomination

Current external commitments:
Managing Director of Vitruvian Partners LLP

Previous roles and relevant skills and experience:
Amit has a strong understanding of the online classified sector and innovation across a range of online marketplace businesses, with extensive knowledge of finance and capital markets. He was Head of International Developed Equities at Harvard Management Company and prior to that Head of Equities at the Lakshmi Mittal Family Office.
He previously held senior investment management roles at Morgan Stanley & Co International plc, Ziff Brothers Investments and KKR & Co. Amit has an MBA with Distinction from Harvard Business School and a Bachelor's degree in Economics with Honours from Harvard College.

Sandra Odell
Company Secretary

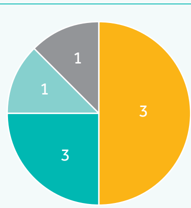
Appointment as officer to the Board:
1 November 2016

Current external commitments:
None

Previous roles and relevant experience:
Sandra is a Fellow of the Institute of Chartered Secretaries and Administrators. Prior to joining Rightmove, Sandra was Company Secretary of Quintain, the London property developer, and before that held various senior company secretarial positions in listed financial services companies.

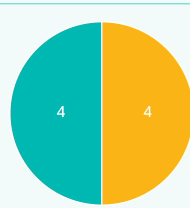
Diversity on the Board

Board tenure



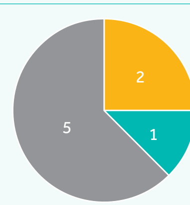
0–3 years | 3–6 years | 6–9 years | 9+ years

Board gender



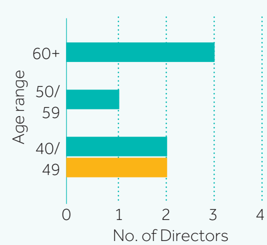
Female | Male

Board composition



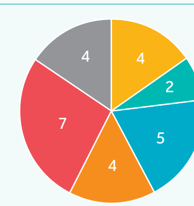
Executive Directors | Chair | Non-Executive Directors

Board age



Executive | Non-Executive

Board skills and experience



Finance & governance | Voice of the customer/property market | Technology & innovation | Voice of the customer & retail | Digital marketing & online media | Corporate transactions

We recognise the benefits of diversity on our Board to ensure effective engagement with Rightmove's key stakeholders and a variety of thinking in relation to our business strategy. The age, gender, tenure and skills of Board members as at 1 January 2020 is set out above.

Board activities

The key responsibilities and actions carried out by the Board during the year are set out below:

	Strategy	Performance monitoring	People and culture	Shareholder engagement	Governance and risk
			Regular reports and activities[1]		
	Analysis and implementation of strategic initiatives	Monthly management report containing all financial and operational KPIs	Employee engagement sessions	Share register and market reports	Governance and regulatory updates
February	Presentation on lettings innovation	Agency and New Homes presentation Full-year results	Group employee satisfaction scores 'Have your Say' survey results		Outcome of external Board effectiveness review Risk register review Modern Slavery Act statement update Rightmove Assurance update
May		New Homes business update including new digital products		AGM – analysis of shareholder voting and feedback	Cyber security update
July	Strategy day: Potential threats and opportunities to the business model arising from external factors Approval of Van Mildert acquisition	Half-year results	Employee presentations on product innovation: Sold by Me and Opportunity Manager	Review of capital management (share buyback and dividend) policy Analysis provided by Rightmove's brokers of how investors value Rightmove	
September	Presentation on the future of tenant referencing and Van Mildert	Other business presentation on Commercial, Overseas and Data Services	Employee presentations: Making lettings easier and Optimiser 2020 Board succession plan Gender pay and diversity policies Annual approval of SIP and Sharesave awards	Remuneration Policy proposals recommended and consultation with shareholders agreed	Risk register review
November	2020 budget and three-year business plan approved				Policy review and renewal Internal Controls update Internal Board and Committee evaluation Insurance renewal
December	Update from the Remuneration Committee on 2019 bonus outcomes and 2020 performance targets	Product development update	Remuneration Policy update	Update on shareholder feedback on 2020 Remuneration Policy	Feedback from the Board evaluation reviewed and actions agreed GDPR compliance update from Audit Committee

(1) Frequency coincides with Board meetings, unless otherwise indicated.

There are usually seven scheduled Board meetings each year including one meeting or away day devoted to consideration of the Group's strategy. Additional meetings can be arranged at short notice at the request of any director, if required. In addition to scheduled Board meetings, there is frequent communication between the Directors and management.

Directors receive Board papers in advance of meetings to allow sufficient time for review and consideration. If any Director raises a concern or challenges any aspect of the business conducted at a Board meeting, the Company Secretary will ensure their comments are appropriately recorded in the Board minutes. In addition to formal Board papers, Directors receive monthly management and financial reports on the operational and financial performance of the business, setting out actual and forecast financial performance against approved budgets and other key performance indicators. The Board also receives copies of broker reports, research analyst reports and market reviews relating to Rightmove.

Board composition

The Board at the date of this report comprises two Executive Directors and six Non-Executive Directors, including the Chair. The two Executive Directors are Peter Brooks-Johnson (Chief Executive Officer) and Robyn Perriss (Finance Director) and the Non-Executive Directors are Andrew Fisher (Chair), Jacqueline de Rojas (Senior Independent Director), Andrew Findlay, Rakhi Goss-Custard, Amit Tiwari and Lorna Tilbian.

All continuing Directors will retire and offer themselves for election or re-election at the next AGM in accordance with the Code.

The Board is satisfied that the Directors retiring and standing for re-election are qualified for re-appointment by virtue of their skills, experience and contribution to the Board, described in their biographies on pages 42 to 44. The Executive Directors have service contracts with the Company which can be terminated on 12 months' notice. The appointments of the Non-Executive Directors can be terminated on three months' notice.

The interests of the Directors in the share capital of the Company as at the date of this report, 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 84 and 74 to 79. At the date of this report, the Executive Directors were deemed to have a non-beneficial interest in 2,208,362 ordinary shares held by The Rightmove Employees' Share Trust (EBT).

Biographical details of all Directors at the date of this report appear on pages 42 to 44 and details of Committee membership appear on page 48.

The Board's size and composition is kept under regular review by the Nomination Committee.

Board changes

After 14 years as Rightmove's Chair, Scott Forbes retired as Chairman of the Board on 31 December 2019, and Andrew Fisher was appointed as the Chair of the Board with effect from 1 January 2020. Andrew was independent on his appointment to the Board.

Peter Williams retired from the Board on 10 May 2019, having served six years as a Non-Executive Director, Senior Independent Director, Audit Committee and Remuneration Committee Chair. Amit Tiwari joined the Board on 1 June 2019 as a Non-Executive Director.

Following Peter's retirement from the Board, Jacqueline de Rojas was elected Senior Independent Director and Lorna Tilbian became Remuneration Committee Chair from that date.

In November 2019, the Company announced that Robyn Perriss would retire as Finance Director by 30 June 2020. The Nomination Committee has started the search for a new Finance Director.

More information on the selection and appointment process for new Directors, on further proposed Board changes and on the work of the Nomination Committee can be found on pages 58 to 60.

Division of responsibilities

The roles of Chair and Chief Executive Officer are separate with clear written guidelines on the division of responsibilities. A summary of the key responsibilities of the Board members is included in the governance structure table on page 41.

Board diversity and experience

Rightmove is committed to a diverse Board comprised of Directors from different backgrounds with relevant experience, perspectives, skills and knowledge. We believe that diversity, including gender and ethnic diversity, amongst Directors and employees contributes towards a high performing and effective Board and business and promotes the Company's ongoing success, so we strive to maintain the optimal balance. We use a meritocratic appointment process and strive for balanced gender representation on the Board.

At 31 December 2019, 50% of both Executive and Non-Executive Board members were female. This, along with the strong female representation amongst the senior leadership team, led the Company to be placed second in the 2019 Hampton-Alexander FTSE 100 Women Leaders table. We remain committed to our policy of recruiting the best people and appropriate talent for the business whilst seeking to maintain as near 50:50 gender balance on the Board as possible. We are pleased to report that as at 31 December 2019, 37% of Board members are from ethnically diverse backgrounds, which exceeds the Parker Review target for FTSE 100 boards. We are committed to meeting or exceeding this target in future. Further information can be found in the Corporate Social Responsibility Report on pages 31 to 33.

The range of skills and experience the Board considers necessary to deliver Rightmove's business strategy, as identified in the Board Strategy Review, includes:

- finance and governance
- technology and innovation
- voice of the customer and property market
- voice of the consumer and retail
- digital marketing and online media, and
- corporate transactions.

Board independence

The Board reviews each Non-Executive Director's independence on an annual basis and considers that all Non-Executive Directors are fully independent of management and in character and judgment. The review takes into account factors such as Directors' contribution to debate during meetings to determine whether they demonstrate independent judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a Director's judgment.

The Board considers that there is an appropriate balance between Executive and Non-Executive Directors.

As outlined above, in compliance with the new Code provision that a Chair should remain in post for no more than nine years from the date of first appointment, allowing for a limited extension to facilitate effective succession planning, the Board appointed Andrew Fisher to succeed Scott Forbes as Chair with effect from 1 January 2020. Further details can be found in the Nomination Committee report on pages 59 to 60.

Directors' external appointments

In line with the Code, any of the Directors' additional external appointments are approved by the Board. Our Chair, Andrew Fisher, is also a Non-Executive Director of two other publicly listed companies. Each of the Executive Directors holds one other non-executive directorship of a listed company, as permitted under the Code, as the Board recognises that non-executive directorships can broaden the knowledge and experience of the Executive Directors which may benefit the Company.

Conflicts of interest

Under the Companies Act 2006, the Directors have a statutory duty to avoid situations in which they have, or may have, a direct or indirect conflict of interest with the Company. The Directors must also declare the nature and extent of any interest in any existing or potential conflicting interest. The Company's Articles of Association does have provisions for managing and authorising potential conflicts of interests. The Board approved and observes Rightmove's Conflicts of Interest Policy and reviews the Register of Directors' Interests at least annually.

To safeguard their independence, a Director is not entitled to vote on any matter in which they may be conflicted or have a personal interest. If necessary, Directors are required to absent themselves from a meeting of the Board while such matters are being discussed and if there is any doubt, the Chair of the Board is responsible for determining whether a conflict of interest exists.

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 Act. All Directors are subject to election at the first AGM following their appointment and in accordance with the Code, all Directors will seek re-election at the 2020 AGM.

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	7	7	5	4
Scott Forbes	7	–	–	4
Peter Brooks-Johnson	7	–	–	–
Robyn Perriss	7	–	–	–
Jacqueline de Rojas[(1)]	7	5	5	4
Rakhi Goss-Custard[(2)]	7	7	–	3
Andrew Findlay	7	–	5	4
Lorna Tilbian[(3)]	7	7	1	4
Amit Tiwari[(4)]	5	–	3	3
Peter Williams[(5)]	2	2	1	–

(1) Jacqueline de Rojas was appointed Senior Independent Director and joined the Remuneration Committee with effect from 10 May 2019, and has attended all meetings from that date.
(2) Rakhi Goss-Custard was unable to attend one unscheduled Nomination Committee meeting on 15 May 2019 due to a prior commitment.
(3) Lorna Tilbian was appointed Chair of the Remuneration Committee with effect from 10 May 2019 and joined the Audit Committee from 10 May to 1 June 2019, when Amit Tiwari was appointed to the Board and the Audit Committee.
(4) Amit Tiwari was appointed to the Board on 1 June 2019, and has attended all Board and Committee meetings since his appointment.
(5) Peter Williams retired from the Board on 10 May 2019.

In addition to the above meetings, the Chair conducts meetings with the Non-Executive Directors without the Executive Directors being present as required. Jacqueline de Rojas, the Senior Independent Director, chaired a meeting of the Non-Executive Directors in December 2019, at which the performance of the Chair was also reviewed, without the presence of the Chair.

Board evaluation

The Board last completed an externally facilitated performance evaluation in 2018. Therefore, the evaluation conducted in 2019 was internally facilitated and details can be found in the Nomination Committee report on page 60.

Indemnification of directors

The Articles of Association of the Company allow for a qualifying third-party indemnity provision for the purposes of S234 of the Act between the Company and its past and present 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 Company has a Dealing Code setting out the process and timing for dealing in shares, which is compliant with the Market Abuse Regulation. The Dealing Code applies to all Directors, who are persons discharging managerial responsibility, and other insiders.

Shareholder engagement

The Board welcomes opportunities to engage with shareholders and clearly communicate the performance and activities of the Group.

Within the regulatory framework, the Directors have conducted regular and open dialogue with shareholders through ongoing meetings with institutional investors and research firms to discuss strategy and operational and financial performance. Contact in the UK is principally with the Chief Executive Officer and the Finance Director. The former Chairman consulted shareholders about the orderly Board succession plan consultation, corporate governance, business strategy and other business matters. The Senior Independent Director was also available to shareholders had they wished to supplement their communications, or if contact through the normal channels was inappropriate.

The Remuneration Committee Chair consulted with shareholders about the new 2020 Remuneration Policy and took into account investor feedback in drafting the final Policy proposals.

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

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

Stakeholder engagement

Under the new Code, the Board is required to report on how it has considered the interests of its wider stakeholders in accordance with section 172 of the Companies Act 2006. This report can be found on pages 27 to 29.

The Board reviewed the Code's new requirement to appoint or nominate a Director with responsibility for workforce engagement. The Board carefully considered this requirement in the context of the Company's open and collaborative culture, as well as the fact that all the Company's employees are based in the UK, and accordingly determined that all Non-Executive Directors should engage directly and regularly with the Company's workforce. As a result, all Board members have participated in a programme of employee engagement sessions throughout the year. Further details on this can be found on pages 34 to 35.

Rightmove's culture and values

The Board fully supports and reflects Rightmove's open, supportive and innovative culture, described in more detail in the Corporate Responsibility Report on pages 30 to 38 of the Strategic Report. Executive Directors lead by example in maintaining Rightmove's non-hierarchical culture with a fully open plan office environment. All Directors have full access to Group employees, through a variety of engagement activities, detailed in the Corporate Responsibility Report.

The Board assesses and monitors culture through the results of the bi-annual 'Have your Say' employee survey, with a percentage of the Executive Directors' variable bonus directly dependent on the survey results. More information on this can be found in the Directors' Remuneration Report on page 80.

Employee concerns (Whistleblowing)

During the year, the Company reviewed and revised its Whistleblowing policy, and established a new, independently managed whistleblowing facility, for employees to raise concerns anonymously and in confidence. Further information on this can be found in the Audit Committee Report, on page 56.

Annual General Meeting

The AGM provides an opportunity for shareholders to vote on aspects of the Company's business, meet the Directors and ask them questions. The AGM will be held on 4 May 2020 at the offices of UBS Limited at 5 Broadgate, London EC2M 2QS. Each Committee's Chair will be available at the AGM to answer any shareholder questions on their respective Committee's activities.

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) at least 20 working days before the AGM.

The Company continues to comply with the Code with the separation of all resolutions put to shareholders. The Company proactively encourages shareholders to vote at general meetings by providing electronic voting for shareholders who wish to vote online and personalised proxy cards to shareholders electing to receive them, ensuring that all votes are clearly identifiable. The Company presently takes votes at general meetings on a poll, the results of which are reported after each resolution and published on the Company's website. All resolutions at the Company's 2019 AGM were passed comfortably, and no resolutions received more than 20% of votes against the Board's recommendations.

Audit Committee Report Summary

Andrew Findlay
Chair of the Audit Committee

Committee's remit

The Committee is an essential part of Rightmove's governance framework to which the Board has delegated oversight of the accounting, financial reporting and internal control processes, the outsourced internal audit function and the relationship with the external auditors.

Committee members and auditors

The Committee members are independent Non-Executive Directors and comprises:

Andrew Findlay (Chair)
Jacqueline de Rojas
Amit Tiwari

The Company's external auditors are KPMG LLP. PricewaterhouseCoopers (PwC) provide internal audit services.

2019 Activities

The Committee met five times during 2019 and its key activities were to

- review the appropriateness of the Group's half-year report and annual financial statements
- review the application of financial reporting and governance standards including management's approach to key judgmental areas of reporting
- confirm that the Annual Report is fair, balanced and understandable
- review the effectiveness of Rightmove's internal control processes
- receive internal audit reports on consumer Data Protection, cyber security, marketing expenditure and third party supplier risks
- develop the Internal Audit Plan for 2020, and
- review the effectiveness of the external auditor and the internal audit function

2020 Priorities

- Focus on key risk areas such as business continuity planning and GDPR compliance, and
- a regulatory compliance review for the newly acquired Van Mildert business

The Committee's Terms of Reference are available on plc.rightmove.co.uk

Dear shareholder

As Chair of the Audit Committee (the Committee) I am pleased to present the report of the Committee for the year ended 31 December 2019. In this report we aim to provide an overview of the principal activities of the Committee and insight into key topics discussed and how the Committee has discharged its responsibilities during the year.

The key responsibilities are set out on page 41 of the Corporate Governance Report.

The Committee has overseen a detailed programme of work in 2019 in relation to its remit, including agreeing the scope of work delivered by the PricewaterhouseCoopers LLP (PwC) outsourced internal audit function, known as Rightmove Assurance. The Committee reviewed the results of PwC's cyber security and risk management review. This review, supplemented by further discussions at Board level assessed progress against agreed actions to further strengthen technical controls and enhance the Group's cyber posture, reflecting the ongoing focus in this key risk area. Other PwC activities in the year included a GDPR review focused on the Group's controls to identify and comply with subject access requests in a timely manner and an assessment of employee GDPR training and awareness.

In September 2019 the Group acquired Van Mildert Landlord and Tenant Protection Limited (Van Mildert). Since acquisition the Committee has received progress updates in relation to agreed actions to strengthen Van Mildert's internal controls and compliance framework as it transitions from being a small standalone entity to being part of a larger FTSE Group. In addition, the Committee assessed the application of IFRS 3 Business Combinations in relation to the acquisition of Van Mildert and the process adopted by the finance team to identify and fair value the assets acquired, including intangibles.

The Committee as part of its annual governance cycle also reviewed the Group's treasury, bribery and whistleblowing policies and the gifts and hospitality register and non-audit services policy.

In addition to its annual performance evaluation the Committee carried out a review of its terms of reference in relation to the 2018 Code.

I will be available at the AGM to answer any questions about the work of the Committee.

Andrew Findlay
Chair of the Audit Committee

Committee membership and meetings

All the members of the Audit Committee are Independent Non-Executive Directors in accordance with provision C3.1 of the UK Corporate Governance Code (the Code). The Board has determined that Andrew Findlay as the Committee Chair has recent and relevant financial experience as required by the Code due to his executive role as Chief Financial Officer of easyJet plc. Peter Williams was a member of the Committee until his retirement in May 2019. Both Andrew and Peter are chartered accountants with the Institute of Chartered Accountants in England and Wales. In line with the Code the Committee as a whole possesses experience relevant to the business through the digital and consumer experience of Andrew Findlay, the technology background of Jacqueline de Rojas and the financial and capital markets perspective of Amit Tiwari, who joined the Committee in June 2019.

Biographies of the members of the Committee are set out on pages 42 to 44.

The Committee met five times in 2019 and attendance of the members is shown on page 48 of the Corporate Governance Report. In order to maintain effective communication between all relevant parties, the Committee invited the Finance Director and Head of Finance, together with appropriate members of the management team, and the external and internal auditors, to meetings as necessary. The Committee sets aside time periodically to seek the views of the external auditor, in the absence of management. The external auditor has direct access to the Chair to raise any concerns outside formal Committee meetings. The Committee also meets separately with the internal auditor during the year, and in between meetings the Chair keeps in touch with the Finance Director and external audit partner as well as other members of the management team.

After each meeting, the Chair reports to the Board on the main issues discussed by the Committee and minutes of the Committee meetings are circulated to the Board once approved.

Audit Committee effectiveness

The effectiveness of the operation of the Committee was reviewed in December 2019 as part of the internal Board and Committee evaluation process. The feedback on the Committee was positive and confirmed that the Committee is effective and provides appropriate challenge.

Financial reporting

The Committee is responsible for reviewing the appropriateness of the Group's half-year report and annual financial statements. The Committee does this by considering, among other things, the accounting policies and practices adopted by the Group; the correct application of applicable reporting standards and compliance with broader governance requirements; the approach taken by management to the key judgmental areas of reporting and the comments of the external auditor on management's chosen approach.

Significant issues

The key significant issue in the context of the 2019 Financial Statements is revenue recognition. The Committee considers this area to be significant taking into account the level of materiality and degree of focus given by management and discussed the issue in detail to ensure that the approach taken was appropriate.

In relation to the Company Financial Statements, the key significant issue is the recoverability of the investment by the Company in Rightmove Group Limited, due to its materiality in the context of the total assets of the Company.

Issue	Committee review
Revenue As more fully described on page 18 and 108 to 109 the majority of the Group's revenue is derived from subscriptions for core listing fees and advertising products on Rightmove's platforms. The Group recognises this revenue over the period of the contract or the point at which advertising products are used.	Revenue is a prime area of audit focus, particularly 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. During the year, management performed data analytics procedures on the amounts billed to the two largest customer groups (Agency and New Homes). This included investigating anomalies such as billing gaps and single bills raised and reporting to the Committee in this regard. The Committee discussed any anomalies with management in relation to the data analytics work performed. The Committee was satisfied with the explanations provided and conclusions reached. KPMG also perform data analytics work by using computer assisted audit techniques to identify any unexpected or unusual revenue postings, considering in particular whether the opposite side of the journal entry was as expected based on the characteristics of the journal. The results of this work were reported to the Committee. The data analytics work above is supplemented by a detailed analytical review of margin and ARPA together with a comprehensive analysis on the treatment of discounted and free member offers.
Investment by Rightmove plc in Rightmove Group Limited (RMGL) The investment by the Company in RMGL is carried at cost, adjusted for subsequent additions to the investment. Cost was initially assessed as at 28 January 2008 being the date that Rightmove plc became the parent company of RMGL. Share-based payment awards to RMGL employees are accounted for as a deemed capital contribution by Rightmove plc to RMGL of the value of the share-based payment charge for those awards, increasing the value of the investment. Further details are provided in Note 15 to the financial statements. The investment is not considered at risk of material misstatement or subject to significant judgement, however it is considered a significant risk due to its size in relation to the Company balance sheet.	The Committee reviewed the assumptions made by management, including the strong track record of profitable growth and cash generation by RMGL. Furthermore, the Rightmove plc share price has increased significantly in the 10 year period since 2008, resulting in a current market value in excess of £5.5 billion, significantly higher than the investment carrying value of £0.5 billion. As RMGL is the main trading entity of Rightmove plc, we therefore see no evidence of impairment. The Committee was satisfied with the assumptions made.

The Committee also reviewed and considered the following areas in relation to the 2019 financial statements.

Issue	Committee review
Accounting for the acquisition of Van Mildert and the identification of intangibles and the resulting goodwill carrying value on the Group Balance Sheet.	The Committee carefully considered the treatment and disclosures in the Annual Report in relation to the acquisition of Van Mildert. The Committee also obtained a copy of an independent valuation provided by Ernst & Young of the key intangible acquired, being customer relationships together with a consideration of the allocation of the remaining goodwill to the Agency cash generating unit. The results of this review were that the Committee was satisfied that the accounting and disclosures in relation to Van Mildert were appropriate. KPMG also audited the application of IFRS 3 and the related disclosures.
Going concern and viability statements	In assessing the validity of the statements detailed on pages 26 and 107 (Going Concern), the Committee reviewed the work undertaken by management to assess the Group's resilience to the Principal Risks under various stress test scenarios as set out on pages 23 to 25 and concluded that the viability time period of three years remained appropriate. The Committee were satisfied that sufficient rigour was built into the process to assess going concern and viability over the designated periods.

Fair balanced and understandable

One of the key governance requirements is for the Annual Report and the Financial Statements, taken as a whole, to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Committee was provided with an early draft of the Annual Report in order to assess the strategic direction and key messages being communicated. Feedback was provided by the Committee in advance of the February 2020 Board meeting, highlighting any areas where the Committee believed further clarity was required. The draft report was then amended to incorporate this feedback prior to being tabled at the Board meeting for final comment and approval.

To help the Committee in forming its opinion, management presented a detailed fair balanced and understandable paper to the February 2020 Audit Committee identifying the key messages in the Annual Report and their consistent application across both the front end and the back end. Consideration was also given to the presentation and disclosure of Group numbers following the acquisition of Van Mildert in September 2019.

When forming its opinion, the Committee reflected on the information it had received and its discussions throughout the year. In particular, the Committee considered:

Is the report fair?	• Is the whole story presented and has any sensitive material been omitted that should have been included? • Are key messages in the narrative aligned with the KPIs and are they reflected in the financial reporting? • Are the KPIs being reported consistently from year to year? • Is the reporting on the business areas in the narrative reporting consistent with the financial reporting in the financial statements?
Is the report balanced?	• Do you get the same messages when reading the front end and back end of the Annual Report independently? • Are threats identified and appropriately highlighted? • Are the alternative performance measures explained clearly with appropriate prominence? • Are the key judgements referred to in the narrative reporting and significant issues reported in this Committee Report consistent with disclosures of key estimation uncertainties and critical judgements set out in the financial statements? • How do these judgements compare with the risks that KPMG are planning to include in their Auditors' Report?
Is the report understandable?	• Is there a clear and cohesive framework for the Annual Report? • Are the important messages highlighted appropriately throughout the Annual Report? • Is the Annual Report written in easy to understand language and are the key messages clearly drawn out? • Is the Annual Report free of unnecessary clutter?
Conclusion	Following its review, the Committee is of the opinion that the 2019 Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

External audit

The Committee has primary responsibility for overseeing the relationship with, and performance of, the external auditor, KPMG LLP (KPMG), who is engaged to conduct a statutory audit and express an opinion on the financial statements. The Committee reviews the scope of KPMG's audit, which includes the review and testing of the systems of internal financial control and data which are used to produce the information contained in the financial statements.

