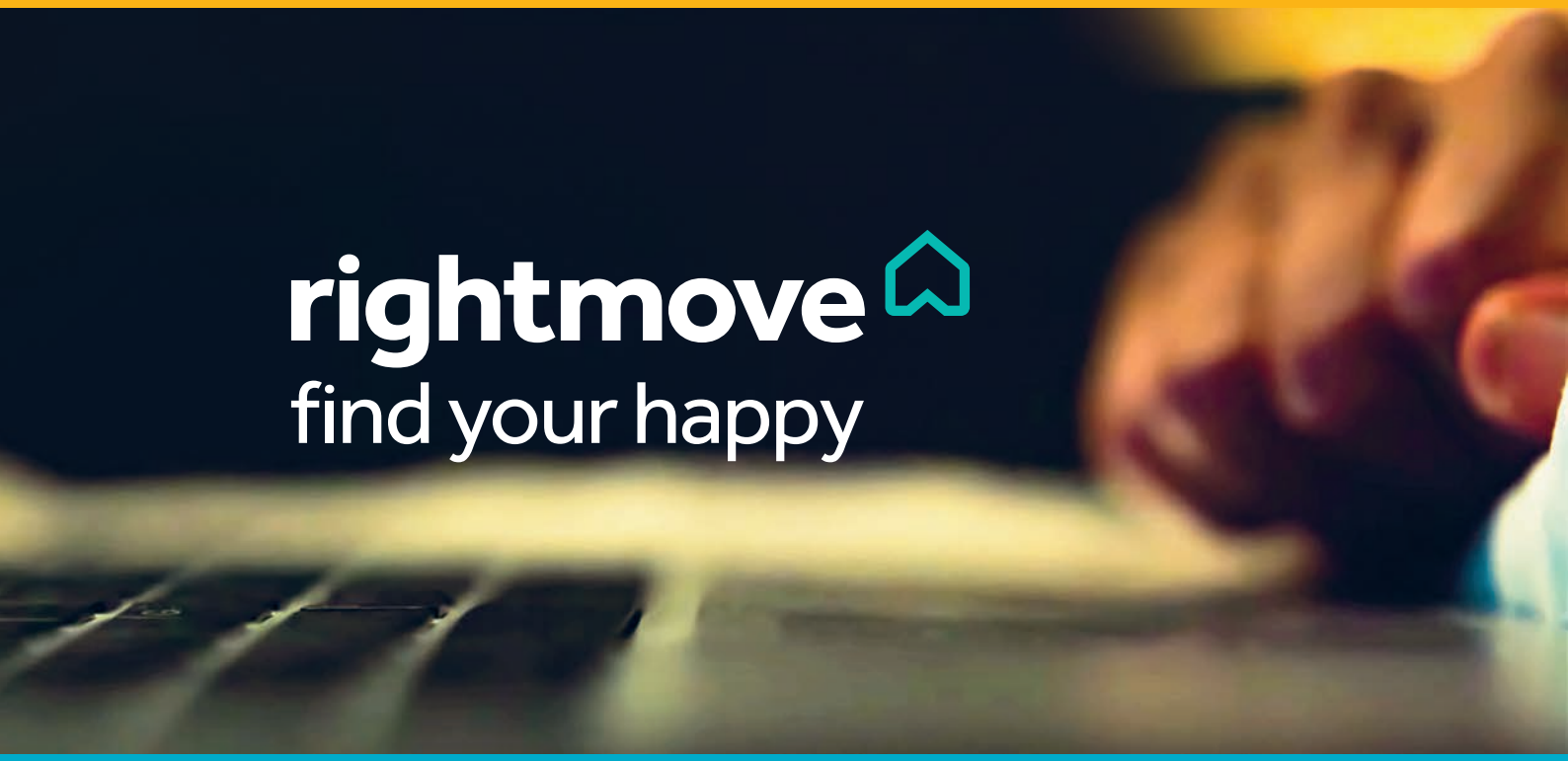
Annual Report 2020

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 number one property portal



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Financial highlights

Revenue[1]

-29%

Revenue of £205.7m (2019: £289.3m) down 29%, reflecting the impact of the discount[1] support offered to our customers

Operating profit

-37%

Operating profit of £135.1m (2019: £213.7m) down 37%

Basic earnings per share

-36%

Basic earnings per share 12.6p (2019: 19.6p) down 36%

Total dividend[2]

4.5p

Final dividend of 4.5p (2019: cancelled[2]) per ordinary share; total dividend for 2020 4.5p (2019: 2.8p[2])

Cash returned to shareholders

£30.1m

£30.1m (2019: £148.8m) of cash returned to shareholders through share buybacks in 2020; the share buyback programme will resume in March 2021

Year-end cash balance

£96.7m

(2019 year end cash balance: £36.3m)

(1) We provided a 75% discount on invoice values to both Agency and new Home customers between April and July, and a further discount to Agency customers in August and September (60% and 40% respectively).
(2) The Board declared a final dividend of 4.4p per share for 2019, which was subsequently cancelled. The total dividend for 2019 was 2.8p paid in November 2019; no dividend payments were made in 2020.

Operational highlights

Customer numbers

19,197

Membership numbers down 3% to 19,197 (2019: 19,809) with 425 fewer Agency Branches and 187 fewer New Homes developments

Properties advertised

1million

Over one million UK residential properties advertised on Rightmove (2019: 0.9m), more than anywhere else in the UK

Traffic – visits

+31%

Site visits up over 31% to 2.1 billion (2019: 1.6 billion)[4]

Employee engagement

93%

93% of employee respondents think that Rightmove is a great place to work (2019: 81%)

Average Revenue Per Advertiser[3]

£778

Average Revenue Per Advertiser (ARPA)[3] down 28% to £778 per month (2019: £1,088)

Traffic – time on site

15.9billion

Time on site up 31% over the year at 15.9 billion minutes (2019: 12.1 billion)[4]

(3) 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.
(4) Source: Google Analytics.

"In a year in which we all stayed in our homes more than ever before, people continued to turn to Rightmove for their next move and for real-time information, helping us to extend our lead in the market. The record traffic and enquiries that followed the reopening of the market led to us sending 51 million property leads to our customers." **Peter Brooks-Johnson** Chief Executive Officer

Reflecting on my first year as Rightmove's Chair, I am struck by the resilience and adaptability of our people and business. Our ambition to make home moving easier in the UK has been undiminished by the challenges of the pandemic.

Andrew Fisher
Chair

Our talented and committed teams are focused on exceeding the expectations of Rightmove's customers and consumers to deliver a best in class suite of digital advertising products to enhance the home-moving process. Against the challenging background I'm delighted at the accelerating pace of innovation the teams have delivered this year. Amongst many new developments, a particular highlight was the release of phase one of the digitised rental journey in November to make home moving easier in the under-served rental market. Rightmove's restless culture continues with the development of phase two now underway.

The extraordinary challenges facing our customers in 2020 were significant and required us to take temporary action to protect the interests of our customers, consumers and shareholders. The decisions to cancel or delay dividend payments and suspend the share buyback programme were unprecedented in Rightmove's history and not taken lightly. I am pleased that, thanks to the value of Rightmove's services to our customers and consumers, we are again in a position to return free cash to our shareholders with the resumption of share buybacks in March and the dividend payment in May.

Customer support and financial position

The measures taken to contain the spread of Covid-19 have had an unprecedented impact on the UK property market throughout 2020 and into 2021. The market closures in the first half of the year prompted us to take action to support our Agency and New Homes customers, initially with a 75% discount from April to July followed by 60% and 40% for Agency customers in August and September. Since markets have reopened around the UK, the recovery in home moving activity has been particularly strong, despite continued restrictions. Our customers have risen to the challenge of meeting that demand, using our digital solutions and data to optimise their marketing resources and increase efficiency.

Despite the significant impact on revenue of the pandemic, our business model and core value proposition produced a solid set of financial results in 2020. Operating profit was £135.1m (2019: £213.7m) from revenue of £205.7m (2019: £289.3m) with continued cost discipline resulting in an operating margin of 66% and basic earnings per share of 12.6p (2019: 19.6p). Our cash position at the year-end was £96.7m, with reduced returns to shareholders allowing us to fund our operations and customer discounts with no drawings on the CCFF or our revolving credit facility.

Returns to shareholders and dividend

In 2020 we returned £30.1m (2019: £148.8m) to shareholders in the first quarter through share buybacks.

Given the unprecedented operating environment, the Board has approved the ongoing maintenance of a cash balance of £50 million. The Board is confident in our ability to deliver sustainable returns to shareholders and is recommending a final dividend of 4.5p per share for 2020 (2019: 4.4p cancelled). The final dividend will be paid, subject to shareholder approval, on 28 May 2021. The Board has also approved the resumption of our share buyback programme in March 2021, confirming the resilience of the Rightmove business model and our commitment to returning free cash to shareholders.

Board changes

Robyn Perriss, our Finance Director, stepped down from the Board on 30 June 2020, after 12 years at Rightmove. Robyn was a great asset in developing strong financial management and controls and keeping our investors well informed. Our thanks also to Georgina Hudson for her work as interim Finance Director in 2020 and ensuring a smooth transition from Robyn to our new Chief Financial Officer. On 7 September, Alison Dolan joined the Board as Chief Financial Officer and has already made a major contribution.

Environmental, Social and Governance (ESG) strategy

During 2020, we revisited Rightmove's ESG strategy for a sustainable business, reflecting our culture and desire to make a significant impact and be a system-positive business through a comprehensive set of initiatives. Details are set out in the Environmental, Social and Governance section of the Strategic Report.

We are committed to reducing Rightmove's environmental footprint. We have signed up to the 1.5C Science Based Targets initiative and are working with their scientists to ensure our ambitious targets are in line with the science behind the Paris Accord. We will continue to work with the UK's Net Zero Business Champion to support the Government's plans for the UK to be net carbon zero by 2050, and have expanded our environmental reporting this year on our journey to begin reporting under the recommendations of the Taskforce for Climate-related Financial Disclosures at the end of 2021.

Looking ahead

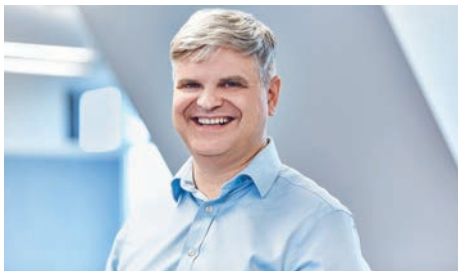
On behalf of the Board, I would like to thank all our customers for their continued confidence and support through the most exceptional circumstances and to reiterate our determination to deliver the best marketplace for home hunters and property advertisers to reach the widest possible audience.

Taking the difficult decisions to conserve cash in 2020 has, I believe, helped to preserve liquidity while supporting the investment in the technology and resources required to create long-term shareholder value. Our commitment to continue that investment and innovate for the long-term sustainability and growth of Rightmove is embodied in our business strategy.

I am looking forward to continuing to create value for all our stakeholders in 2021.

Andrew Fisher
Chair

26 February 2021



Twenty years on, our focus remains on making home moving easier in the UK and that clarity of purpose has helped to guide our business and the delivery of our strategy through the challenges of 2020.

Peter Brooks-Johnson
Chief Executive Officer

Over the past 20 years Rightmove and the thousands of local businesses who make up our customer base have changed the way Britain searches and researches property. The Covid-19 pandemic turned everybody's lives upside down, and the resulting uncertainty and disruption has brought challenges unlike anything faced since we first started. Whilst much has changed, 2020 has highlighted the trust Britain's homemovers put in Rightmove as not only the place to find their next home, but also the source of reliable information about the housing market. That Rightmove ends 2020 a stronger business than it entered is testament to the adaptability and tenacity of our people.

Twenty years on, our focus remains on making home moving easier in the UK and that clarity of purpose has helped to guide our business and the delivery of our strategy through the challenges of 2020.

Our response to Covid-19

Our priority during the pandemic has been the wellbeing of our people, supporting our customers and continuing to drive towards our strategic goals whilst making prudent decisions amid the uncertainty to maintain liquidity.

The Government measures taken to contain the spread of Covid-19 had an unprecedented impact on the UK property market, which was effectively closed from 23 March until 13 May in England, 22 June in Wales and 29 June in Scotland. This had an immediate impact on our customers' cash flows and lengthened the time to resumption of normal cash flow, since the average housing transaction takes around three months to complete. We responded by supporting all our customers with discounts between April and September, conscious of the economic impact of market disruption on their businesses. The revenue impact of customer discounts in the year was nearly £90m, contributing to a fall in Group revenue of £83.6m to £205.7m and a fall in operating profit by 37% to £135.1m. Despite the challenging operational and economic conditions for our customers, Agency and New Homes customer numbers ended the year down just 3% at 19,197, with the number of Estate Agency members growing slightly in the second half of the year.

Our customers have shown great resilience during 2020, responding to the new rules and adopting new digital tools to allow home movers to continue to find their dream next home in safety. We believe that the adoption of these tools will also make their businesses more efficient for the long term.

Beyond supporting our customers financially, we rolled out a number of practical initiatives. These initiatives included over 2.2 million 'kick start' alerts to home hunters to refresh interest in properties that had been available for sale or rent before the first lockdown, helping agents to replenish the pipeline of property transactions as the market reopened; a new bespoke local market data tool to help agents target resources most efficiently and a new platform for video viewings of properties.

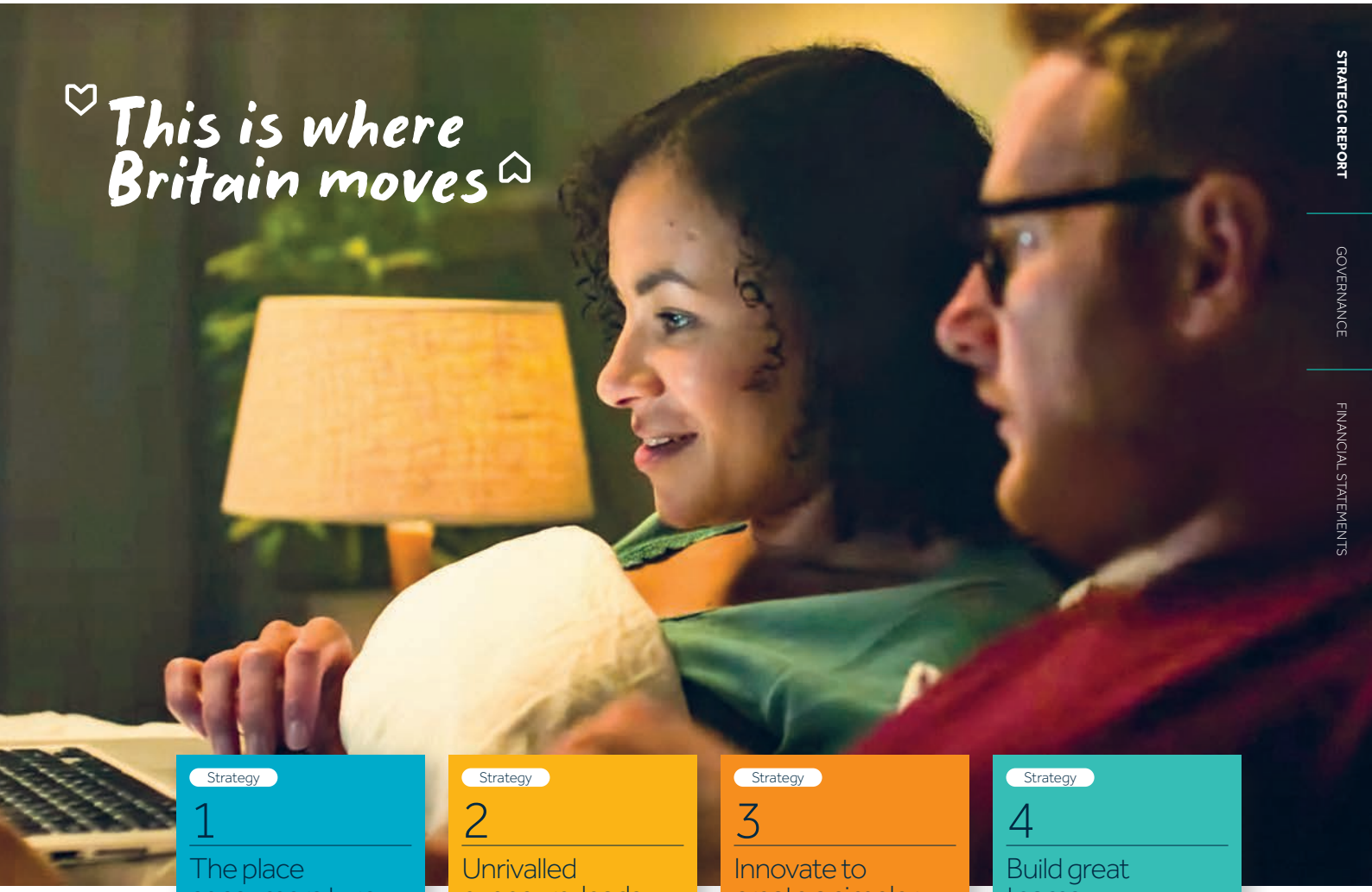
We have worked to keep our customers informed of the rapidly changing market conditions and to help them to adapt. We hosted close to 100 webinars for agents in 2020, which were attended by over 29,000 property professionals from over 5,700 branches and viewed by a further 17,000 people using the catch-up facility. Attendance at our webinars trebled in 2020, and customer engagement through the Hub increased, with over 1 million pages viewed during the year.

Recognising our role as a trusted source of housing market knowledge for UK home hunters, we increased the frequency of our consumer email update from fortnightly to weekly. This update was read by an average of over 750,000 home hunters every week. For the first time ever, we ran webinars for consumers to answer their questions about what the market closure and subsequent reopening meant for buyers, sellers and renters.

Since the property market reopened, we have seen record-breaking traffic on our platforms and our customers responding by investing in our digital solutions to meet that demand. Since May we have had 231 record days of traffic and on 12 of those days visits exceeded 8 million, peaking at 68.4 million minutes spent on our platforms in one day.

Our focus on innovation and delivering marketing solutions to our customers led to an increase in sales of our premium packages, with 1,110 Agency customers investing in our Optimiser 2020 package launched in November 2019. We have continued to innovate to make moving easier for home

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



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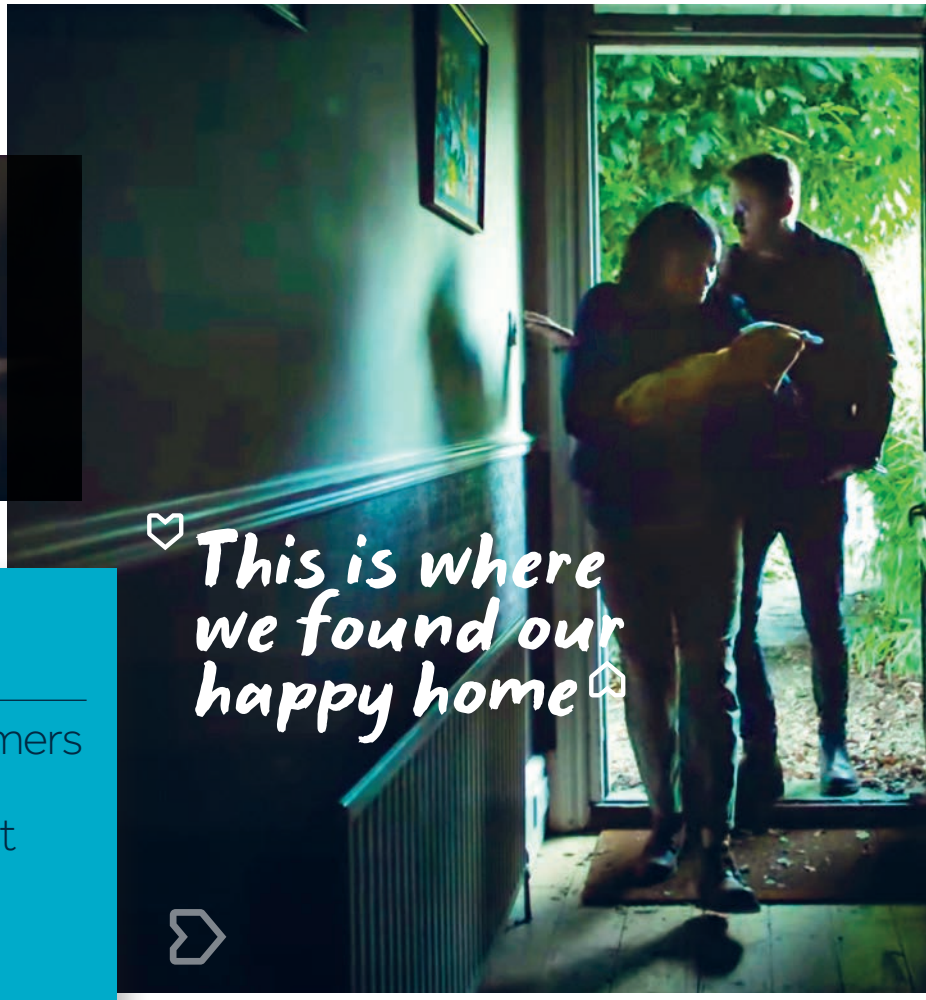


Strategy

1

The place consumers turn to first and engage with most

2 billion
visits

Rightmove is at the heart of the home-moving process in the UK, being the place consumers turn to first when thinking about their next move.

In 2020, consumers made over 2 billion[1] visits to Rightmove across all our platforms and spent over 15.9 billion[2] minutes on Rightmove, up 31% on 2019.

(1) Source: Google Analytics.
(2) Source: comScore.

Strategy

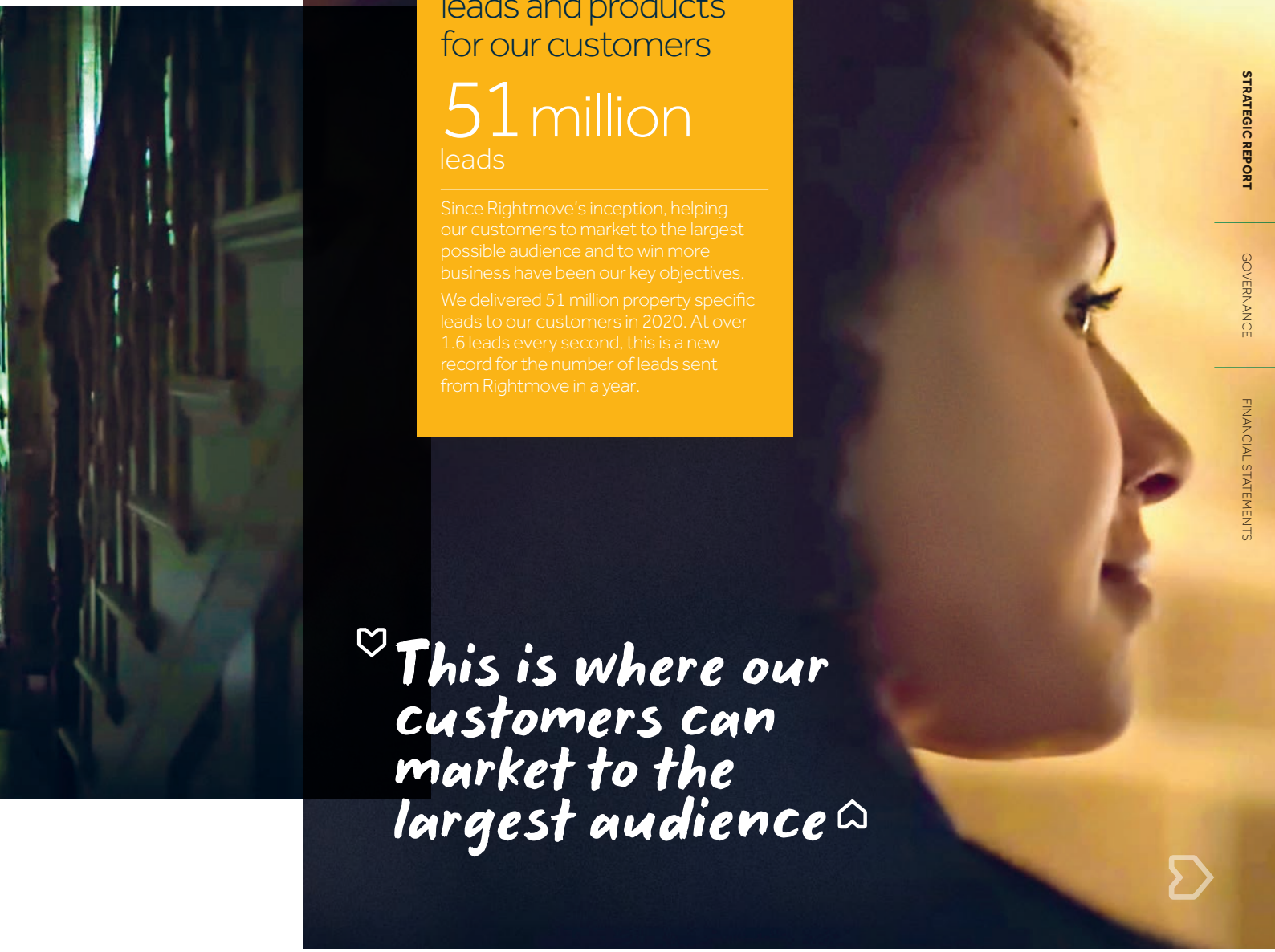
2

Unrivalled exposure, leads and products for our customers

51 million
leads

Since Rightmove's inception, helping our customers to market to the largest possible audience and to win more business have been our key objectives.

We delivered 51 million property specific leads to our customers in 2020. At over 1.6 leads every second, this is a new record for the number of leads sent from Rightmove in a year.



Strategic report
Our strategy

Strategy

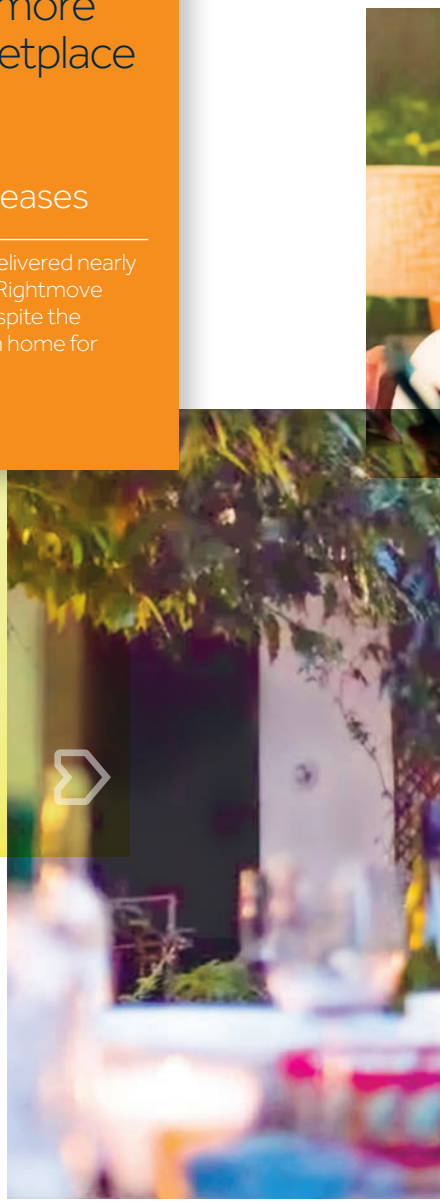
3

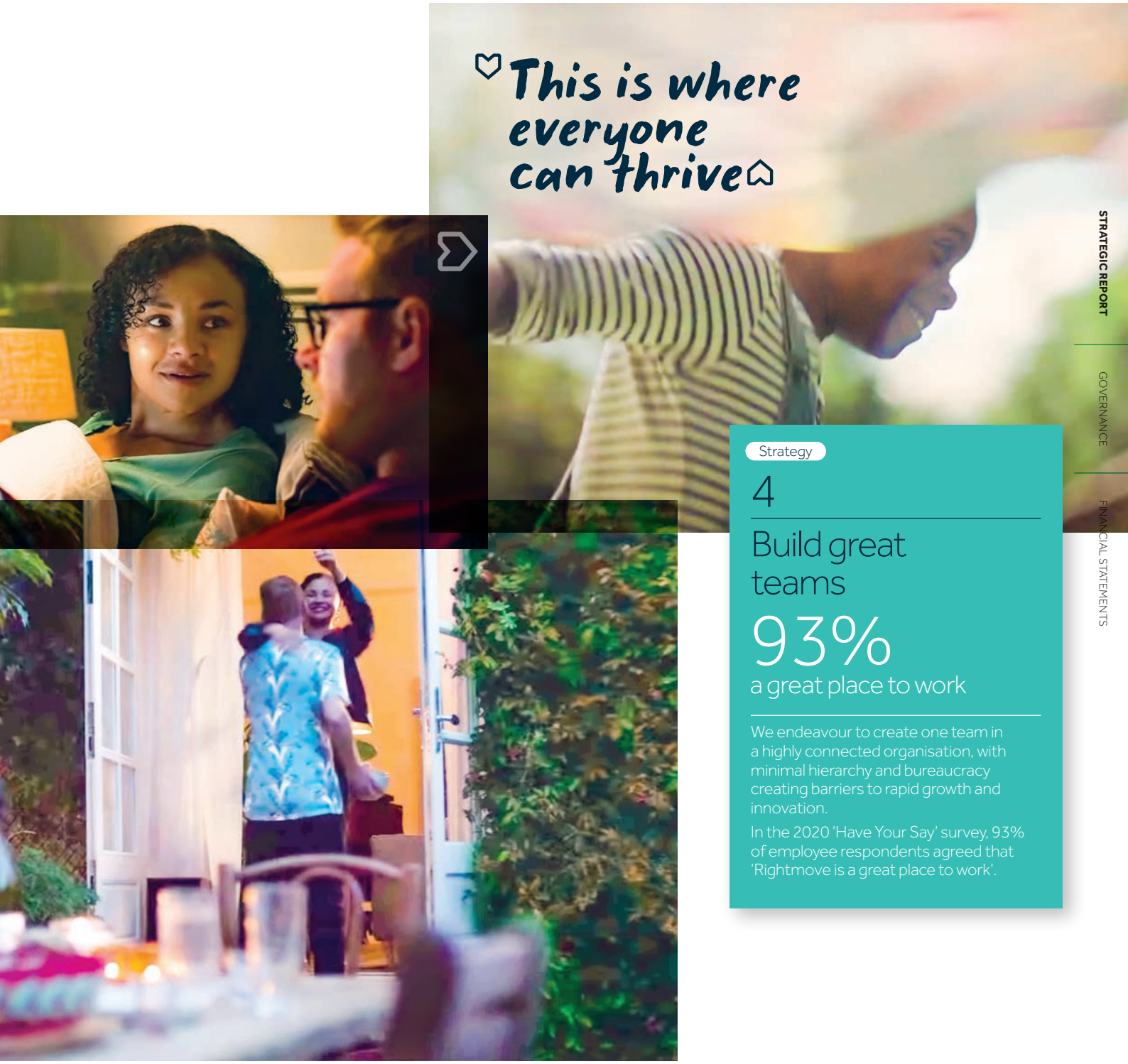
Innovate to create a simpler and more efficient marketplace

50%

more software releases

Our product teams have delivered nearly 50% more updates to the Rightmove platforms than in 2019, despite the challenges of working from home for the majority of the year.





Strategy

4

Build great teams

93%

a great place to work

We endeavour to create one team in a highly connected organisation, with minimal hierarchy and bureaucracy creating barriers to rapid growth and innovation.

In the 2020 'Have Your Say' survey, 93% of employee respondents agreed that 'Rightmove is a great place to work'.

hunters. Further integration of Van Mildert has enabled us to develop the next version of the tenant passport. The launch of the online appointments system, Viewings Manager, saw the completion of the first phase of our work to digitise the journey to a rental move, with the development of the second phase well underway.

As a team and a business, we have emerged stronger from 2020, with a better relationship with our customers, demonstration of the resilience of our business and a stronger sense of common purpose. The resilience of our business during 2020 was in no small way down to the adaptability and commitment of our teams. Our employees transferred to remote working in March and have seamlessly continued to innovate and deliver customer service. Our product teams have delivered nearly 50% more updates to the Rightmove platform than in 2019, despite the challenges of working from home for the majority of the year. I am delighted that, in spite of the difficult context and rapid change in everyone's lives, 93% of our people, responding to the annual 'Have Your Say' survey, believe that Rightmove is a great place to work.

Our Strategy – making home moving easier

The place consumers turn to first and engage with most

Rightmove is at the heart of the home-moving process in the UK, being the place consumers turn to first when thinking about their next move. Perhaps the simplest indication of this is the speed at which home hunters turn to Rightmove when conditions in the market change. Within an hour of the English stamp duty holiday being announced on 8 July 2020, traffic jumped by 15% above already high levels and went on to surpass over 8 million visits in a single day for the first time in Rightmove's history.

Our place in the market is hard won, the home-hunting audience has high expectations of the technology and services we offer, and in turn we focus on continual improvement and innovation to make the home-moving process a simple and compelling experience for them.

In 2020, consumers made over 2 billion[1] visits to Rightmove across all our platforms and spent over 15.9 billion[2] minutes on Rightmove, up 31% on 2019.

We achieve this level of consumer engagement by delivering the most up-to-date, engaging and comprehensive property content, together with the best search and research tools. Amongst the many improvements in 2020, we completed a ground-up rebuilding of our property details pages. Improvements include larger images, integrated video content, better navigation and signposting and the introduction of property images alongside floorplans. Consumers have been quick to adopt the new style pages, with the amount of time spent per property listed increasing by over 70%. Importantly, this has also increased the number of property enquiries sent to our customers.

Consumer preference for accessing property on mobile platforms continues unabated, with our mobile-optimised site and apps again showing the fastest growth of all our platforms. We saw a 42% increase in mobile site time and a 39% increase in app time during 2020. We have over four times more active users on our mobile and tablet apps than our closest competitor, with each user spending nearly twice as much time on average[3]. With over six times the total amount of time spent on our apps relative to our closest competitor, our unrivalled platform is even stronger with app users.

Home hunters rely on our platforms to be available all the time and we have again recorded an industry-leading level of "uptime" of 99.99%, meaning our platforms were unavailable for just 14 minutes during 2020.

Researching the property market is a key activity for landlords, home owners, buyers and sellers. In 2020, our research tools, such as sold price data, were by far the most widely used in the UK, with over 1.1 million UK properties currently listed for sale or to rent and over 55 million historical property records. Perhaps reflecting the increased demand in the marketplace, consumers spent over 497 million minutes using these tools in 2020 - an increase of 22% on 2019.

The shift in home-hunter behaviour when the market re-opened was noted by more people considering not only what they need from a home, but also where they want to live. Many home hunters are actively considering longer commute times as they consider their working patterns in a post pandemic world. Use of our tool 'Where Can I Live?', which uses sophisticated data analysis to help people work out which locations they can afford and meet their new commute time criteria, was up by 45% in the second half of 2020 compared to the same period in 2019.

Our market-leading data and analytical capability allows us to publish the UK's most accurate leading indicator of house prices in the UK. Our House Price Index is based on around 95% of newly-advertised properties in the UK. Whilst always a widely used property research tool for consumers and property professionals alike, the rapidly changing market in 2020 demonstrated the unique real-time trends our data can reveal, based on hundreds of thousands of data points.

For 20 years, we have invested in our brand and we continue to reinforce that with our always-on 'Find Your Happy' campaign. Shortly after the first national lockdown we filmed our new TV advert, 'This is it', to capture the moment people find their next happy home, to highlight the crucial role a home plays in creating memories, and to remind people that there is no perfect time to move home.