The Committee is responsible for making recommendations to the Board in relation to the appointment of the external auditor. KPMG was reappointed as auditor of the Group at the 2019 AGM. The current external audit engagement partner is Anna Jones, who has held this role since the beginning of 2018. A timeline setting out the tenure of KPMG as auditor is set out below:

The Committee approves the terms of engagement and fees of the external auditor, ensuring they have appropriate audit plans in place and that an appropriate relationship is maintained between the Group and the external auditor. The Committee approved the audit fees of £216,100 for the year as set out in Note 6 of the financial statements.

Independence and non-audit services

The Committee has policies and procedures in place in relation to the provision of non-audit services by the external auditor and the non-audit fee policy was reviewed by the Committee during the year. The non-audit fee policy ensures that the Group benefits in a cost-effective manner from the cumulative knowledge and experience of its auditor whilst also ensuring that the auditor maintains the necessary degree of independence and objectivity.

External Audit tendering timeline

2000	2006	2013	2018	2023
KPMG appointed as auditor	Rightmove becomes a publicly listed entity	KPMG reappointed as auditors, following a competitive audit tender process	Mandatory appointment of new audit lead partner after five years	Competitive tender will need to take place prior to this date, being 10 years since last audit tender. KPMG will not be invited to re-tender as maximum period in office is 20 years, i.e. 2026

Non-audit service	Policy
Assurance-related services directly related to the audit. For example the review of the half-year Financial Statements. **Permitted non-audit services** Including but not limited to accounting advice, work related to mergers, acquisitions, disposals, joint ventures or circulars, employee benefit plan audits, sustainability audits and reports required by regulators.	The half year review is approved by the Committee as part of the annual Audit Plan. Management is given the authority to incur additional non-audit services of up to £15,000 in any financial year without prior approval of the Committee. Thereafter all additional fees are to be referred to the Audit Committee in advance, subject to a cap on permitted non-audit fees of 70% of the average audit fees over the three preceding financial years.
Prohibited services In line with the EU Audit Reform, these are services where the auditor's objectivity and independence may be compromised. Prohibited services are detailed in the FRC Revised Ethical Standard 2016 and include tax services, accounting services, internal audit services and valuation services.	Prohibited, in accordance with the EU Audit Reform and will be assessed going forward in line with the new FRC Ethical and Auditing Standards.

The level of non-audit fees as a proportion of the audit fee has typically been low at Rightmove. During the year, KPMG charged the Group £21,800 for non-audit services, representing less than 10% of the 2019 audit fee. Of this, £19,100 related to the half year review, and £1,700 for agreed upon procedures in relation to the 2019 bonus outturn. Further details of these services can be found in Note 6 to the financial statements.

Statement of Compliance with the Competition and Markets Authority (CMA) Order

The Group confirms that it has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014 (Article 7.1), including with respect to the Committee's responsibilities for agreeing the audit scope and fees and authorising non-audit services.

External auditor effectiveness

The Committee places great importance on ensuring that the external audit is of a high standard of quality and effective. The Committee considered the quality and effectiveness of the external audit process, in light of the FRC's Practice Aid for Audit Committees (May 2015). The effectiveness of the external audit process is dependent on a number of factors. These include the quality, continuity, experience and training of audit personnel, business understanding, technical knowledge and the degree of rigour applied in the review processes of the work undertaken, communication of key accounting and audit judgements, together with appropriate audit risk identification at the start of the audit cycle.

The Committee also met with KPMG at various stages during the year, including without management present to discuss their remit and any issues arising from their work as the auditor.

The Committee evaluated the effectiveness of the audit process using a questionnaire together with input from management. Areas the Committee considered in this review included the quality of audit planning and execution, engagement with the Committee and management, quality of key audit reports and the capability and experience of the audit team. For the 2019 financial year, the Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and concluded that the performance of KPMG remained efficient and effective in their role.

External auditor independence and objectivity

The Committee considered the safeguards in place to protect the external auditor's independence. KPMG reported to the Committee that it had considered its independence in relation to the audit and confirmed to the Committee that it complies with UK regulatory and professional requirements and that its objectivity is not compromised. The Committee took this into account when considering the external auditor's independence and concluded that KPMG remained independent and objective in relation to the audit.

Internal audit

The Group has an Internal Audit function, known as Rightmove Assurance which is fully outsourced to PwC. The aim of Rightmove Assurance is to provide independent and objective assurance on the adequacy and effectiveness of internal control, risk management and governance processes. This includes assurance that underlying financial controls and processes are working effectively, as well as specialist operational and compliance reviews that focus on emerging risks in new and evolving areas of the business. The Rightmove Assurance plan for 2019 was approved by the Audit Committee and covered a broad range of core financial and operational processes and controls, focusing on specific risk areas. Specialist reviews were undertaken in the following areas:

- Cyber security and risk management progress update;
- Review of Rightmove consumer facing GDPR processes to provide assurance that data subjects are protected and Rightmove employees have essential data protection awareness;
- Marketing and media spend governance and PwC insights into marketing spend allocation and activities; and
- Assistance with development of a third party supplier risk management framework.

Reports setting out the principal findings of the Rightmove Assurance reviews and agreed management actions were discussed by the Committee. The Committee also reviewed open actions from previous reviews, together with monitoring the progress by management in completing these actions.

Approach to developing the 2020 Internal Audit Plan

In recent years, the Internal Audit Plan has consisted of a combination of traditional internal audit and compliance reviews, primarily with a financial controls or cyber/GDPR focus, as well as reviews with more of an advisory focus. As the business continues to evolve, and with growth being driven through new areas, this comes with some exposure to new, emerging risk areas and therefore the Internal Audit approach for 2020 and beyond will focus on ensuring an appropriate level of coverage across more of the audit universe.

To aid this, PwC working closely with management, completed a detailed review of the audit universe. The universe highlighted the various functional areas within Rightmove, the associated key process areas and related principal or emerging risks. In addition, it highlighted where Internal Audit work has taken place previously. It was then used as the basis for the development of the Rightmove Assurance plan for 2020, helping to ensure an appropriate level of coverage aligned to the risks facing the business and the current assessment of the control environment.

To help cover more of the audit universe and more functional areas within the business, the Internal Audit Plan also sets out a "two-tier" approach for 2020. This comprises a number of traditional Internal Audit reviews together with "short, sharp reviews" to gain a high level understanding of the control environment within a specific functional area. These reviews will not be graded but seek to provide the Committee with further comfort by providing greater insight into how risks are managed more broadly in the business with a view to undertaking more detailed work if found necessary or recommended by PwC.

Effectiveness of the internal audit process

The work of Rightmove Assurance provides a key additional source of assurance and support to management and the Committee on the effectiveness of internal controls as well as providing guidance and recommendations to further enhance the internal control environment, and provide specialist insight into areas of change in the business.

During the year, the Committee undertook a review of the effectiveness of the Rightmove Assurance function. The evaluation was led by the Committee Chair and involved issuing tailored evaluation questionnaires which were completed by Rightmove management, KPMG, and the Committee. The evaluation concluded that the function had a sound appreciation of the key issues facing the business, was realistic and robust with audit suggestions and added value to the business.

Anti-bribery and whistleblowing

The Code includes a provision requiring the Committee to review arrangements by which employees of the Group may in confidence raise concerns about possible improprieties in matters of financial reporting or other matters. The Committee's objective is to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for the appropriate follow up action.

Rightmove is committed to the highest standards of quality, honesty, openness and accountability. The Group has a whistleblowing process which enables employees of the Group to raise genuine concerns on an entirely confidential basis including a third party 'speak up' facility provided by Expolink. The Committee receives reports on the communication of the whistleblowing policy to the business and the use of the service including any whistleblowing incidents and their outcomes.

The Board believes that it is important for the Group and its employees to follow clear and transparent business practices and consistently apply high ethical standards in all business dealings thereby supporting the objectives of the Bribery Act 2010. A Bribery Policy and procedures have been established to set out what is expected from employees and other stakeholders who act on behalf of the Group to ensure that they protect themselves as well as the Group's reputation and assets. Employees are required to sign up to Rightmove's Bribery Policy on appointment and whenever the policy is updated; policy details are communicated to all employees. Rightmove has a zero tolerance approach to bribery and any breach of the Bribery Act is regarded as serious misconduct, potentially justifying immediate dismissal.

All corporate gifts and hospitality offered or received valued at more than £50 are recorded in the Group's gifts and hospitality register. For any gifts or hospitality greater than £100 approval is required prior to accepting and the register is examined by the Committee at least annually.

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 Turnball 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 has established the procedures necessary to ensure that there is an ongoing process for identifying, evaluating and managing the principal risks to the Group. These procedures have been in place for the whole of the financial year ended 31 December 2019 and up to the date of the approval of these financial statements and they are reviewed regularly.

Rightmove has an internal audit function, known as Rightmove Assurance, which is fully outsourced to PwC. Rightmove Assurance provides the Group with additional independent assurance on the effectiveness of internal controls.

The key elements of the system of internal control are:
- Major commercial, strategic, competitive, financial and regulatory risks are formally identified, quantified and assessed, discussed with the Executive Committee, 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, and an embedded culture of openness where business decisions and their associated risks and benefits are discussed and challenged;
- Clearly defined policies for capital expenditure and investment exist, including appropriate authorisation levels, with larger capital projects, acquisitions and disposals requiring Board approval;
- A treasury function which manages cash flow forecasts and cash on deposit and is responsible for monitoring compliance with banking agreements and counterparty exposure limits;
- A comprehensive disaster recovery plan and business continuity plan based upon:
  - co-hosting of the Rightmove.co.uk website across three separate locations, which is regularly tested and reviewed;
  - the ability of the business to maintain business critical activities in the event of an incident;
  - the capability for employees to remote work from home or a third party location in the event of a loss of one of our premises which is regularly tested through planned office closures;
  - Regular testing of the security of the IT systems and platforms, regular backups of key data and ongoing threat monitoring to protect against the risk of cyber-attack;
- A framework which provides guidelines in meeting the Financial Conduct Authority regulatory requirements for our regulated entities;
- A Group Data Protection Framework which provides guidelines in meeting the requirements of the data protection principles set out in the Data Protection Act 2018; 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.

Nomination Committee Report Summary

Andrew Fisher
Chair of the Nomination Committee

Committee's remit

The role of the Nomination Committee is to keep the structure, size and composition of the Board and Committees under review with the primary objective of matching the skills, knowledge and experience of Directors to Rightmove's business strategy and requirements.

Committee members

The Committee comprises the Chair and five independent Non-Executive Directors:

Andrew Fisher (Chair)
Jacqueline de Rojas (Senior Independent Director)
Andrew Findlay
Rakhi Goss-Custard
Amit Tiwari
Lorna Tilbian

2019 Activities

The Committee met four times during 2019 and its key activities were to:

- review the composition and diversity of the Board
- review the membership of Board committees
- approve the succession plans for Executive Directors and the senior leadership team
- consider the Board succession plan and recommendations for candidate profiles for a new Non-Executive Director and the Chair
- agree the process for an internal Board evaluation and consider actions arising, and
- review Directors' commitments, potential conflicts of interest and appointments to other boards

2020 Priorities

The Nomination Committee will continue its focus on Board diversity, effectiveness and succession, including the appointment of a new Finance Director.

The Committee's Terms of Reference are available on plc.rightmove.co.uk

Dear shareholder

I am pleased to present the Nomination Committee report for 2019.

Our priority is to optimise Board performance, enabling Rightmove to prosper, compete and manage risk effectively whilst continuing to innovate and evolve.

The terms of reference of the Committee were reviewed and updated during the year. The Committee fulfilled its terms of reference during the year by:

- reviewing the Group organisation and succession plans;
- nominating a new Non-Executive Director;
- implementing the Board succession plan and nominating a new Chair;
- commencing the search for the appointment of a new Finance Director; and
- approving the format of internal Board and Committee evaluations, further details of which can be found on page 60.

The Committee continued its focus on Board succession, comparing Rightmove's strategic objectives with the profiles of its existing directors to determine future Board requirements and shape recruitment plans. The Company's major shareholders were consulted on the proposed succession plan for the Board Chair and details of our implementation of the succession plan are set out on pages 59 to 60 of this report.

Peter Williams retired as our Senior Independent Director and Chair of the Remuneration Committee at the 2019 AGM. Jacqueline de Rojas was appointed Senior Independent Director and Lorna Tilbian was elected Remuneration Committee Chair following the AGM on 10 May 2019. Amit Tiwari was appointed as a Non-Executive Director on 1 June 2019.

The Board currently consists of eight directors including six Non-Executive Directors, all of which are considered to be independent, with gender balance in both executive and non-executive roles.

I will be available at the AGM to answer any questions about the work of the Committee.

Andrew Fisher
Chair

Composition and attendance at meetings

The Chair and Non-Executive Directors are members of the Committee. The Chief Executive Officer, Finance Director and the Head of People & Development attend meetings by invitation.

The Committee met four times during the year and attendance at the meetings is shown in the Corporate Governance report on page 48.

Membership

The Committee is comprised of Non-Executive Directors, whose biographical details can be found on pages 42 to 44. As at 31 December 2019, all our Non-Executive Directors were considered by the Board to be independent. At the request of the Chair, the CEO is normally invited to attend the meeting to discuss the organisation and succession plans.

The former Chair of the Company did not chair the Committee for any discussion about the appointment of his successor, which was led by our Senior Independent Director in 2019.

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

Board induction and training

New directors joining the Board undertake a tailored induction programme including meetings with key members of the management team. Directors proactively arrange meetings with Executive Directors and senior leadership team in Rightmove's offices outside the scheduled Board meetings and are invited to attend employee engagement sessions, Company events and briefings. New directors receive a comprehensive induction pack of corporate information and a briefing from the Company Secretary covering corporate governance, Group policies and relevant regulations.

The Chair's induction is ongoing and has included employee engagement sessions and meetings with each member of the senior leadership team to understand their business or area of responsibility. The Chair has received briefings from the Chief Information Security Officer on cyber risks, the Finance Director and Head of Finance on financial controls and risk management and the Company Secretary for a full briefing on data protection, Company policies and corporate governance. Meetings with Rightmove's investors and customers are also scheduled and stakeholder engagement will continue throughout 2020.

Individual Board members have access to training and can seek advice from independent professional advisers, at the Group's expense, where specific expertise or training is required in furtherance of their duties. The Board receives technical briefings and updates on key business activities and risks, such as cyber security, new digital marketing products and changes in regulation. All Directors are required to complete mandatory information security training as this is a requirement for all Rightmove employees.

Board diversity and experience

Details of our Board diversity policy and the skills and experience of our Directors are set out on pages 42 to 44 and 47 of the Corporate Governance Report.

Board succession and independence

The Nomination Committee takes a long-term view of Board succession. In selecting a new Non-Executive Director and the Chair, the Committee gave careful consideration to the conclusions of the Board Strategy Review (externally facilitated by Korn Ferry) in 2018, the existing Board skills and the Group's strategic plan.

The Board established a Committee, chaired by the Senior Independent Director, Jacqueline de Rojas, and Chief Executive Officer, Peter Brooks-Johnson, to oversee the search for a new Chair. Russell Reynolds Associates (an independent external consultancy with no other connection with the Company or individual directors) was appointed to shortlist for suitable candidates, who were initially interviewed by Jacqueline and Peter, and their preferred candidate, Andrew Fisher, met the other Non-Executive Directors. The Nomination Committee unanimously recommended Andrew's appointment, based on directors' meetings with him and his proven track record of growing rapidly evolving, successful digital businesses.

For the appointment of Amit Tiwari, Korn Ferry were instructed and prepared a candidate shortlist to match the brief agreed by the Nomination Committee. Amit was independently recommended to the Chair, having had no prior connection with the Board or Company, who considered Amit's skills and experience to be a better match for the Board succession requirements. Korn Ferry compiled a full candidate profile and references for Amit, who was invited to meet other Directors before the Nomination Committee considered and recommended his appointment to the Board.

The Board has determined that all Non-Executive Directors are independent in character and judgment and have enough capacity to meet their commitments to Rightmove, including during periods when greater involvement may be required of them.

In November 2019, the Company announced that Robyn Perriss planned to step down as Finance Director by the end of June 2020. The Committee has appointed Russell Reynolds Associates to conduct an external search and will keep the market abreast of its progress in finding her successor.

Board effectiveness and evaluation

A key mechanism to inform our future development plans is the annual Board evaluation. Following the externally facilitated evaluation of Board and Committee performance in 2018, a number of actions were implemented to improve the Board's effectiveness, which included refreshing the Board programme, reprioritising Board agenda items, optimising the format and delivery of Board presentations by the senior leadership team and implementing a programme of employee engagement sessions and activities.

In 2019, the Directors completed an internally facilitated review of the Board and its Committees, which confirmed that the Board continues to operate effectively and that the actions previously identified had improved the efficiency and focus of the Board meetings during the year together with the Board's detailed understanding of the business.

However, we continue to recognise the value of the review and suggested areas for improvement and have agreed further enhancements to the Board programme, including more regular review of strategic initiatives and a wider variety of stakeholder engagement activities involving employees and customers.

Annual Statement by the Chair of the Remuneration Committee

Remuneration report summary

Lorna Tilbian
Chair of the Remuneration Committee

Committee's remit

The primary role of the Committee is to make recommendations to the Board on the Company's overall policy and framework for setting the remuneration of the Chair, Executive Directors and the senior leadership team. The primary objectives of the Remuneration Policy are the effective recruitment, retention and fair reward of Executive Directors and employees.

Committee members and advisors

The Committee members are independent Non-Executive Directors comprising:

Lorna Tilbian (Chair)
Jacqueline de Rojas
Rakhi Goss-Custard

The Committee appointed Deloitte LLP as remuneration consultant in 2019.

2019 Activities

The Committee met seven times during 2019 and key activities included the:

- approval of DSP and PSP share awards granted in March 2019
- appointment of new remuneration consultants
- review and recommendation of changes to the Remuneration Policy
- consultation with the Company's shareholders on the 2020 Remuneration Policy proposals
- approval of the Directors' Remuneration Report
- review and approval of Executive Directors' base salaries and benefits
- review of 2019 business performance against the bonus performance targets
- approval of appropriate benchmarks and performance measures for the annual bonus and PSP awards
- approval of leaver arrangements for the Finance Director, Robyn Perriss

2020 Priorities

The Committee will oversee the implementation of the 2020 Remuneration Policy and approve the remuneration of a new Finance Director, in accordance with the 2020 Policy.

The Committee's Terms of Reference are available on plc.rightmove.co.uk

Dear Shareholder

I am pleased to present our Directors' Remuneration Report for Rightmove (the Company) together with its subsidiary companies (the Group) for the year ended 31 December 2019.

Our report is made up of two sections, the Remuneration Policy Report and the Annual Report on Remuneration, key elements of which are summarised in 'Remuneration at a glance' on pages 63 to 64.

Investor engagement and Remuneration Policy

The Committee's main focus in 2019 was the review and evolution of Rightmove's Remuneration Policy (the Policy) which we will ask shareholders to approve at our AGM on 4 May 2020. During 2019, the Committee appointed Deloitte LLP as remuneration consultant to assist it in reviewing all elements of the Policy in order to ensure alignment with our business strategy, the expectations of our shareholders and the interests of the wider workforce. In 2019, the Committee consulted the Company's largest shareholders on the new Policy proposals, which they largely supported. In light of our shareholders' comments during this and previous consultations, the Committee considered it appropriate to introduce a post-vesting holding period for Performance Share awards and a post-employment shareholding requirement. The Policy changes are summarised on page 64 and detailed in the Policy Report on pages 65 to 75.

The Committee's key objective is to develop a Policy and remuneration framework that is fair to our employees and aligned to shareholders' interests in the successful delivery of Rightmove's long-term strategy. It must attract, reward, retain and incentivise our management team and wider workforce to deliver that strategy in an innovative, high growth business. We work on the principle and belief that 'we're all in it together', which underpins Rightmove's culture and is reflected in alignment of executive pay rises, pensions and other benefits with those available more broadly to employees.

The Policy is intended to deliver fixed pay at or below market median with above market levels of variable pay opportunity for our Executive Directors, subject to the achievement of challenging performance measures linked to Rightmove's key financial and operational objectives. The current maximum bonus and long-term incentive plan opportunities are 125% and 200% of salary respectively. From 2020 we are proposing to increase the bonus to 175% and decrease the LTIP to 175%, both of which remain competitive (but not overly so) against the FTSE 50-150 market and Rightmove's peers. The Committee considers this adjustment to be essential in attracting the right calibre of executive to succeed our present Finance Director in 2020 and ensure ongoing market competitiveness.

At the same time, we are either introducing or maintaining several features designed with shareholder alignment and expectations in mind. These features include a two-year post-vesting holding period for Performance Share awards for all Directors and a two-year post-employment shareholding requirement, which will apply to shares acquired through awards granted under the new Policy. We continue our best practice approach on pensions; our Company pension contribution of 6% of salary has been at the same level for both Executive Directors and employees for many years now, and this will continue to be the case.

Our performance-related pay is geared towards long-term, sustainable performance, with 80% delivered in equity through a combination of bonus shares, deferred for two years, and performance shares with a three-year performance period and two-year post-vesting holding period.

The Committee values the feedback it has received from Rightmove's major shareholders and appreciates their prompt engagement and support for our Policy proposals. Shareholders' views have been taken into consideration in the final Policy detail.

2019 performance and reward

The other key decisions made by the Committee ensure that Directors' remuneration fairly reflects the overall performance of the Group, through achievement of pre-set performance targets.

The Committee reviewed business performance against the bonus plan objectives for 2019 and recommended an annual bonus payment of 65%. The bonus achieved reflects the growth in revenue and underlying operating profit[1] of 8%, continued audience growth in time spent on our platforms, compared to a reduction in time spent on Rightmove's closest competitors and strong growth in our Other business revenue of 19% year on year. These performance targets are stretching, compared with Rightmove's business plan, and we believe they underpin the long-term success and sustainability of the business. Achievement against each performance target is detailed on page 80. The lower bonus payout for 2019, compared with 2018, was largely due to a lower employee 'great place to work' satisfaction score[2] of 81% (2018: 91%) and lower than anticipated tenant passport lead penetration.

Rightmove has performed strongly over the three-year performance period from 1 January 2017 to 31 December 2019, resulting in 85% of the Performance Share Plan (PSP) awards granted in 2017 vesting in March 2020. Underlying basic EPS[3] growth was 42% versus a maximum target of 50% and Rightmove's TSR growth over the same three-year performance period exceeded the FTSE 350 Index by over 50% resulting in 100% of this element vesting. The Committee tested both performance conditions, set at the beginning of the performance period, and believes the overall outturn against the performance conditions is fair and accurate.

Board succession

Our current Finance Director, Robyn Perriss, will retire from the Board by 30 June 2020 and the Committee has determined that she is a 'good leaver' for the purpose of Rightmove's share plan awards. Full details of Robyn's contractual entitlement to remuneration and the treatment of her share-based incentives are set out on pages 89 to 90.

I will be available at the AGM to answer any questions you may have on the new Policy and our application of the current Policy in 2019.

Lorna Tilbian
Chair of the Remuneration Committee

28 February 2020

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

(2) Based on the number of employee respondents selecting 'Yes' as a response to this question in the annual employee survey.

(3) Before share-based payments and NI on share-based incentives with no related adjustment for tax. Prior year EPS has been adjusted for the 10:1 share subdivision effective on 31 August 2018.

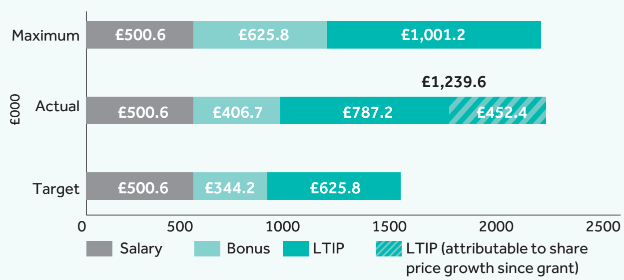
2019 Financial performance

Revenue	Underlying operating profit[1]	Returns to shareholders
+8%	+8%	£148.8m

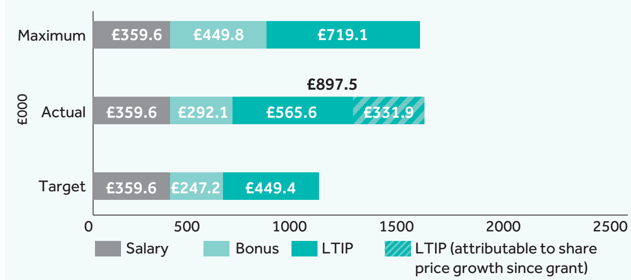
Pay and performance for 2019

The charts below show the actual remuneration for the Chief Executive Officer and the Finance Director for 2019. The charts include data for salary, bonus and the LTIP (performance shares) granted in 2017, with a performance period ending on 31 December 2019. The data excludes benefits, details of which can be found in the single remuneration figure table on page 78.

Chief Executive Officer



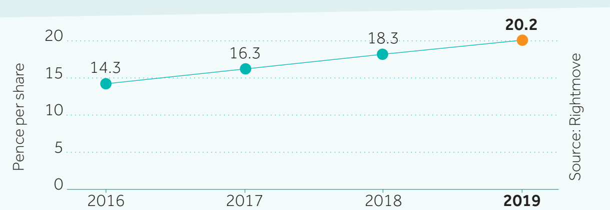
Finance Director



Long-term incentive plan performance – 85%

Underlying basic EPS[1]	Total Shareholder Return
60% out of a maximum of 75% of this element of the 2017 PSP awards vest on achievement of three-year EPS growth of 42%.	25% out of a maximum of 25% for this element of the 2017 PSP awards will vest as relative three-year TSR performance exceeding the FTSE 350 index by over 50%.

Underlying basic EPS[2]



Total Shareholder Return

This graph shows the value, by 31 December 2019, of £100 invested in Rightmove on 31 December 2016, compared with the value of £100 invested in the FTSE 100 and the FTSE 350 Indices on the same date.