Our investment in brand-building includes national television, through our partnership with Channel 4, supported by online video, digital and outdoor advertising. Throughout 2020, we used our unrivalled datasets to publish positive and factual content both on site and in our housing reports, to help build consumer confidence, counter negative speculation about the housing market and give confidence to homemovers and customers based on real time insights.

Whilst over 85% of visits to our platforms come from consumers typing 'Rightmove' into their browser or launching our app, we have launched more initiatives, including on search engine optimisation and on engagement, recognising that the behaviour of our audience is always evolving. As a result of these initiatives and direct marketing, we have seen traffic increase by 31% and time on site by 31%, extending Rightmove's share of time compared to other property portals.

Unrivalled exposure, leads and products for our customers

Since Rightmove's inception, helping our customers to market to the largest possible audience and to win more business have been our key objectives. In 2020, it was also vital that we helped our customers to operate more efficiently, navigate a variety of new restrictions and meet record demand from home hunters.

The record traffic to Rightmove, coupled with the strong property market in the second half of 2020, more than made up for the closure in the market in March. We delivered 51m property specific leads to our customers, up 27% on 2019. At over 1.6 leads every second, this is a new record for the number of leads sent from Rightmove in a year.

In late 2019, we launched our new premium package 'Optimiser 2020', building on the success of the 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. I am pleased that, despite the challenges of 2020, increasing numbers of our agency customers chose to buy Optimiser 2020, and benefitted from the success of Sold by Me and the operating efficiencies enabled by Opportunity Manager. In 2020, the proportion of our independent agency customers buying our Enhanced and Optimiser packages was unchanged at 38%, with the majority of customers upgrading to the Optimiser 2020 package from the lower-priced Optimiser package.

Rightmove is not only the largest Residential property portal in the UK, it is also the largest Commercial Real Estate (CRE) portal in the UK. Our Commercial property advertising business continues to offer the efficiency benefits of Rightmove platforms to companies interested in the acquisition, occupation or divestment of their commercial assets. Rightmove Commercial is established as platform of choice, both for occupiers, and for RICS-qualified CRE professionals, with the majority of users defining themselves as agents/surveyors, landlord/owners, developers or investors. Our traffic to commercial properties increased by 15% and leads to CRE customers increased by 25% as the need to respect social distancing in 2020 accelerated the adoption of digital media within the CRE sector. Underlying growth in the CRE business was driven by an encouraging adoption of the Rightmove marketing platform by new customers, and existing customers spending more with us.

Our platforms generate significant amounts of proprietary property and home hunter demand data. The Rightmove Data Services business supports the property industry by delivering property valuation tools and insights based on our unparalleled dataset. Our Surveyor Comparable Tool, used by surveyors to make property valuations, was used in over 75% of mortgage transactions in the UK and more than 2.3 million reports were run in 2020, only a 4% decrease on 2019 despite an 11% fall in housing transactions. The importance of data-driven solutions in the socially distanced world of 2020 led to a 10% increase in the use of our Automated Valuation Model APIs by lenders and overall we valued more than £2.5 trillion worth of property in 2020. The combination of increased usage of the Automated Valuation Model and the value of our real-time demand and property data more than offset the lower usage of our other transactional tools.

2020 presented particularly difficult trading conditions for our Overseas property advertising business, with Covid travel restrictions and continuing Brexit uncertainty. The dream of owning a property abroad is still strong amongst the British public, with leads up 2% on 2019 despite the obstacles to purchasing overseas. We took the opportunity to restructure the Overseas team and prepare for the release of pent-up demand for overseas properties once travel restrictions are lifted and the post Brexit environment stabilises. Site optimisations led to more than 10% more time being spent on the overseas section of the site compared to 2019. The site optimisation, in conjunction with the pent-up demand for overseas property, led to us recording our busiest ever day on the Overseas section of the website in 2020.

Innovation to create a simpler and more efficient marketplace

Over the last 20 years, Rightmove has helped drive significant efficiencies within the property industry by providing our customers with training, support and a suite of software as part of their membership to help them in the day to day running of their businesses. However, we are restless and have much more to do, we are continually innovating to make the property marketplace more efficient for home hunters and customers. We believe there are opportunities to improve the journey from searching for a home to being ready to transact on it.

The Covid restrictions introduced by the Government led both home hunters and customers to reassess how best to progress their property journey. We responded by accelerating our plans to help the property market become more digital. We believe making the journey more digital will increase the long-term efficiency of our customers and reduce the environmental impact of wasted journeys.

Innovating for efficiency now

To help customers and home hunters adhere to the social distancing guidelines and minimise unnecessary travel, we delivered a new tool which enables customers to securely deliver online viewing videos to home hunters, in line with government advice. The integrated tool also offers usage reporting and functionality to make the process of responding to home hunter enquiries quicker and more efficient for agents.

The use of video viewings represents a significant shift in the behaviour of UK agents and consumers, and adoption has been steady, with over 40,000 videos uploaded to the platform since launch. Where available nearly 50% of home movers engage with the video content as part of the lead sending process.

Following two successful trial phases, Viewings Manager, our integrated appointment booking system for tenants, began full roll out in 2020. Building on the knowledge gained as part of the Van Mildert acquisition, Viewings Manager includes the next iteration of the Rightmove Tenant Passport.

The appointment booking functionality allows tenants to request an appointment electronically whilst enhancing the lead information with the passport details. This allows agents to simply and easily assess the property's affordability and suitability for the tenant, and potentially allow them to suggest something more suitable. Once a viewing is confirmed, tenants can cancel or reschedule the appointment at the click of a button and receive automated reminders to help avoid missed appointments and unnecessary journeys for agents. Following the viewing, feedback is automatically gathered from the tenant saving the agent time and offering the home hunter the chance to express their interest in progressing towards tenancy.

Since roll out began in November over 400 independent Agency branches have adopted Viewings Manager with over 18,000 Passports completed in January 2021 and a similar number of appointments already requested. Early feedback from agents on the improved efficiency of the process is encouraging, with a number reporting a significant reduction in wasted journeys to appointments.

Once a viewing has been completed agents can seamlessly order a full tenant reference from Van Mildert without the need to re-enter the tenant's details, saving time and reducing the risk of error.

Innovating for growth tomorrow

When moving, tenants require a number of services such as home contents insurance and broadband for their new homes. Offering these services at the right time in the moving journey is important in making the service useful to tenants and therefore valuable. In 2020 we took the first steps to expand the monetisation of the rental journey by offering these services to tenants who had successfully passed a reference with Van Mildert. Despite our offering in 2020 being experimental and not optimised we helped nearly 7,000 tenants with their needs. This is an area we intend to experiment with further in 2021 by engaging the Rightmove audience throughout their tenant journey.

Whilst the majority of our efforts have been focused on improving the journey to renting a home, our partnership with Nationwide Building Society continues to provide valuable insights into consumer interest in mortgage information. Through the re-design of our property details pages, we increased consumer engagement with our mortgage affordability partnership with Nationwide by a factor of four between September and December 2020. We are early in the journey of enabling a more digital approach to mortgages, but our experience in 2020 stands us in good stead. It underlines the need for more digitally led mortgage options evidenced through consumer engagement with our tools, and provides us with valuable insight into how users' needs will evolve through the journey.

Our Environment and the Society in which we live

As an organisation we live by our values and we believe our values extend beyond how we do business. "Doing the right thing" is central to the values we espouse, and we believe Rightmove can and should be a force for good within the communities in which we operate.

Doing the right thing encompasses our response to a range of issues. It was front of mind when we were one of the first companies to choose to repay the grant from the Coronavirus Job Retention Scheme (CJRS) when it became apparent that

we did not require it. It is front of mind when we think about diversity and inclusion and the lack of opportunities for some of those within the communities we serve, and it is front of mind when we think about the world in which we live.

I am pleased with the progress we have made in reducing the gender pay gap within Rightmove over the last four years, however we still have much more to do. 2020 has caused us to reassess how we take steps to promote inclusion and opportunity beyond our company. I am delighted that we have been able to help Women's Aid and Childline in addition to our support for our local charities in what has been a very challenging year for all charities. I look forward to the work we have planned in 2021, both as part of our new partnership with Generating Genius to encourage more of those who are disadvantaged to consider a career in technology, and to recruit from non-traditional educational routes.

We have significantly reduced our own carbon emissions over the last three years, but doing the right thing requires us to do more. Our environmental strategy supports initiatives to make the UK a carbon neutral country using the reach of our platforms to inform and encourage consumers to improve the energy efficiency of their homes and bring these factors to the fore when considering their next home.

Our Data Services business is currently working on an exploratory project with the Department for Business, Energy & Industrial Strategy to assess the value difference of low carbon homes. We believe that by continuing to digitise home moving in the UK and helping consumers to understand their options around making homes more energy efficient, we can help drive the UK's 'net zero' agenda.

More information about these initiatives and our environmental policy can be found in the Environmental, Social and Governance Report.

Build great teams

From the first Rightmove team of a dozen to the current team of over 550, our people define Rightmove and create a culture which is exciting, innovative, open and supportive, where everyone matters, and every idea can be explored. Our people always strive to achieve more for our customers and consumers.

We endeavour to create one team in a highly connected organisation, with minimal hierarchy and bureaucracy creating barriers to rapid growth and innovation. We believe the key to this success is employing the right people, then giving them the freedom, tools and confidence to innovate and lead effectively.

In 2020, we have adapted our ways of working and communicating outside the normal office environment. We have learned how to stay connected with frequent all-employee online Town Halls and smaller virtual team 'stand ups' and social events. We were fortunate to be able to return all our employees to work after the initial furlough period and offer flexible working arrangements to anyone who needed them. Details of the actions we have taken to protect and support our employees through the pandemic can be found in the Environmental, Social and Governance Report.

Even during extended periods of remote working, these actions and the behaviours of our people have maintained a strong sense of belonging and connection. In the 2020 'Have Your Say' survey, 93% of employees (2019: 81%) agreed that 'Rightmove is a great place to work'. I am again grateful for the direct, honest and often humorous feedback from our people in 2020, which has created an organisation with such a strong sense of belonging and purpose.

Our culture sets us apart from many organisations and is defined by each of our people, who are proud to be part of Rightmove. It is a culture which has been continuously evolving over the last 20 years and I am very proud of what we have achieved together during 2020. I would like to thank every Rightmover for their extraordinary efforts and commitment. We have been true to our values and preserved our culture through the most challenging circumstances, driving innovation and success and creating a place where everyone can thrive.

Peter Brooks-Johnson
Chief Executive Officer

26 February 2021

(1) Source: Google Analytics.
(2) Source: comScore.
(3) Source: App Annie.

The Rightmove network effect

What we do

Rightmove is the UK's number one property portal and the UK's leading property marketplace, bringing together the UK's largest and most engaged property audience with the largest inventory of properties. 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 purpose is to make home moving easier in the UK by creating a more efficient housing marketplace

The UK housing market, both in sales and rentals, is complex and often inefficient. Moving home can be a time consuming, frustrating experience for consumers and professionals, often with elements of wasted effort and unavoidable manual processes. We believe that, 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 leads to a better housing market. By building long-term partnerships and creating value for property professionals and consumers, we are able to grow our revenue, which in turn 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. Rightmove has become the place consumers turn to first when they think about moving home because they can rely on the speed and availability of our platforms to view more properties for sale and to rent than anywhere else.

Finding your next home can be a stressful and frustrating experience; the simplicity and ease of access to the property information Rightmove offers can reduce that stress. Our carefully designed platforms avoid distractions in pursuit of simplicity, putting home hunters in control of their search and research.

It is not in our nature to stand still or to take Rightmove's success for granted; we are continually investing to deliver the most engaging experience for home movers. Our culture is one of restless innovation, with a strong focus on driving improvement. We release hundreds of updates and improvements to our platforms each month. Improved technology and new ways of working have accelerated the pace of new releases, with 50% more software releases in 2020 over 2019.

A vital part of innovation is a disciplined willingness to experiment and learn from the results. Our strategic roadmap for improving tenants' rental journeys has evolved from an experimental app in 2017, to the first Tenant Passport in 2018 and the acquisition of Van Mildert in 2019. The learnings and data obtained from these activities have informed the development of our new Tenant Passport, integrating it with our Viewings Manager appointment booking system and the rental lead flow, to benefit lettings agents and tenants.

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 our customers

By creating the UK's largest digital property portal with the largest selection of properties, we have brought together virtually all the home hunting 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 to reach their audiences more quickly and efficiently, enabling them to win new business. Winning instructions is critical but time consuming for our Agency customers and we offer a number of tools and products to enable customers to win instructions. Agents buying our Optimiser packages win twice as many instructions on average as those who do not use our solutions.

Rightmove's culture of constant improvement and innovation helps to create more efficiency opportunities for our customers. A good example of this is 'Opportunity Manager', a lead management tool available with our Optimiser 2020 package. Opportunity Manager is powered by an algorithm that is constantly learning and improving to intelligently spot the home hunters who are most likely to turn into potential home sellers in an agent's area.

As our customers faced new business challenges in 2020, we responded with new products and efficiency tools to help them to manage leads and viewings. Online Viewings is a simple tool for agents to upload video viewings and automatically send them to home hunters, which we launched within weeks of the first lockdown.

Our solutions for New Homes developers help them to reach almost every serious home buyer in the UK. We help them to target these buyers both on and off Rightmove's platform through our Active Display and Rightmove Active Extension products. In 2020, we launched new build-to-rent packages for our New Homes customers, which will enable them to differentiate the premium features of their rental properties.

We continue to help to drive efficiencies for our Agency customers by providing best in class software that delivers data, market insight and analytical tools to help inform their decisions, with 85% of our Agency customers using our software each month.

How we create value for our shareholders

Our principal source of revenue is the monthly subscription fees paid by customers to advertise all of their properties on Rightmove. Our customers can also pay for our additional advertising solutions, which 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.

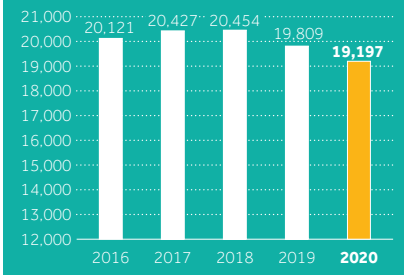
As the property industry becomes more digital – a process that has accelerated in the past year – Rightmove's market leading audience, best in class software and data driven analytics are becoming even more valuable to our customers. Future ARPA growth will be driven by increased product penetration and pricing, which is underpinned by the value of our unrivalled audience and data, our substantial product inventory and our culture and track record for constantly innovating to benefit our customers and consumers.

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

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

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

Number of advertisers



2020 performance

-3%

Risks

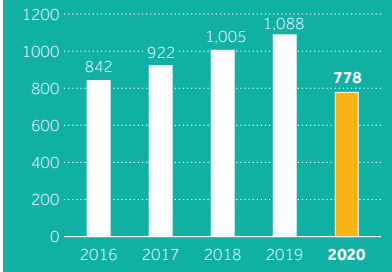
1 2 3

Source: Rightmove

Definition
The total number of paid for UK estate and lettings Agency branches/branch equivalents and New Home 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 £'s



2020 performance

-28%

Risks

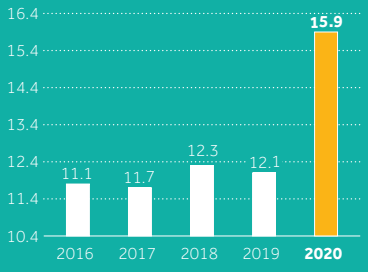
1 2 3

Source: Rightmove

Definition
Revenue from Agency and New Home 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)



2020 performance

+31%

Risks

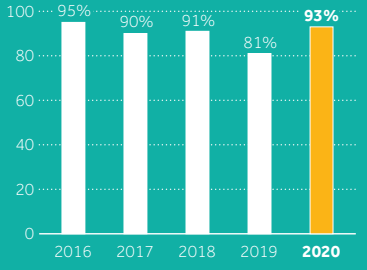
2 3 4

Source: Google Analytics

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"



2020 performance

+12 percentage points

Risks

5

Source: Rightmove

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

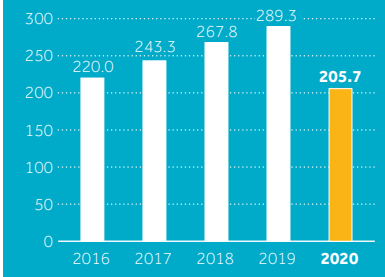
Strategic link
Build great teams with a culture to innovate

Risks relevant to our KPIs (read more on pages 23 to 26)

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



2020 performance

-29%

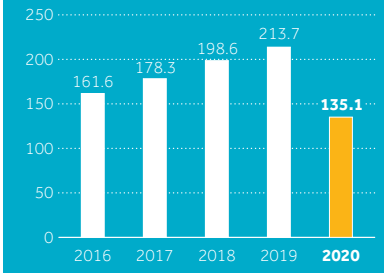
Risks

1 2 3 4 5

Source: Rightmove

Revenue decreased by 29% year on year to £205.7m (2019: £289.3m) due to the significant discounts offered to customers

Operating profit £m



2020 performance

-37%

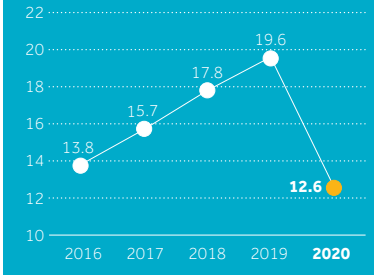
Risks

1 2 3 4 5

Source: Rightmove

Operating profit decreased by 37% to £135.2m (2019: £213.7m) with operating margin at 66% (2019: 74%)

Basic EPS (pence per ordinary share)



2020 performance

-36%

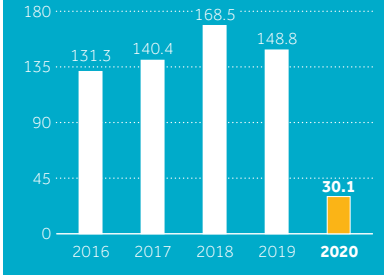
Risks

1 2 3 4 5

Source: Rightmove

Basic EPS fell by 36% to 12.6p (2019:19.6p)

Cash returned to shareholders £m



2020 performance

-80%

Risks

1 2 3 4 5

Source: Rightmove

During the year free cash flow was returned to shareholders in the form of share buybacks and dividends with cash returns totalling £30.1m (2019: £148.8m)

The lower cash returns to shareholders reflects the measures taken to preserve cash flow in March 2020 when the share buyback programme and dividends were paused

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

Rightmove delivered a robust financial performance in this challenging year whilst offering unprecedented financial support to the industry through significant subscription discounts.

Alison Dolan
Chief Financial Officer

Revenue

	2020 £m	2019 £m	Change
Agency	**141.6**	209.3	(32)%
New Homes	**40.7**	55.5	(27)%
Other	**23.4**	24.5	(4)%
Total revenue	**205.7**	289.3	(29)%

Membership

	2020	2019	Change
Agency branches	**15,922**	16,347	(3)%
New Homes developments	**3,275**	3,462	(5)%
Total membership at year end	**19,197**	19,809	(3)%

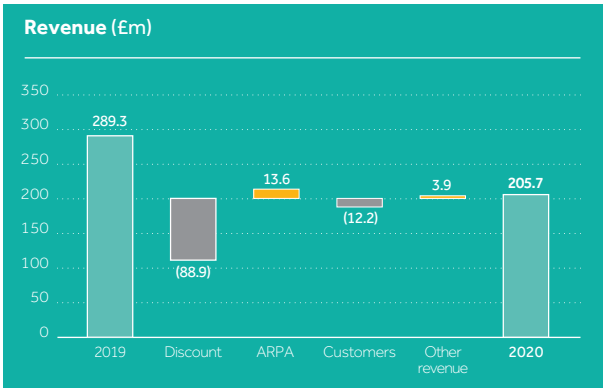
The significant discounts we provided to support customers during the spring and summer, when government measures to control the spread of Covid-19 temporarily closed the property market, meant that revenue fell by 29% to £205.7m (2019: £289.3m). We provided a 75% discount on invoice values to both Agency and New Homes customers between April and July, and further discount to Agency customers in August and September (60% and 40% respectively). We also provided selective discounts across other business units. The revenue impact of the combined discounts was £88.9m. It was partially offset by £5.3m of additional revenues, from revenue growth during both Q1 and Q4, as well as the benefit of a full year of Van Mildert revenues.

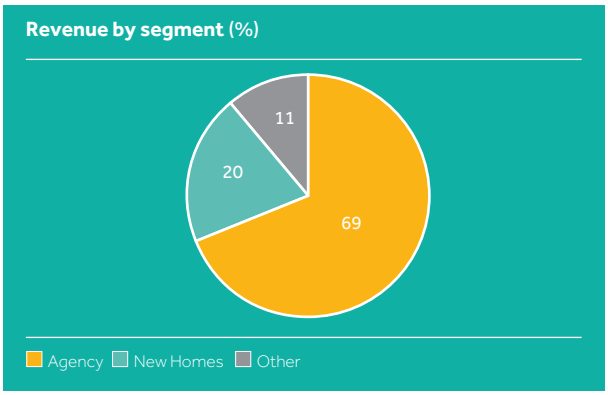
Agency revenue fell by £67.7m year on year to £141.6m (2019: £209.3m). The financial impact of the discount to Agency customers (£69.6m) was partially offset by higher underlying revenues of £1.9m, mostly from the full year benefit of Van Mildert revenues as well as additional one-off product sales during Q1 and Q4. Full-year average monthly revenue per branch (ARPA)[1] fell to £730 (2019: £1,035) as a result of the discounts. Agency customer numbers declined by 3%, ending 2020 at 15,922 (2019: 16,347), as many single, low-stock branches closed or mothballed their businesses.

New Homes revenue fell by £14.8m to £40.7m (2019: £55.5m) also largely discount-driven, which for New Homes customers amounted to £15.2m, and meant that full-year ARPA[2] fell by £340 to £1,003 (2019: £1,343). This was partially offset by increased revenues of £0.4m in the first quarter. The vast majority of New Homes customers maintained their Rightmove subscription throughout the year, but development numbers themselves ended the year down 5% on December 2019, as the buoyant market saw the demand for developments outstripping the construction of new developments.

ARPA for the month of December 2020 was £1,103 and up 2% on the same month for December 2019 (Dec 2019: £1,083).

Other revenue, which includes Overseas, Commercial, Data Services and Third-Party advertising services, fell by £1.1m to £23.4m (2019: £24.5m). Discounts totalling £4.1m were given to Overseas and Commercial customers between April and August. This was mostly offset by growth in Third-Party advertising revenues (£2.6m) and in Data Services (£0.3m), where increased H2 market activity drove Surveyor Comparable Tool volumes and data analytics spend. An underlying increase in Commercial revenues of £1.2m, which reflected a 12% increase in the number of portfolio customers, also helped to mitigate the impact of the discount, but underlying Overseas revenues fell by £1.1m, as viewings of overseas properties were limited due to travel restrictions.





Administration costs

Administration costs decreased by 7% (£5.0m) to £70.6m (2019: £75.6m), due to a reduction in operating costs of £1.4m to £68.2m (2019: £69.6m) and a reduction in the share-based payments charge of £3.6m to £2.4m (2019: £6.0m).

The usual level of annual operating cost growth was not seen during 2020 and operating cost savings of £1.4m were made. These reflect one-off Covid-driven savings of £4.6m from salary savings, staff-related expenses and marketing savings, which were partially offset by £3.2m of cost increases from the inclusion of a full year of Van Mildert costs, the full year impact of amortisation of the customer relationships intangible asset and investment in technology.

The lower share-based payments charge of £3.6m primarily reflects the 2020 results, which led to a downward revision in the assumptions for the EPS performance criteria for some awards, reducing their estimated fair value and the related income statement charge.

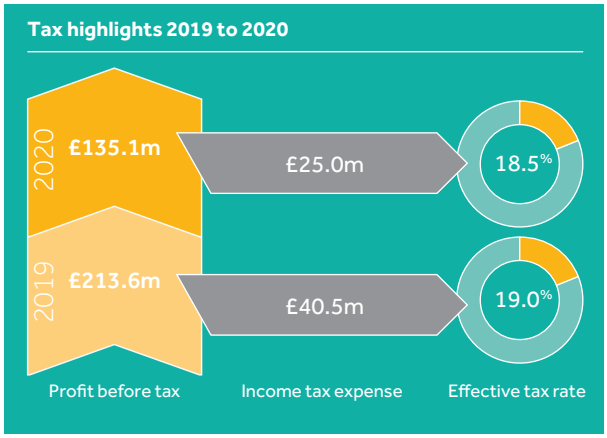
Operating profit

	2020 £m	2019 £m	Change £m	Change %
Revenue	**205.7**	289.3	(83.6)	(29)%
Admin costs	**(70.6)**	(75.6)	5.0	7%
Operating profit	**135.1**	213.7	(78.6)	(37)%
Operating margin	**66%**	74%		

Operating profit decreased by £78.6m to £135.1m (2019: £213.7m), with a resulting operating profit margin of 66% (2019: 74%).

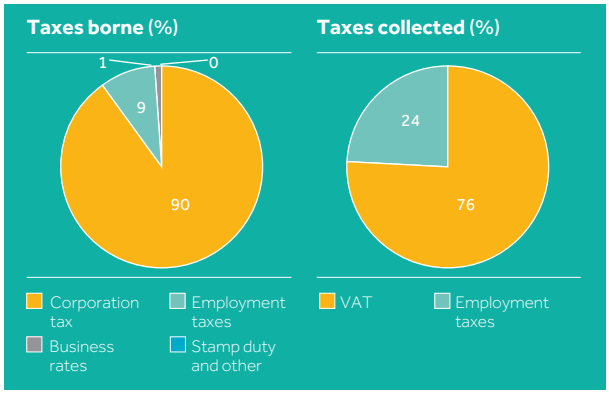
Taxation and tax strategy

The consolidated effective tax rate for the year ended 31 December 2020 was 18.5% (2019: 19.0%), slightly below the UK enacted tax rate of 19.0% due to credits received in relation to research and development expenditure.



All tax matters are managed to ensure that the right amount of tax is paid and collected at the right time, in line with all applicable tax laws. In March, as part of the steps taken to preserve liquidity in the face of uncertainty, we elected to defer VAT payments due between 20 March 2020 and 30 June 2020 until 31 March 2021. However, all taxes due were repaid in October 2020 and there are no overdue taxes at the year end.

As in prior years, the total amount of UK taxes paid and collected by the Group is significantly more than the corporation tax paid on UK profits. Rightmove's total tax contribution to the UK Exchequer in 2020 was £96.3m (2019: £106.8m). Of this, £50.2m (2019: £43.3m) related to taxes borne by the Group, while the remaining £46.1m (2019: £63.5m) was collected in respect of payroll taxes and VAT. The decrease in the total tax contribution against prior year is primarily due to lower operating profits as a result of the significant Covid-19 discounts offered, which impacted both VAT and corporation tax.



Earnings per share (EPS)

Basic EPS decreased by 36% to 12.60p (2019: 19.57p), reflecting the reduction in year on year profit, offset by the benefit of the share buyback programme in place at the start of the year which reduced the weighted average number of ordinary shares in issue to 871.2m (2019: 884.4m).

Balance sheet

Summary consolidated statement of financial position

	2020 £m	2019 £m	Change £m
Property, plant and equipment	**13.9**	12.8	1.1
Intangible assets	**22.1**	21.9	0.2
Deferred tax asset	**2.8**	2.7	0.1
Trade and other receivables	**23.5**	24.0	(0.5)
Contract assets	**0.3**	0.4	(0.1)
Income tax receivable	**1.2**	–	1.2
Cash and money market deposits	**96.7**	36.3	60.4
Trade and other payables	**(18.9)**	(19.5)	0.6
Contract liabilities	**(1.6)**	(2.1)	0.5
Lease liabilities	**(12.3)**	(12.2)	(0.1)
Deferred tax liability	**(0.9)**	(0.9)	–
Provisions	**(3.6)**	(3.2)	(0.4)
Income tax payable	**–**	(18.9)	18.9
Net assets	**123.1**	41.3	81.8

Rightmove's balance sheet at 31 December 2020 shows total equity of £123.1m (2019: £41.3m).

The year on year increase of £81.8m reflects both the higher year-end cash balance, after actions were taken to preserve liquidity, together with the reduction in income tax payable, due to the full payment of the 2020 tax liability within the year (which reflects changes in HMRC requirements to align tax payments to the year that profit is generated).

Trade receivables returned to usual levels, following the reduction at half year due to the impact of revenue discounts, and there has been no noticeable change in the level of bad debt. Debtor days are slightly higher, which reflects the continuing support given to some customers to extend payment terms while their pipeline of sales awaits completion. Trade and other payables reduced due to timing of accruals. Trade payments are being made in the same timely manner as 2019.

Cash flow and liquidity

Rightmove remained debt-free during 2020 and cash generation remained strong, albeit the return of free cash to shareholders through share buy backs and dividends was paused in order to preserve liquidity and to strengthen our balance sheet during the Covid-19 pandemic. Predictable cash flows reflect the subscription nature of the business, coupled with low working capital requirements.

The closing Group cash and money market deposit balance at the end of the year was £96.7m (2019: £36.3m). Surplus cash was invested primarily in short-term, easily accessible money market deposits, reflecting the general economic uncertainty and the Group's rationale for increasing retained available cash.

Cash generated from operating activities[3] declined 36% to £141.5m (2019: £221.7m), again reflecting customer discounts, and operating cash conversion remained in excess of 100%.

The Group bought back and cancelled 5.0m ordinary shares (2019: 3.6m shares) during the year, at a cost of £30.3m (2019: £88.6m) as part of its ongoing share buyback programme. On 14 March, we announced our intention to pause the share buyback programme and cancel dividend payments (2019: £60.2m) to conserve cash and strengthen our balance sheet.

Tax payments were higher at £45.0m (2019: £37.3m), reflecting the payment of the full 2020 tax liability, in line with revised Corporation Tax regulations, in addition to the remaining two quarters of the 2019 tax liability.

Capital expenditure in the year was £3.5m (2019: £0.8m), comprising computer hardware and software purchases.

Proceeds of £0.7m (2019: £0.9m) were received on the exercise of share-based incentives and £0.8m (2019: £2.1m) was applied to purchase shares to fund Rightmove employee share plans.

Shareholder returns

The Board recognises the importance of the dividend to our shareholders. The decisions taken by the Board during 2020, to cancel the proposed final dividend payment of 4.4p per share (£38.5m in total) for the year ended 31 December 2019 and not to declare an interim dividend at the 2020 half year when discounts to customers were being extended, were made in order to protect the Group's liquidity.

Whilst we will continue to hold a higher level of cash to protect against any further market volatility, our longer-term capital allocation policy remains unchanged, and the Board remains committed to returning substantially all free cash flows to shareholders through a combination of a progressive dividend policy and a share buyback programme. Therefore, the Directors are recommending a final dividend of 4.5p per ordinary share which, subject to shareholder approval, will be paid on 28 May 2021 to all shareholders on the register at 30 April 2021. In addition, the share buyback programme will resume in March 2021.

Alison Dolan
Chief Financial Officer

26 February 2021

(1) Agency ARPA is calculated as revenue from Agency advertisers in a given month divided by the total number of advertisers during the month, measured as a monthly average over the year

(2) New Homes ARPA is calculated as revenue from New Homes developers in a given month divided by the total number of developers during the month, measured as a monthly average over the year

(3) Cash generated from operating activities of £141.5m (2019: £221.7m) compared to operating profit as reported in the income statement of £135.1m (2019: £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 attitude to risk and its risk appetite is low. Risks are assessed based on their potential impact(s) and are classified as either critical, severe, moderate or minor. Critical impacts must not happen, regardless of the effort and investment required or the impact on company culture. The other risk categories require varying levels of investment to manage. Where risks have a relatively minor impact, minimal investment is required. 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. Any risks should be aligned to the Group's core purpose and values, strategy and financial objectives;
2. Risks should only be accepted where appropriate business reward is achievable on the basis of objective evidence;
3. Risks can be actively controlled and monitored through the appropriate allocation of management and other resources.

Risks are all captured and documented in a Risk Register, which includes an action against each risk and identifies a specific owner for each risk. During 2020, the CFO was ultimately responsible for maintaining this register, with input from senior management. The register then formed the basis for monitoring risks and ongoing risk discussions between the Board and senior management. The Board reviewed and approved the Risk Register at both the February 2020 and July 2020 Board meetings, with a particular focus on the principal risks identified and any new or emerging risks; which included Covid-19 risks and the on-going strengthening of Van Mildert's internal controls and compliance.

Risk management is reinforced by the Group's continuous process to design and embed strong internal controls across the business as it grows, 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, given its primary responsibility 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 oversight and compliance functions such as finance, treasury, legal and compliance. The third line incorporates 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 the external auditor throughout the year in relation to the design and implementation of effective financial controls. Further detail of these activities is included within the Audit Committee report.

Rightmove's three lines of defence model

Senior Management Team | **Board & Audit Committee**

First Line of Defence
- Management & Process Controls
- Owned and managed by business operational managers responsible for each area

Second Line of Defence
- Corporate Risk Management Framework; Risk Register & Risk Appetite; Monitoring and Redesign of Controls Effectiveness
- Compliance monitoring of controls
- Advisory & Monitoring to First Line of Defence
- Financial Controls

Third Line of Defence
- Internal and External Audit providing independent assurance of previous two

A description of the principal risks and uncertainties faced by the Group in 2020, together with the potential impact and monitoring and mitigating activities is set out in the table overleaf.

Covid-19

The Covid-19 pandemic and measures taken to contain it have had an unprecedented impact on the UK economy. Management took immediate action in March 2020 to mitigate the impact of the pandemic on the Group, its employees, customers and other stakeholders. These measures included:

- Invoking business continuity procedures which enabled the entire organisation to work remotely, for the safety of our employees and in accordance with Government guidelines. The transition to remote working has had no significant impact on business performance and can continue for as long as is required.
- Providing financial support to our customers in response to the significant reduction in activity in the property market. We provided a subscription-discount of 75% of the invoice value for 4 months from April to July for our Agency and New Homes customers and selected support across other business units. The support was then extended with a 60% discount in August and 40% in September for Agency customers, with different arrangements in Wales and Scotland where the property market opened later than in England.
- Continuing to innovate whilst activity in the property market was severely restricted. To ensure that we maximised our value to agents and help them work as effectively as possible, we delivered new features on the Rightmove platforms such as highlighting properties where online viewings were available, giving agents the ability to auto-deliver video content in response to a Rightmove lead, running webinars for estate agencies and providing bespoke local data to help agents make decisions during lockdown.
- Saving salary costs through the Board and Group's Senior Leadership team taking a voluntary 20% reduction in salary from 1 April to 31 July, as well as one-third of customer-facing employees taking furlough at 90% of their usual salary from April to July; albeit that the Group repaid the furlough grant in September 2020 following the increase in activity after the property market reopened.
- Preserving cash flow through the cancellation of the previously proposed 2019 final dividend (£38.5m), suspension of the share buyback programme from 14 March, and deferral of indirect taxation (VAT) payments of £12.1m. The VAT was repaid in October 2020, once the property market reopened.
- Ensuring liquidity by confirming the company was eligible to access the Government's Covid Corporate Financing Facility (CCFF) and extending the Group's £10.0m committed revolving loan facility for 12 months to 7 February 2022. Neither the CCFF nor loan facility were utilised.

The measures that the Government has taken, and continues to take, in order to contain the pandemic could increase the macroeconomic risk to the business (Risk 1). The continued incidence of Covid-19 increases the risk of being unable to secure the right talent in the business (Risk 5) due to the increased risk of employee absence due to illness.