Annual bonus achievement – 65%

Performance Target	Threshold	Actual	Bonus % achieved
Underlying operating profit[2]	£213.3m	£219.7m	40%
Innovation – growth in Other revenue[3]	£2.0m	£3.9m	10%
Growth in absolute time on site in minutes relative to our nearest competitors[4]	Same absolute growth in minutes	Growth in time spent on Rightmove, compared to a fall in competitors' traffic	15%
Tenant services – rental leads including a Rightmove Passport	4%	2%	0%
Employee survey respondents who think 'Rightmove is a great place to work'	90%	81%	0%

(1) Before share-based payments and NI on share-based incentives with no related adjustment for tax.
(2) Before share-based payments and NI on share-based incentives.
(3) Other revenue is all revenue excluding Agency and New Homes.
(4) Time in minutes spent on Rightmove platforms, measured by comScore, relative to our nearest competitors.

Shareholder alignment

Shareholding guidelines	Proportion of variable awards received in shares
200% of salary for all Executive Directors	85% of performance-related pay for 2019 was awarded in Rightmove shares

Remuneration Policy changes

	2019	2020
Base salaries	Executive Directors receive inflationary adjustments to salaries capped at 3% above wider workforce increases	Executive Directors will normally receive inflationary adjustments to salaries in line with wider workforce increases
Pension	Employer contributions of maximum of 6% of base salary, in line with the wider workforce	No change
Annual bonus	Maximum 125% of salary, with 40% cash and 60% deferred into Company shares for two years	Maximum 175% of salary, with 40% cash and 60% deferred into Company shares for two years
Performance Share Plan	Awards granted at 200% of salary. No post-vesting holding period for current Executive Directors	Awards granted at 175% of salary. Introduction of two-year post-vesting holding period
Malus and Clawback	Clawback applies to DSP awards and PSP awards	Enhanced malus and clawback apply to DSP and PSP awards
Shareholding Guidelines	200% of base salary	No change
Post cessation shareholding requirements	None	A two-year post-employment holding period will apply to share awards granted from May 2020, with 100% of the shareholding requirement (or actual holding, if lower) retained for the first year, and 50% for the second year

Remuneration Policy Report (unaudited)

Introduction

This report sets out the Company's Policy on Directors' remuneration for the forthcoming year, and for subsequent years, as well as information on remuneration paid to Directors for the financial year ended 31 December 2019. The 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 and The Companies (Miscellaneous Reporting) Regulations 2018 (together the Act), and the 2018 UK Corporate Governance Code (the Code).

This report comprises a Policy Report and an Annual Report on Remuneration. The current Remuneration Policy was approved by shareholders at the 2017 AGM and, in compliance with the Act, the revised Policy as set out below (the 2020 Policy) will be put to a binding shareholder vote, whilst the Annual Report on Remuneration will be subject to a separate advisory vote, at the 2020 AGM.

The parts of the report which have been audited have been highlighted.

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 2020 Policy was developed in line with Rightmove's approach, that our Executive Directors should be rewarded lower than market base salaries and benefits and higher than market equity rewards subject to the achievement of challenging performance targets. This approach accords with the views of our major shareholders and with 'best practice' principles set out in the Code.

The key principles of the Committee's policy are that executive remuneration should:

- be sufficient to attract and retain Executive Directors and senior leadership team of the quality required to run the Group successfully and be regarded as fair by both employees and shareholders;
- be simple to explain, understand and administer;
- be at or below market levels for base salary and above market levels of variable pay potential;
- normally be reviewed against the market every three years, with intervening pay reviews for Executive Directors aligned with all employees, specifically for cost of living rises in base salary and changes in benefits, which are made available on the same basis to the majority of Rightmove employees;
- align the interests of the Executive Directors with the interests of shareholders and reflect the dynamic, performance-driven culture of the Group;
- reward individuals for the overall success of the business, measuring and incentivising Directors against key short and long-term goals; and
- not enable Executive Directors to gain significantly from short-term successes, which may not be consistent with growing the overall value of the business, through the deferral of 60% of annual bonuses for a further two years after the performance targets have been achieved.

The following table provides an overview of the Committee's Remuneration Policy, which has been designed to reflect the principles described above.

The key changes to the new Policy are:

- the increase in maximum opportunity for the Annual Bonus from 125% to 175% of base salary;
- the decrease in maximum opportunity for the Performance Share Plan (the "PSP") from 200% to 175% of base salary;
- the introduction of a two-year post-vesting holding period for the PSP; and
- the introduction of post-employment shareholding requirements.

Remuneration Policy

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Salary	To provide a base salary which will attract and retain high calibre executives to execute the Group's business strategy.	Base salaries are normally reviewed annually. The timing of any change is at the Committee's discretion and will usually be effective from 1 January. When considering the executive's eligibility for a salary increase, the Committee considers the following points: • size and responsibilities of the role; • increases awarded to the wider workforce; • individual and Group performance; and • broader economic and inflationary conditions. Executive Directors' remuneration is benchmarked against external market data periodically (generally every three years). Relevant market comparators are selected, which include other companies of a similar size and complexity. The Committee considers market data, alongside the individual's skills and experience, performance and internal relativities.	Directors' current salaries are set out on page 87. These salary levels will be eligible for increases during the period that the 2020 Policy operates. During this time, salaries may be increased each year (in percentage of salary terms) in line with those of the wider workforce, subject to the Committee's consideration of the overall salary budget, individual and Group performance and external economic factors including inflation. Increases beyond workforce pay awards (in percentage of salary terms) will only be made where there is a change of incumbent, in responsibility, experience or a significant increase in the scale of the role and/or size, value and/or complexity of the Group.	The Committee considers both individual and Group 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.	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, all Executive Directors are members of the Group's medical cash plan. Executive Directors will be entitled to receive new benefits on the same terms as those introduced for the whole workforce.	The value of benefits may vary from year to year depending on the cost to the Company from third party providers.	Not applicable

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Pension	To provide a basic, cost-effective, long-term retirement benefit.	The Group operates a stakeholder pension plan for employees under which the Company contributes 6% of base salary subject to the employee contributing a minimum of 3% of base salary. The Company does not contribute to any personal pension arrangements. 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 full saving to the executive's pension. The Company may introduce a cash alternative to a pension contribution where this would be more tax efficient for the individual.	6% of base salary	Not applicable
Annual bonus including Deferred Share Bonus Plan (DSP)	To incentivise and recognise execution of the business strategy on an annual basis. Rewards the achievement of annual financial and operational objectives.	The annual bonus comprises a cash award (40% of any bonus earned) and a DSP award (60% of any bonus earned). A greater proportion of the annual bonus may be deferred in future years at the Committee's discretion. Deferred shares will vest after two years and be potentially forfeitable during that period. Payments under the annual bonus plan may be subject to malus and/or clawback in the circumstances described on page 69.	175% of base salary	The bonus is determined by and based on performance against a range of key performance indicators which will be selected and weighted to support delivery of Rightmove's business strategy. The primary bonus metric will be profit-based (e.g. operating profit) with targets set in relation to a Board-approved business plan and requiring significant out-performance of that plan to trigger maximum payments. 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. 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 pages 80 and 87 to 88. 25% of the bonuses and shares awarded vest for achieving the threshold performance target. Bonus is earned on a linear basis from threshold to maximum performance levels.

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Performance Share Plan (PSP)	To incentivise and reward executives for the achievement of superior returns to shareholders over a three-year period, to Executive Directors and align their interests with shareholders.	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. All PSP awards will be subject to a two-year post-vesting holding period, to align the interests of executives and shareholders, followed by a 2 year exercise period. A dividend roll-up provision operates enabling dividends to be paid on PSP shares at the time of vesting and on unexercised awards during the holding period. These dividend equivalents will ordinarily be paid in shares. PSP awards may be subject to malus and/or clawback in the circumstances described on page 69.	175% of base salary	Awards vest based on three-year performance against challenging financial targets for EPS and relative TSR performance. Financial targets will determine vesting in relation to at least half of an award. 25% of the awards vest for achieving the threshold performance target, and vest on a linear basis from threshold to maximum performance levels. The performance period for financial targets and relative TSR targets is three financial years, starting with the year in which the award is granted.
All-employee Sharesave Plan	Provides all employees with the opportunity to own shares in the Company on similar terms.	Executive Directors are entitled to participate on the same terms as all other employees in the Group's Sharesave Plan, which has standard terms.	Participation limits are set by HMRC from time to time.	None
Share Incentive Plan (SIP)	To provide all employees the opportunity to own shares in the Company on equal terms.	Executive Directors are entitled to participate in the SIP on the same terms as all other employees. The SIP has standard terms and currently only free shares are offered. However, Executive Directors routinely forfeit their entitlement to free share awards. The Committee may award free shares to employees, subject to continued strong financial performance. Share awards will typically be made annually and will be modest in value. Historically shares to the value of around £2,500 have been awarded to each employee.	Participation in the SIP is subject to HMRC rules. Share awards are discretionary and made within the SIP rules and prevailing limits.	None
Share ownership guidelines	To provide alignment between the Executive Directors and shareholders.	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. The Committee will regularly monitor progress towards the guideline.	Shareholding guideline: 200% of base salary for all Executive Directors, comprising vested share awards, beneficially owned shares, and shares under awards no longer subject to performance (e.g. bonus deferrals and LTIP awards in a post-vesting holding period) on a deemed net of tax basis.	Not applicable

Element of remuneration	Purpose and link to strategy	Operation	Maximum opportunity	Performance criteria
Post-cessation holding requirements		A two-year post-employment holding period will apply to share awards granted from May 2020, with 100% of the shareholding requirement (or actual holding, if lower) retained for the first year, and 50% for the second year.	Shareholding requirement: 200% of base salary in the first year and 100% of base salary in the second year.	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.	The fees for Non-Executive Directors (including the Company Chair and additional fees for chairing Board Committees) are reviewed periodically (normally every three years). The Committee will consider the Chair's fee, whilst the Non-Executive Directors' fee is considered by the wider Board, excluding the non-executives. Fee levels for each role are determined after considering the responsibility of the role, the skills and knowledge required and the expected time commitments. Periodic benchmarking against relevant market comparators, reflecting the size and complexity of the role, is used to provide context when setting fee levels. In exceptional circumstances, where the normal time commitment has been substantially exceeded, an additional fee may be paid at the Board's discretion.	Fees for the Chair and Non-Executive Directors were reviewed in 2018 and the Chair's fees were increased on the appointment of Andrew Fisher, with effect from 1 January 2020. The revised fees are set out on page 89. Fee increases may take place if fee levels are considered to have become out of line with the responsibilities and time commitments of individual roles. Flexibility is retained to increase fee levels in the event that it is necessary to recruit a new Chair or Non-Executive Director of an appropriate calibre in future years.	Not applicable
Business expenses	To reimburse Directors for reasonable business expenses.	Directors may claim reasonable business expenses within the terms of the Group's expenses policy and be reimbursed on the same basis as all employees. The Group may reimburse business expenses which are in future classified as taxable benefits by HMRC.	Expenses vary from year to year according to each Director's responsibilities, business activity and location.	Not applicable

Malus and clawback

DSP and PSP awards may be subject to malus and/or clawback in the event of a material misstatement of the Group's financial results, fraud or misconduct, an error in assessing any applicable performance condition; reputational damage to the Group; material corporate failure; or where the behaviour of the participant materially fails to reflect the governance or values of the Group.

Discretions maintained by the Committee in operating the incentive plans

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

The Committee retains and routinely exercises discretion over the operation and administration of these plans, which is consistent with market practice. The discretions include, but are not limited to:

- the selection of participants in each share plan;
- the timing of any grant of an award and payments;
- the size of an award and/or a payment (within the limits described above);
- the annual review of performance measures, targets and weightings for the annual bonus plan and PSP from year to year;
- the extent awards vest, based on the achievement of pre-approved performance targets and applicable exercise or holding periods where relevant; and
- 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 vesting of awards.

In addition, the Committee would exercise discretion in the following circumstances:

- how to deal with a change of control (e.g. the timing of testing performance targets) or restructuring of the Group;
- to settle share awards or dividend equivalents (in whole or in part) in cash, if it considers that circumstances apply where it is appropriate to do so, for example, where there is a regulatory restriction on the delivery of shares;
- adjust a bonus award or PSP vesting outturn if any formulaic output does not produce an appropriate result for either the Executive Directors or the Group, taking account of overall performance, or because the formulaic output is inappropriate in the context of circumstances that were unexpected or unforeseen at the start of the performance period; and
- adjustments (if any) required to share awards in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends).

The Committee also retains the discretion under the plan rules 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 an 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 appropriate, be subject to communication with the Company's major shareholders.

For the avoidance of doubt, all previous commitments or entitlements agreed prior to the approval of the 2020 Policy or appointment to the Board will be permitted to payout on their original terms or in line with the policy in force at the time they were agreed.

Selection of performance measures and how targets are set

The performance measures used for the annual bonus and long-term incentive plans are derived from the Group's key performance indicators. Each performance measure has a threshold target, at which 25% is payable, and a stretching maximum target at which 100% is payable and a sliding scale for intermediate performance.

Operating profit will continue to be the primary performance metric for the annual bonus as it is a key financial performance indicator used by the business and aligned to the Group's strategy of delivering profitable growth. The operating profit target is based around meeting and exceeding the Board approved business plan for the year.

The annual bonus is also subject to performance against other key operational measures, including a market share of traffic target, growth in non-core (Other) business revenue, a lettings or tenant referencing-related target and an employee engagement target, for a minority of the bonus. A sliding scale is used to determine performance against each measure between 25% for threshold and 100% for maximum performance.

Market share, measured as the time consumers spend on our Rightmove platforms compared to our nearest competitors, is a key indicator of the size and engagement of our audience and the value which Rightmove brings to our customers. The Committee therefore considers it important to set a challenging target to increase Rightmove's share of this audience relative to its competitors from a high starting point.

The Other revenue target measures growth in revenue from businesses other than Agency and New Homes. As some of these businesses are at an earlier stage of development, compared to Rightmove's core Agency and New Homes businesses, growth in revenue rather than in operating profit is considered to be a more appropriate measure of success; this element of the bonus remains a small proportion of the total bonus opportunity.

For the longer-term PSP awards to Executive Directors, a combination of basic earnings per share (EPS) and relative Total Shareholder Return (TSR) are used as performance measures.

EPS is considered the most appropriate financial metric for Rightmove, since it is the measure of profitability that is most closely aligned with shareholders' interests and monitored on an ongoing basis within the business. To date, underlying basic EPS (before share-based payments and NI on share-based incentives with no related adjustment for tax) has been used on a non-GAAP basis to measure growth over the three-year performance period. For awards made from 2020 onwards, EPS will be measured on a GAAP basis as the Group plans to move away from Alternative Performance Measures in line with FRC best practice recommendations. In assessing performance, the Committee is always mindful of ensuring: (i) it measures performance on a like-for-like basis between start and end performance; and (ii) any changes or adoption of new accounting standards do not result in targets being materially easier or harder than the targets as they were originally set.

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 payout for threshold performance levels, with the maximum award requiring substantial out-performance of business plan and analyst consensus estimates.

The 2020 Policy also recognises that relative TSR should also be a performance measure in order for there to be a clear alignment of Executive Directors' and shareholder interests. For TSR, the range of targets measure how successful the Company is in out-performing the FTSE 350 Index with 25% of this part of the award vesting at the threshold performance level, through to full vesting for 25% out-performance of the Index over the three-year performance period. Rightmove has been in the top quartile of the FTSE 250 for some time and a member of the FTSE 100 since 2018, therefore the wider index is considered appropriate for comparison purposes.

Performance targets do not apply to Sharesave or SIP awards since these awards are structured to encourage all employees to become shareholders. 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

Members of the Committee, along with other Non-Executive Directors, have actively engaged with Rightmove employees on a variety of issues. Employee engagement sessions led by the Non-Executive Directors (described in the Corporate Responsibility Report) are interactive and have provided useful insight into employee concerns and aspirations.

The Committee has therefore not felt it necessary to consult directly with employees on executive remuneration matters, but seeks employee views regularly through management, and takes the 'Have your Say' survey results into consideration when reviewing remuneration proposals. The Committee considered the general employment terms and benefits within the wider workforce when setting the Executive Directors' Remuneration Policy.

Remuneration Policy for Executive Directors compared to other employees

The Committee considers the proposed salary budget, cost of living and discretionary increases for the whole Group annually when it is deciding on salary increases for Executive Directors specifically.

It is the Group's strategy to keep remuneration simple and consistent, benefits and pension arrangements provided to Executive Directors are therefore aligned to those offered to other Group employees.

The extent to which annual bonuses are awarded varies by the level and type of role within the Group. The quantum and performance measures reflect the nature of the role and responsibilities and market rates at that level.

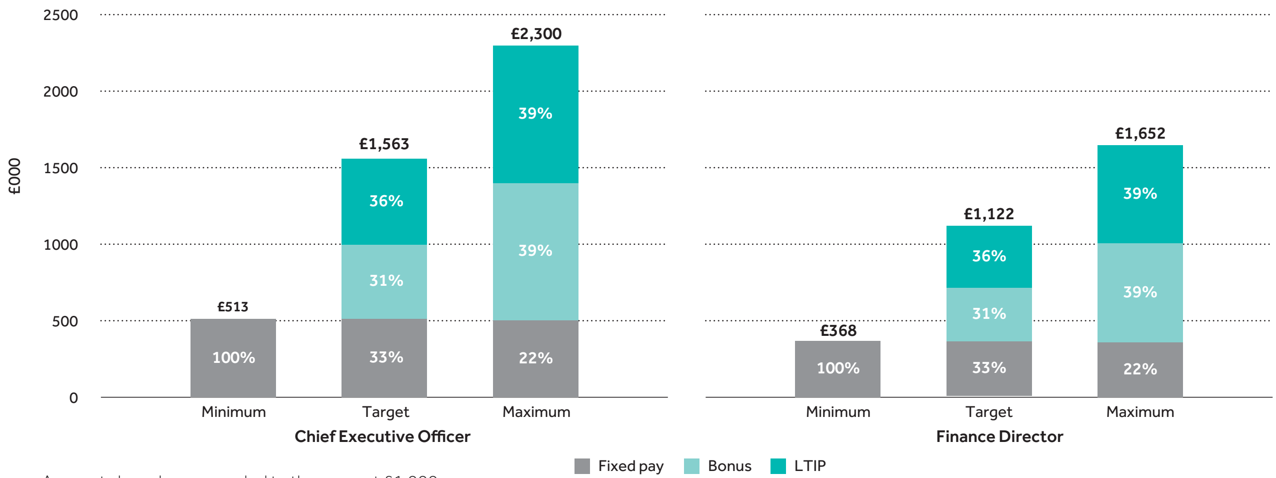
Long-term incentive awards such as the DSP, are only offered to senior managers as those awards are more heavily weighted towards performance-related pay and there is a stronger connection between the value created for shareholders and the reward for participants. PSP awards are only granted to Executive Directors.

Shareholders' views

The Committee considers it vitally important to maintain clear and open communication with the Company's shareholders. In 2019, the Committee consulted major investors representing over 50% of the Company's share ownership on the proposed amendments to the Remuneration Policy. The shareholders consulted were generally supportive of the 2020 Policy. The Committee took into account the constructive feedback from this and previous consultations in relation to the alignment of Director's pay to all employee rises in basic salary and shareholders' preference for post-vesting holding periods for long-term incentives together with post-cessation provisions.

Reward scenarios

The Company's 2020 Policy outlined above is illustrated below using three different performance scenarios: minimum, on-target and maximum:



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

Assumptions:

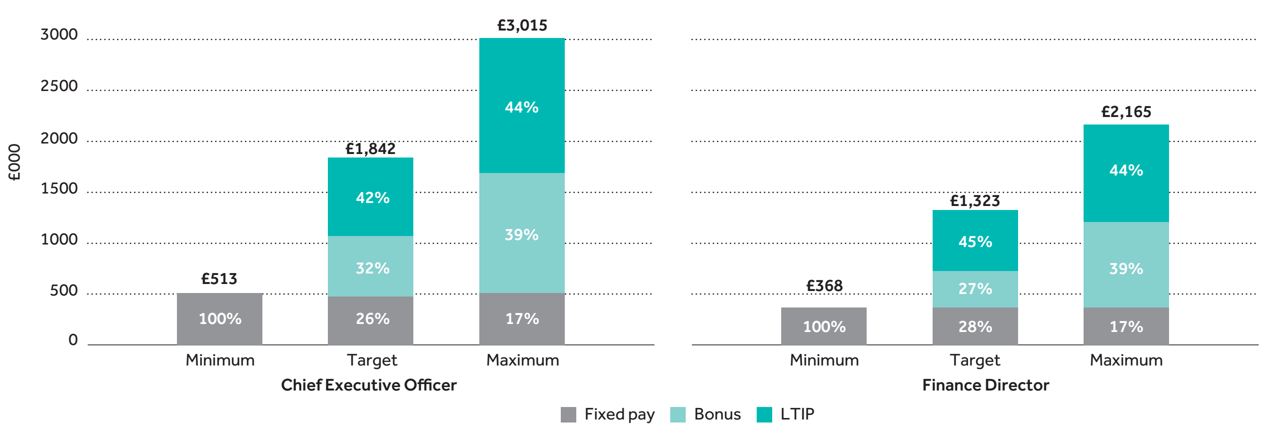
1. Minimum = fixed pay only (salary + benefits + pension).
2. On-target = 55% payable of the 2020 annual bonus and 62.5% vesting of the 2020 PSP awards being the midpoint between threshold vesting of 25% and maximum vesting of 100%.
3. Maximum = 100% payable of the 2020 annual bonus and 100% vesting of the 2020 PSP awards.

Base salary is as set at 1 January 2020. The value of taxable benefits is based on the cost of supplying those benefits (using the cost as disclosed on page 78) for the year ended 31 December 2019. The Executive Directors have elected not to participate in the Company's pension arrangements.

The Executive Directors can participate in the Sharesave Plan and SIP on the same basis as other employees. The value that may be received under these plans is subject to tax approved limits. For simplicity, the value that may be received from participating in these plans has been excluded from the above charts. The Executive Directors do not participate in the SIP and the value of vested Sharesave options is included in Directors' remuneration set out on page 78.

Reward scenarios assuming future share price growth of 50%

As required by the Act, illustrated below are the same performance scenarios: minimum, on-target and maximum, based on the same assumptions detailed above and also future share price growth of 50% across the performance period for the 2020 PSP awards.



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 role 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 experience at a listed company board level) it may be considered appropriate to set initial salary levels above the present incumbent's to attract the desired calibre of executive and subject to an individual's continued performance in the role. A new salary will be positioned at or below market median.
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	Defined contributions or a cash alternative at the level provided to all Rightmove employees.
Annual bonus	An annual bonus would operate in the same manner as outlined for the current Executive Directors (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. Flexibility will be retained to set equivalent objectives for any new executive joining part way through a year. The maximum bonus potential would not exceed 175% 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 Executive Directors 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 award.
Long-term incentives	A new appointment will be eligible to receive PSP awards as outlined in the Policy table. Share awards may be granted shortly after an appointment (subject to the Company not being in a closed period) and would be measured against the same performance criteria as the current executives. However, any award granted outside the normal award and performance cycle may be pro-rated at the Committee's discretion. The same two year post-vesting holding period under the PSP will apply to new executives. The ongoing maximum award would not exceed 175% of base salary. For an internal hire, existing awards would continue over their original vesting period and remain subject to the terms effective at the date of grant. The new appointment would be eligible to participate in the Sharesave Plan and the SIP under the same terms as all other employees.
Buy-out awards	To facilitate an external appointment, it may be necessary to buy-out remuneration which would be forfeited on an individual 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: • the form of remuneration (cash or shares); • timing of expected payment/vesting of pre-existing awards; 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 plans if necessary and as permitted under the Listing Rules.
Share ownership guidelines	200% of base salary, comprising vested share awards, beneficially owned shares, and shares under awards no longer subject to performance (e.g. bonus deferrals and LTIP awards in a post-vesting holding period) on a deemed net-of-tax basis. At least half of every share award must be retained (after tax and other deductions) until the guideline is met.
Post-cessation holding requirements	A two-year post-employment shareholding period will apply, with 100% of the shareholding requirement (or actual holding, if lower) retained for the first year, and 50% for the second year.

Directors' service contracts and Non-Executive Directors' terms of appointment

Executive Directors' service agreements have no fixed terms and 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 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 executive remunerated position.

In addition, any statutory entitlements or sums to settle or compromise claims in connection with the termination would be paid as necessary. The Company may also provide a contribution toward reasonable legal fees or outplacement services.

Peter Brooks-Johnson and Robyn Perriss are entitled to a payment in lieu of notice, restricted to base salary and benefits. In 'good leaver' circumstances, a bonus may be paid at the normal time subject to achievement of the performance conditions and pro-rating for the period worked in the year.

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 in 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, except in the event of death, when the Committee has the discretion to accelerate vesting.

For awards granted under the PSP, '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 in 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 (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 and to accelerate the vesting of awards for 'good leavers' in the event of death.

The Chair's appointment may be terminated by either party giving to the other not less than three months' notice in writing. The Company may also terminate the appointment by making a payment in lieu of notice.

Letters of Appointment for Non-Executive Directors provide for a term of up to two three-year periods and a possible further three-year term (subject to annual 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. Letters of Appointment set out the time commitments required to meet the expectations of Directors' roles, including additional commitments required to chair Board Committees.

Copies are available from the Company Secretary.

Further details of all Directors' contracts and Letters of Appointment are summarised below:

	Date of appointment	Date of contract/ Letter of Appointment	Notice (months)	Length of service at 28 February 2020
Executive Directors				
Peter Brooks-Johnson[1]	10 January 2011	22 February 2011	12	9 years 1 month
Robyn Perriss[2]	30 April 2013	1 May 2013	12	6 years 10 months
Non-Executive Directors				
Andrew Fisher (Chair)	1 January 2020	21 November 2019	3	2 months
Jacqueline de Rojas	30 December 2016	10 October 2016	3	3 years 2 months
Rakhi Goss-Custard	28 July 2014	28 July 2014	3	5 years 7 months
Andrew Findlay	1 June 2017	11 May 2017	3	2 years 9 months
Lorna Tilbian	1 February 2018	19 January 2018	3	2 years 1 month
Amit Tiwari	1 June 2019	15 May 2019	3	9 months

(1) 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 14 years and 1 month.