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's ability to deliver 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.	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 Home 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 stock levels. 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 2020 were down 10.9% year on year versus 2019 ending the year at 1.0m[1]. Overall membership numbers were down 3% since December 2019, reflecting a 3% reduction in Agency branches and a 5% reduction in New Homes developments. ARPA was down £310 year on year to £778[2], reflecting the discounts given to customers during Q2 and Q3. The Covid-19 pandemic has created considerable uncertainty in the UK economy, during the year and for 2021, albeit that the property market has benefitted from the stamp duty holiday which is in place until March 2021.	Monitoring of housing market including leading indicators and membership trends. Continuing to provide the most significant and effective exposure for customers' brands and properties. Remain the largest source of high-quality leads, 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.	↗
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 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 1.3% increase to 87.8%[3] with Rightmove retaining the largest and most engaged audience of any UK property portal.	Communication of Rightmove's value to advertisers. Continued investment in our account management teams to help customers run their businesses more efficiently. Sustained marketing investment in the Rightmove brand. Sustained investment and innovation in serving all of our audiences.	→

↗ Small increase in risk → Risk unchanged

(1) Source: HMRC transactions for the UK as published in January 2021.

(2) Revenue from Agency and New Home 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 2020

	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 Rightmove's ability to grow revenue due to the potential loss of: • audience engagement; • advertisers; and • demand for additional advertising products.	Following the changes in the Product Development team during 2019/20 we have improved our cycle time (time it takes to develop and release a change to production) by 20% year on year, increasing our capacity to innovate In the lettings market we have continued to enhance the Viewings Manager and development of our tenant services offering.	Continual improvements to our platforms. Developing our product proposition to continue meeting 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 market innovations.	→
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 the inability to operate 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.	We transitioned to having all staff working remotely without compromising our security posture or productivity. Commenced a major network refresh project to segment our corporate environment; making it more resilient to attack and invested heavily in our incident response capabilities. We have continued to develop our capabilities in responding to security incidents.	Disaster Recovery and Business Continuity Plans subject to regular testing and review. Use of three data centres to load- balance and ensure optimal performance and business continuity capability. Regular testing of the security of the IT systems and platforms including penetration testing. Ongoing investment in security systems. Ongoing monitoring of external threats. Regular internal information security training and 'spearphishing' tests.	→

	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 the appointment of a new CFO. Non-Executive Directors continued their employee engagement activities. Following a restructure, recruitment has been continuing in the Technology Team. There has been significant investment in ensuring employees remain safe, well connected and productive during the pandemic and that the Rightmove culture is retained. Employee sentiment increased with our 'great place to work' score increasing to 93%.	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.	↗

Following the UK's departure from the European Union on 31 January 2020, the UK and EU agreed the terms of future trading agreements on 24 December 2020.

The Board has assessed the impact on Rightmove of the withdrawal from the EU in relation to the broader housing market, transaction levels and our customer base. 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 on their businesses of a downturn in the property market;
- 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;
- Rightmove is a UK-domiciled business with very little interaction with non-UK customers or suppliers; we purchased less than £1.2m in supplies from EU based suppliers in 2020 and less than £0.9m in licence costs in USD;
- None of our employees will lose the right to stay in the UK; we currently employ 18 EU nationals; and
- Our balance sheet philosophy of maintaining a simple debt-free position means that we have no debt-refinancing or interest-related Brexit risks.

The Directors believe that the above factors, combined with the Group's strong market position, relationships with its customers and the value embedded in its membership proposition, mean that the agreed terms for the withdrawal from the EU are likely to have a minimal impact on both the Group's cost base and its day-to-day operations.

Based on the going concern assessment discussed in note 1 of the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In accordance with provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the long-term viability of the Group, taking into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 23 to 26. 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 2023.

The Directors have determined that a three-year period to 31 December 2023 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 strategic business plan. This plan is reviewed by the Board and is developed on a segment-by-segment basis using a bottom up model. The 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 three–year period.

The strategic plan has been subject to robust downside stress testing which involved flexing a number of the main assumptions underlying the plan to assess the impact of severe but plausible scenarios. Analysis was performed to evaluate the potential financial impact over the period of the Group's principal risks actually occurring, including the impact of possible further UK Covid-19 lockdowns during 2021. Specific scenarios that have been modelled include downside scenarios in relation to the key drivers of revenue being customer numbers, ARPA and extraordinary short term Covid-19 discounts, together with the impact of plausible combinations of these scenarios. In all plausible scenarios tested, the Group remained cash positive over the three-year period.

Other facts that provide the Directors with comfort around the Group's long term viability in the face of adverse economic or competitive conditions include that the Group is not overly reliant on a concentrated customer base, with no single customer constituting more than 2.5% of Group revenue; and, the Group has high margins, significant free cash flow generation and an ability to adjust the discretionary dividend and share buyback programme to enhance liquidity, which was evidenced during 2020.

Here we explain how Rightmove's Directors have fulfilled their duty to promote the success of the Company 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 UK's largest audience of home hunters and the largest selection of available properties. Our ambition is to be the place that consumers and customers turn to as their property portal of choice, and to deliver that objective, Rightmove needs to be a business in which people want to work, invest and with which people want to partner.

The Board and Senior Leadership Team, supported by all Rightmove employees, operates first on a values-based, sustainable approach to strategic, financial and operational decision-making. Doing the right thing for our stakeholders and balancing all their interests is central to everything we do, and aligned to the requirements and expectations of stakeholder engagement under Section 172 of the Companies Act (the Act).

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

It is essential to Rightmove's success that we do not take the network effect for granted and remain committed to innovating our platforms to provide the best consumer property-search experience and the best tools and service to our customers. We have the opportunity to further reduce the carbon footprint of our customers and home hunters, and improve our own operating efficiency. In 2020, the Board approved new targets under our Environmental, Social and Governance (ESG) strategy to deliver greater benefits to our stakeholders and wider society, focusing on the long term sustainability of Rightmove's business.

The events of 2020 required our Board to make some difficult decisions and to react quickly to market conditions, balance the interests of our stakeholders and remain focused on our long-term objectives. The Board met more frequently and engaged with stakeholders to react, recover and reinvent the way we do business.

Rightmove's key stakeholder groups are our shareholders, customers, consumers, employees and regulators. Here we explain how the Board engages with and manages our relationship with our key stakeholders by describing some of the Board and Committee decisions made in 2020.

Shareholders

We have long-standing relationships with our largest shareholders; many have owned Rightmove shares since the Company's flotation in 2006. Currently our Top 10 shareholders own over 53% of shares in issue, with a geographic split of 51% held in the UK, 37% 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.

Our policy is to return all excess free cash to our shareholders.

Engagement

We are committed to maintaining constructive dialogue with shareholders and have actively engaged with them through online results presentations, question and answer sessions, investor calls and online meetings. The range of topics covered have included business performance, ESG policy and corporate governance.

Our Chair and Executive Directors maintain an "open door" policy for current and potential investors to meet online, or in person if possible, beyond the regular results calendar. Our Investor Relations team has provided information to investors and arranged calls and meetings with management all year.

Board decisions

The Board considers the interests of all shareholders when making decisions which may affect them and acts fairly as between members of the Company.

- The Board responded to the coronavirus pandemic and closure of the UK property market in March by focusing on liquidity and supporting Rightmove's customers, taking the difficult decision to cancel the 2019 final dividend.
- It remains the Company's capital management policy to return all excess free cash to shareholders and we are pleased to confirm the resumption of our share buyback programme in March and declare the payment of a final dividend for 2020 of 4.5p per share in May 2021.
- The Board took the precautionary measures of applying for access to the Government's Covid Corporate Financing Facility (CCFF) and extending the Group's committed revolving loan facility with Barclays Bank plc for 12 months. No CCFF commercial paper was issued and no amounts drawn under the loan facility.
- The Remuneration Committee Chair contacted shareholders to explain the application of our Remuneration Policy in 2020 and proposals for the 2021 bonus and performance share plan targets (see the Directors' Remuneration Report).
- The Nomination Committee reviewed the Board and business succession plan, recommended the appointment of our new CFO, and the Board Chair invited our major shareholders to introductory meetings to discuss a range of topics.
- The Board discussed and approved an ESG strategy, including an environmental reporting and governance framework aligned to TCFD, and has subscribed to the Science Based Targets initiative and the UK's net zero emissions objective. These decisions have been influenced by shareholder feedback on investors' ESG policies and their desire to invest in sustainable businesses (see the Environmental, Social and 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, webinars and training.

Board decisions

In response to the coronavirus pandemic, the Board:

- agreed to support our customers with heavily discounted fees over a six month period, with the highest discount of 75% for four months, coinciding with the first lockdown and property market closure
- approved an extension of the discount strategy after four months, constantly monitoring feedback on customer economics and sentiment
- approved the launch and roll out of our online viewings service, to help customers to promote properties and manage leads effectively during restricted and busy periods.

The strategic plan and product development roadmap was approved by the Board in the year and provides for:

- further investment in people and technology for our customer support and management teams
- development of customer tools and products to optimise agents' and developers' market reach and efficiency, including the roll out of the appointment booking system, Viewings Manager, for lettings agents
- more investment in customer support, training and compliance with a dedicated team, and increased frequency of webinars available via the Hub.

Consumers

Our consumers are home hunters, home sellers and researchers who spent 15.9 billion minutes on Rightmove platforms in 2020.

Strategy

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 newsletter and webinars. Our consumer support and marketing teams responded to consumer enquiries, acting on feedback and concerns about property advertisements, data protection and staying safe online. Our Product Development team responded to consumer feedback about the functionality and design of our platforms, which informed enhancements to our mobile and desktop search functionality and property details pages.

Board decisions

The Board approved our response to the Coronavirus pandemic:

- using our platforms to provide consumer updates and advice on home moving during periods of lockdown and restrictions affecting the property markets in England, Scotland and Wales
- providing Rightmove's property data to inform Government statistics and publishing factual data to counter negative commentary on the property market and support home movers and sellers as the property market recovered.

The Board approved the business and strategic plans, which provide for continued investment in:

- consumer tools and services, including Viewings Manager, enhanced sold price search functionality, new property alerts, affordability tools, environmental information and improvements in our IOS and android Apps
- cyber security, fraud prevention and data protection to help keep our users safe online
- automating our data quality processes, ensuring the accuracy of property data advertised on Rightmove
- product development to improve property search and information available on our platforms and enable the consumer experience to be more intuitive and tailored to individual requirements

The Board and Audit Committee received regular updates on cyber security and data protection and approved extra investment in resources to ensure consumer data privacy and security continue to be prioritised as the external environment changes.

Employees

Rightmove directly employs around 560 people across the UK, based out of offices in London, Milton Keynes and Newcastle. Rightmove's long-term success depends on the shared commitment, talent, skills and values of its employees.

Strategy

Our strategy is to make Rightmove a great place to work through an open, collaborative culture, 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

Directors received feedback from our teams via online events and communications, including regular Town Hall webinars, question and answer sessions, Board presentations and employee surveys (see the Environmental, Social and Governance Report).

Board decisions

In response to the Coronavirus pandemic:

- around one third of Group employees were placed on furlough for up to four months at 90% of uncapped salary – the Board subsequently approved repayment of the Coronavirus Job Retention Scheme grant which had covered 80% of their full salary
- the entire Board and the Group's Senior Leadership Team took a voluntary 20% reduction in salary in recognition of the impact of Covid-19 on our stakeholders
- a full employee-support package was agreed, including online crisis management training and support for team leaders, tailored webinars on topics such as home schooling and mental well-being and additional practical support, such as an extra ten days' paid leave for those with caring responsibilities.

The Board also agreed:

- the extension of employee share plans: SIP free shares and Sharesave grant of options, and pension benefits to Van Mildert employees
- an enhanced ESG strategy, which took employee preferences into account in the selection of charities and community support focusing on local issues, diversity and inclusion
- the Nomination Committee's recommendation of action plans to improve diversity in the succession pipeline and continue to address Rightmove's gender pay gap.

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 decisions

- The Audit Committee has approved a new risk and compliance framework, which will oversee the supplier risk management framework agreed in 2019 to ensure a consistent and compliant procurement policy in relation to key areas of spend or risk.

The Board endorsed the Payment Practices Report and the prompt payment of suppliers, with no payment delays arising directly from the Coronavirus pandemic.

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 Propertymark 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 decisions

- The Board approved the 2020 Business Plan, with continued significant investment in people and systems focused on cyber security, fraud prevention and data protection.
- The Audit Committee approved a new risk management framework, including the appointment of a Legal and Compliance Director, and formation of a new Risk Committee with responsibility for monitoring operational risks and reviewing the effectiveness of controls (see the Risk Management section of the Strategic Report).
- The Board reviewed the Group's cyber security and incident response plans, including enhanced controls introduced to secure our platforms, internal business systems and protect personal data.

Rightmove is committed to being a responsible corporate member of society and our priority during the pandemic has been to protect our people, support our customers and stakeholders and continue to protect the environment around us. We believe that this approach supports Rightmove's long term success.

In 2020, the Board reviewed and approved Rightmove's new ESG strategy, which embodies two primary aims:

- To continue to make our business better and more sustainable, by securing our platforms, minimising our environmental impact and ensuring meaningful diversity in the workforce and strong governance
- To make a difference beyond the direct operation of our business, through the reach of our platforms and contribution to wider society.

These aims are reflected in each of the following key areas for our business:

The environment We will work both to reduce Rightmove's carbon footprint and to offset all carbon emissions (Scope 1, 2 and 3), to maintain our status as a carbon neutral organisation.

Our employees We will work with our employees to continue to provide an open and inclusive workplace, with a focus on well-being to ensure we have a great place to work.

Our marketplace (customers and consumers) We will continue to innovate to provide our customers and consumers with secure, accessible platforms, efficiency tools and a digital service that uses fewer resources.

Wider society We will maintain and extend our corporate sponsorship and charitable support to benefit our local communities and the UK.

Continue to improve our operation and incorporate the ESG agenda into everything we do

- We are using a number of frameworks to build a strong environmental and social programme for the business. Although the environmental footprint of our business is already relatively light, the Science Based Targets initiative (SBTi) – which we joined during 2020 – will guide the science behind our emissions-reduction targets; we have committed Rightmove to a 1.5C emissions-reduction agenda and are working with the scientists behind the SBTi to set emissions-reduction targets across scopes 1 and 2 that are consistent with keeping global warming to 1.5C above pre-industrial levels.
- The Sustainability Accounting Standards Board principles of ESG risk management and the FTSE4Good framework are a helpful way of laying out an agenda for companies such as ours, which are categorised as Internet Media & Services businesses, to be acting responsibly, and we have used the framework they set out for such businesses, which focuses primarily on the environmental impact of data centres with respect to power and water consumption and on the emissions generated by mobile sales staff.
- We will commence reporting under the Taskforce for Climate-Related Financial Disclosure (TCFD) at the end of 2021 and will aim to develop our disclosures in line with its recommendations.
- We are also working with BEIS and the UK Government's Net Zero Champion to support their Net Zero agenda and to explore how we can help to promote a culture of emissions awareness and reduction in the UK using our unrivalled platform. We have also committed to a longer-term target to reach net-zero emissions by no later than 2050 ourselves.

Making a difference beyond our direct operation

As much of our environmental approach is already compatible with these environmental aims, we are also choosing to place as much emphasis on the 'do more good' agenda and on being an overall 'system-positive' business as we already do on ensuring ESG compliance and risk management. In this social context, we will focus on the UN's Sustainability Goals which cover Equality & Opportunity and Housing & Climate Action.

We have identified areas where we can improve Rightmove's environmental impact and set targets, including energy consumption, waste disposal and water consumption, which will be reassessed during 2021 to ensure alignment with the SBTi. Key objectives and targets have also been agreed for Rightmove's social and governance agenda, including employee welfare, diversity and inclusion, anti-corruption, and tax transparency measures. Specific Environmental, Social and Governance targets can be found under the relevant section of this report, and our progress against each target will be detailed in future Annual Reports.

FTSE4Good Index

FTSE4Good

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong 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 confirm that, having been independently assessed under the FTSE4Good criteria, Rightmove has satisfied the requirements of a constituent and is a member of the FTSE4Good Index Series.

UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) aim to end poverty, protect the planet and ensure prosperity for all. We have identified the goals which have most relevance to our business and will ensure that we make a positive contribution to these areas in the UK, which is the home of our business.

Sustainable Development Goal	Playing our part
4 Quality Education 5 Gender Equality 8 Decent Work and Economic Growth	We believe it is important to offer opportunity and education for people who do not have those opportunities through no fault of their own. We believe in a fair and inclusive working environment and that gender and ethnic equality are important in all areas of our business.
11 Sustainable Cities and Communities 12 Responsible Consumption and Production 13 Climate Action	Our purpose is to make home moving easier in the UK. We believe that we can help drive the UK's 'net zero' agenda by continuing to digitise home moving in the UK and helping consumers understand their options around making homes in the UK more energy efficient.

Further details of our initiatives and actions to achieve these goals can be found on the following pages.

ENVIRONMENTAL

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 own environmental impact and carbon footprint. Our ability to reach the largest UK property market audience and professionals, gives Rightmove an opportunity to contribute to the reduction of the UK's carbon footprint, as well as to focus on our own operation and our own emissions.