(2) 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 12 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.

In 2018, Peter Brooks-Johnson was appointed as a Non-Executive Director of Adevinta ASA, the international online classifieds operation, which is listed on the Oslo Børs. Peter received a director's fee of 597,000 Norwegian Krone from Adevinta for the year to 31 December 2019 (2018: 149,250 Norwegian Krone for 3 months from October to December 2018).

In July 2019, Robyn Perriss was appointed as a Non-Executive Director and Audit Committee Chair of Softcat plc, a provider of technology solutions and services. Robyn received a director's fee of £30,070 for the period from her appointment to 31 December 2019.

Annual Report on Remuneration

Remuneration Committee role and membership

Terms of reference

The primary role of the Committee is to make recommendations to the Board on the Company's overall policy and framework and setting the remuneration of the Chair, Executive Directors and senior leadership team. The primary objectives of the remuneration policy are the effective recruitment, retention and fair reward of Executive Directors and employees.

In accordance with the Code, the Committee also recommends the structure and monitors the level of remuneration for management, below Board level. The Committee is 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 remuneration and terms of appointment of the Non-Executive Directors are determined by the Board as a whole.

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 2019:

Lorna Tilbian (Chair of the Committee from 10 May 2019)
Rakhi Goss-Custard
Jacqueline de Rojas (from 10 May 2019)
Peter Williams (Chair of the Committee to 10 May 2019)

The Committee met seven times during 2019 and attendance at meetings is shown in the Corporate Governance Report on page 48.

The quorum for meetings of the Committee is two members. The Committee will meet as necessary, but normally at least five times a year. The Company Secretary acts as Secretary to the Committee.

Only members of the Committee have the right to attend Committee meetings. The Committee Chair has invited the Chair of the Board to attend meetings except during discussions relating to his own remuneration. The CEO is also invited to meetings when the Committee is considering his recommendations on the remuneration of the Finance Director and the senior leadership team. No Executive Director is involved in deciding their own remuneration.

External advisors

Deloitte LLP (Deloitte), which is a member of the Remuneration Consultants Group and has signed up to its Code of Conduct, was appointed as the Committee's new remuneration advisor on 1 August 2019. The terms of engagement between the Company and Deloitte are available from the Company Secretary on request.

During the year, the Company paid fees of £6,925 to Aon Hewitt (the previous remuneration advisor) in respect of services to the Committee up to 31 July 2019, and £26,200 to Deloitte in respect of services to the Committee from 1 August to 31 December 2019.

During 2019 Aon Hewitt 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 is satisfied that there are no conflicts of interest. With the exception of advice to Rightmove Rent Services Limited in relation to a compliance framework for its Tenant Passport proposition, Deloitte did not provide any other services to the Company during the year.

What has the Committee done during the year?

The Committee considered and, where appropriate, approved key remuneration items including:

Pay and incentive plan reviews

- annual review and approval of Executive Directors' base salaries and benefits;
- review of 2019 business performance against relevant performance targets to determine annual bonus payouts and vesting of long-term incentives;
- review and approval of appropriate benchmarks and performance measures for the annual performance-related bonus and 2020 PSP awards to ensure measures are aligned with strategy and that targets are appropriately stretching;
- approval of share awards granted in March 2019 under the Deferred Share Bonus Plan (DSP) and the PSP;
- leaver arrangements for the Finance Director, Robyn Perriss;
- remuneration package for the new Chair of the Company, Andrew Fisher; and
- ongoing monitoring of remuneration for the senior leadership team.

Governance and strategy

- review of the 2019 AGM voting and feedback from institutional investors;
- appointment of new remuneration consultants;
- review of the Remuneration Policy (see below);
- consultation with shareholders on the 2020 Remuneration Policy proposals;
- review and approval of the Directors' Remuneration Report;
- evaluation of the Committee's performance during the year; and
- review of the Committee's terms of reference.

Remuneration Policy

In determining the 2020 Policy, the Committee followed a thorough process including discussions on the Policy approach to each element of remuneration at Committee meetings during 2019 and in early 2020. The Committee considered the input from Executive Directors, our independent advisors, best practice corporate governance and shareholder guidance, and specific feedback from our major shareholders. In reaching its decisions on the 2020 Policy, the Committee considered the following principles as recommended in the Code:

- Clarity – the 2020 policy is designed to allow our remuneration arrangements to be structured in a way that clearly supports the financial objectives and the strategic priorities of the Group. The Committee remains committed to reporting on Rightmove's remuneration practices in a transparent, balanced and straightforward way.
- Simplicity – the 2020 Policy consists of three main elements: fixed pay (salary, benefits and pension), an annual bonus award and a long term incentive award. The annual bonus award is based on a combination of our financial and operational KPIs. The vesting of LTIP awards is based on EPS growth and relative TSR performance.
- Risk – the 2020 Policy is in line with Rightmove's risk appetite. The Committee has the discretion to reduce variable pay outcomes where these are not considered to represent overall Group performance or the shareholder experience. Over half (60%) of bonus awards are deferred into shares, and vested shares under the LTIP must be retained for a further two years, ensuring that Executive Directors are motivated to deliver longer-term sustainable performance.
- Predictability – the Committee considers the impact of various performance outcomes on incentive levels when determining overall executive pay levels. These can be seen in the scenario charts in our Policy Report.
- Proportionality – a substantial portion of the package comprises performance based reward, linked to the delivery of strong Group performance and the achievement of key strategic objectives. The Committee will use its discretion where required to ensure that performance outcomes are appropriate.
- Alignment to culture – in determining executive remuneration policies and practices, the Committee considers the overall remuneration framework for our wider workforce as part of its review, including employee engagement and satisfaction levels, succession plans including diversity, to ensure executive remuneration is aligned to Rightmove's culture.

Directors' remuneration

The following section sets out how the current Remuneration Policy was applied in 2019, along with changes in Directors' share and share plan interests during 2019. The information that is audited is clearly indicated.

Directors' Single Figure Remuneration Tables (audited)

The remuneration of the Directors of the Company during 2019 for time served as a Director is as follows:

	Fixed pay			Performance-related (variable) pay			
	Salary/fee £	Benefits[1] £	Fixed pay subtotal £	Annual bonus[2] £	Long-term incentives[3] £	Variable pay subtotal £	**Total remuneration in 2019 £**
Executive Directors							
Peter Brooks-Johnson	500,605	2,407	503,012	406,742	1,246,005	1,652,747	**2,155,759**
Robyn Perriss	359,552	1,420	360,972	292,136	897,471	1,189,607	**1,550,579**
Non-Executive Directors[4]							
Jacqueline de Rojas[5]	58,207	–	58,207	–	–	–	**58,207**
Rakhi Goss-Custard	55,000	–	55,000	–	–	–	**55,000**
Andrew Findlay[6]	70,000	–	70,000	–	–	–	**70,000**
Lorna Tilbian[7]	64,620	–	64,620	–	–	–	**64,620**
Amit Tiwari[8]	32,083	–	32,083	–	–	–	**32,083**
Scott Forbes	185,000	–	185,000	–	–	–	**185,000**
Peter Williams[9]	27,174	–	27,174	–	–	–	**27,174**

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

(2) The annual bonus amount relates to the accrued payment in respect of the full year results for the year ended 31 December 2019 including the deferred element (60% of the annual bonus is deferred in shares with a two-year vesting period).

(3) The value of the long-term incentives includes:
- nil cost PSPs where vesting is calculated by taking the number of nil cost options expected to vest in March 2020 (including dividend roll-up), which are dependent on the three-year performance period ended 31 December 2019 and multiplying by the year end closing share price of £6.34, and
- the capital gain of £6,375 on the Sharesave option exercised by the CEO in March 2019, which reflects the difference between the option grant price of £2.96 (adjusted for the 10 for 1 share subdivision in August 2018) and £5.06, being the market value of shares on exercise.
- The increase in the value of PSP awards vesting in 2019 due to share price appreciation is £452,401 for the CEO and £331,877 for the Finance Director.

(4) The basic fee for all Non-Executive Directors (excluding the Chair) rose from £50,000 in 2018 to £55,000 from 1 January 2019. Committee Chairs (excluding Nomination Committee) received an additional fee of £15,000, and the Senior Independent Director received an additional fee of £5,000. The Chair's fee rose from £170,000 in 2018 to £185,000 in 2019.

(5) Fee as a Non-Executive Director to 10 May 2019, and as Senior Independent Director thereafter.

(6) Fee as a Non-Executive Director and Audit Committee Chair in 2019.

(7) Fee as a Non-Executive Director to 10 May 2019, and as Remuneration Committee Chair thereafter.

(8) Fee for seven months from appointment on 1 June 2019.

(9) Fee for the period to retirement on 10 May 2019.

The remuneration of the Directors of the Company during 2018 was:

	Fixed pay			Performance-related (variable) pay			
	Salary/fee £	Benefits[(1)] £	Fixed pay subtotal £	Annual bonus[(2)] £	Long-term incentives[(3)] £	Variable pay subtotal £	**Total remuneration in 2018 £**
Executive Directors							
Peter Brooks-Johnson	472,268	2,192	474,460	460,462	555,256	1,015,718	**1,490,178**
Robyn Perriss[(4)]	339,200	1,414	340,614	330,720	439,219	769,939	**1,110,553**
Non-Executive Directors							
Scott Forbes	170,000	–	170,000	–	–	–	**170,000**
Ashley Martin[(5)]	20,870	–	20,870	–	–	–	**20,870**
Peter Williams	65,000	–	65,000	–	–	–	**65,000**
Rakhi Goss-Custard	50,000	–	50,000	–	–	–	**50,000**
Jacqueline de Rojas	50,000	–	50,000	–	–	–	**50,000**
Andrew Findlay[(6)]	56,558	–	56,558	–	–	–	**56,558**
Lorna Tilbian[(7)]	45,833	–	45,833	–	–	–	**45,833**

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

(2) The annual bonus amount relates to the accrued payment in respect of the full year results for the year ended 31 December 2018 including the deferred element (60% of annual bonus).

(3) The value of the long-term incentives includes nil cost PSPs where vesting is calculated by taking the number of nil cost options expected to vest in March 2019 (including dividend roll-up), which are dependent on the three-year performance period ended 31 December 2018 and multiplying by the year-end closing share price of £4.32.

(4) In cash terms, Robyn Perriss received £6,523 less in relation to her base salary as she exchanged salary for five additional days' holiday benefit under the Group's flexible holiday policy.

(5) Fee for the period to retirement on 4 May 2018.

(6) Fee as a Non-Executive Director to 4 May 2018 and as Audit Committee Chair from that date.

(7) Fee for 11 months from appointment on 1 February 2018.

Defined contribution pension

The Group operates a stakeholder pension plan for employees under which Rightmove contributes 6% of base salary, subject to the employee contributing a minimum of 3% of base salary. None of the Directors elected to participate in the pension plan in either year. The Company does not contribute to any personal pension arrangements.

How was pay linked to performance in 2019?

Annual bonus plan

The incentive for the financial year ended 31 December 2019 was in the form of a cash bonus of up to 50% of salary and a DSP bonus of up to 75% of salary (i.e. 125% in total). The bonus (both cash and DSP elements) was determined by a mixture of underlying operating profit performance (65%) and key performance indicators (35%) relating to underlying drivers of long-term revenue growth.

When comparing performance against the 2019 bonus targets set, the Committee determined that 65% of the maximum achievable cash and DSP bonus should be paid to the Executive Directors. Accordingly, a cash bonus of 32.5% of base salary (out of a maximum of 50%) will be paid to the executives and 48.75% of base salary (out of a maximum of 75%) will be granted to the Executive Directors under the DSP, which will be deferred until March 2022. More details are provided in the following table:

Measure	Hurdle	As a % of maximum bonus opportunity	Actual performance achieved	Resulting bonus % achieved
Financial targets				
Underlying operating profit[1]	Targets: • £213.3m: 25% payout • £226.8m: 100% payout	65%	Underlying operating profit[1] achieved: £219.7m This represents growth of 8% on 2018	40%
Strategic targets				
Traffic market share	Growth in time in minutes spent on Rightmove platforms as measured by comScore relative to nearest competitors • Same absolute growth: 25% payout • 50% higher absolute growth: 100% payout	15%	Growth in time in minutes spent on Rightmove platforms year on year was higher compared to a reduction in time spent on our nearest competitors platforms	15%
Other business revenue[2]	• Growth of £2.0m: 25% • Growth of £3.0m: 100%	10%	Growth of £3.9m	10%
Tenant Services[3]	Growth in the number of Rightmove Tenant Passports completed by prospective tenants, measured as a percentage of leads received by customers. Target 4%.	5%	2% of rental leads include a Tenant Passport	0%
Employee engagement[4]	Percentage of respondents to the employee survey who say 'Rightmove is a great place to work': • 90%: 25% payout • 95%: 100% payout	5%	81% of respondents say 'Rightmove is a great place to work'	0%
Total		**100%**		**65%**

(1) Operating profit before share-based payments and NI on share-based incentives.
(2) Revenue excluding Agency and New Homes.
(3) Percentage of rental leads including a Tenant Passport.
(4) Based on the results of the annual employee engagement survey.

Long-term incentives vesting during the year

The PSP awards granted in March 2017 were subject to EPS (75% of the awards) and relative TSR (25% of the awards) performance conditions that related to the three-year period ended 31 December 2019.

The vesting schedule for the relative TSR element of Executive Directors' 2017 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 74.1% compared to 23.6% for the FTSE 350 Index. This performance is over 50% above the Index and therefore this part of the award will vest at the maximum level of 25% on 1 March 2020.

Rightmove's EPS growth is measured over a period of three financial years (2017 to 2019). The EPS figure used is equivalent to Rightmove's reported underlying basic EPS (before share-based payments, NI on share-based incentives and no related adjustment for tax) and the vesting schedule is set out below:

Underlying basic EPS growth from 2017 to 2019	% of award vesting (maximum 75%)
Less than 20%	0%
20%	18.75%
50%	75%
Between 20% and 50%	Straight-line vesting

At the end of the performance period, underlying basic EPS was 20.2p which from an underlying basic EPS base of 14.3p results in three-year EPS growth of 42%, and will result in 60% vesting of this part of the award (maximum of 75%) on 1 March 2020.

Share awards granted during the year (audited)

On 6 March 2019 Peter Brooks-Johnson and Robyn Perriss were awarded shares under the PSP, which vest in March 2022, and are subject to a mixture of EPS (75% of the awards) and TSR relative to the FTSE 350 Index (25% of the awards) performance with the greater weighting on EPS to reflect its particular relevance to the performance of the business.

Executive Director	Basis of grant	Number of shares	Face value of award[1]
Peter Brooks-Johnson	200% of base salary	204,746	£1,001,210
Robyn Perriss	200% of base salary	147,056	£719,104

(1) Based on the average mid-market share price for the three consecutive days prior to grant, taken from the Daily Official List, of £4.89.

The vesting schedule for the relative TSR element of Executive Directors' 2019 PSP awards is set out below. It is consistent with the TSR condition used for previous grants under the share option plan and will be assessed against the FTSE 350 Index. 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 (2019-2021). The EPS figure used will be equivalent to the Group's underlying basic EPS (before share-based payments, NI on share-based incentives and no related adjustments for tax).

The following vesting schedule will apply for Executive Directors' awards granted in 2019:

Underlying basic EPS growth from 2019 to 2021	% of award vesting (maximum 75%)
Less than 20%	0%
20%	18.75%
50%	75%
Between 20% and 50%	Straight-line vesting

The benchmark underlying basic EPS for the financial year 2018 from which these targets will be measured is 18.3p.

Share-based incentives held by the Directors and not exercised as at 31 December 2019 (audited)

Date granted	Share-based incentives held 1 January 2019[1]	Granted/dividend roll-up	Exercise price[1]	Exercised	Average share price at date of exercise	Lapsed	Share-based incentives held at 31 December 2019	Vesting date	Expiry date
Executive Directors									
Peter Brooks-Johnson									
05/03/2010 (Unapproved)	525,530	–	£0.67	(525,530)[4]	£5.42	–	**–**	05/03/2013	04/03/2020
02/03/2015 (PSP)	254,510	–	£0.00	(254,510)[2]	£5.42	–	**–**	02/03/2018	01/03/2020
01/10/2015 (Sharesave)	3,040	–	£2.96	(3,040)	£5.01	–	**–**	01/11/2018	30/04/2019
01/03/2016 (PSP)	183,510	4,773	£0.00	–	–	(59,751)	**128,532**[5]	01/03/2019	28/02/2021
01/03/2017 (DSP)	61,410	–	£0.00	(61,410)[3]	£5.42	–	**–**	01/03/2019	29/02/2020
01/03/2017 (PSP)	186,910	–	£0.00	–	–	–	**186,910**	01/03/2020	28/02/2022
09/05/2017 (PSP)	34,570	–	£0.00	–	–	–	**34,570**	09/05/2020	08/05/2022
01/10/2017 (Sharesave)	2,730	–	£3.29	–	–	–	**2,730**	01/11/2020	30/04/2021
28/02/2018 (DSP)	42,490	–	£0.00	–	–	–	**42,490**	28/02/2020	27/02/2021
28/02/2018 (PSP)	212,310	–	£0.00	–	–	–	**212,310**	28/02/2021	27/02/2023
01/10/2018 (Sharesave)	2,313	–	£3.89	–	–	–	**2,313**	01/11/2021	30/04/2022
06/03/2019 (DSP)	–	56,498[6]	£0.00	–	–	–	**56,498**	06/03/2021	05/03/2022
06/03/2019 (PSP)	–	204,746[7]	£0.00	–	–	–	**204,746**	06/03/2022	05/03/2024
Total	**1,509,323**	**266,017**	**–**	**(844,490)**	**–**	**(59,751)**	**871,099**		

Date granted	Share-based incentives held 1 January 2019 [1]	Granted/ dividend roll-up	Exercise price [1]	Exercised	Average share price at date of exercise	Lapsed	Share-based incentives held at 31 December 2019	Vesting date	Expiry date
Robyn Perriss									
01/03/2016 (PSP)	145,160	3,775	£0.00	(101,671)	£5.42	(47,264)[5]	–	01/03/2019	28/02/2021
01/03/2017 (DSP)	48,580	–	£0.00	(48,580)[3]	£5.42	–	–	01/03/2019	29/02/2020
01/03/2017 (PSP)	160,290	–	£0.00	–	–	–	**160,290**	01/03/2020	28/02/2022
01/10/2017 (Sharesave)	5,470	–	£3.29	–	–	(5,470)	–	01/11/2020	30/04/2021
28/02/2018 (DSP)	32,360	–	£0.00	–	–	–	**32,360**	28/02/2020	27/02/2021
28/02/2018 (PSP)	152,490	–	£0.00	–	–	–	**152,490**	28/02/2021	27/02/2023
06/03/2019 (DSP)	–	40,579[6]	£0.00	–	–	–	**40,579**	06/03/2021	05/03/2022
06/03/2019 (PSP)	–	147,056[7]	£0.00	–	–	–	**147,056**	06/03/2022	05/03/2024
Total	**544,350**	**191,410**	**–**	**(150,251)**	**–**	**(52,734)**	**532,775**		

(1) The Company's ordinary shares of 1 pence each were divided into 10 new ordinary shares of 0.1 pence each on 31 August 2018. The option prices and the number of shares under options granted before 31 August 2018 have been restated for the share subdivision.

(2) The nil cost performance shares awarded under the PSP to Executive Directors on 2 March 2015 vested in 2018 subject to EPS and relative TSR performance measures, which were met in full. Peter Brooks-Johnson exercised the nil cost option over 254,510 shares (which included a dividend roll-up of 8,950 shares (as adjusted as per note (1) above)) on 17 September 2019 and sold all the shares at an average market price of £5.42 per share.

(3) The nil cost deferred shares granted under the DSP on 1 March 2017 vested in March 2019. Peter Brooks-Johnson and Robyn Perriss exercised the nil cost option over 61,410 shares and 48,580 shares respectively on 17 September 2019 and sold all the shares at an average market price of £5.42 per share.

(4) Peter Brooks-Johnson exercised the nil cost option over 525,530 shares on 17 September 2019 and sold 282,470 shares at an average market price of £5.42 per share to satisfy the option exercise cost and resulting tax liability and retained the balance of 243,060 shares under the unapproved option.

(5) The nil cost performance shares awarded under the PSP to Executive Directors on 1 March 2016 vested in March 2019 subject to EPS and relative TSR performance measures. 67% of the award vested, resulting in 59,751 options and 47,264 options lapsing for Peter Brooks-Johnson and Robyn Perriss respectively. Robyn Perriss exercised the nil cost option over the remaining 101,671 shares (which included a dividend roll-up of 3,775 shares) on 17 September 2019 and sold 74,830 shares at an average market price of £5.42 per share to satisfy the resulting tax liability and retained the balance of 26,841 shares.

(6) On 6 March 2019, the Executive Directors were awarded nil cost deferred shares under the DSP, which vest in March 2021. The average mid-market share price for the three consecutive preceding days, used to calculate the number of shares awarded, was £4.89.

(7) On 6 March 2019 the Executive Directors were awarded nil cost performance shares under the PSP, which vest in March 2022. Further details are set out on page 81.

Dilution (audited)

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 2020 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.

During 2019, treasury shares were used to satisfy vested DSP and PSP awards and unapproved options over 1,452,994 shares, representing 0.17% of the issued share capital (less treasury shares) as at 31 December 2019.

Directors' interests in shares (audited)

The interests (both beneficial and family interests) of the Directors in office at the date of this report in the share capital of the Company as at 31 December 2019 were as follows:

	Interests in ordinary shares of 0.1 pence		Interests in share-based incentives		
	At 31 December 2019	At 1 January 2019	PSP & DSP awards (unvested)	PSP & DSP awards (vested but unexercised)	Options (unvested)
Executive Directors					
Peter Brooks-Johnson	**2,014,553**	1,771,493	737,524	128,532	5,043
Robyn Perriss	**267,991**	241,150	532,775	–	–
Non-Executive Directors					
Jacqueline de Rojas	**1,880**	1,880	–	–	–
Rakhi Goss-Custard	**5,440**	5,440	–	–	–
Andrew Findlay	**–**	–	–	–	–
Lorna Tilbian	**–**	–	–	–	–
Amit Tiwari	**–**	–	–	–	–
Scott Forbes(2)	**2,193,000(2)**	2,193,000	–	–	–
Peter Williams(3)	**37,280(3)**	37,280	–	–	–
Total	**4,520,144**	**4,250,243**	**1,270,299**	**128,532**	**5,043**

(1) Andrew Fisher did not serve as a Director of the Company during 2019 (he was appointed as Chair with effect from 1 January 2020). As at the date of this report, he does not hold any shares in the Company.

(2) Scott Forbes retired from the Board on 31 December 2019 and his share interests are shown at the date of his retirement.

(3) Peter Williams retired from the Board on 10 May 2019 and his share interests are shown at the date of his retirement.

- The Company's shares in issue (including 13,360,310 shares held in treasury) as at 31 December 2019 comprised 891,416,008 ordinary shares of 0.1p each (2018: 907,684,330 ordinary shares of 0.1p each).
- The closing share price of the Company was £6.34 as at 31 December 2019. The lowest and highest share prices during the year were £4.27 and £6.77 respectively.
- The Executive Directors are regarded as being interested, for the purposes of the Act, in 2,208,362 ordinary shares of 0.1p each (2018: 2,248,020 ordinary shares of 0.1p each) in the Company currently held by the EBT at 31 December 2019 as they are, together with other employees, potential beneficiaries of the EBT.
- The Directors' (except Peter Williams) beneficial holdings represent 0.5% of the Company's shares in issue as at 31 December 2019 (2018: 0.5%) (excluding shares held in treasury).
- There have been no changes to the share interests of continuing Directors between the year-end and the date of this report.

Share ownership guidelines (audited)

Executive Director share ownership guidelines are set out in the Remuneration Policy Report on page 68. The interests of the Executive Directors in office at 31 December 2019 in the share capital of the Company as a percentage of base salary were as follows:

	Base salary 1 January 2020	Number of shares held at 31 December 2019	Value of shares at 31 December 2019(1)	Value of shares as a % of base salary	Guideline met (200% of salary)
Executive Directors					
Peter Brooks-Johnson	**£510,617**	2,014,553	£12,772,266	2501%	Yes
Robyn Perriss	**£366,744**	267,991	£1,699,063	463%	Yes

(1) Based on £6.34 per share, being the closing share price on 31 December 2019.

Payments to past Directors and payments for loss of office

There were no payments to past Directors or payments for loss of office to Directors during 2019.

Review of past performance

Share price performance

The Company's share price ended the year at £6.34, up 46.8% year on year, making Rightmove a top ten FTSE 100 performer (the FTSE 100 Index was up 12.1% and the FTSE 350 Index was up 14.2%). On a three-year basis the share price has increased by 62.6% and performance relative to FTSE 100 and FTSE 350 Indices over that period is shown in the graphs below.

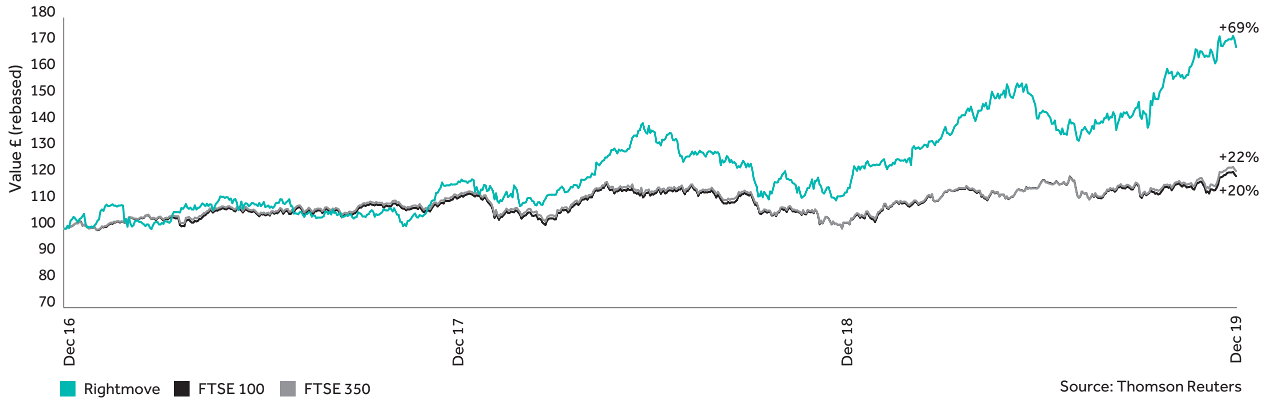
Total shareholder return (TSR)

The first graph below compares the TSR of Rightmove's shares against the FTSE 100 Index and the FTSE 350 Index for the three-year period from 1 January 2017 to 31 December 2019. 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 FTSE 100 Index and the FTSE 350 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 and the FTSE 350 Index is considered an appropriate comparator.