Rightmove's Environmental Goals are as follows:

Environmental Goals	
Target	**Action**
Be carbon neutral	Achieved in 2019.
Reduce the carbon footprint of the data centres by 10% within the next 3 years	Between 2016-2019 we reduced CO_2 by 40% in absolute terms and CO_2/employee by 47% and are working with our data centre providers to identify a greener energy strategy. We are significantly investing in a hyper-converged infrastructure to halve our rack space and consume less energy.
25% of company cars to be ultra-low emission by 2022, 75% by 2025, 100% by 2028	Through a new matched contribution scheme where Rightmove pays to offer more ULEV options to staff, we are on target to achieve less than 25% ULEV by 2022. We are also currently exploring the installation of dedicated charging points at our Milton Keynes office.
Reduce office carbon emissions by 10% in 3 years	2016-2019 we have reduced CO_2 by 54% in absolute terms and CO_2/employee by 60%. Our Milton Keynes office uses 100% renewable energy. Our London landlord will be moving to a green energy supplier during 2021.
Reduce water consumption by 10% in the next 3 years	We are working with our data centre providers and office water providers to reduce water consumption.
Increase waste recycling to 50% by 2022	Our current recycling rate is 44%, and we are working with our recycling partner to increase that to 50%.
Reduce unnecessary travel	All staff (office based and mobile) now work from home at least 40% of the week.

Rightmove is Carbon Neutral

We are pleased to report that Rightmove has maintained its position as a carbon neutral business for 2020.

Carbon Neutral
PAS 2060

Our sustainability and carbon management consultant, Carbon Footprint, identified a number of suitable carbon off-setting initiatives for Rightmove to support and we have funded a UK tree planting scheme at Pierrepont Farm in Surrey which is managed by the Countryside Restoration Trust and a tree planting project in the Amazon to help combat deforestation. The cost for offsetting our carbon footprint for 2020 of 515 tCO_2e greenhouse gasses was £4,892 (2019: £7,743 to offset 815 tCO_2e greenhouse gasses). The Board has agreed to offset an additional 10% of greenhouse gases for 2020 to acknowledge the estimated cost of homeworking and business travel. Rightmove has been a carbon neutral Company since 2019, and we are committed to the continued reduction and annual off-setting of all the Group's greenhouse gas emissions in future.

Energy and Greenhouse Gas Report

CO_2e
Assessed
Organisation

Rightmove has appointed Carbon Footprint, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2020 emission conversion factors published by the Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table below summarises the Group's GHG emissions for the latest financial reporting year: 2020.

Scope	Activity	Tonnes CO_2e	kWh
Scope 1[1]	Company car travel	214.45	
Scope 2	Electricity generation	118.72	
Scope 3[2]	Outsourced data centres	181.48	
Scope 1 & 2 Total tonnes of CO_2e		333.17	
Tonnes of CO_2e per employee[3]		0.59	
Tonnes of CO_2e per £million turnover[4]		1.62	
Total Energy Consumption (kWh)[5]			**1,406,226**
Scope 1, 2 & 3 Total tonnes of CO_2e		514.65	
Tonnes of CO_2e per employee[3]		0.90	
Tonnes of CO_2e per £million turnover[4]		2.50	
Scope 1, 2 & 3 Total Energy Consumption (kWh)[5]			**2,123,010**

(1) Van Mildert has no Scope 1 emissions.
(2) Scope 3 emissions include Transmission and Distribution.
(3) Based on 558 employees taken as the average number of employees in the Group throughout the year.
(4) Based on turnover of £205.7m for 2020.
(5) Total Energy Consumption includes UK Electricity and Company Owned Vehicles as required for SECR.

Energy efficiency

In recent years our London office has had a complete refit and has been ungraded to LED lighting. In 2020 we also started a project to upgrade the lighting in our Milton Keynes office to energy efficient LED lighting, which will be completed in 2021.

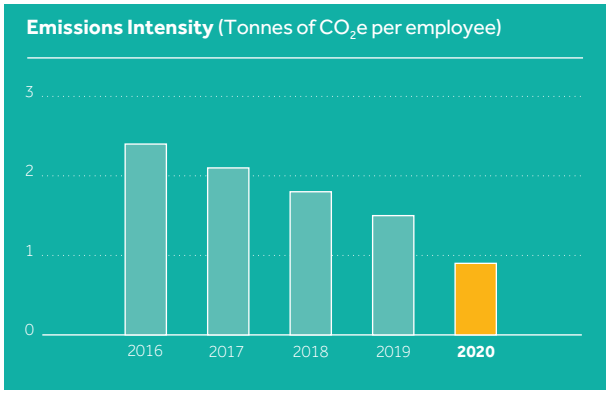
As mentioned below, we continue to promote the use of public transport between our offices and the use of virtual meetings to reduce energy usage and have included ultra-low emission cars as an option for those individuals entitled to a company car.

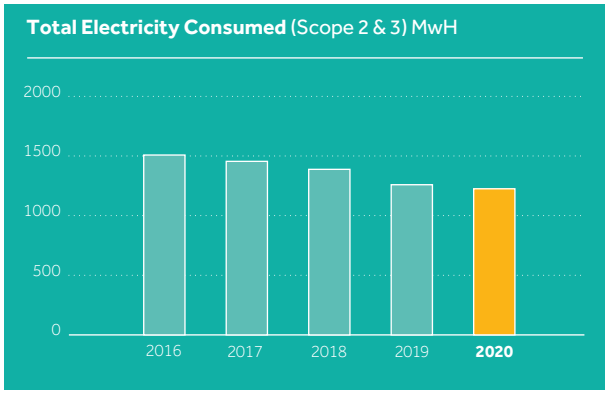
We continue to encourage all of our employees to maintain an awareness of energy usage both in the offices and when home working, for example powering down laptops, monitors and printers when they are not in use.

We will continue to review all possible energy efficiency improvement measures and report on our progress in future Annual Reports.

Emissions intensity metric

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. In respect of Scope 1 and 2 our use of energy is driven by our people and therefore the most suitable metric is 'Emissions per Employee', based on the average number of employees during the year.





Emissions per employee have also decreased by 40%, mainly due to lower electricity use in our offices and to travel restrictions, which significantly reduced the number of face-to-face meetings with our customers and suppliers.

We have been committed to reducing our carbon emissions for many years and the table above shows our progress. Between 2016 and 2020 our emissions intensity ratio, calculated as Scope 1, 2 & 3 emissions normalised per employee (tCO_2e) has decreased from 2.4 to 0.9.

Our overall emissions are down 37% year on year, which is largely attributable to the impact of Covid-19, resulting in reduced travel, office closures during lockdown and significantly reduced attendance at our offices during the year. In addition, we have been more efficient in the use of energy in our offices and outsourced data centres. Whilst we expect energy use to increase again in 2021 as travel and working arrangements return to normal levels, our targets are to reduce these emissions below 2019 levels.

Energy consumption

Our electricity consumption has been gradually reducing over recent years, as illustrated in the following bar chart. From 2016 to 2020, our electricity consumption has decreased by 19%. The decrease in energy consumed in 2020 was largely due to the impact of Covid-19, described above. As an operator of an online property portal, we are aware that a key environmental impact of our business is from the power used by our data centres. To manage and reduce this impact, our policy is to purchase hardware with the best computational performance which uses the least electrical power required to provide our digital platforms for customers and consumers.

The total electricity consumption for 2020, for Scope 2 Electricity and Scope 3 Outsourced data centres, was 1,226 MwH.

Renewable energy

In 2020 we reviewed the energy supply agreements for which we are directly responsible and are pleased to report that the energy supplied to our Milton Keynes office is now from renewable resources. In addition, two of our data centres also use renewable energy and the landlord of our London office will be sourcing a renewable energy contract during 2021, when the current supply contract is renewed. We will continue to work with the landlord of our Newcastle office and our third data centre provider to encourage the use of green energy on renewal of contracts.

68% of electricity consumed by the Group in 2020 was from renewable sources.

Business travel

We encourage our employees to use public transport rather than driving between our office locations in London, Milton Keynes and Newcastle. We have invested in significant improvements in our online meeting technology since 2019, which has reduced the impact of working across three office locations and has enabled us to continue meeting and operating seamlessly during the recent Covid-19 restrictions. We continue to encourage participation in our Cycle to Work scheme for local commuting, provide bike storage and shower facilities at our offices and have many keen cyclists.

Company cars

Employees entitled to a company car can select plug-in hybrid electric cars as an alternative to petrol or diesel engines and we have seen a small rise in employees selecting this option. To incentivise take up, Rightmove is allowing company car drivers to order the more expensive plug-in hybrid cars, up to £150 above the existing monthly rental threshold and sharing 50% of the increased cost. For the majority of drivers this represents a financial saving due to the lower personal Benefit In Kind tax liability for most plug-in hybrid vehicles. We aim to

achieve a car fleet composed of 25% ultra-low emission vehicles by 2022; 75% by 2025 and 100% by 2028.

The table below shows our company cars by type as at 31 December 2020.

Type	Percentage of Fleet
Diesel	68
Petrol	13
Hybrid (ultra-low emission)	19

Our fuel card provider, Allstar, has 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.

A review in 2019 by our sustainability and carbon management consultant, Carbon Footprint, identified previously unreported, non-mandatory carbon emissions, including public transport, used by our employees. Due to the travel restrictions in 2020, these will now be included in 2021.

Waste management

As a digital business, we work in a near paperless environment and 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, consumers and customers, management information, marketing reports and product documentation, which are all available online.

We do, however, produce waste through the supplies that are delivered to and used at our offices, and the consumables that our employees bring to each office location.

During 2020, we generated 11.5 tonnes of waste across our two largest office sites, of which 44% was recycled.

Location	Waste in tonnes	Percentage recycled
London	5.8	41%
Milton Keynes	5.7	46%

Our Milton Keynes and Newcastle offices are located in managed offices with communal waste collections. The waste figures for Milton Keynes are our best estimate, based on the proportion of the site occupied by Rightmove. The data required to estimate the weight of waste generated at our Newcastle office is not available from our landlord, however, it has been confirmed that, by volume, around half the waste collected is recycled.

The overall waste figures for 2020 are lower than normal as our offices have been closed or had reduced occupancy during the pandemic.

We are conscious of playing our part in tackling climate change and continue to encourage our employees to minimise their use of resources, including paper and plastic and to recycle materials wherever possible.

Water management

Our water usage is derived from the three offices that we occupy in Milton Keynes, London and Newcastle. Each of these offices is part of a managed site and the water consumption for both our London and Newcastle offices, as with waste, are best estimates based on our proportionate occupation of the site.

Our total water consumption during 2020 was 1,523 cubic meters.

To further support the UK's overall emissions-reduction agenda, we continue to make a significant contribution:

Energy efficiency – digitising home moving

Our most significant environmental contribution continues to be the way we have changed the way home movers 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 on screen which are available instantly, reducing unnecessary travel to visit unsuitable properties and estate agents' offices.

Our alignment to the SDGs can be shown through our continued support and development of innovative new tools which have helped the property market to function during the lockdown this year, while adhering to the social distancing guidelines and minimising unnecessary travel and contact.

During 2020, we invested in and developed a new video viewing platform which enabled our customers to securely deliver online viewing videos to home hunters, in line with government advice. This service was adopted by many agents and we anticipate it will continue to grow in the future, reducing the number of in-person viewings and travel emissions. In total over 50,000 videos have been delivered via email which our customers believe has been invaluable to home hunters, particularly during periods of restricted movement and contact. This tool also offers reporting and functionality to make the process of responding to home hunter enquiries faster and more efficient for our agency customers.

Other developments have included new and improved property details pages and search criteria, and services such as straightforward online tenant referencing and insurance to help both our customers and tenants to be more efficient through the home moving process. We have recently introduced a new way for tenants to book appointments to view properties using Viewings Manager, which allows both agents and tenants to digitally agree on a time that mutually suits them. This will provide significant savings in time and a reduction in wasted journeys for tenants and letting agents.

According to the UK Committee for Climate Change, UK homes have a critical role to play in meeting the twin climate change goals of reducing emissions and adapting to current and future climates. Rightmove plans to continue our drive for innovation and information provision to make the process of home moving both easier and more efficient, to work with government to help to inform users of our sites about green options in relation to their homes and in doing so to conserve resources and have a positive impact on climate change.

Energy Performance Certificates

Energy Performance Certificates (EPCs) provide home movers with information about a property's energy use, typical energy costs and recommendations about how to reduce energy use and save money. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for ten years.

Rightmove will help consumers to better understand energy-efficient ratings and how to increase the energy efficiency of their homes by enhancing the content of our platforms to:

- highlight EPC ratings to consumers and support consumers with search criteria based on environmental factors;
- provide consumer content on options for improving EPC ratings and obtaining government grants; and
- continue to work with lenders to highlight the increased value of energy-efficient homes.

All our innovations help to reduce the carbon footprint generated by prospective home buyers and estate agents, by reducing the reliance on travel and printed marketing materials and property details.

SOCIAL

Our social activities will have a positive impact on many of our stakeholders. Here we explain our work with our employees, our customers and consumers and the wider community. We have set ambitious goals, but are already well on our way to achieving many within the next 3 years.

Our Social Goals:

We are committed to driving diversity, inclusion and equality and ensuring that Rightmove's platforms are safe and accessible

- Progress towards an employee ethnic mix in proportion to UK ethnicity
- Reduce the gender pay gap year-on-year until parity is reached
- All employees to receive mental health support and training by 2021
- Employee Survey: ensure that 90% or more of employees agree that Rightmove is a great place to work (this target is also directly linked to our Executive Directors' remuneration)
- Remain a Living Wage Employer
- Support and encourage STEM initiatives
- Support communities and individuals through increased charitable giving and matched funding

Rightmove's culture and values

At the heart of everything we do is Rightmove's open, innovative and supportive culture, which reflects the values of our 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 Rightmove and the wider communities in which we operate.

In 2020, we continued to integrate Van Mildert into the Rightmove Group and to equalise employee benefits for all Group employees. Whilst we have made good progress, some benefits alignment will be implemented in 2021 and therefore references in this report to Rightmove include Van Mildert, unless otherwise stated; references to the Board are to the board of Directors of Rightmove plc.

A great place to work

Our people bring 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 our employees are our most valuable asset.

Covid-19 response

The transfer to full time working from home for large parts of 2020 brought with it new health and well-being challenges, augmented for many of our employees by the additional pressure of home schooling or caring for relatives. We have supported our people through flexible working patterns and additional practical support. For all employees, including those on furlough, we provided a series of Covid-19 tailored webinars on topics such as home schooling and mental well-being, an extra ten days' paid leave for 2020 for those with caring responsibilities and flexibility to carry over more holiday into 2021 for employees who have not been able to get away. To ensure that our managers were confident and fully prepared to help their teams through the pressures of 2020, each of our managers undertook a six hour development programme entitled 'How to lead through a crisis'.

In response to the closure of the property market in March, a total of 150 of our employees were furloughed between April and July 2020. Furlough payments were topped up to 90% of uncapped salary and during this period the Senior Leadership Team, including both executive and non-executive directors, took a 20% pay reduction. The Coronavirus Job Retention Scheme grant, which covered 80% of the salary of furloughed employees, was subsequently repaid, as detailed later in this report.

A key focus during 2020 has been to maintain connections between teams, which are so important to Rightmove's culture. We achieved this through regular business updates, including Company-wide 'Town Hall' webinars, initially on a weekly basis and then fortnightly, which continue to be well attended. Daily team meetings also took place across the business to focus on work activities, objectives and the well-being of individuals working from home.

During lockdown, all employees were able to work from home seamlessly and we delivered office chairs, keyboards and monitors to those individuals who needed that equipment for an effective home working environment. Following the first lockdown, to ensure a safe return to the work environment, Covid risk assessments were completed for our Milton Keynes, Newcastle and London offices before a phased return to the office was implemented. A risk assessment and review of guidelines for our field-based account managers visiting agents' offices was also completed. The assessments were undertaken by a Chartered Safety practitioner, with all recommendations put in place and adhered to.

Living Wage

Rightmove Group was accredited as a Living Wage employer from January 2020. All Rightmove employees have historically been paid in excess of the Real Living Wage and, following a thorough review in 2019 we took action to ensure that all of our contractors who regularly work from our offices are paid the living wage.

Diversity, inclusion and equal opportunities

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

Rightmove is an equal opportunities employer and is committed to giving fair and equal treatment to all employees and job applicants in terms of recruitment, pay conditions, promotions, training and all employment matters. Fair and equal treatment will be given regardless of an individual's race, age, gender, ethnic background, religion or beliefs, gender reassignment, sexual orientation, marital or civil partnership status, or disabilities. Our recruitment and selection processes focus on selecting the best candidate for each role. We will also not discriminate against individuals who are part of a trade union. Rightmove is committed to creating an inclusive working environment where everyone matters and can be heard, where each individual can thrive and bring their unique contribution to the business.

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.

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.

Ethnic Diversity

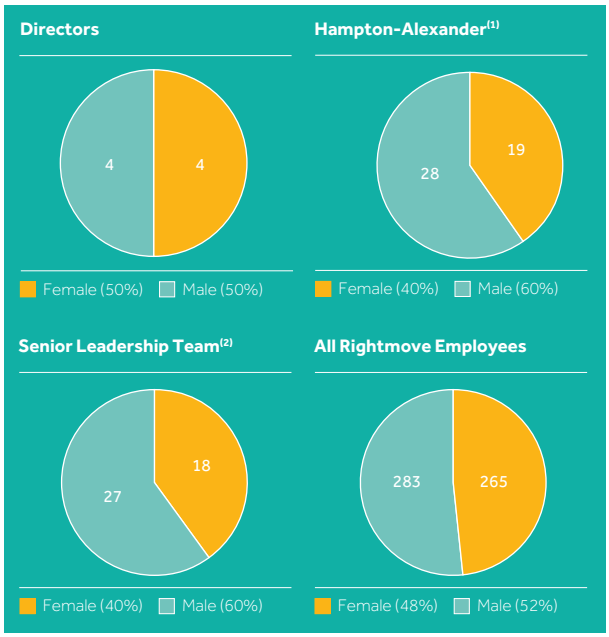
In line with the Parker Review recommendation for all FTSE 100 Boards to have at least one director from an ethnically diverse background by 2021, we are pleased to confirm that Rightmove is ahead of this target with three out of eight (37%) Directors from ethnically diverse backgrounds as at 31 December 2020. In 2021, we will be analysing our employee data to measure our progress in creating a more ethnically-diverse workforce and pipeline for senior roles in the business.