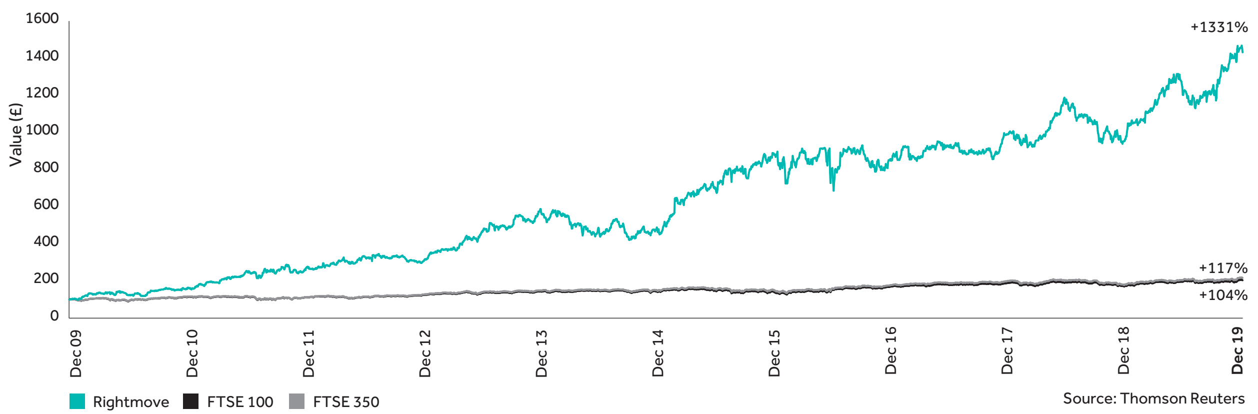
The graphs below illustrate, for statutory purposes, the TSR of Rightmove's shares against the FTSE 100 Index and the FTSE 350 Index for the three and ten years to 31 December 2019.

TSR Graph – three years



This graph shows the value, by 31 December 2019, of £100 invested in Rightmove on 31 December 2015, compared with the value of £100 invested in the FTSE 100 and the FTSE 350 Indices on a daily basis.

TSR Graph – ten years



This graph shows the value, by 31 December 2019, of £100 invested in Rightmove on 31 December 2009, compared with the value of £100 invested in the FTSE 100 and the FTSE 350 Indices 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 ten-year performance period. The total remuneration figure includes the annual bonus and long-term incentive awards that vested based on performance in those years.

Year	Executive	Total single figure £	Annual Bonus outturn (% of maximum)	Long-term incentive outturn (% of maximum)
2019	Peter Brooks-Johnson	2,155,759	65%	85%
2018	Peter Brooks-Johnson	1,490,178	78%	67%
2017	Peter Brooks-Johnson(1)	504,557	60%	100%
	Nick McKittrick(1)	1,223,443	n/a	100%
2016	Nick McKittrick	2,126,923	92%	100%
2015	Nick McKittrick	2,300,349	100%	100%
2014	Nick McKittrick	1,599,610	70%	92%
2013	Nick McKittrick	531,371	85%	100%
	Ed Williams(2)	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%	–(3)

(1) Nick McKittrick was Chief Executive Officer and a Director until 9 May 2017 and retired from Rightmove on 30 June 2017. Peter Brooks-Johnson was appointed Chief Executive Officer on 9 May 2017.

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

(3) 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 £4,151,532 of awards with no performance conditions, which vested in 2010.

Percentage change in the remuneration of Directors compared with employees

The table below sets out the percentage change in the remuneration of all the Directors of the Company between 2018 and 2019, based on the figures shown in the single figure tables on pages 78 to 79.

	% increase/(decrease) in remuneration in 2019 compared with remuneration in 2018		
	Salary or fees	Benefits	Bonus
Peter Brooks-Johnson	6%	(10%)	(12%)
Robyn Perriss	6%	(8%)	(12%)
Jacqueline de Rojas	16%(3)	–	–
Andrew Findlay	24%(3)	–	–
Rakhi Goss-Custard	10%	–	–
Lorna Tilbian	29%(3)	–	–
Amit Tiwari(1)	–	–	–
Scott Forbes	9%	–	–
Peter Williams(2)	(58%)	–	–
Employees	3%	26%	(11)%

Andrew Fisher does not appear in the above table, as his appointment as Chair commenced on 1 January 2020.

(1) Amit Tiwari joined the Board on 1 June 2019. There are no comparative figures for him for 2018.

(2) Peter Williams retired from the Board on 10 May 2019.

(3) Fee increases year on year reflect the appointments of Jacqueline de Rojas as Senior Independent Director and Lorna Tilbian as Remuneration Committee Chair on 10 May 2019 and a full year's fee for Andrew Findlay as Audit Chair.

Pay ratio information in relation to the total remuneration of the Chief Executive Officer

The table below shows the movement in the total remuneration of the Chief Executive Officer compared to Rightmove's full-time equivalent employees' remuneration. (All Rightmove employees are UK-based.)

			All employees					
Year	Method	CEO's total remuneration	25th percentile	Median	75th percentile	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2019	Option A	2,155,759[(1)]	30,204	48,433	66,054	71	45	33

(1) £452,401 of the CEO's total remuneration is largely attributable to share price growth in respect of the PSP award granted in 2017. The share price was £3.99 at the grant date of the 2017 PSP award, and increased to £6.34 as at 31 December 2019. The value of the CEO's total remuneration based on the share price at the grant date of the 2017 PSP is £1,703,358.

Relative importance of the spend on pay

The table below shows the total pay for all Rightmove's employees compared to other key financial indicators. Additional information on the number of employees, total revenue and underlying operating profit[(2)] has been provided for context.

	Year ended 31 December 2019	Year ended 31 December 2018	% change
Employee costs (refer Note 7)	**£34,146,000**	£30,506,000	12%
Dividends paid to shareholders (refer Note 12)	**£60,173,000**	£54,977,000	9%
Purchase of own shares (refer Note 23)	**£88,583,000**	£113,528,000	(22)%
Income tax (refer Note 10)	**£40,473,000**	£37,815,000	7%
Average number of employees (refer Note 7)[(1)]	**538**	495	9%
Revenue	**£289,320,000**	£267,821,000	8%
Underlying operating profit[(2)]	**£219,710,000**	£203,329,000	8%

(1) Average number of employees includes Executive Directors and employees of Van Mildert from 1 October to 31 December 2019.
(2) Before share-based payments and NI on share-based incentives.

Application of Policy for the year ending 31 December 2020

Salaries

The Executive Directors' salaries for the 2020 financial year are set out in the table below:

	Salary 1 January 2020	Salary 31 December 2019	Change
Executive Directors			
Peter Brooks-Johnson	**£510,617**	£500,605	2%
Robyn Perriss	**£366,744**	£359,552	2%

The 2% increase in base salaries for the Executive Directors represents the same cost of living increase applied to other Group employees for 2020. Salaries remain well below the market median for executives in comparable companies. All employee salaries are subject to annual review and market adjustments as appropriate; the Committee also approves salaries for the senior management team and other key roles.

Pension and other benefits

The Group operates a stakeholder pension plan for all employees under which Rightmove contributes 6% of base salary, subject to the employee contributing a minimum of 3% of base salary. Peter Brooks-Johnson and Robyn Perriss elected not to participate in the pension plan during the year. The Company did not contribute to any personal pension arrangements.

The Executive Directors are enrolled on the same terms as all employees in the Group's private medical insurance scheme and receive life assurance cover equal to four times base salary. Additionally, the Executive Directors are members of the Group's medical cash plan.

Annual bonus

The annual bonus for the 2020 financial year will be consistent with the Policy detailed on page 67 of this report, in terms of maximum bonus opportunity (175% of base salary), deferral (40% cash and 60% shares) and malus and clawback provisions. The mechanism through which the clawback can be implemented (enabling both the recovery and withholding of incentive pay) enables the Committee to:

(i) reduce the cash bonus earned in a subsequent year and/or reduce outstanding DSP/PSP share awards (i.e. withholding provisions may be used to effect a recovery); or
(ii) for the Committee to require that a net of tax balancing cash payment be made to the Company.

The performance measures have been selected to reflect a range of financial and strategic targets that continue to support Rightmove's key objectives. The performance measures and weightings for the 2020 financial year are as follows:

Measure	As a % of maximum bonus opportunity
Financial targets	
Operating profit[1]	65%
Strategic targets	
Traffic market share[2]	15%
Other business revenue[3]	10%
Tenant Services[4]	5%
Employee engagement[5]	5%

(1) Operating profit for the year ending 31 December 2020.
(2) Measured on a time on site basis (minutes spent relative to Rightmove's nearest competitors) by reference to comScore.
(3) Revenue excluding Agency and New Homes.
(4) Based on the number of Agency branches using Van Mildert's tenant referencing during 2020.
(5) Based on the results of the annual employee engagement survey.

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 target relative to the 2020 business plan through to 100% payable for significant outperformance relative to the plan. A greater proportion of the award will be paid for exceeding threshold performance.

The tenant services target reflects the ongoing strategic focus on making lettings easier and more efficient for both our consumers and our customers and the anticipated scale benefits of integrating the recently acquired Van Mildert into the broader Rightmove business. The relative weighting of performance measures remains unchanged from 2019.

The specific targets for the 2020 financial year are considered to be commercially sensitive. However, retrospective disclosure of the actual targets and performance against them will be provided in the 2020 Annual Report on Remuneration, to the extent that they do not remain commercially sensitive at that time.

Long-term incentives

Awards to the continuing Executive Directors under the PSP in 2020 will be consistent with the Policy detailed on pages 68 to 71 of this report, with a maximum bonus opportunity of 175% of base salary, subject to a mixture of EPS (75% of awards) and relative TSR (25% of the awards) performance conditions and subject to a two year post vesting holding period. The 2020 targets are as follows:

EPS performance condition

The Group's EPS growth will be measured over the period of three financial years (2020 to 2022). The EPS figure used will be equivalent to the Group's basic EPS. With a view to ensuring appropriately stretching but achievable targets are set in light of market expectations for the Group, the following range of targets will apply to the 2020 awards:

Underlying basic EPS growth from 2020 to 2022[1]	% of award vesting (maximum 75%)
Less than 14%	0%
14%	18.75%
44%	75%
Between 14% and 44%	Straight-line vesting

(1) The benchmark basic EPS for the financial year 2019 from which these targets will be measured is 19.6p.

The targets that are intended to operate for the 2020 PSP awards have been adjusted for prevailing and anticipated tax rates over the performance period and are considered to be appropriately demanding in light of the Group's starting position, internal financial planning, external market expectations for future growth and the current trading environment. The targets are considered to be as stretching as previous years and provide a realistic incentive at the lower end of the performance range but require exceptional performance to achieve full vesting. On this basis, the Committee is satisfied that the range of targets remain appropriately demanding, and no less challenging than the range of targets set for prior year awards.

Relative TSR performance condition

The vesting schedule for the relative TSR element of Executive Directors' 2020 PSP awards is set out below. Relative TSR will be assessed against the FTSE 350 Index, reflecting the Company's size in terms of market capitalisation. Performance will be measured over three financial years.

TSR performance of the Company relative to the FTSE 350 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 FTSE 350 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.

Chair and Non-Executive Directors' fees

In line with the current Policy, the Chair's and Non-Executive Directors' fees were reviewed in a market context and in light of Directors' time commitments during 2018 and increased with effect from 1 January 2019.

Following the appointment of Andrew Fisher, announced in November 2019, the Chair's fee was reviewed and increased from £185,000 to £200,000 to reflect the time commitment and responsibilities of the role with effect from 1 January 2020. No other changes are proposed to Non-Executive Directors' fees in 2020.

Accordingly, the annual fees for the Chair and the Non-Executive Directors for 2020 are:

Role	Fee £
Chair	200,000
Non-Executive Director (basic fee)	55,000
Committee Chair (excluding the Nomination Committee)	15,000
Senior Independent Director	5,000

Details of all fees paid to Directors in 2019 can be found on page 78 of this report. The next fee review for Non-Executive Directors is scheduled for 2021 with any increase taking effect in 2022.

Leaver arrangements for Robyn Perriss

As announced on 6 November 2019, Robyn Perriss will step down from the Board as Finance Director in the second quarter of 2020 and leave Rightmove on 30 June 2020.

The arrangements described below were carefully considered by the Remuneration Committee in consultation with its advisor Deloitte and reflect the Committee's determination that Robyn is retiring from Rightmove after seven years of service as a Director and is therefore a "good leaver". All payments are in line with the Company's current Remuneration Policy (published in the 2018 Annual Report).

Salary and benefits

Robyn will continue in her role as an Executive Director, until the earlier of the appointment of a new Finance Director or her proposed leaving date of 30 June 2020. In the event a new Finance Director is appointed prior to 30 June 2020, Robyn will remain at Rightmove until the end of June to provide a handover and support a smooth transition process. She will continue to receive her base salary and other contractual benefits, including health and medical insurance during her notice period to 8 November 2020, at the level set out in this Annual Report. Payment will be made in lieu of any unexpired notice period.

2019 Annual bonus and Deferred Share Bonus

Robyn was employed for the full financial year ended 31 December 2019 and is entitled to participate in Rightmove's annual bonus plan and DSP.

The Remuneration Committee has agreed that a bonus award of 65% (after consideration of the relevant performance criteria) of the maximum award would be made to Robyn, in line with the other Executive Director, equating to:

(i) a cash bonus of 32.5% (65% of 40% x 1.25) of basic salary; and

(ii) a deferred share bonus award of 48.75% (65% of 60% x 1.25) of basic salary.

2020 Annual bonus

In recognition of Robyn's exemplary performance and commitment to ensuring an effective handover to a new Finance Director, the Committee will award her a cash bonus in March 2021, pro-rated for the six months to 30 June 2020 provided she remains at Rightmove to that date and subject to the pre-agreed bonus performance conditions and audited results for 2020.

Share-based incentives

Rightmove Performance Share Plan (PSP)

Robyn will be treated as a good leaver and, in accordance with our Policy, unvested PSP awards will be pro-rated to 30 June 2020 (her leaving date) and vest on the original vesting dates, subject to the achievement of TSR and EPS performance criteria. These awards will be exercisable for 12 months from the original vesting dates. PSP awards which have already vested by 30 June 2020 but remain unexercised will be exercisable until 30 June 2021.

Details of unexercised PSP awards (based on the maximum possible vesting if EPS and TSR performance conditions are fully met) are set out in the table below:

Award Date	Performance Period	Normal Vesting Date	Award (number of shares)	Pro-rated award (number of shares)
1 March 2017	1 January 2017 to 31 December 2019	1 March 2020	160,290(1)	160,290(1)
28 February 2018	1 January 2018 to 31 December 2020	28 February 2021	152,490	118,603(2)
6 March 2019	1 January 2019 to 31 December 2021	6 March 2022	147,056	65,358(3)

All awards are subject to EPS and TSR performance conditions on vesting, before dividend roll-up is applied.

(1) No time pro-rating applies to vesting. (2) Pro-rated by 28/36 for time elapsed since grant. (3) Pro-rated by 16/36 for time elapsed since grant.

Rightmove Deferred Share Bonus Plan (DSP)

In accordance with our Policy, DSP awards granted in respect of prior years' performance will remain capable of vesting in full and therefore:

- Robyn's vested but unexercised DSP awards will be exercisable for 12 months from 30 June 2020; and
- unvested DSP awards will vest on the original vesting dates and be exercisable for 12 months from vesting.

Award Date	Performance Period	Normal Vesting Date	Award (number of shares)
28 February 2018	1 January 2017 to 31 December 2017	28 February 2020	32,360
6 March 2019	1 January 2018 to 31 December 2018	6 March 2021	40,579
1 March 2020	1 January 2019 to 31 December 2019	1 March 2022	Anticipated award is 48.75% of 2019 base salary. The actual number of shares will be determined in March 2020 based on the share price at the award date.

Rightmove Sharesave Plan

Robyn's outstanding option under the all-employee Sharesave plan will be treated in accordance with the terms of the plan rules.

Shareholder voting on the Remuneration Policy and Annual Report

At the AGM on 10 May 2019, shareholders again voted overwhelmingly in favour of the Directors' Remuneration Report. The Committee believes this indicates the strong level of shareholder support for the management and their remuneration. The table below shows full details of the voting outcomes for the Remuneration Policy in 2017 and the Directors' Remuneration Report at the 2019 AGM:

	Votes for	% Votes for	Votes against	% Votes against	Votes withheld(1)
Remuneration Policy (2017 AGM)(2)	70,332,275	95.83	3,064,143	4.17	36,674
Directors' Remuneration Report (2019 AGM)(2)	711,467,695	96.06	29,195,760	3.94	10,422,496

(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.

(2) On 31 August 2018 shareholders approved a resolution to subdivide the Company's ordinary 1p shares into ten ordinary shares of 0.1p. Each new 0.1p share carries the same voting rights as the old 1p shares.

In line with the Company's commitment to ongoing dialogue with its shareholders, the Committee corresponds with major shareholders to invite their feedback on remuneration proposals, and meetings are offered, where appropriate, to understand the reasons for any opposition to the Company's Remuneration Policy. Changes will be made to our Policy in light of investor feedback, where it is considered appropriate to do so.

The Directors submit their report together with the audited financial statements for the Company (Number: 06426485) and its subsidiary companies (the Group) for the year ended 31 December 2019.

The Directors' Report comprises these pages, the sections of the Annual Report referred to under the Corporate Governance statement and other information below which are incorporated into the Directors' Report by reference. The Board has included certain disclosures in the Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (the Act).

Corporate governance statement

The Disclosure and Transparency Rules (DTR) require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils these requirements can be found in the Corporate Governance Report on pages 40 to 41 and 45 to 49 and is incorporated into the Directors' Report by reference.

Strategic Report

The Strategic Report can be found on pages 1 to 39. The Act requires this Annual Report to present a fair, balanced and understandable view of Rightmove's business during the year ended 31 December 2019 and of the position of the Group at the end of the financial period, together with a description of the principal risks and uncertainties facing the business.

For the purposes of compliance with DTR 4.1 the required content of the management report can be found in the Strategic Report and this Directors' Report, including the sections of the Annual Report incorporated by reference.

Directors' Duties

A statement of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on principal decisions taken by the Company, can be found on pages 27 to 29 of the Corporate Governance Report.

Directors

The Directors of the Company as at the date of this report are Andrew Fisher, Peter Brooks-Johnson, Robyn Perriss, Jacqueline de Rojas, Andrew Findlay, Rakhi Goss-Custard, Lorna Tilbian and Amit Tiwari. Scott Forbes was the Chair of the Company throughout the year until his retirement on 31 December 2019, and Peter Williams was a Non-Executive Director until his retirement on 10 May 2019. Biographies of current Directors can be found on pages 42 to 44.

Share capital

The shares in issue, including 13,360,310 shares of 0.1p held in treasury (2018: 14,813,304 0.1p shares) at the year-end amounted to 891,416,008 shares of 0.1p (2018: 907,684,330 0.1p shares), with a nominal value of £891,416 (2018: £907,684).

The rights and obligations attached to each 0.1p ordinary share are as set out in the Company's Articles of Association. The holders of each ordinary share in the Company 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. Other than the usual restrictions applicable for UK listed companies, there are no restrictions on the transfer of the Company's shares.

Results and dividends

The Group reported underlying operating profit(1) before tax of £219.7m (2018: £203.3m) and operating profit before tax for the year of £213.7 m (2018: £198.6m). The Directors are recommending a final dividend for the year of 4.4 pence per 0.1p share (2018: 4.0 pence) amounting to £38,483,000 (2018: £35,702,000), which together with the interim dividend of 2.8 pence per 0.1p share (2018: 2.5 pence), makes a total for the year of 7.2 pence per 0.1p share (2018: 6.5 pence).

Subject to shareholder approval at the Annual General Meeting (AGM) on 4 May 2020, the final dividend will be paid on 29 May 2020 to shareholders on the register of members at the close of business on 1 May 2020.

Share buyback

The Company's share buyback programme continued during 2019. Of the 10% authority granted by shareholders at the 2019 AGM, a total of 16,268,322 shares of 0.1p (2018: 1,325,040 1p shares(2) and 11,723,700 0.1p shares) were purchased in the year to 31 December 2019, being 1.8% (2018: 2.8%) of the shares in issue (excluding shares held in treasury) at the time the authority was granted. The average price paid per 0.1p share was £5.45 (2018: £45.46 per 1p share(2) and £4.55 per 0.1p share) with a total consideration paid (excluding all costs) of £89,203,000 (2018: £90,809,000).

Since the introduction of the new parent company in January 2008, the equivalent of 427,638,072 shares have been purchased in total, of which 39,964,605 were purchased as 1p shares(2), of which 13,360,310 shares of 0.1p were held in treasury as at 31 December 2019, with the remainder having been cancelled. A resolution seeking to renew this authority will be put to shareholders at the AGM on 4 May 2020.

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

2) On 31 August 2018 shareholders approved a resolution to subdivide the Company's ordinary shares of 1 pence each (1p shares) into ten ordinary shares of 0.1 pence each (0.1p shares) in the capital of the Company. Following the subdivision, each shareholder held ten 0.1p shares for each 1p share held immediately prior to the subdivision. Each new 0.1p share carries the same rights and entitlements as the 1p shares, as set out in the Company's Articles of Association.

Shares held in trust
As at 31 December 2019, 2,208,362 shares of 0.1p (2018: 2,248,020 0.1p shares) were held by The Rightmove Employees' Share Trust (EBT) for the benefit of Group employees. These shares had a nominal value at 31 December 2019 of £2,208 (2018: £2,248) and a market value of £14,001,000 (2018: £9,711,000). The shares held by the EBT may be used to satisfy share-based incentives for the Group's employee share plans. During the year, 294,160 shares of 0.1p (2018: 3,579 1p shares[2] and 178,860 0.1p shares) were transferred to Group employees following the exercise of share options under the Sharesave plan.

Additionally, 131,110 shares of 0.1p (2018: 157,525 0.1p shares) were purchased by the EBT for transfer to the Rightmove Share Incentive Plan Trust (SIP) and 254,502 shares were purchased in relation to Restricted Share Plan awards to certain members of the senior leadership team. The terms of the EBT provide that dividends payable on the shares held by the EBT are waived.

As at 31 December 2019, 785,130 shares of 0.1p (2018: 810,095 0.1p shares) were held by the SIP for the benefit of Group employees. These shares had a nominal value at 31 December 2019 of £785 (2018: £810) and a market value of £4,978,000 (2018: £3,500,000). The shares held by the SIP are awarded as free shares to eligible employees each year and are held in trust for a period of three years before an employee is entitled to take ownership of the shares. During the year, 156,075 shares of 0.1p (2018: 19,500 1p shares and 4,430 0.1p shares) were transferred to Group employees under the SIP rules.

Research and development
The Group undertakes research and development activity in order to develop new products and to continually improve the existing property platforms. Further details are disclosed in Note 2 to the financial statements on page 110.

Political and charitable donations
During the year the Group did not make 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 Act (2018: £nil). Details of the Group's charitable donations are set out in the Corporate Responsibility Report on page 36.

Annual General Meeting
The AGM of the Company will be held at the offices of UBS Limited at 5 Broadgate, London, EC2M 2QS on 4 May 2020 at 10am. The Notice of Annual General Meeting will be published in April 2020.

The resolutions being proposed at the 2020 AGM include the renewal for a further year of the limited authority of the Directors to allot unissued share capital of the Company and to issue shares for cash other than to existing shareholders (in line with the Pre-Emption Group's Statement of Principles). A resolution will also be proposed to renew the Directors' authority to purchase a proportion of the Company's own shares. The Company will again seek shareholder approval to hold general meetings (other than AGMs) at 14 days' notice. Resolutions will be proposed to renew these authorities, which would otherwise expire at the 2020 AGM. In addition to the other Ordinary Business of the AGM, the Directors propose a resolution to renew the Group's Performance Share Plan for a further 10 years.

Auditor
KPMG LLP has indicated its willingness to continue in office as auditor of the Group. In accordance with section 489 of the Act, separate resolutions for the re-appointment of KPMG LLP as auditor of the Group and for the Audit Committee to determine the auditor's remuneration will be proposed at the 2020 AGM.

Audit information
So far as the Directors in office at the date of this report are aware, there is no relevant audit information of which the auditor is unaware and each 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.

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) held on behalf of the organisations shown in the table below, had been notified to the Company pursuant to DTR 5.1. The information provided below was correct as at the date of notification, where indicated this was not in the 2019 financial year. It should be noted that these holdings are likely to have changed since notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

Shareholder	Nature of holding	Total voting rights	% of total voting rights [(1)]
Kayne Anderson Rudnick Investment Management, LLC [(3)]	Direct	71,571,964	8.16%
	American Depository Receipts	33,746,254	3.85%
BlackRock Inc [(2)]	Indirect	50,160,300	5.72%
	Contracts for difference	5,473,130	0.62%
	Stock Lending	16,304,460	1.86%
Marathon Asset Management LLP [(2)]	Indirect	59,307,550	6.76%
Baillie Gifford & Co [(2)]	Indirect	58,736,140	6.70%
Standard Life Aberdeen Investments [(2)]	Indirect	45,307,190	5.17%
Generation Investment Management LLP [(2)]	Indirect	45,181,680	5.15%
Axa Investment Managers SA [(2)]	Indirect	44,413,780	5.07%
	Contracts for difference	376,620	0.04%

(1) The above percentages are based upon the voting rights share capital (being the shares in issue less shares held in treasury) of 876,821,235 as at 26 February 2020.

(2) Date of notification preceded the 2019 financial year.

(3) Date of notification followed the 2019 financial year end.

Articles of association

Any amendment to the Articles may be made in accordance with the provisions of applicable English law concerning companies, specifically the Act (as amended from time to time), by way of special resolution at a general meeting of the shareholders.

Compensation for loss of office

There are no additional agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, except that provisions of the Company's share plans may allow options and awards granted to Directors and employees to vest on a takeover.

Post-balance sheet events

There have been no balance sheet events since the end of the 2019 financial year.

Branches

Neither the Company nor its subsidiaries have branches outside the UK.

Other Information

Information	Page(s)	Location in Annual Report
Financial instruments and financial risk management	113 to 115 and 135 to 137	Notes 3 and 26, Financial Statements
Appointment, removal and powers of Directors	41 and 47	Corporate Governance Report
Future developments of the Group's business	5 to 13	Strategic Report [(1)]
Employee engagement	34 to 35	Strategic Report: Corporate Responsibility Report [(1)]
Employee share schemes	34 and 67 to 68	Strategic Report: Corporate Responsibility Report [(1)] and Directors' Remuneration Report
Health and safety and employee related policies including diversity and disability	31 to 35 and 38	Strategic Report: Corporate Responsibility Report [(1)]
Movements in share capital	128	Note 23, Financial Statements
Share-based incentives	130 to 135	Note 25, Financial Statements
Long-term incentive plans	61 to 90	Directors' Remuneration Report
Green House Gas Emissions	37 to 38	Strategic Report: Corporate Responsibility Report [(1)]
Fair, balanced and understandable	53 and 94	Audit Committee report and Directors' statement of responsibilities
Directors' indemnities	48	Corporate Governance Report

(1) The Board has taken advantage of section 414C(11) of the Act to include disclosures in the Strategic Report on the items indicated above.

The Directors' Report was approved by the Board on 28 February 2020.

Signed on behalf of the Board:

Peter Brooks-Johnson
Chief Executive Officer

28 February 2020

Directors' responsibilities statement in respect of the annual report and the financial statements

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 International Financial Reporting Standards as adopted by the European Union (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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the 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.

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 strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider 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 position and performance, business model and strategy.

Signed on behalf of the Board:

Peter Brooks-Johnson
Chief Executive Officer

Robyn Perriss
Finance Director

28 February 2020

1. Our opinion is unmodified

We have audited the financial statements of Rightmove plc ("the Company") for the year ended 31 December 2019 which comprise the Consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of cash flows, Company statement of cash flows, Consolidated statement of changes in shareholders' equity, Company statement of changes in shareholders' equity, and the related notes, including the accounting policies in note 1.

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 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the Directors to the Group's previous holding company, prior to it becoming a public interest entity, for the financial period ended 31 December 2000. The period of total uninterrupted engagement is for the 14 financial years ended 31 December 2019 as a public-interest entity and 20 years in total. We were first appointed as auditor by the Directors for the financial period ended 31 December 2000, and later reappointed as auditors following a competitive audit tender process for the period ended 31 December 2013. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group financial statements as a whole		£9.3m (2018: £8.5m) 4.4% (2018: 4.3%) of profit before tax
Coverage		99.4% (2018: 99.8%) of Group profit before tax
Key audit matters		**vs 2018**
Recurring risks	Agency and New Homes revenue recognition	◀▶
	Recoverability of parent Company's investment in subsidiaries	◀▶

2. Key audit matters: including our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Revenue recognition (£264.8 million; 2018: £247.1 m) Refer to page 52 (Audit Committee Report), pages 108 to 109 (accounting policy) and pages 116 to 117 (financial disclosures).	**Processing error:** The key revenue streams are Agency and New Homes which consist of subscription fees and customer spend on additional advertising products in respect of properties listed on Rightmove platforms. There are a variety of packages and products available and customers are able to tailor the combination of products they receive. The resulting large volume of non-homogenous transactions creates a risk of processing error, in particular the amount of revenue being incorrectly recognised. In addition, revenue is the most material figure in the financial statements and is considered to be a main driver of results, and as such had the greatest effect on our allocation of resources in planning and completing the audit.	**Our procedures included:** **Control operation:** Testing the design, implementation and operating effectiveness of the Group's controls over the review of monthly revenue recognised compared to the Group's expectation as well as controls over the review of analysis of outliers in billing. **Tests of details:** For a sample of the highest revenue generating customers we inspected contracts signed in the year, to assess whether revenue had been recognised in accordance with the specific contract terms and conditions; we also reviewed the standard packages against the revenue recognition policy. **Test of details:** We analysed credit notes raised during the year and tested a sample of post year end credit notes to determine whether they related to revenue recognised in the year. **Tests of details:** We obtained all journals posted in respect of revenue and, using computer assisted audit techniques, analysed these to identify any entries which were unexpected based upon the specific characteristic of the journal, considering in particular whether the opposite side of the journal entry was as expected, based on our business understanding. We tested a sample of expected entries back to supporting evidence to assess whether revenue was recognised appropriately. **Our results** We found no exceptions performing the procedures described above.
Recoverability of parent Company's investment in subsidiaries (£554.6million; 2018: £551.5m) Refer to page 52 (Audit Committee Report), page 110 (accounting policy) and page 124 (financial disclosures).	**Low risk, high value:** The carrying amount of the parent Company's investments in the subsidiary company Rightmove Group Limited represents 99% (2018: 99%) of the Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgment. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	**Our procedures included:** **Comparing valuations:** comparing the carrying amount of the investment to the market capitalisation of the Group, as Rightmove Group Limited contains all of the Group's trading operations, to ascertain whether there are any indicators of impairment. **Our results** We found no indicators of impairment.

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

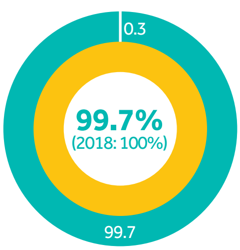
Materiality for the Group financial statements as a whole was set at £9.3m (2018: £8.5m), determined with reference to a benchmark of Group profit before tax, of which it represents 4.4% (2018: 4.3%).

Materiality for the parent Company financial statements as a whole was set at £6.8m (2018: £6.8m), determined with reference to a benchmark of Company net assets, of which it represents 1.3% (2018: 1.3%).

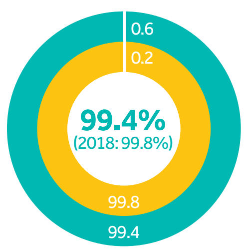
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.47m (2018: £0.43m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's four (2018: four) reporting components, we subjected two (2018: two) to full scope audits for Group purposes. The components within the scope of our work accounted for the percentages illustrated below.

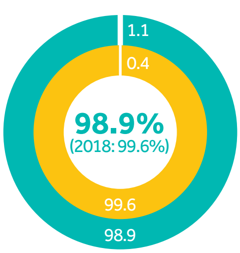
Group revenue



Group profit before tax



Group total assets

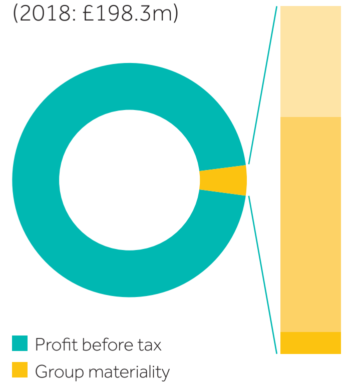


Full scope for Group audit purposes 2019

Full scope for Group audit purposes 2018

Residual components

Profit before tax
£213.6m
(2018: £198.3m)



Group materiality
£9.3m (2018: £8.5m)

£9.3m
Whole financial statements materiality (2018: £8.5m)

£6.8m
Materiality at two components (£6.8m) (2018: £6.8m)

£0.47m
Misstatements reported to the Audit Committee (2018: £0.43m)

4. We have nothing to report on going concern

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

Our responsibility is to conclude on the appropriateness of the directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's and Company's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if:
- we have anything material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on page 107 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:
- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:
- the directors' confirmation within the Viability Statement on page 26 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the principal risks and uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Viability Statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:
- we have identified material inconsistencies between the knowledge we acquired during our financial statements 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 position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

We are required to report to you if the Corporate governance report does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:
- adequate accounting records have not been kept 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.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 94, the directors are responsible for:
the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

Whilst the Group is subject to other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

8. The purpose of our audit work and to whom we owe our responsibilities

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

Anna Jones

Anna Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Milton Keynes
28 February 2020

Consolidated statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Revenue	4,5	**289,320**	267,821
Administrative expenses		**(75,590)**	(69,231)
Underlying operating profit		**219,710**	203,329
Share-based payments	25	**(4,911)**	(4,320)
NI on share-based incentives	25	**(1,069)**	(419)
Operating profit	6	**213,730**	198,590
Financial income	8	**318**	171
Financial expenses	9	**(486)**	(491)
Net financial expense		**(168)**	(320)
Profit before tax		**213,562**	198,270
Income tax expense	10	**(40,473)**	(37,815)
Profit for the year being total comprehensive income		**173,089**	160,455
Attributable to:			
Equity holders of the Parent		**173,089**	160,455
Earnings per share (pence)			
Basic	11	**19.57**	17.80
Diluted	11	**19.49**	17.69
Dividends per share (pence)	12	**6.80**	6.10
Dividends paid	12	**60,173**	54,977

Consolidated statement of financial position as at 31 December 2019

	Note	2019 £000	2018 £000
Non-current assets			
Property, plant and equipment	13	**12,802**	15,203
Intangible assets	14	**21,954**	2,873
Deferred tax asset	16	**2,718**	2,798
Total non-current assets		**37,474**	20,874
Current assets			
Trade and other receivables	17	**23,985**	22,479
Contract assets	5	**429**	427
Money market deposits	18	**4,141**	4,090
Cash and cash equivalents	18	**32,117**	15,847
Total current assets		**60,672**	42,843
Total assets		**98,146**	63,717
Current liabilities			
Trade and other payables	19	**(19,516)**	(18,081)
Lease liabilities	21	**(1,709)**	(1,213)
Contract liabilities	5	**(2,111)**	(2,146)
Income tax payable		**(18,930)**	(16,753)
Provisions	22	**(256)**	(671)
Total current liabilities		**(42,522)**	(38,864)
Non-current liabilities			
Lease liabilities	21	**(10,499)**	(11,845)
Provisions	22	**(2,914)**	(424)
Deferred tax liability	16	**(871)**	–
Total non-current liabilities		**(14,284)**	(12,269)
Total liabilities		**(56,806)**	(51,133)
Net assets		**41,340**	12,584
Equity			
Share capital	23	**892**	908
Other reserves		**540**	524
Retained earnings (net of own shares held)		**39,908**	11,152
Total equity attributable to the equity holders of the Parent		**41,340**	12,584

The financial statements were approved by the Board of directors on 28 February 2020 and were signed on its behalf by:

Peter Brooks-Johnson
Director

Robyn Perriss
Director

Company statement of financial position as at 31 December 2019

	Note	2019 £000	2018 £000
Non-current assets			
Investments	15	**554,554**	551,478
Deferred tax asset	16	**1,010**	966
Total non-current assets		**555,564**	552,444
Total assets		**555,564**	552,444
Current liabilities			
Trade and other payables	19	**(15,240)**	(42,140)
Total current liabilities		**(15,240)**	(42,140)
Net assets		**540,324**	510,304
Equity			
Share capital	23	**892**	908
Other reserves		**121,466**	118,374
Retained earnings (net of own shares held)		**417,966**	391,022
Total equity attributable to the equity holders of the Parent		**540,324**	510,304

The financial statements were approved by the Board of directors on 28 February 2020 and were signed on its behalf by:

Peter Brooks-Johnson
Director

Robyn Perriss
Director

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Profit for the year		**173,089**	160,455
Adjustments for:			
Depreciation charges	13	**3,114**	3,307
Amortisation charges	14	**480**	545
Financial income	8	**(318)**	(171)
Financial expenses	9	**486**	491
Re-measurement of leased assets	13	**283**	–
Loss on disposal of property, plant and equipment	13	**–**	7
Share-based payments	25	**4,911**	4,320
Income tax expense	10	**40,473**	37,815
Operating cash flow before changes in working capital		**222,518**	206,769
Increase in trade and other receivables		**(481)**	(5,344)
Increase/(Decrease) in trade and other payables		**35**	(1,069)
(Decrease)/Increase in provisions		**(371)**	46
Decrease/(Increase) in contract assets		**28**	(261)
(Decrease)/Increase in contract liabilities		**(44)**	287
Cash generated from operating activities		**221,685**	200,428
Financial expenses paid		**(198)**	(190)
Income taxes paid		**(37,263)**	(32,798)
Net cash from operating activities		**184,224**	167,440
Cash flows used in investing activities			
Interest received on cash and cash equivalents		**259**	118
Acquisition of property, plant and equipment	13	**(543)**	(1,614)
Acquisition of intangible assets	14	**(236)**	(128)
Acquisition of subsidiary, net of cash acquired	27	**(15,627)**	–
Net cash used in investing activities		**(16,147)**	(1,624)
Cash flows used in financing activities			
Net dividends	12	**(59,856)**	(54,977)
Purchase of own shares for cancellation	23	**(88,583)**	(113,528)
Purchase of own shares for share incentive plans	24	**(2,112)**	(685)
Share-related expenses	23	**(619)**	(778)
Payment of lease liabilities	21	**(1,535)**	(1,532)
Proceeds on exercise of share-based incentives		**898**	601
Net cash used in financing activities		**(151,807)**	(170,899)
Net increase/(decrease) in cash and cash equivalents		**16,270**	(5,083)
Cash and cash equivalents at 1 January		**15,847**	20,930
Cash and cash equivalents at 31 December	18	**32,117**	15,847

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Profit for the year		**174,618**	148,740
Adjustments for:			
Dividend income	28	**(179,398)**	(152,845)
Financial expenses	28	**542**	471
Share-based payments	25	**1,835**	1,669
Income tax credit		**(927)**	(799)
Operating cash flow before changes in working capital		**(3,330)**	(2,764)
Increase in trade and other payables		**3,330**	2,764
Cash generated from operating activities		**–**	–
Net decrease in cash and cash equivalents		**–**	–
Cash and cash equivalents at 1 January		**–**	–
Cash and cash equivalents at 31 December	18	**–**	–

	Note	Share capital £000	Own shares held £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2018		933	(12,995)	361	138	28,746	17,183
Total comprehensive income							
Profit for the year		–	–	–	–	160,455	160,455
Transactions with owners recorded directly in equity							
Share-based payments	25	–	–	–	–	4,320	4,320
Tax credit in respect of share-based incentives recognised directly in equity	10	–	–	–	–	10	10
Dividends to shareholders	12	–	–	–	–	(54,977)	(54,977)
Exercise of share-based incentives	24	–	2,542	–	–	(1,941)	601
Purchase of shares for share incentive plans	24	–	(685)	–	–	–	(685)
Cancellation of own shares	23	(25)	–	25	–	(113,528)	(113,528)
Share-related expenses	23	–	–	–	–	(795)	(795)
At 31 December 2018		908	(11,138)	386	138	22,290	12,584
At 1 January 2019		**908**	**(11,138)**	**386**	**138**	**22,290**	**12,584**
Total comprehensive income							
Profit for the year		**–**	**–**	**–**	**–**	**173,089**	**173,089**
Transactions with owners recorded directly in equity							
Share-based payments	25	**–**	**–**	**–**	**–**	**4,911**	**4,911**
Tax credit in respect of share-based incentives recognised directly in equity	10	**–**	**–**	**–**	**–**	**1,028**	**1,028**
Net dividends	12	**–**	**–**	**–**	**–**	**(59,856)**	**(59,856)**
Exercise of share-based incentives	24	**–**	**1,506**	**–**	**–**	**(608)**	**898**
Purchase of shares for share incentive plans	24	**–**	**(2,112)**	**–**	**–**	**–**	**(2,112)**
Cancellation of own shares	23	**(16)**	**–**	**16**	**–**	**(88,583)**	**(88,583)**
Share-related expenses	23	**–**	**–**	**–**	**–**	**(619)**	**(619)**
At 31 December 2019		**892**	**(11,744)**	**402**	**138**	**51,652**	**41,340**

	Note	Share capital £000	Own shares held £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
At 1 January 2018		933	(11,017)	12,178	103,520	422,293	527,907
Total comprehensive income							
Profit for the year		–	–	–	–	148,740	148,740
Transactions with owners recorded directly in equity							
Share-based payments	25	–	–	–	–	1,669	1,669
Tax credit in respect of share-based incentives recognised directly in equity	10	–	–	–	–	83	83
Capital contribution	24	–	–	2,651	–	–	2,651
Dividends to shareholders	12	–	–	–	–	(54,977)	(54,977)
Transfer of shares to SIP		–	(1,446)	–	–	–	(1,446)
Exercise of share-based incentives		–	2,438	–	–	(2,438)	–
Cancellation of own shares	23	(25)	–	25	–	(113,528)	(113,528)
Share-related expenses	23	–	–	–	–	(795)	(795)
At 31 December 2018		908	(10,025)	14,854	103,520	401,047	510,304
At 1 January 2019		**908**	**(10,025)**	**14,854**	**103,520**	**401,047**	**510,304**
Total comprehensive income							
Profit for the year		**–**	**–**	**–**	**–**	**174,618**	**174,618**
Transactions with owners recorded directly in equity							
Share-based payments	25	**–**	**–**	**–**	**–**	**1,835**	**1,835**
Tax credit in respect of share-based incentives recognised directly in equity	10	**–**	**–**	**–**	**–**	**375**	**375**
Capital contribution	24	**–**	**–**	**3,076**	**–**	**–**	**3,076**
Dividends to shareholders	12	**–**	**–**	**–**	**–**	**(59,856)**	**(59,856)**
Transfer of shares to SIP		**–**	**(826)**	**–**	**–**	**–**	**(826)**
Exercise of share-based incentives		**–**	**1,299**	**–**	**–**	**(1,299)**	**–**
Cancellation of own shares	23	**(16)**	**–**	**16**	**–**	**(88,583)**	**(88,583)**
Share-related expenses	23	**–**	**–**	**–**	**–**	**(619)**	**(619)**
At 31 December 2019		**892**	**(9,552)**	**17,946**	**103,520**	**427,518**	**540,324**

1 General information

Rightmove plc (the Company) is a public limited 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 2019 comprise the Company and its interest in its subsidiaries (together referred to as the Group). Its principal business is the operation of the Rightmove platforms, which have the largest audience of any UK property portal (as measured by time on site).

The consolidated financial statements of the Group as at and for the year ended 31 December 2019 are available upon request to the Company Secretary from the Company's registered office at 2 Caldecotte Lake Business Park, 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).

The consolidated financial statements were authorised for issue by the Board of directors on 28 February 2020.

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 profit for the year of the Company was £174,618,000 (2018: £148,740,000).

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

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and has the ability to affect the returns the Group will receive as a result of its involvement with the entity. 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.

On 30 September 2019 the Group acquired 100% of the ordinary share capital of Van Mildert Landlord and Tenant Protection Limited (Van Mildert). The results of this entity have been consolidated in these Group financial statements. Further details of the investment and acquisition are set out in Note 15 and Note 27.

Going concern

Throughout 2019, the Group was debt free and has continued to generate significant cash and has an overall positive net asset position. The Group had cash balances of £32,117,000 at 31 December 2019 (2018: £15,847,000). The Group also had £4,141,000 of money market deposits (2018: £4,090,000).

During the year £148,756,000 (2018: £168,505,000) of cash was returned to shareholders via dividends and discretionary share buy backs.

The agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility was terminated on 7 February 2020. This has been replaced with a new 12 month agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility that expires on 6 February 2021. No amount has been drawn under either facility in either year.

The Board of directors 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 a period of 12 months from the date of signing these accounts.

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 1 to 39. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 18 to 21. In addition, Note 3 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

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.

Management has determined that there are no significant areas of estimation uncertainty or critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the consolidated and Company financial statements.

Alternative performance measures

In the analysis of the Group's financial performance certain information disclosed in the financial statements may be prepared on a non-GAAP basis or has been derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. These measures are reported in line with how financial information is analysed by management. The key alternative performance measures presented by the Group are:

- Underlying operating profit – which is defined as operating profit before share-based payments and National Insurance (NI) on share-based incentives; and
- Underlying basic earnings per share (EPS) – which is defined as profit for the year before share-based payments and National Insurance on share-based incentives, with no related adjustment for tax, divided by the weighted average number of ordinary shares in issue for the year.

The directors believe that these alternative performance measures provide a more appropriate measure of the Group's business performance as share-based payments are a significant non-cash charge and are driven by a valuation model, and NI on share-based incentives is driven by reference to the Rightmove plc share price and so subject to volatility, rather than reflecting operational activity. The directors therefore consider underlying operating profit to be the most appropriate indicator of the performance of the business and year on year trends. For simplicity no adjustment for tax is made within the calculation of underlying basic EPS. The alternative performance measures are designed to increase comparability of the Group's financial performance year on year. These measures are consistent with the prior year.

Following recent guidance by the FRC in relation to alternative performance measures and in line with best practice, the directors have made the decision to move away from these measures for the financial year beginning 1 January 2020 and will instead report on a GAAP basis. The timing of the change aligns with the start of a new three-year Remuneration Policy which will also refer to GAAP measures (see the Directors' Remuneration Report page 71 for further details).

2 Significant accounting policies

The Group adopted IFRS 9 Financial Instruments, IFRS 15 Revenue from contracts with customers and IFRS 16 Leases with effect from 1 January 2018 with IFRS 15 and IFRS 16 having a material effect on the Group's financial statements; further details were provided in the Group's 2018 financial statements. The following accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2018.

(a) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and is recognised when a customer obtains control of the services.

Revenue principally represents the amounts receivable from customers in respect of property products, primarily membership of the Rightmove platforms, together with the provision of tenant referencing and rent guarantee insurance. Rightmove also provides non-property advertising services, including Data Services and third-party advertising. Revenue is recognised as services are provided to customers. Contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date. Contract assets are transferred to receivables when invoiced and the rights have become unconditional. Contract liabilities primarily relate to the advance consideration received from Estate Agency, Overseas and Commercial customers, for which revenue is recognised as or when the services are provided.

2 Significant accounting policies continued

The table below covers the different types of products and services offered to customers along with the nature and timing of satisfaction of performance obligations:

Type of product/service	Nature and timing of satisfaction of performance obligations
Property products – membership of Rightmove platforms	For membership listing services customers pay monthly subscriptions to list their properties on the Rightmove platforms. Control is obtained by customers across the life of the contract as their properties are continuously listed on the different platforms. The continuous listing of properties is a distinct performance obligation for each customer. Contracts for these services are per branch location or branch equivalent for Agency and per development for New Homes. They vary in length from one month to five years, but are typically for periods of six to 12 months. Agency, Overseas and Commercial services are typically billed in advance and New Homes developers are billed monthly in arrears. For additional advertising products customers have the option to enhance their property listings and presence on Rightmove through additional advertising products. Each additional advertising product is a distinct performance obligation. For products that provide enhanced brand exposure or property exposure across the life of the product, control is passed to the customer over time. Revenue is only recognised at a point in time for additional advertising products where the customer does not receive the benefit until they choose to apply the product. Additional advertising products are principally billed on a monthly subscription basis in line with core listing services, however certain products are billed on an individual charge basis. Rightmove performance obligations change on a regular basis as customers add or remove additional advertising products from their contracts. Each contract modification is treated as a separate performance obligation. Following a contract modification, the customer is billed in line with the delivery of the remaining performance obligations. A receivable is recognised when the Group's right to consideration is only conditional on the passage of time. Discounted services may be offered to customers as part of membership or package offers.
Property products – provision of tenant referencing and rent guarantee insurance	Referencing revenue relates to the supply of tenant referencing services primarily to lettings agents. Control is obtained by the customer when the service has been completed. Revenue related to insurance broking commission is generated on the sale of rent guarantee insurance to lettings agents and landlords. Control is obtained when an invoice is raised or at the date of inception of the insurance policy, whichever is later. Insurance commission revenue is stated net of insurance costs payable, and less any expected adjustment for cancellations.
Non-property products	Data Services revenue relates to fees generated for data and valuation services under a variety of contractual arrangements, with each service being a separate performance obligation. Control is obtained by customers either across the life of the contract where customers are licensed to use Rightmove's property tools or at a point in time when a one-off data service is provided. Discounted services may be offered to customers and are taken into consideration in the transaction price for each performance obligation. Third party advertising revenue represents amounts paid in respect of non-property advertising on the Rightmove platforms and control is obtained by customers across the life of the contract as their advertising is displayed on the different platforms. Some of the Group's arrangements with third parties need to be considered to determine if the Group acts as a principal or an agent in providing the services to the customer. If, on evaluation of a number of indicators it is appropriate for the Group to be treated as the agent, revenue is recognised at a net amount reflecting the margin earned. A receivable is recognised only when the Group's right to consideration is only conditional on the passage of time.

2 Significant accounting policies continued

(b) Investments

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

(c) Intangible assets

(i) Goodwill

Goodwill arising on a business combination represents the difference between the fair value of the consideration paid and the fair value of the net identifiable assets acquired and is included in intangible assets.

In respect of acquisitions prior to 1 January 2004, goodwill is included on the basis of its deemed cost, which represents the amount previously recorded under UK GAAP. The classification and accounting treatment of business that occurred prior to 1 January 2004 was 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.

(ii) Research and development

The Group undertakes research and development expenditure in view of developing new products and improving the existing property platforms. 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, the Group has sufficient resources to complete development, future economic benefits are probable and the Group can measure reliably the expenditure attributable to the intangible asset during its development. Capitalised costs are held as an asset in progress until such point that the asset is brought into use, at which point it is transferred to the appropriate intangible asset category and amortisation is charged.