Gender Diversity

As at 31 December 2020, female employees made up 40% (2019: 39%) of the Rightmove leadership team[1]. The Board is keen to strengthen and maintain female representation in senior roles and Rightmove has been a contributor to the Hampton-Alexander Review, an initiative which aims to increase female leadership within the FTSE 350.

Our commitment to gender equality starts from our leadership team and 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 sixth in the 2020 Hampton-Alexander FTSE 100 Women Leaders table.

A breakdown by gender of the number of Directors and employees as at 31 December 2020 by various classifications as required by the Companies Act is set out below:



(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 2020, and we have seen an improvement in both our mean and median gender pay gap. Our mean pay gap has decreased by 7.2% and our median pay gap by 8.1% year-on-year. A third of our employees were excluded from the 2020 pay gap calculations as they were either on furlough or had waived an element of pay. The underlying mean and median gender pay gap numbers have seen an improvement but not as significant as those reported. Including all employees, our mean pay gap has decreased by 5.2% and our median by 4.7%. We have continued to take actions towards closing our pay gap as part of our longer-term action plan, which is having a positive impact. Our full report can be found on the Company's website at plc.rightmove.co.uk and we will continue to report on an annual basis.

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 the highest and lowest quartile salaries. Women are still less well 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 2020 and some of the actions on which we continue to focus our efforts to improve our gender balance going forward.

Difference between male and female pay

	2020		2019	
	Mean	Median	Mean	Median
Difference in hourly rate of pay[1]	20.4%	29.6%	27.6%	37.7%
Difference in bonus pay[2]	36.0%	59.1%	76.9%	54.5%

(1) Calculated using Rightmove Group Limited pay data from April 2020.

(2) Calculated using 12 months of Rightmove Group Limited bonus pay data to 5 April 2020. Both our mean and median bonus pay gap continues to be influenced by gender, with more men participating in bonus schemes than women.

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:

- Continuous review of all job specifications to ensure our hiring and interview processes have universal appeal and allow for fair progression for all, to ensure we attract and nurture talent
- Maintain bias free selection and promotion processes
- To continue in our commitment to close the mean and median pay gap
- To challenge our understanding of what drives the gender pay gap across team functions
- Remain focused on addressing the under representation of women in technology and senior positions by continuing to promote and support technology careers for women and other less represented groups
- Offer a range of family-friendly and agile working policies to both men and women and adjust these as we need to support a change in transforming habitual working habits
- To continue as participants in the 30% Club cross company mentoring programme. This supports our aim to bring more talent diversity into senior manager roles.

- Participation in the Mission Include which is a cross company mentoring programme. This supports our aim to support more diversity of talent across all roles.

Recruitment and retention

Recruiting people with the right skills, capability and experience to build our business and embrace the 'hows' is essential to Rightmove's business. The market for individuals with technology and customer-centric skills is highly competitive. We are strongly focused on maintaining a happy, supportive working environment and providing a comprehensive range of benefits to attract and retain the best people. In 2020, despite the considerable challenges faced by our teams, we were delighted that 93% of employees responding to the annual 'Have Your Say' survey think that Rightmove is a great place to work.

People development and training

We have set out to ensure that development and training should be accessible to all of our employees and therefore we invest in extensive training and leadership programmes, designed to equip employees 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 and an off-site, residential induction course to reinforce Rightmove's culture and values. Our residential induction course had to be suspended in line with Covid restrictions in 2020 and will resume as soon as it is safe to do so.

We recognise that 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. We aim to ensure that employees are provided with access to at least as much developmental training as they are with mandatory training. In 2020, total hours of mandatory training were 20% more than those of developmental training.

During the year and in response to the Coronavirus pandemic, every individual with line management responsibility attended a workshop on 'How to lead through a crisis'. This course consisted of two three-hour online sessions with a professional trainer to guide managers, and provided valuable insights into how to cope with new pressures personally and identify and support any team members who may be struggling with the challenges of remote working or increased workloads.

As part of our commitment to a diverse and thoughtful culture, we hosted a series of 'Mentoring Circles' for Rightmove employees in 2019 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. In 2020 we continued this theme with online webinars providing employees with specialist advice on a range of subjects relating to the challenges of working, or being furloughed, during the Coronavirus pandemic.

Every employee is required to complete annual training and awareness about fraud prevention, anti-bribery, the corporate criminal offence of facilitating tax evasion, data protection and information security. This training is designed to ensure that employees remain up-to-date and alert to unethical practices and potential risks to our consumers or customers.

Our Van Mildert teams also undertake on-going FCA regulatory and business specific training related to their work as a Financial Services provider.

Training hours

In 2020, Rightmove provided each employee with an average of 8 hours of training. In total 2,472 hours of mandatory training were delivered, primarily covering data protection, information security and FCA compliance, and at least 2,180 hours of developmental training, including customer experience and sales training. The development training hours provided in 2020 were lower than in previous years due to the impact of the pandemic, however alternative online employee support and engagement webinars have taken their place, including the weekly and now fortnightly Town Halls (which are not included in the table below). The majority of the training was provided in-house by expert-led trainers. The annual cost of training in 2020 was £158,000 including all external trainer and platform costs but excluding our own trainers' employment costs.

In addition to technical and mandatory training we provide sponsorship for professional qualifications and access to continuing professional development for our finance, legal and compliance and technical teams.

Summary of training provided in 2020	Value
Average hours of training per employee	8
Percentage of employees who received training	100%
Total number of training hours provided to employees	4,652
Number of mandatory training hours	2,472
Number of technical development training hours	2,180
Average training cost per employee	£284

For a third year we have participated in the 30% Club, a cross company mentoring programme to provide mentoring opportunities to women identified for progression into senior leadership positions.

Employee survey

We conduct a 'Have your Say' people survey twice a year to gauge how our employees feel about working for Rightmove. The survey results are followed up by every manager, supported by our HR team. We place great importance on the feedback of our employees, and we are proud of the fact that our 'Great Place to Work' score has risen to 93% from 81% in 2019.

We place particular importance on the factors which create positive employee sentiment, and are pleased that they remain strong:

- 92% of respondents enjoy working in their teams;
- 91% are proud to tell people that they work at Rightmove;
- 88% have a great deal of faith in the people leading Rightmove;
- 85% would recommend working at Rightmove to other people;
- 82% feel motivated to deliver in their roles; and
- 80% are happy with Rightmove's values and principles.

An employee satisfaction target will again help to determine executive management's bonus in 2021, demonstrating the importance of our people and employee engagement to the continuing success of Rightmove.

Employee benefits

Whilst we believe that being a great place to work helps us to retain the best talent, we also offer a comprehensive range of competitive benefits to our employees; our Van Mildert team will be fully aligned with Rightmove benefits in 2021.

Pensions

Rightmove provides a group stakeholder pension plan, under which Rightmove employees can contribute 3% or more of their salary and Rightmove contributes 6%. This benefit will be extended to Van Mildert employees in 2021. The opt-out rates for the Rightmove pension are low, with 94% of employees currently members of the pension plan. Van Mildert employees have been able to opt into a NEST pension scheme with a 76% take up rate.

Employee share schemes

We want our employees to benefit directly from their contribution to Rightmove's success. We offer two all-employee share plans, enabling employees to share in the growth of the Group and help align the interests of employees with those of our shareholders.

Sharesave: Every Group employee can join the Rightmove 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 57% of Group employees currently participate in Sharesave and many have benefitted from the strong share price growth over recent years.

SIP: Every eligible Group employee received a Free Share Award of 350 shares under the Share Incentive Plan (SIP) in December 2020. Over 98% of employees participate in the SIP and can sell their shares, subject to tax, after three years or tax free after five years.

Flexible working

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. In addition, in 2020 we provided extra flexibility for employees to roll over a higher number of holiday days into 2021, where they have been unable to take annual leave and we provided up to an additional 10 days paid leave to support those with caring responsibilities brought about by Covid-19 lockdown.

Well-being and mental health

We are committed to supporting our employees in all aspects of their health and well-being and we offer private healthcare and a complementary cash plan scheme for all Rightmove employees' medical needs, which has been extended to Van Mildert employees in 2020.

As noted above, all line managers participated in 'How to lead through a crisis' training, enabling them to support all of our employees during 2020. We are also a subscriber to Spill, an app that provides access to trained and accredited therapists or counsellors via video or telephone therapy sessions for any employee who would like emotional support. During the pandemic we have also provided well-being and parenting webinars as additional support mechanisms for our people and we conducted a lockdown survey to ensure all employees felt supported.

This has been an exceptionally tough year for many people and for some of our employees, and small gestures of kindness and engagement have been well received. For World Mental Health Day, we distributed to each of our employees a small tea and biscuit package to acknowledge that many of our people have found themselves under pressure or felt stressed due to uncertainty and for some, that can have an impact on mental health. We encouraged all our employees to take some time to make a hot drink, take a moment for themselves and to reach out to someone to talk to, if helpful.

Exercise is well known to have a positive influence on mental health and well-being and employees at our Milton Keynes location are able to use the on-site gym which is provided by the business park on which our office is located. In response to the pandemic, our private healthcare provider Vitality has provided access for all our employees to online events including Mindful Mondays, Mental Health Awareness for Employees, How to Lose Weight workshops, and virtual HIIT sessions during the year.

Health & Safety

The health and well-being of all of employees and visitors to our sites is a priority for the business, and during the year we have ensured that our premises continue to provide a safe working environment. As mentioned before, a Chartered Safety Practitioner completed Covid risk assessments for each of our offices and presented to all employees during a Town Hall webinar, explaining the Covid risk and safe keeping measures to take. All guidance given was implemented in our Covid secure office return and any attendance at the office during lockdown and the interim return has been authorised and co-ordinated by our HR team.

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.

We are pleased to report that we have had no fatalities or serious injuries reported during the year.

Wider workforce engagement

In response to the requirements of the 2018 Corporate Governance Code (Code), the Board agreed that an alternative, tailored approach to employee engagement would be appropriate for Rightmove and our Non-Executive Directors (NEDs) should be involved in a series of engagement sessions with Rightmove teams to gain direct feedback from employees.

In 2020, Covid-19 led to the furloughing of a third of our employees and remote working across the business, and we were unable to implement scheduled face to face meetings after the February Board meeting. Directors' attention turned to responding to the impact of the pandemic on our customers and supporting our employees remotely. Employee engagement has continued throughout the year with weekly and now fortnightly Town Hall webinars for all employees, hosted by the Chief Executive and members of the Senior Leadership Team. The Board receives feedback from the CEO at each Board meeting on the questions and issues raised at these meetings, in addition to updates from our HR team.

The key messages and insights from the Chief Executive's updates during the year have supplemented our NED's understanding of the challenges and opportunities facing Rightmove and informed some of the Board's decision-making, particularly in relation to our customer support and discount strategy, flexible working and investment in new technology and people to advance our internal systems and external platforms. The NED engagement programme will resume in 2021, to include a variety of engagement activities for our Chair, NEDs and employees.

A trusted marketplace

As described in our Business Model, Rightmove is the UK's largest property marketplace, bringing together the UK's largest and most engaged property audience with the largest inventory of properties.

As a leading digital platform, Rightmove strives to provide a reliable, efficient and fair marketplace for our customers and consumers. This is embodied in our primary objective and key value: to do the right thing for customers and consumers. Every modification to our platforms, every new service or innovation is rigorously tested to ensure it delivers a valuable service for our customers whilst protecting consumer data and providing the most engaging user experience.

Supporting our customers

The Coronavirus pandemic caused the shutdown of the UK property market during the initial lockdown, putting extreme pressure on estate and lettings agents. Following extensive dialogue with many of our customers, Rightmove chose to offer substantial assistance to support all our Agency, New Homes, and Commercial customers in the form of a 75% discount from April to July and reduced discounts in August and September for Agency, Commercial and Overseas customers, in the firm belief that this response was also in the long-term interests of the business and our shareholders.

During the second half of 2020, the property market received a boost from the Government's announcement of a stamp duty holiday and our customers have subsequently seen a marked upturn in property transactions, with the market remaining buoyant into 2021.

During this unprecedented period in the property market, Rightmove has continued to protect both customers and consumers, providing advice and innovating to make the process of home moving easier and support the effective functioning of the property market. More information about our innovations can be found in the Chief Executive's Review and Business Model and the 'Making a difference to our Environment' section above.

Customer and consumer advice and webinars

We hosted close to 100 online events, including Covid-related webinars for our agents in 2020, which were attended by over 29,000 property professionals from over 5,700 branches and viewed by a further 17,000 individuals. Attendance at our online events trebled in 2020.

Consumer webinars have also taken place and an accompanying consumer advice hub was launched in 2020, giving practical tips on home hunting within Government guidelines. Our weekly consumer email update was read on average by over 750,000 home hunters every week.

Making a difference to our communities

We are committed to supporting the communities in which we operate. Both local and national charities are considered important stakeholders for our business and we continue to debate and develop how we direct our support to make the biggest difference. We engage with our local communities on an ongoing basis through local connections, charitable support and sponsorship.

Charitable support in 2020

In 2020 we are pleased to report that charitable donations, including matched funding, totalled £133,000.

We are proud to have supported the following organisations during 2020.

Campaign Against Living Miserably (CALM) is leading a movement against suicide through vital, lifesaving support, impactful campaigns and collective action.

Women's Aid, a charity supporting women and children affected by domestic abuse.

NSPCC, a national charity for the protection of children aiming to transform society for every childhood. Rightmove's donation was used to fund Childline for two days at the end of December, ensuring that children across the UK had a place to turn to for support.

Harry's Rainbow, a local Milton Keynes charity dedicated to supporting bereaved children. A task that has been made even harder due to Covid restrictions.

Our Van Mildert employees organise a food bank collection for The Trussel Trust and especially the Newcastle East End Foodbank. Given the restrictions due to the pandemic in 2020, both monetary and food donations were made to the food bank prior to Christmas 2020.

Sponsorship

We continue to support our local community in Milton Keynes through our support for the local volleyball and both the female and male ice hockey teams, MK Falcons and MK Thunder, as well as the MK College football team for the fifth consecutive year.

Unfortunately, the MK Marathon had to take place virtually this year which saw a reduction in participants, despite this the total raised by our On the Move team was £14,145. Rightmove will continue to support this event in 2021, which will be our fourth and final year of sponsorship.

Matched giving

We also believe in supporting our people when they take action to raise funds and volunteer for causes that are important to them. We do this through uncapped, matched funding and will continue with our programme of matched funding in 2021. Rightmove employees are also able to donate directly from their monthly salary to any charity, through the Charities Trust, which provides a tax efficient means of giving.

STEM (Science, Technology, Engineering and Mathematics)

A number of our employees working in IT systems and product development are STEM ambassadors, giving their time to mentor and support individuals who want to pursue STEM careers.

Future plans

Rightmove is a rich and varied community already, our people are united in their commitment to do the right thing for customers, consumers and each other. We have already made significant commitments to foster gender and ethnic diversity in our own business and we now want to increase opportunities for people disadvantaged by colour or background.

Therefore, in line with our SDG aims, we will be supporting the following charity in 2021 with both financial support and time:

Generating Genius a charity which has been working for 15 years to ensure that talented and able students from BAME backgrounds are positioned to excel in STEM careers and whose mission is 'To change the world by supercharging young minds to realise their potential'.

We look forward to reporting on our involvement with this charity and others in next year's report.

GOVERNANCE

The Board has overall responsibility for our ESG strategy and Alison Dolan, our Chief Financial Officer, is the director leading Rightmove's ESG programme, with support from our Senior Leadership Team. The Board provides clear leadership and will regularly consider the Group's strategy and monitor progress against our new ESG objectives and targets, which will be reviewed throughout the year. Further details of our governance framework and policies can be found in the Corporate Governance Report.

Our Governance Goals:

We are committed to operating in a responsible and ethical manner with honesty and integrity

- Be tax transparent
- Zero reportable data protection incidents
- Zero tolerance of bribery and corruption, modern slavery or human rights breaches

Tax transparency

Rightmove is committed to being a responsible taxpayer acting in a transparent manner at all times.

During the initial lockdown we took the precautionary measure of accessing the Coronavirus Job Retention Scheme (CRJS). However, as the business proved to be resilient and returned to profit in the second half of 2020, we subsequently repaid the CRJS grant of £750,000. We believe that repaying the CRJS grant was the right thing to do, which is central to the Rightmove culture and brand values and supports our responsibilities to the wider community.

Rightmove's total tax contribution in 2020 was £96.2m. Further details on our tax strategy can be found in the Financial Review.

Our platform security

Rightmove is the largest property portal in the UK, advertising 1,100,000 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. We have upgraded our comprehensive, automatic detection system to identify any anomalous images or text uploaded to Rightmove in any property advert. This has allowed us to work more effectively with our customers to rectify property listings and remove potentially misleading or incorrect images and property descriptions. Our dedicated data quality, data protection and fraud prevention teams have continued to investigate any anomalous activity and misleading or inaccurate adverts that are discovered or reported, helping to prevent fraudulent activity on our platforms. We subscribe to threat advisory services and monitor multiple external data sources to ensure we are proactive in dealing with cyber threats.

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 our platforms are safe to use, that the data we process 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. We have a number of controls in place across our estate to ensure our services and data are well protected and work extensively with external specialists to maintain a strong security posture.

We continued during 2020 to invest significantly in cybersecurity and data security aligned to our risk appetite. We perform annual penetration tests and 'red team' exercises to understand our biggest risks. Rightmove's incident response team meets frequently to run through potential high risk scenarios, including major cyber incidents and data loss, testing our co-ordinated response and identifying any areas requiring investment or improvement.

As the property market has become even more reliant on digital platforms, and transactions have increased in the second half of 2020, we continued to update our dedicated Safety and Security pages and our customer hub. These tools are designed to help consumers stay safe online and avoid fraud when searching for their next home, and to provide online security and data protection advice to our customers.

Recognising the importance of maintaining a secure supply chain we have extended our cyber risk assessment activities in 2020 to include more formal due diligence of suppliers and now have a framework in place to manage and track that work.