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

(iv) Market appraisal algorithm

The market appraisal algorithm identified on the acquisition of the Outside View Analytics Ltd is valued using the reproduction cost method based on market rate salaries. Amortisation is expensed in the profit or loss on a straight-line basis over the estimated useful economic life as follows:

Market appraisal algorithm	33.3% per annum

(v) Credit referencing software

The credit referencing software identified on the acquisition of Van Mildert is valued using the reproduction cost method based on market rate salaries. Amortisation is expensed in the profit or loss on a straight-line basis over the estimated useful economic life as follows:

Credit referencing software	20% per annum

(vi) Customer relationships

The customer relationships identified on the acquisition of Van Mildert are valued using the income approach, calculating the multi-period excess earnings. Amortisation is expensed in the profit or loss on a straight-line basis over the estimated useful economic life as follows:

Customer relationships	10% per annum

2 Significant accounting policies continued

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Capitalised costs are held as an asset in progress until such point that the asset is brought into use, at which point it is transferred to the appropriate property, plant and equipment category and depreciation is charged. 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 and fittings	20.0% per annum
Computer equipment	20.0% – 33.3% per annum
Leasehold improvements	remaining life of the lease

(e) 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.

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

(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.

2 Significant accounting policies continued

(h) Employee benefits

(i) Pensions

The Group provides access to stakeholder pension schemes (defined contribution pension plans). Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are incurred.

(ii) Employee share schemes

The Group provides share-based incentive plans allowing executive directors and other employees 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 at the grant date 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.

(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) Own shares held by The Rightmove Share Incentive Plan Trust (SIP)

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

(v) 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) 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.

(k) Financial income and expenses

Financial income comprises interest receivable on cash balances and money market 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 banking facility fees and bank charges and the unwinding of the discount on provisions and lease liabilities.

2 Significant accounting policies continued

(l) 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.

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.

(m) 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.

(n) Earnings per share (EPS)

The Group presents basic, diluted and underlying basic and diluted 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. 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, the SIP and shares held in treasury. The calculation of underlying basic and diluted EPS is disclosed in Note 11.

3 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 Committee, 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.

3 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 87.0% (2018: 88.0%) of Rightmove Group Limited's Agency and New Homes customers pay via monthly direct debit, minimising the risk of non-payment. The Group establishes an expected credit loss that represents its estimate of losses in respect of trade and other receivables. Further details of these are given in Note 26.

The Group's treasury policy is to monitor cash and deposit balances on a daily basis and to manage counterparty risk by ensuring 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, before financing activities, for a period of 232 days (2018: 138 days).

The agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility was terminated on 7 February 2020. This has been replaced with a new 12 month agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility that expires on 6 February 2021.

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 97.0% (2018: 97.0%) of the Group's purchases are Sterling denominated, accordingly it has no significant currency risk.

(ii) Interest rate risk

The Group has interest bearing lease liabilities, although the interest on these is insignificant. The Group is exposed to interest rate risk on cash and money market deposit balances. The Company has no interest-bearing financial liabilities.

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 EPS.

3 Risk and capital management continued

The Board's policy is to return surplus capital to shareholders through a combination of dividends and share buybacks.

(i) Dividend policy

The Board of directors has a progressive dividend policy and monitors the level of dividends to ordinary shareholders in relation to the growth in underlying basic EPS. The Board has adopted this policy in order to align shareholder returns with the underlying growth achieved in the profitability of the Group.

The capacity of the Group to make dividend payments is primarily determined by the level of available retained earnings in the Company, after deduction of own shares held, and the cash resources of the Group. The retained earnings of the Company, after deduction of own shares held, are £417,966,000 (2018: £391,022,000) as set out in the Company statement of changes in shareholders' equity on page 106. The Group has cash and money market deposits at 31 December 2019 of £36,258,000 (2018: £19,937,000), the majority of which are held by the principal operating subsidiary Rightmove Group Limited. The Group is well positioned to fund its future dividends given the strong cash generative nature of the business and in 2019 cash generated from operating activities was £221,681,000 (2018: £200,428,000) representing an operating cash conversion in excess of 100%.

(ii) Share buybacks

The Company purchases its own shares in the market; the timing of these purchases depends on available free cash flow and market conditions. In 2019, 16,268,322 (2018: 24,977,740) shares were bought back and were cancelled at an average price of £5.45 (2018: £4.55).

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.

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, including Financial Conduct Authority requirements for regulated entities;
- 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;
- regular testing of the security of the IT systems and platforms, regular backups of key data and ongoing threat monitoring to protect against the risk of cyber attack;
- training and professional development and ongoing succession planning; and
- risk mitigation, including insurance where this is effective.

4 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 includes resale and lettings property advertising services provided on Rightmove's platforms and tenant referencing and insurance products sold by Van Mildert; and
- The **New Homes** segment which provides property advertising services to new home developers and housing associations on Rightmove's platforms.

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 advertising and Data 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 revenue in both years is derived from third parties and there is no inter-segment revenue.

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	Subtotal £000	Other £000	Central £000	Adjustments £000	Total £000
Year ended 31 December 2019							
Revenue	**209,268**	**55,482**	**264,750**	**24,570**	**–**	**–**	**289,320**
Operating profit(1)	**–**	**–**	**–**	**–**	**219,710(2)**	**(5,980)(2)**	**213,730**
Depreciation and amortisation	**–**	**–**	**–**	**–**	**(3,594)**	**–**	**(3,594)**
Financial income	**–**	**–**	**–**	**–**	**318**	**–**	**318**
Financial expenses	**–**	**–**	**–**	**–**	**(486)**	**–**	**(486)**
Trade receivables(3)	**5,324**	**11,086**	**16,410**	**2,944**	**–**	**198(4)**	**19,552**
Other segment assets	**–**	**–**	**–**	**–**	**77,668**	**55(4)**	**77,723**
Segment liabilities	**–**	**–**	**–**	**–**	**(55,682)**	**(253)(4)**	**(55,935)**
Capital expenditure	**–**	**–**	**–**	**–**	**(779)**	**–**	**(779)**
Year ended 31 December 2018							
Revenue	201,022	46,167	247,189	20,632	–	–	267,821
Operating profit(1)	–	–	–	–	203,329(2)	(4,739)(2)	198,590
Depreciation and amortisation	–	–	–	–	(3,852)	–	(3,852)
Financial income	–	–	–	–	171	–	171
Financial expenses	–	–	–	–	(491)	–	(491)
Trade receivables(3)	5,367	9,942	15,309	1,461	–	167(4)	16,937
Other segment assets	–	–	–	–	46,768	12(4)	46,780
Segment liabilities	–	–	–	–	(50,934)	(179)(4)	(51,113)
Capital expenditure	–	–	–	–	1,742	–	1,742

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

(2) Central operating profit does not include share-based payments charge of £4,911,000 (2018: £4,320,000) and NI on share-based incentives charge of £1,069,000 (2018: £419,000).

(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 trade receivables and debit balances in trade payables made on consolidation for statutory accounts purposes.

4 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	2019 Revenue £000	2019 Trade receivables £000	2018 Revenue £000	2018 Trade receivables £000
UK	**281,993**	**18,982**	261,031	16,864
Rest of the world	**7,327**	**570**	6,790	73
	289,320	**19,552**	267,821	16,937

5 Revenue

The Group's operations and main revenue streams are those described in these annual financial statements. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by property and non-property advertising revenue. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4).

Year ended 31 December 2019	Agency £000	New Homes £000	Other £000	Total £000
Revenue stream				
Property products	**209,268**	**55,482**	**13,961**	**278,711**
Non-property products	**–**	**–**	**10,609**	**10,609**
	209,268	**55,482**	**24,570**	**289,320**

Year ended 31 December 2018	Agency £000	New Homes £000	Other £000	Total £000
Revenue stream				
Property products	201,022	46,167	12,300	259,489
Non-property products	–	–	8,332	8,332
	201,022	46,167	20,632	267,821

Contract balances

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

	Note	2019 £000	2018 £000
Receivables, which are included in trade and other receivables	17	**20,285**	17,655
Contract assets		**429**	427
Contract liabilities		**(2,111)**	(2,146)

The contract assets primarily relate to the Group's rights to consideration for services provided but not invoiced at the reporting date. The contract assets are transferred to receivables when invoiced and the rights have become unconditional.

The contract liabilities primarily relate to the advance consideration received from Agency, Overseas and Commercial customers, for which revenue is recognised as or when the services are provided.

6 Operating profit

	2019 £000	2018 £000
Operating profit is stated after charging:		
Employee benefit expense	**34,146**	30,506
Depreciation of property, plant and equipment	**3,114**	3,307
Amortisation of intangibles	**480**	545
Bad debt impairment charge	**740**	819

Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor in respect of the audit		
Audit of the Company's financial statements	**19**	19
Audit of the Company's subsidiaries pursuant to legislation	**197**	132
Total audit remuneration	**216**	151
Fees payable to the Company's auditor in respect of non-audit related services		
Half year review of the condensed financial statements	**19**	19
All other services	**2**	9
Total non-audit remuneration	**21**	28

7 Employee numbers and costs

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

	2019 Number of employees	2018 Number of employees
Administration	**502**	461
Management	**36**	34
	538	495

The aggregate payroll costs of these persons were as follows:

	2019 £000	2018 £000
Wages and salaries	**29,125**	26,087
Social security costs	**3,664**	3,280
Pension costs	**1,357**	1,139
	34,146	30,506

Employee numbers and costs include the average number of Van Mildert employees for the 3-month period since acquisition with an and aggregate Van Mildert payroll cost of £534,000.

Wages and salaries include £8,890,000 (2018: £7,541,000) relating to the product development and technology teams; these teams spend a significant proportion of their time on research and development activities, including innovation of our product proposition and enhancements to the Rightmove platforms. Social security costs do not include a charge of £1,069,000 (2018: £419,000) relating to NI on share-based incentives which has been disclosed in the Consolidated Statement of Comprehensive Income.

8 Financial income

	2019 £000	2018 £000
Interest income on cash and cash equivalents	**267**	126
Interest income on money market deposits	**51**	45
	318	171

9 Financial expenses

	2019 £000	2018 £000
Other interest payable	**198**	190
Interest unwind on lease liabilities	**288**	301
	486	491

10 Income tax expense

	2019 £000	2018 £000
Current tax expense		
Current year	**40,689**	37,744
Adjustment to current tax charge in respect of prior years	**(385)**	(106)
	40,304	37,638
Deferred tax		
Origination and reversal of temporary differences	**14**	50
Reduction in tax rate	**155**	127
	169	177
Total income tax expense	**40,473**	37,815

Income tax credit recognised directly in equity

	2019 £000	2018 £000
Current tax		
Share-based incentives	**(904)**	(2,780)
Deferred tax		
Share-based incentives (refer Note 16)	**(124)**	2,594
Reduction in tax rate	**–**	176
	(124)	2,770
Total income tax credit recognised directly in equity	**(1,028)**	(10)

Total income tax recognised directly in equity in respect of the Company was a credit of £375,000 (2018: £83,000 credit).

10 Income tax expense continued

Reconciliation of effective tax rate

The Group's consolidated effective tax rate on the profit of £213,562,000 for the year ended 31 December 2019 is 19.0% (2018: 19.0%) in line with the standard rate of corporation tax in the UK of 19.0%.

A reconciliation of the components of the tax charge is set out below:

	2019 £000	2018 £000
Profit before tax	**213,562**	198,270
Current tax at 19.0% (2018: 19.0%)	**40,579**	37,671
Reduction in tax rate at which deferred tax is being provided	**155**	127
Non-deductible expenses	**129**	127
Share-based incentives	**(5)**	(4)
Adjustment to current tax charge in respect of prior years	**(385)**	(106)
	40,473	37,815

11 Earnings per share (EPS)

		Pence per share	
	£000	Basic	Diluted
Year ended 31 December 2019			
Earnings	**173,089**	**19.57**	**19.49**
Underlying earnings	**179,069**	**20.25**	**20.16**
Year ended 31 December 2018			
Earnings	160,455	17.80	17.69
Underlying earnings	165,194	18.33	18.22

Weighted average number of ordinary shares (basic)

	2019 Number of shares	2018 Number of shares
Issued ordinary shares at 1 January less ordinary shares held by the EBT and SIP Trust	**904,626,215**	929,347,400
Less own shares held in treasury at the beginning of the year	**(14,813,304)**	(18,924,560)
Effect of own shares purchased for cancellation	**(6,097,026)**	(11,423,051)
Effect of share-based incentives exercised	**863,996**	2,284,329
Effect of shares purchased by the EBT	**(216,744)**	(7,768)
Issued ordinary shares at 31 December less ordinary shares held by the EBT and SIP Trust	**884,363,137**	901,276,350

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, the SIP and shares held in treasury.

	2019 Number of shares	2018 Number of shares
Weighted average number of ordinary shares (basic)	**884,363,137**	901,276,350
Dilutive impact of share-based incentives outstanding	**3,670,032**	5,515,657
	888,033,169	906,792,007

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 by taking basic earnings for the year and adding back the charge for share-based payments and the charge for 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:

	2019 £000	2018 £000
Basic earnings for the year	**173,089**	160,455
Share-based payments	**4,911**	4,320
NI on share-based incentives	**1,069**	419
Underlying earnings for the year	**179,069**	165,194

12 Dividends

Dividends declared and paid by the Company were as follows:

	2019		2018	
	Pence per share	£000	Pence per share	£000
2017 final dividend paid	**–**	**–**	3.60	32,559
2018 interim dividend paid	**–**	**–**	2.50	22,418
2018 final dividend paid	**4.00**	**35,510**	–	–
2019 interim dividend paid	**2.80**	**24,663**	–	–
	6.80	**60,173**	6.10	54,977
Unclaimed dividends returned		**(317)**		–
Net dividends included in the statement of cash flows		**59,856**		54,977

After the reporting date a final dividend of 4.4p (2018: 4.0p) per qualifying ordinary share being £38,483,000 (2018: £35,613,000) was proposed by the Board of directors.

The 2018 final dividend paid on 31 May 2019 was £35,510,000 being £103,000 lower than that reported in the 2018 Annual Report, which was due to a decrease in the ordinary shares entitled to a dividend between 31 December 2018 and the final dividend record date of 2 May 2019.

The 2019 interim dividend paid on 2 November 2019 was £24,663,000 being £182,000 lower than that reported in the 2019 Half Year Report, which was due to a decrease in the ordinary shares entitled to a dividend between 30 June 2019 and the interim dividend record date of 4 October 2019.

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	Land & buildings £000	Office equipment, fixtures & fittings £000	Computer equipment £000	Leasehold improvements £000	Motor vehicles £000	Total £000
Cost						
At 1 January 2019	13,253	951	9,009	1,115	941	25,269
Acquired through a business combination	121	48	109	–	–	278
Additions	–	23	520	–	–	543
Leased asset additions	115	–	–	–	190	305
Re - measurement of leased assets	(283)	–	–	–	–	(283)
At 31 December 2019	13,206	1,022	9,638	1,115	1,131	26,112
Depreciation						
At 1 January 2019	(1,467)	(490)	(7,369)	(344)	(396)	(10,066)
Acquired through a business combination	(29)	(24)	(77)	–	–	(130)
Charge for year	(1,456)	(141)	(993)	(132)	(392)	(3,114)
At 31 December 2019	(2,952)	(655)	(8,439)	(476)	(788)	(13,310)
Net book value						
At 31 December 2019	**10,254**	**367**	**1,199**	**639**	**343**	**12,802**
At 31 December 2018	11,786	461	1,640	771	545	15,203

The re-measurement of leased assets relates to a cash refund in relation to a rent-free period on an office lease.

Group	Land & buildings £000	Office equipment, fixtures & fittings £000	Computer equipment £000	Leasehold improvements £000	Motor vehicles £000	Assets in progress £000	Total £000
Cost							
At 1 January 2018	–	857	7,824	834	–	187	9,702
Recognised on application of IFRS 16	10,059	–	–	–	671	–	10,730
Additions	–	266	1,165	183	–	–	1,614
Leased asset additions	3,194	–	–	–	270	–	3,464
Transfers	–	22	20	145	–	(187)	–
Disposals	–	(194)	–	(47)	–	–	(241)
At 31 December 2018	13,253	951	9,009	1,115	941	–	25,269
Depreciation							
At 1 January 2018	–	(567)	(6,143)	(283)	–	–	(6,993)
Charge for year	(1,467)	(110)	(1,226)	(108)	(396)	–	(3,307)
Disposals	–	187	–	47	–	–	234
At 31 December 2018	(1,467)	(490)	(7,369)	(344)	(396)	–	(10,066)
Net book value							
At 31 December 2018	**11,786**	**461**	**1,640**	**771**	**545**	**–**	**15,203**
At 31 December 2017	–	290	1,681	551	–	187	2,709

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

14 Intangible assets

Group	Goodwill £000	Computer software £000	Customer relationships £000	Total £000
Cost				
At 1 January 2019	2,465	5,208	–	7,673
Additions	–	236	–	236
Arising on a business combination	14,051	753	4,521	19,325
At 31 December 2019	16,516	6,197	4,521	27,234
Amortisation				
At 1 January 2019	–	(4,800)	–	(4,800)
Charge for year	–	(367)	(113)	(480)
At 31 December 2019	–	(5,167)	(113)	(5,280)
Net book value				
At 31 December 2019	**16,516**	**1,030**	**4,408**	**21,954**
At 31 December 2018	2,465	408	–	2,873

The goodwill arising on a business combination in the year of £14,051,000 relates to the goodwill recognised on the acquisition of Van Mildert, being intangible assets that are not separately identifiable under IFRS 3 (refer to Note 27). The goodwill figure recognised includes the knowledge and experience of the company which is established within the credit referencing and rent guarantee insurance markets, the skilled workforce employed by Van Mildert, and the reputation of the business. This is together with the synergy benefits expected to the Group through leveraging the scale and reach of the Rightmove customer base, sales and marketing teams and technological capability.

Group	Goodwill £000	Computer software £000	Market appraisal algorithm £000	Total £000
Cost				
At 1 January 2018	2,465	5,080	309	7,854
Additions	–	128	–	128
At 31 December 2018	2,465	5,208	309	7,982
Amortisation				
At 1 January 2018	–	(4,401)	(163)	(4,564)
Charge for year	–	(399)	(146)	(545)
At 31 December 2018	–	(4,800)	(309)	(5,109)
Net book value				
At 31 December 2018	**2,465**	**408**	**–**	**2,873**
At 31 December 2017	2,465	679	146	3,290

The Company had no intangible assets in either year.

14 Intangible assets continued

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's Agency segment which represents 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 4.

The goodwill recognised on the acquisition of Van Mildert of £14,051,000 has been allocated to the Agency segment as the revenue and future synergy benefits primarily relate to Agency customers. The carrying value of £2,465,000 goodwill brought forward comprises £732,000 of purchased goodwill arising pre-transition to IFRS and £1,733,000 arising on the acquisition of The Outside View Analytics Ltd in May 2016. The goodwill in relation to the Outside View was allocated at the time of the initial acquisition to the Agency segment as the revenue from their market appraisal product, known as Rightmove Discover, is derived from Rightmove's Agency customer base.

Given the low level of significance of the brought forward goodwill balance and strong growth in the Agency segment revenue in the year, with no impairment indicators present, 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 2019 were as follows:

Company	Nature of business	Country of incorporation	Holding	Class of shares
Rightmove Group Limited	Online property advertising	England and Wales	100%	Ordinary
Rightmove Rent Services Limited	Online rental services	England and Wales	100%	Ordinary
Rightmove Property Services Limited	Online rental services	England and Wales	100%	Ordinary
Van Mildert Landlord and Tenant Protection Limited	Credit referencing and rent guarantee insurance services	England and Wales	100%	Ordinary

All the above subsidiaries are included in the Group consolidated financial statements. The registered office for all subsidiaries of the Group is 2 Caldecotte Lake Business Park, Caldecotte Lake Drive, Caldecotte, Milton Keynes, MK7 8LE.

The Outside View Analytics Ltd is in the process of liquidation with liquidators appointed in February 2019. Final confirmation from HMRC that the company has been dissolved is still outstanding.

Company	2019 £000	2018 £000
Investment in subsidiary undertakings		
At 1 January	**551,478**	548,827
Additions – subsidiary share-based payments charge	**3,076**	2,651
At 31 December	**554,554**	551,478

In 2008, the Company became the holding company of Rightmove Group Limited (formerly Rightmove plc, Company no. 03997679) 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 £3,076,000 (2018: £2,651,000) being recognised in the Company accounts as a capital contribution to its subsidiary.

16 Deferred tax asset and deferred tax liability

The deferred tax asset and deferred tax liability are attributable to the following:

Deferred tax asset

	Group Share-based incentives £000	Property, plant and equipment £000	Provisions £000	Total £000	Company Share-based incentives £000
At 1 January 2019	**2,261**	**368**	**169**	**2,798**	**966**
Arising on business combination	**-**	**(9)**	**–**	**(9)**	**–**
Recognised in profit and loss	**(67)**	**(51)**	**(77)**	**(195)**	**(84)**
Recognised directly in equity	**124**	**–**	**–**	**124**	**128**
At 31 December 2019	**2,318**	**308**	**92**	**2,718**	**1,010**
At 1 January 2018	5,222	315	231	5,768	2,490
Recognised in income	(191)	53	(62)	(200)	(278)
Recognised directly in equity	(2,770)	–	–	(2,770)	(1,246)
At 31 December 2018	2,261	368	169	2,798	966

The increase in the deferred tax asset relating to share-based incentives at 31 December 2019 is primarily due to the increase in the Company's share price from £4.32 at 31 December 2018 to £6.34 at 31 December 2019.

Deferred tax liability

Group	Intangibles £000
At 1 January 2019	**–**
Arising on business combination	**(897)**
Recognised in profit and loss	**26**
At 31 December 2019	**(871)**

A deferred tax liability of £871,000 has been recognised in relation to the acquisition of Van Mildert, relating to the recognition of intangible assets on acquisition (refer Note 27).

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future tax charge accordingly. The deferred tax asset and liability as at 31 December 2019 have been calculated at the rate of 17% which represents the average expected rate at which they are expected to reverse in the future, based on currently enacted UK tax rates.

17 Trade and other receivables

Group	2019 £000	2018 £000
Trade receivables	**20,285**	17,655
Less provision for impairment of trade receivables	**(733)**	(718)
Net trade receivables	**19,552**	16,937
Prepayments	**3,922**	5,446
Interest receivable	**32**	24
Other debtors	**479**	72
	23,985	22,479

Exposure to credit and currency risks and expected credit losses relating to trade and other receivables are disclosed in Note 26.

The Company had no trade and other receivables in either year.

18 Cash and deposits

Group	2019 £000	2018 £000
Cash and cash equivalents	32,117	15,847
Money market deposits	4,141	4,090
	36,258	19,937

Cash balances with an original maturity of less than three months were held in current accounts during the year and attracted interest at a weighted average rate of 0.5% (2018: 0.4%). The cash and cash equivalents balance includes £507,000 (2018: £1,718,000) which is restricted to use in accordance with the deeds of the EBT.

Money market deposits with an original maturity of more than three months and less than a year, attracted interest at a weighted average rate of 1.3% (2018: 1.1%).

The Company had no cash and cash equivalents in either year.

19 Trade and other payables

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade payables	1,384	2,653	–	–
Trade accruals	6,705	5,197	1,202	1,483
Other creditors	481	368	–	–
Other taxation and social security	10,946	9,863	–	–
Inter-group payables	–	–	14,038	40,657
	19,516	18,081	15,240	42,140

20 Loans and borrowings

The agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility was terminated on 7 February 2020. This has been replaced with a new 12 month agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility that expires on 6 February 2021. The Company had no bank loans and borrowings in either year.

21 Leases

The Group leases assets including land and buildings and motor vehicles that are held within property, plant and equipment. Information about leases for which the Group is a lessee is presented below.

Analysis of property, plant and equipment between owned and leased assets	2019 £000	2018 £000
Net book value of property, plant and equipment owned	2,205	2,872
Net book value right of use assets	10,597	12,331
	12,802	15,203

21 Leases continued

Net book value of right of use assets	Property £000	Vehicles £000	Total £000
At 1 January 2019	11,786	545	**12,331**
Additions	115	190	**305**
Acquired through business combination	92	–	**92**
IFRS 16 re-measurement	(283)	–	**(283)**
Depreciation charge	(1,456)	(392)	**(1,848)**
At 31 December 2019	10,254	343	**10,597**
At 1 January 2018	10,059	671	10,730
Additions	3,194	270	3,464
Depreciation charge	(1,467)	(396)	(1,863)
At 31 December 2018	11,786	545	12,331

Lease liabilities Maturity analysis – contractual undiscounted cash flows	2019 £000	2018 £000
Less than one year	**1,983**	1,517
One to five years	**7,391**	7,283
More than five years	**3,921**	5,736
	13,295	14,536

Lease liabilities included in the statement of financial position	2019 £000	2018 £000
Current	**1,709**	1,213
Non-current	**10,499**	11,845
	12,208	13,058

Amounts recognised in profit or loss	2019 £000	2018 £000
Interest on lease liabilities	**288**	301
Expenses relating to short-term leases	**87**	81
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**31**	37
	406	419

Amount recognised in the statement of cash flows	2019 £000	2018 £000
Total cash outflow for leases	**1,535**	1,532

22 Provisions

	2019 Dilapidations provision £000	2019 Employee provisions £000	2019 Contigent consideration £000	2019 Total £000	2018 Dilapidations provision £000	2018 Employee provisions £000	2018 Total £000
At 1 January	424	671	–	1,095	381	668	1,049
Utilised during the year	–	(417)	–	(417)	–	(250)	(250)
Arising on business combination	37	2	2,407	2,446	-	-	-
Charged in the year	46	–	–	46	43	253	296
At 31 December	507	256	2,407	3,170	424	671	1,095
Current	–	256	–	256	–	671	671
Non-current	507	–	2,407	2,914	424	–	424
	507	256	2,407	3,170	424	671	1,095

The dilapidations provision is in respect of a number of the Group's leased properties where the Group has obligations to make good dilapidations. The non-current liabilities are estimated to be payable over periods from one to nine years. Where appropriate the provision may form part of the cost of the asset.

During the year the Group has accrued amounts in relation to a number of employee related provisions, principally holiday pay. The provisions are based on the estimated future payroll cost to the Group and have not been discounted as the time value of money is not significant.

The present value of the contingent and deferred consideration arising on acquisition of Van Mildert Landlord and Tenant Protection Limited is £2,407,000. This is discounted over a two year period and is therefore classified as a non-current liability.

The Company had no provisions in either year.

23 Share capital

	2019 Amount £000	2019 Number of shares	2018 Amount £000	2018 Number of 0.1 pence shares
In issue ordinary shares				
At 1 January	908	907,684,330	933	–
Effect of 10:1 subdivision of shares*	–	–	–	932,662,070
Purchase and cancellation of shares	(16)	(16,268,322)	(25)	(24,977,740)
At 31 December	892	891,416,008	908	907,684,330

*This was the result of a ten for one subdivision of the Company's ordinary share capital, effective 31 August 2018.

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.

In June 2007, the Company commenced a share buyback programme to purchase its own ordinary shares. The total number of shares bought back in 2019 was 16,268,322 (2018: 24,977,740) shares representing 1.8% (2018: 2.8%) 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 £88,583,000 (2018: £113,528,000). The maximum and minimum prices paid were £6.40 (2018: £5.30) and £4.28 (2018: £4.15) per share respectively. Share-related expenses in relation to stamp duty charges and broker expenses were £619,000 (2018: £795,000).

Included within shares in issue at 31 December 2019 are 2,208,362 (2018: 2,248,020) shares held by the EBT, 785,130 (2018: 810,095) shares held by the SIP and 13,360,310 (2018: 14,813,304) shares held in treasury.

24 Reconciliation of movement in capital and reserves

Group

Own shares held – £000

	EBT shares reserve £000	SIP shares reserve £000	Treasury shares £000	Total £000
Own shares held as at 1 January 2018	(1,978)	(2,018)	(8,999)	(12,995)
Shares purchased for share incentive plans	(685)	–	–	(685)
Shares transferred to SIP	1,446	(1,446)	–	–
Share-based incentives exercised in the year	104	68	2,027	2,199
Reduction in shares released due to net settlement	–	–	(68)	(68)
SIP releases in the year	–	411	–	411
Own shares held as at 31 December 2018	(1,113)	(2,985)	(7,040)	(11,138)
Own shares held as at 1 January 2019	**(1,113)**	**(2,985)**	**(7,040)**	**(11,138)**
Shares purchased for share incentive plans	**(2,112)**	**–**	**–**	**(2,112)**
Shares transferred to SIP	**826**	**(826)**	**–**	**–**
Share-based incentives exercised in the year	**208**	**424**	**723**	**1,355**
Reduction in shares released due to net settlement	**–**	**–**	**(31)**	**(31)**
SIP releases in the year	**–**	**182**	**–**	**182**
Own shares held as at 31 December 2019	**(2,191)**	**(3,205)**	**(6,348)**	**(11,744)**

Own shares held – number of shares

	Number of shares			
	EBT shares reserve	SIP shares reserve	Treasury shares	Total
Own shares held as at 1 January 2018	263,767	67,700	1,892,456	2,223,923
Effect of 10:1 subdivision of shares	2,373,903	609,300	17,032,104	20,015,307
Shares purchased for share incentive plans	157,525	–	–	157,525
Shares transferred to SIP	(332,525)	332,525	–	–
Share-based incentives exercised in the year	(214,650)	(17,000)	(4,254,160)	(4,485,810)
Reduction in shares released due to net settlement	–	–	142,904	142,904
SIP releases in the year	–	(182,430)	–	(182,430)
Own shares held as at 31 December 2018	2,248,020	810,095	14,813,304	17,871,419
Own shares held as at 1 January 2019	**2,248,020**	**810,095**	**14,813,304**	**17,871,419**
Shares purchased for share incentive plans	**385,612**	**–**	**–**	**385,612**
Shares transferred to SIP	**(131,110)**	**131,110**	**–**	**–**
Share-based incentives exercised in the year	**(294,160)**	**(111,800)**	**(1,518,184)**	**(1,924,144)**
Reduction in shares released due to net settlement	**–**	**–**	**65,190**	**65,190**
SIP releases in the year	**–**	**(44,275)**	**–**	**(44,275)**
Own shares held as at 31 December 2019	**2,208,362**	**785,130**	**13,360,310**	**16,353,802**

24 Reconciliation of movement in capital and reserves continued

(a) EBT shares reserve

This reserve represents the cost of own shares acquired by the EBT less any exercises of share-based incentives.

At 31 December 2019, the EBT held 2,208,362 (2018: 2,248,020) ordinary shares in the Company, representing 0.3% (2018: 0.3%) of the ordinary shares in issue (excluding shares held in treasury). The market value of the shares held in the EBT at 31 December 2019 was £14,001,000 (2018: £9,711,000).

(b) SIP shares reserve (Group and Company)

In November 2014, the Company established the Rightmove Share Incentive Plan Trust (SIP). This reserve represents the cost of acquiring shares less any exercises or releases of SIP awards. Employees of Rightmove Group Limited and Rightmove plc were offered 450 free shares with effect from 20 December 2019 (2018: 475), subject to a three year service period. 111,800 shares were exercised and 44,275 (2018: 17,000) shares were released by the SIP during the year in relation to good leavers and retirees. 131,110 (2018: 332,525) shares were transferred to the SIP reserve from the EBT.

At 31 December 2019 the SIP held 785,130 (2018: 810,095) ordinary shares in the Company, representing 0.04% (2018: 0.09%) of the ordinary shares in issue (excluding shares held in treasury). The market value of the shares held in the SIP at 31 December 2019 was £4,978,000 (2018: £3,500,000).

(c) Treasury shares (Group and Company)

This represents the cost of acquiring shares held in treasury less any exercises of share-based incentives. These shares were bought in 2008 at an average price of 47.60 pence and may be used to satisfy certain share-based incentive awards. An additional 23,085 (2018: 142,904) shares were issued as a result of rolled up dividend payments in relation to performance shares. The market value of the shares held in treasury at 31 December was £84,704,000 (2018: £63,993,000).

Other reserves

This represents the Capital Redemption Reserve in respect of own shares bought back and cancelled. The movement of £16,000 (2018: £25,000) is the nominal value of ordinary shares cancelled during the year.

Retained earnings

The loss on the exercise of share-based incentives of £608,000 (2018: £1,941,000 loss) is the difference between the value that the shares held by the EBT, SIP and treasury shares were originally acquired at and the exercise price at which share-based incentives were exercised or released during the year. Details of share buybacks and cancellation of shares are included in Note 23.

Company

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 £3,076,000 (2018: £2,651,000) in respect of the share-based incentives charge for employees of Rightmove Group Limited.

In addition, other reserves include £402,000 (2018: £386,000) of Capital Redemption Reserve. A movement of £16,000 (2018: £25,000) has been recorded in relation to the nominal value of ordinary shares cancelled during the year.

25 Share-based payments

The Group and Company operate a number of share-based incentive schemes for executive directors and employees.

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.

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 relating to all awards was £1,069,000 (2018: £419,000). The share price at 31 December 2019 was £6.34 (2018: £4.32).

25 Share-based payments continued

The Group recognised a total share-based payments charge for the year of £4,911,000 (2018: £4,320,000) with a Company charge for the year of £1,835,000 (2018: £1,669,000), as set out below:

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Sharesave Plan	267	308	(1)	3
Performance Share Plan (PSP)	1,302	1,766	1,206	1,289
Deferred Share Bonus Plan (DSP)	2,364	1,585	630	377
Share Incentive Plan (SIP)	676	661	–	–
Restricted Share Plan (RSP)	302	–	–	–
Total share-based payments charge	4,911	4,320	1,835	1,669
NI on applicable share-based incentives at 13.8%	1,069	419	597	205

A 2% reduction or increase in the employee leaver assumption (excluding executive directors) for the DSP and the PSP would have increased or decreased the share-based payments charge in the year by £58,000 (2018: £34,000).

Approved and Unapproved Plans

There has been no award of share options for Approved and Unapproved Plans since 5 March 2010.

	2019		2018	
Group	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	525,530	66.60	3,317,720	29.41
Exercised	(525,530)	66.60	(2,792,190)	22.40
Outstanding at 31 December	–		525,530	66.69
Exercisable at 31 December	–		525,530	66.69

The weighted average market value per ordinary share for options exercised in 2019 was 541.60 pence (2018: 436.51 pence). There are no options outstanding at 31 December 2019 (2018: 525,530 options with an exercise price of 66.69 and a weighted average contractual life of 1.2 years).

Sharesave Plan

The Group operates an HMRC Approved Sharesave Plan under which employees of Rightmove plc and Rightmove Group Limited 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 2018	476.35	389.00	25.4	3.0	0.8	1.3	25.0	118.49
1 October 2019	558.60	430.00	22.4	3.0	0.8	1.2	25.0	146.94

25 Share-based payments continued

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.

Group	2019 Number	2019 Weighted average exercise price (pence)	2018 Number	2018 Weighted average exercise price (pence)
Outstanding at 1 January	**954,274**	**349.15**	971,400	318.25
Granted	**316,047**	**387.97**	315,208	385.44
Forfeited	**(187,093)**	**359.04**	(117,684)	325.92
Exercised	**(279,007)**	**324.83**	(214,650)	280.72
Outstanding at 31 December	**804,221**	**387.28**	954,274	349.15
Exercisable at 31 December	**22,220**	**331.50**	53,340	296.00

The weighted average market value per ordinary share for Sharesave options exercised in 2019 was 585.88 pence (2018: 428.89 pence). The Sharesave options outstanding at 31 December 2019 have an exercise price in the range of 296.00 pence to 430.00 pence (2018: 296.00 pence to 389.00 pence) and a weighted average contractual life of 2.4 years (2018: 2.2 years).

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.

351,802 PSP awards were made on 6 March 2019 (the Grant Date) subject to Earnings Per Share (EPS) and Total Shareholders Return (TSR) performance. Performance will be measured over three financial years (1 January 2019 – 31 December 2021). The vesting in March 2022 (Vesting Date) of 25% of the 2019 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 2019 PSP award will be dependent on the satisfaction of an EPS growth target measured over a three year performance period.

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 three-year period between Grant Date and Vesting Date. 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 assumptions used in the measurement of the fair value at grant date of the PSP awards 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)
28 February 2018 (TSR dependent)(1)	427.70	nil	25.4	3.0	0.8	0.0	0.0	199.80
28 February 2018 (EPS dependent)(1)	427.70	nil	n/a	3.0	0.8	0.0	0.0	427.70
6 March 2019 (TSR dependent)(1)	495.10	nil	22.4	3.0	0.8	0.0	0.0	270.00
6 March 2019 (EPS dependent)(1)	495.10	nil	n/a	3.0	0.8	0.0	0.0	495.10

(1) For details of TSR and EPS performance conditions refer to the Directors' Remuneration Report on pages 76 to 90.

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

25 Share-based payments continued

Group	2019 Number	2018 Number
Outstanding at 1 January	**1,719,070**	2,423,340
Granted	**351,802**	364,800
Lapsed[1]	**(326,905)**	–
Exercised	**(612,049)**	(1,069,070)
Outstanding at 31 December	**1,131,918**	1,719,070
Exercisable at 31 December	**123,758**	245,562

(1) Following the achievement of 67% of the 2016 PSP performance targets, 326,905 nil cost PSP options were lapsed in the year.

The weighted average market value per ordinary share for options exercised in 2019 was 529.79 pence (2018: 453.33 pence). The weighted average exercise price was nil in both years. The PSP awards outstanding at 31 December 2019 have a weighted average contractual life of 2.9 years (2018: 2.7 years).

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 directors and 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 option (pence)
28 February 2018	28 February 2019[1]	427.70	nil	3.0	0.8	1.3	10.0	411.80
6 March 2019	6 March 2019[2]	495.10	nil	3.0	0.8	1.3	12.0	476.02

(1) Following the achievement of 63% of the 2018 internal performance targets, 572,387 nil cost deferred shares were awarded to executives and senior management on 6 March 2019 (the Award Date) with the right to the release of the shares deferred until March 2021.

(2) Based on the 2019 internal performance targets, the Remuneration Committee determined that 65% of the maximum award in respect of the year will be made in March 2020. The number of shares to be awarded will be determined based on the share price at the Award Date in March 2020.

Group	2019 Number	2018 Number
Outstanding at 1 January	**789,640**	711,130
Awarded	**572,387**	432,120
Forfeited	**(201,337)**	–
Exercised	**(357,520)**	(353,610)
Outstanding at 31 December	**803,170**	789,640
Exercisable at 31 December	**–**	–

The weighted average market value per ordinary share for deferred shares exercised in 2019 was 523.19 pence (2018: 450.86 pence). The weighted average exercise price was nil in both years.

25 Share-based payments continued

The DSP awards outstanding at 31 December 2019 have a weighted average contractual life of 1.7 years (2018: 1.7 years).

Share Incentive Plan

In 2014, the Group established the Rightmove Share Incentive Plan Trust (SIP). Employees in Rightmove plc and Rightmove Group Limited were offered 450 shares on 20 December 2019 (2018: 500 shares and 475 shares across two different tax years) subject to a three year service period (the Vesting Period). The SIP awards have been valued using the Black Scholes model and the resulting share-based payments charge spread evenly over the Vesting Period of three years. The SIP shareholders are entitled to dividends paid in cash over the Vesting Period. No performance criteria are applied to the exercise of SIP options. The assumptions used in the measurement of the fair value at grant date of the SIP awards 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 January 2018	456.80	nil	25.4	3.0	0.8	nil	33.0	456.80
21 December 2018	420.90	nil	25.4	3.0	0.8	nil	33.0	420.90
20 December 2019	642.40	nil	22.4	3.0	0.8	nil	33.0	642.40

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

Group	2019 Number	2018 Number
Outstanding at 1 January	**790,470**	592,000
Granted	**223,650**	475,400
Forfeited	**(96,200)**	(77,500)
Released	**(111,800)**	(17,000)
Exercised	**(44,275)**	(182,430)
Outstanding at 31 December	**761,845**	790,470
Exercisable at 31 December	**79,770**	55,570

The weighted average market value per ordinary share for SIP awards released and exercised in 2019 was 496.24 pence (2018: 454.90 pence). The weighted average exercise price in both years was nil.

The SIP shares released relate to good leavers and retirements from the SIP, in accordance with the terms of the SIP.

The SIP options outstanding at 31 December 2019 have a weighted average contractual life of 1.4 years (2018: 1.5 years).

Restricted Share Plan (RSP)

In March 2019 a RSP was established that awards shares to selected senior management, subject only to service conditions. 254,502 nil cost deferred shares were awarded to senior management on 6 March 2019. All these awards will vest three years from the date of grant, subject to a three-year service period.

Participants are not entitled to receive dividends on these awards. RSP awards have been valued using the Black Scholes model and the resulting share-based payments charge is being spread evenly over the Vesting Period of the shares, being three years.

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)
6 March 2019	495.10	nil	22.4	3.0	0.8	nil	25.0	476.02

25 Share-based payments continued

Group	2019 Number
Awarded	**254,502**
Forfeited	**(28,786)**
Exercised	**(14,393)**
Outstanding at 31 December	**211,323**
Exercisable at 31 December	**–**

The weighted average market value per ordinary share for RSP awards exercised in 2019 in relation to a good leaver was 525.10 pence. The weighted average exercise price was nil.

The RSP options outstanding at 31 December 2019 have a weighted average contractual life of 2.2 years.

26 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:

Group	Note	2019 £000	2018 £000
Net trade receivables	17	**19,552**	16,937
Accrued interest receivable	17	**32**	24
Contract assets	5	**429**	427
Other debtors	17	**479**	72
Cash and cash equivalents	18	**32,117**	15,847
Money market deposits	18	**4,141**	4,090
		56,750	37,397

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	2019 £000	2018 £000
UK		**18,982**	16,864
Rest of the world		**570**	73
	17	**19,552**	16,937

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

Group	Note	2019 £000	2018 £000
Property products		**17,355**	15,688
Other		**2,167**	1,249
	17	**19,522**	16,937

The Group's most significant customer accounts for £861,000 (2018: £791,000) of net trade receivables as at 31 December 2019.

26 Financial instruments continued

Expected credit loss assessment

For Rightmove Group Limited's smaller Agency and Overseas customers, expected credit losses are measured using a provisioning matrix based on the reason the trade receivable is past due. The provision matrix rates are based on actual credit loss experience over the past three years and adjusted, when required, to take into account current macro-economic factors. For all other customers the Group applies experienced credit judgement that is determined to be predictive of the risk of loss to assess the expected credit loss, taking into account external ratings, financial statements and other available information.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at 31 December 2019. The increase in the weighted-average loss rate in the more than 91 days past due category relates to the timing of payments by New Homes developers which have credit terms and in 2019 formed a larger proportion of Group revenue. The loss allowance as a percentage of gross carrying amount within the category 61-90 days in 2018 is higher than other categories due to a specific provision for one customer.

2019	Weighted-average loss rate	Gross carrying amount £000	Loss allowance £000	Credit-impaired
Current	1.1%	13,099	(149)	No
Past due 1 – 30 days	7.8%	4,904	(381)	No
Past due 31 – 60 days	5.8%	867	(50)	No
Past due 61 – 90 days	2.1%	402	(8)	No
More than 91 days past due	14.3%	1,013	(145)	No
		20,285	**(733)**	

2018	Weighted-average loss rate	Gross carrying amount £000	Loss allowance £000	Credit-impaired
Current	2.1%	11,813	(249)	No
Past due 1 – 30 days	6.4%	4,064	(261)	No
Past due 31 – 60 days	10.9%	963	(105)	No
Past due 61 – 90 days	21.1%	370	(78)	No
More than 91 days past due	5.6%	445	(25)	No
		17,655	**(718)**	

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

Group	2019 £000	2018 £000
At 1 January	**718**	463
Arising on business combination	**71**	–
Charged during the year	**740**	819
Utilised during the year	**(796)**	(564)
At 31 December	**733**	718

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.

26 Financial instruments continued

Liquidity risk

The contractual maturities of undiscounted financial liabilities, including undiscounted estimated interest payments, as at year end were:

Group	Carrying amount £000	Contractual cash flows £000	6 months or less £000
At 31 December 2019			
Trade payables being non-derivative financial liabilities	**1,384**	**(1,384)**	**(1,384)**
At 31 December 2018			
Trade payables being non-derivative financial liabilities	2,653	(2,653)	(2,653)

The Company had no 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 2019 all the Group's sales and more than 97.0% (2018: 97.0%) of the Group's purchases were Sterling denominated and accordingly it has no significant currency risk.

Interest rate risk

The Group has exposure to interest rate risk on its cash and cash equivalent balances and money market deposit balances. As at 31 December 2019 the Group had total cash and cash equivalents of £32,117,000 (2018: £15,847,000) and money market deposits of £4,141,000 (2018: £4,090,000).

Fair values

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

27 Acquisition of subsidiary

On 30 September 2019, the Group acquired the entire ordinary share capital of Van Mildert Landlord and Tenant Protection Limited (Van Mildert), a business providing tenant references and rent guarantee insurance to lettings agents and landlords. Van Mildert provides the Group with an established tenant referencing product, together with rent guarantee insurance capabilities and operational expertise. This augments our lettings proposition and is a key step in Rightmove's strategy of improving the efficiency of the under-served rental marketplace. The Van Mildert and Rightmove teams will work together to leverage the scale benefits that the Rightmove platform and customer base bring to both the referencing and insurance propositions.

The total consideration comprises an initial cash consideration of £15,882,000 together with a maximum contingent cash consideration of £4,000,000 if Van Mildert's cumulative revenue over the next two years exceeds £12,034,000. At the acquisition date, the fair value of the contingent consideration was estimated at £2,407,000, based on discounted expected future revenue streams of the business over the period to which the consideration relates and is unchanged at 31 December 2019.

	2019 £000
Cash consideration	15,882
Contingent consideration (Note 22)	2,407
Total consideration	**18,289**

The following table provides a reconciliation of the amounts included in the Consolidated Statement of Cash Flows:

Net cash flow on acquisition	2019 £000
Cash paid for subsidiary	15,882
Net of cash and cash equivalents acquired	(255)
Net cash outflow included in the statement of cash flows	15,627

27 Acquisition of subsidiary continued

The total cash consideration paid of £15,882,000 excludes acquisition costs of £322,000, which have been recognised as an expense in the period in the Consolidated Statement of Comprehensive Income. Included within transaction costs on acquisition of £322,000 are legal and due diligence fees and stamp duty.

In the three-month period to 31 December 2019, Van Mildert contributed revenue of £833,000 and a trading loss after tax of £74,000 to the Group's results. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue would have been £292,253,000 and consolidated profit for the year would have been £172,925,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2019.

The following table details the fair values of the assets and liabilities acquired at the date of acquisition.

Net assets acquired	Carrying values pre-acquisition £000	Fair value adjustments £000	Fair values £000
Non-current assets			
Property, plant and equipment	87	61	148
Intangible assets – IT development costs	127	(127)	–
Intangible assets – credit referencing software (Note 14)	–	753	753
Intangible assets – customer relationships (Note 14)	–	4,521	4,521
Total non-current assets	**214**	**5,208**	**5,422**
Current assets			
Trade and other receivables	847	31	878
Contract assets	30	–	30
Cash and cash equivalents	255	–	255
Total current assets	**1,132**	**31**	**1,163**
Current liabilities			
Trade and other payables	(767)	(494)	(1,261)
Contract liabilities	(9)	–	(9)
Lease liabilities (Note 21)	–	(92)	(92)
Income tax payable	(40)	–	(40)
Provisions (Note 22)	(2)	(37)	(39)
Total current liabilities	**(818)**	**(623)**	**(1,441)**
Non-current liabilities (Note 16)	**(9)**	**(897)**	**(906)**
Fair value of net assets acquired	**519**	**3,719**	**4,238**

Trade and other receivables comprise gross contractual amounts of £979,000 of which £71,000 was not expected to be collectable at the date of acquisition.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	£000
Total consideration	18,289
Fair value of net assets acquired	(4,238)
Goodwill	**14,051**

27 Acquisition of subsidiary continued

The goodwill figure recognised above includes the knowledge and experience of the company which is established within the credit referencing and rent guarantee insurance markets, the skilled workforce employed by Van Mildert, and the reputation of the business. This is together with the synergy benefits expected to the Group through leveraging the scale and reach of the Rightmove customer base, sales and marketing teams and technological capability. The Directors have considered the fair value of assets and liabilities acquired and have concluded that there are no other intangible assets to be recognised.

28 Related party disclosures

Inter-group transactions with subsidiaries

Under the inter-group loan agreement dated 30 January 2008, Rightmove Group Limited settles all expenses on behalf of the Company, including dividends paid to shareholders and share buybacks and related costs. During the year, the Company was charged interest of £542,000 (2018: £471,000) under this agreement and at 31 December 2019 the unsecured inter-group loan balance was £14,038,000 (2018: £40,657,000) including capitalised interest (refer Note 19).

On 24 June 2019 Rightmove Group Limited declared an interim dividend of 73p per ordinary share to the Company. Additionally, on 12 December 2019, Rightmove Group Limited declared a further interim dividend of 65p per ordinary share to the Company. The dividends of £178,572,000 (2018: £151,399,000) were settled via a reduction in the inter-group loan balance owed by Rightmove plc to Rightmove Group Limited. Rightmove Group Limited also declared a dividend in specie of £826,000 (2018: £1,446,000), representing the cost of the SIP shares transferred from the EBT to the SIP during the year.

The Company grants share options to employees of Rightmove Group Limited. This transaction is recognised as a recharge arrangement with an increase in the carrying value of the investment of Rightmove Group Limited (refer Note 15).

Inter-group transactions between subsidiaries

During the year Van Mildert became a related party to the Company following its acquisition on 30 September 2019. Rightmove Group Limited has settled liabilities on behalf of Van Mildert and the balance owing under the inter-group loan agreement dated 30 September 2019 was £86,000 as at 31 December 2019 (2018: £nil).

During the year, Rightmove Group Limited has settled liabilities on behalf of Rightmove Rent Services Limited and the balance owing under the inter-group loan agreement dated 28 March 2018 was £1,359,000 as at 31 December 2019 (2018: £365,000). Under IFRS 9 this loan has been fully impaired within Rightmove Group Limited as it is not expected to be recovered. The interest charged under this agreement was £13,000 (2018: nil).

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 76 to 90.

During the year, the directors in office in total had gains of £5,791,000 (2018: £8,157,000) arising on the exercise of share-based incentive awards. The total share-based payments charge in relation to the directors in office was £1,835,000 (2018: £1,669,000).

Robyn Perriss became a non-executive director of Softcat plc on 1 July 2019. Softcat provides Rightmove Group with computer equipment, software and IT consumables on an arms-length basis, under contractual terms agreed prior to Robyn's appointment. Since Robyn's appointment the value of purchases by Rightmove from Softcat plc has totalled £43,000 with no amounts outstanding at the year-end.

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 76 to 90.

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 2019 and the reporting date.

Contacts

Chief Executive Officer:	Peter Brooks-Johnson
Finance Director:	Robyn Perriss
Company Secretary:	Sandra Odell
Website:	www.rightmove.co.uk

Financial calendar 2020

2019 full year results	28 February 2020
Final dividend record date	1 May 2020
Annual General Meeting	4 May 2020
Final dividend payment	29 May 2020
Half year results	31 July 2020
Interim dividend payment	30 October 2020

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Numis Securities Limited

Auditor
KPMG LLP

Bankers
Barclays Bank plc
Santander UK plc
HSBC UK Bank plc
Lloyds Banking Group plc

Solicitors
EMW LLP
Slaughter and May
Herbert Smith Freehills LLP

Registrar
Link Asset Services*

*Shareholder enquiries

The Company's registrar is Link Asset Services (formerly 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:

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Link Asset Services is a trading name of Link Market Services Limited.

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Email: enquiries@linkgroup.co.uk
Share portal: www.signalshares.com

Through the website of our registrar, Link 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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Registered in England no. 6426485