We have an internal governance framework for information security and data protection, which includes various policies and procedures. Our policies are reviewed and updated annually and all employees have certified that they have read and understood the core policies (covering Data Protection, Breach Reporting, Information Security, Appropriate Use of IT, and Bring Your Own Device). Additional specialised policies and

standards are required for employees in technical roles. We also have a Chief Information Security Officer and a security committee, with representatives from across the organisation, who meet regularly to ensure our security posture remains strong and to oversee security initiatives.

Rightmove has two Data Protection Officers (DPOs) and a Deputy Data Protection Officer, who are responsible for data privacy, data breach prevention and reporting, policy compliance, record keeping and data subject rights. Supporting our DPOs is a dedicated team handling data protection enquiries from consumers and customers via DPO@rightmove.co.uk.

Further details on our approach to the risk management of our Cyber Security and IT systems can be found in the Principal Risks and Uncertainties section of this Report.

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 who 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. During 2020 no employees were disciplined or dismissed due to non-compliance with the Policy and no fines were levied on the Company.

Human rights

We are committed to supporting human rights through our compliance with national laws and through our internal policies which adhere to internationally recognised human rights principles. Our Code of Conduct and associated policies require respect and equal and fair treatment of all persons we come into contact with, in line with our Group values the 'hows'. We safeguard our employees through a framework of policies and statements including: Modern Slavery; Gender Pay; Equal Opportunities and inclusion policies.

Modern Slavery

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. We 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. During 2020, no incidents of Modern Slavery or human rights abuse have been identified.

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 fair and honest marketplace where customers and consumers know that we can be trusted. Rightmove operates an anonymous, independent whistleblowing facility available to all Group employees, supplemented by an internal reporting facility for employees if they suspect anything inappropriate or experience any serious misconduct or wrongdoing in our business.

Climate risk management and opportunities

The Board has overall responsibility for risk management and reviews all financial and operational risks regularly. The Senior Leadership Team reviews new and emerging risks and opportunities including environmental risks and opportunities; going forward this work will be undertaken by the Group Risk Committee.

As Rightmove is a digital media company, our carbon footprint and environmental impact is low, and our Business Model is sustainable in a low-carbon environment. Our environmental risks are not currently considered sufficiently material to be listed in our principal risks and uncertainties. However, in 2021, we will be modelling environmental risks and opportunities under the TCFD reporting framework and our findings will be reported in the 2021 Annual Report. We are not complacent about our environmental impact and will continue to monitor and improve our performance; mitigate any risks and review all opportunities as they arise.

Non-Financial Information Statement

Rightmove aims to comply with the 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 has a policy and specific targets on environmental issues	Information on our business impact on the environment can be found in this ESG Report, including statutory greenhouse gas emissions data
Employees	Employee Handbook, which includes: – Code of Conduct – Whistleblowing Policy	Strategic Report: Chief Executive's review ESG Report Corporate Governance Report
Human rights	Modern Slavery Statement Data Retention Policy Privacy Policy	ESG Report
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 ESG Report	
Anti-bribery and corruption	Employee Handbook, which includes: – Anti-Bribery and Corruption Policy – Code of Conduct	ESG Report
Business model	Strategic report: Business model	
Principal Risks	Strategic Report: Principal risks and uncertainties	
Non-financial key performance indicators	Strategic Report: Operational key performance indicators	

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 (the Code) during the year.

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

Company Purpose

Rightmove's purpose is to make home moving easier in the UK. This is achieved through the delivery of our strategy, supported by an effective system of governance throughout the Group.

Board priorities

2020 has been a challenging year and a key priority for the Board has been to ensure that our customers, employees and other stakeholders were well supported, reducing the impact of Covid-19 as far as possible. As a Board, we have carefully considered all of our stakeholders in the decisions that we have taken, including enhanced furlough payments for Group employees and discounts to support our customers, and we will continue to do so to ensure that Rightmove's strategy can generate value for our shareholders and customers and contribute to wider society.

Other priorities in the year have included the appointment of our new Chief Financial Officer and the review of our Environmental, Social and Governance strategy. More details on this can be found in the Environmental, Social and Governance Report. In addition, the Board has updated the matters reserved for its decision.

Board changes

Following my own appointment on 1 January 2020, Robyn Perriss, our Finance Director, stepped down from the Board on 30 June 2020 and Alison Dolan was appointed as our new Chief Financial Officer, joining the Board on 7 September 2020.

Full details of the Board changes and the work of the Nomination Committee can be found on pages 64 to 66.

Culture

We are fortunate to have an open and supportive culture at Rightmove, and the Board recognises the value of this strong company culture to the success of the business and is satisfied that our culture is aligned with the Company's purpose, values and strategy. Examples of how Rightmove's culture benefits all our stakeholders can be found in the Environmental, Social and Governance Report.

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.

The Board recognises the importance of good governance and we are pleased to confirm that for the year under review, the Company has complied with the principles and provisions of the Code.

Directors' duties

An explanation of how Directors have engaged with and have taken into consideration the requirements of Rightmove's key stakeholders, in accordance with S172 of the Act, can be found in the Working with our Stakeholders section of the Strategic Report.

Andrew Fisher
Chair

Board Leadership | Board governance structure

Shareholders of Rightmove plc

The Board (primarily through the Chief Executive Officer and the Chief Financial Officer 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 the following pages and in the Working with our Stakeholders section of the Strategic Report.

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 (2)

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 Chief Financial Officer 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 (5)

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;
- serving 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.

The Company Secretary

The Board and its Committees are supported by the Company Secretary, who is responsible for advising the Board and assisting the Chair in all corporate governance matters.

Matters reserved to the Board (reviewed and updated in 2020)

- Rightmove's business strategy and annual business plan
- capital management and dividend policies
- the system of internal control and risk management
- Environmental, Social and Governance policies
- the annual and half-year results and shareholder communications
- major acquisitions and disposals
- appointment and removal of officers of the Company

Details of Board activities during the year can be found later in this report.

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

The Board delegates certain matters of business to its three 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.

Audit Committee (Quorum: 2 independent NEDs)

Responsible for:

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

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, Executive Directors and the Senior Leadership Team.

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;
- matching the skills, knowledge and experience of Directors to Rightmove's business strategy and requirements; and
- consider succession planning and the development of a diverse pipeline for senior roles.

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

Senior Leadership Team and Management Committees

The Senior Leadership Team (SLT) supports the Chief Executive Officer in the development and delivery of Rightmove's business strategy, and meets regularly to discuss operational and financial performance. The Board also receives presentations from the SLT to provide a deeper understanding of the business, our customers and products, and the market in which Rightmove operates. A Risk Committee has been established in 2021, comprising the Chief Financial Officer and members of the SLT, to continually assess existing and changing risks, monitor the effectiveness of corresponding controls and report to the Audit Committee.

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

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 Chairman 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. Andrew was a non-executive director of Moneysupermarket.com Group plc until May 2020 and Merlin Entertainments plc until November 2019.

Peter Brooks-Johnson
Chief Executive Officer

Nationality
British

Appointment to the Board
10 January 2011

Current external commitments
Non-Executive Director of Adevinta ASA

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.

Alison Dolan
Chief Financial Officer

Nationality
Irish

Appointment to the Board
7 September 2020

Current external commitments
None

Previous roles and relevant skills and experience
Alison was the Chief Strategy Officer at News UK from 2016 until May 2020, where she was at the forefront of the business's digital transformation. Before News UK, Alison held a number of senior positions at Sky plc, including Group Treasurer, Director of Finance and Deputy Managing Director Sky Business.

Alison is an Irish national, but has lived in London since 1994. She has a Masters in Business Studies from University College Dublin.

Jacqueline de Rojas CBE
Senior Independent
Non-Executive Director

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 Accelerate-her, 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 Girlguiding Association for technology transformation. She was awarded a CBE for services to international trade in the technology industry in 2018.

Rakhi Goss-Custard
Non-Executive Director

Nationality
American/British

Appointment to the Board
28 July 2014

Committee membership
Nomination, Remuneration

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.

Lorna Tilbian
Non-Executive Director

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
None

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 was the Chief Financial Officer of easyJet plc from 2015 until 3 February 2021. 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

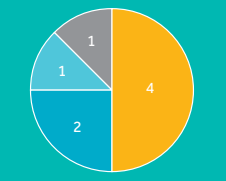
Appointment as officer to the Board
1 November 2016

Current external commitments
None

Previous roles and relevant experience
Sandra is a Fellow of the Chartered Governance Institute. 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.

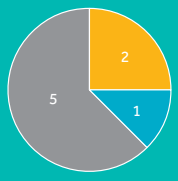
Board Composition and Diversity

Board tenure

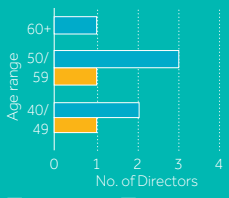


Board gender

Board composition



Board age



Board skills & experience

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 2021 are set out above.

Board activities

At each scheduled meeting the Board considers the minutes and actions raised at previous meetings, updates from the CEO and CFO, and reports on each Committee's activities from the respective Chairs.

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

	Strategy	Performance	People	Shareholders	Governance
			Regular reports and activities[1]		
	Analysis and implementation of strategic initiatives	Monthly management report	Employee update and feedback	Share register and market reports	Governance and regulatory updates
February	Presentation on Estate Agency products and pricing	Agency and New Homes presentation Full-year results	Group employee satisfaction scores 'Have your Say' survey results		Risk register review Gender Pay Report Review Tax Strategy Review Modern Slavery Act Statement update Payment Practices Report
March	Impact of Covid-19 Customer support	Cash flow and funding	Employee support and remote working arrangements	Cancellation of final dividend	
May	Covid-19 recovery strategy	Customer update Product Development Roadmap		AGM – analysis of shareholder voting and feedback	Confirmation of 2020 Remuneration Policy approval
June	Customer discount review Scenario Planning		Employee Voice: feedback on lockdown experience		
July	Areas of Future Opportunity	Marketing Presentation		Investor Relations update	Risk Register Review including update for Covid-19
August		Half-year results			
September	Strategy day: Potential threats and opportunities to the business model arising from external factors		Annual approval of SIP and Sharesave awards		ESG Strategy Review
November	2021 budget and three-year business plan approved				Insurance review and renewal
December	Update from the Remuneration Committee on 2021 performance targets	Core Business Product update	Update on the Group succession plan and progress in addressing the gender pay gap from the Nomination Committee		Policy review and renewal Internal controls and risk governance update from Audit Committee Cyber security and incident response update Board and Committee evaluation feedback and actions agreed Corporate Governance update

(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. In 2020, the Board scheduled additional meetings to discuss and agree the business response to the coronavirus pandemic. In addition to scheduled Board meetings, there was frequent online and informal communication between the Directors and management.

Directors receive Board papers in the week before meetings to allow sufficient time for review. At each Board meeting, the Chair holds a brief informal meeting with the non-executive directors to consider key questions and comments for management. The Company Secretary records Directors' questions and challenges and agreed actions in the Board minutes. In addition to formal Board papers, Directors receive monthly management 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 has access to broker reports, research analyst reports and market reviews relating to Rightmove.

Shareholder engagement

The Board welcomes opportunities to engage with current and potential shareholders and answer any questions about the performance and activities of the Group.

Within the regulatory framework, the Chair and Executive Directors have conducted regular and open dialogue with shareholders through ongoing meetings with institutional investors and analysts to discuss strategy and operational and financial performance, environmental, social and governance matters. Whilst contact is principally with the Chief Executive Officer and the Chief Financial Officer, during the year the Board Chair offered shareholders an introductory meeting and opportunity to discuss a range of subjects from corporate governance to business strategy. The Committee chairs and Senior Independent Director were also available to answer shareholder questions, typically received via our Company Secretary or investor relations team.

The Board is kept informed of the views and opinions of shareholders and analysts. Directors receive an update at each Board meeting from the Chief Executive Officer and the Chief Financial Officer, as well as share register analyses and market reports from the Company's brokers, UBS and Numis.

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

Annual General Meeting

The AGM usually provides an opportunity for shareholders to vote on aspects of the Company's business, meet the Directors and ask them questions. In 2020, in response to the coronavirus restrictions, the AGM was held with a quorum of directors and shareholder questions were received in advance. The next AGM will be held on 7 May 2021 at Rightmove's London office 6th Floor, 33 Soho Square, London, W1D 3QU. Each Committee 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, if requested, posted to shareholders at least 20 working days before the AGM.

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 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 2020 AGM were passed comfortably, and no resolutions received more than 20% of votes against the Board's recommendations.

Stakeholder engagement

Maintaining regular contact with our key stakeholders remains an important part of the Board's activities and is fundamental to good governance. Under the 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 in the Working with our Stakeholders section of the Strategic Report.

Employee engagement

In response to the Code requirement, in 2019 the Board elected for a bespoke approach to employee engagement, with all Non-Executive Directors engaging directly and regularly with the Company's workforce in 2019. During 2020, remote working meant that directors did not meet face to face with employees but heard from employees at Board meetings and received additional feedback and information from the HR team, as detailed in the Environmental, Social and Governance Report. Directors will resume regular face to face employee engagement activities in 2021.

Rightmove's culture and values

The Board fully supports and reflects Rightmove's open, supportive and innovative culture, described in more detail in the Environmental, Social and Governance Report. Executive Directors lead by example in maintaining

Rightmove's open, collaborative culture with a fully open plan office environment and during 2020 employees had access to regular, fortnightly webinars with question and answer sessions. All Directors have full access to Group employees, through a variety of channels, detailed in the Environmental, Social and Governance 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.

Employee concerns (Whistleblowing)

During the year, the Company reviewed and approved its Whistleblowing policy. The Board ensures that there are arrangements in place for individuals to raise concerns. An independent whistleblowing service is provided by Navex Global (previously Expolink) and this has been communicated to all employees. During 2020 no concerns were raised using this facility and no other issues were raised that have been treated as whistleblowing. Further information on this can be found in the Audit Committee and Environmental, Social and Governance Reports.

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.

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 at the beginning of this Report.

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.

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 one other publicly listed company. The Chief Executive 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.

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[1]	Remuneration	Audit	Nomination
Total meetings	10	7	4	2
Andrew Fisher	10	–	–	2
Peter Brooks-Johnson	10	–	–	–
Robyn Perriss[2]	7	–	–	–
Alison Dolan[3]	3	–	–	–
Jacqueline de Rojas	10	7	4	2
Rakhi Goss-Custard	10	7	–	2
Andrew Findlay	10	–	4	2
Lorna Tilbian	10	7	–	2
Amit Tiwari	10	–	4	2

(1) There were eight scheduled and two unscheduled Board meetings in 2020, in response to Covid-19. The Board strategy day, which is included in these numbers, was postponed until the Board could meet in person in September.
(2) Robyn Perriss attended all Board meetings until she stepped down from the Board on 30 June 2020.
(3) Alison Dolan has attended all Board meetings since her appointment on 7 September 2020.

In addition to the above meetings, the Chair conducts meetings with the Non-Executive Directors without the Executive Directors being present. Jacqueline de Rojas, the Senior Independent Director, chaired a meeting of the Non-Executive Directors in December 2020, at which the performance of the Chair was also reviewed without him present.

Board composition and succession

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

All continuing Directors will retire and offer themselves for election or re-election at the next AGM. The Board is satisfied that the Directors retiring and standing for re-election are well qualified for re-appointment by virtue of their skills, experience and contribution to the Board, described in their biographies at the beginning of this report. 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. At the date of this report, the Executive Directors were deemed to have a non-beneficial interest in 1,395,476 ordinary shares held by The Rightmove Employees' Share Trust (EBT).

Biographical details of all Directors at the date of this report and details of Committee membership appear earlier in this report.

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

Board changes

Andrew Fisher was appointed as the Chair of the Board with effect from 1 January 2020 and was independent on his appointment to the Board.

Robyn Perriss stepped down from the Board on 30 June 2020, and Alison Dolan joined the Board as Chief Financial Officer on 7 September 2020.

More information on the selection and appointment process for new Directors, and on the work of the Nomination Committee can be found on pages 64 to 66.

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. We strive to maintain the optimal balance, using a meritocratic appointment process.

At 31 December 2020, 50% of both executive and non-executive Board members were female, along with the strong female representation amongst the Senior Leadership Team. 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 2020, 37% of Board members are from ethnically diverse backgrounds, which exceeds the Parker Review target for FTSE100 boards. We remain committed to meeting or exceeding this target in future.

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
- corporate transactions

Further information can be found at the beginning of this report and in the Environmental, Social and Governance Report.

Board evaluation

The Board last completed an externally facilitated performance evaluation in 2018. Therefore, the evaluation conducted in 2020 was internally facilitated and details can be found in the Nomination Committee report. The 2021 Board and Committee evaluations will be externally facilitated.

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 2021 AGM.

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.

Audit, Risk and Internal Control

The Board accepts responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and monitors and reviews the effectiveness of the Company's risk management and internal control systems. Further details can be found in the Audit Committee Report and in the Risk Management section of the Strategic Report.

Remuneration

Our Annual Remuneration Report which describes the policies and practices in place to ensure that the Company leadership is motivated to deliver long term sustainable growth and the work of the Remuneration Committee is set out later in this Governance section.

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 comprise:

- Andrew Findlay (Chair)
- Jacqueline de Rojas
- Amit Tiwari

The Group's external auditors are KPMG LLP. PwC LLP provide internal audit services.

2020 Activities

The Committee met four times during 2020 and its key activities were to:

- assess the integrity of the Group's half-year report and annual financial statements, considering the application of financial reporting and governance standards, including the FRC guidance on reflecting the impact of Covid-19
- review management's approach to any key judgmental areas of reporting and the related comments of the external auditor
- confirm that the Annual Report is fair, balanced and understandable
- review the effectiveness of Rightmove's internal control processes
- review the changes to the cash management and treasury policy
- consider the plans to further strengthen risk and compliance within the business
- assess the conclusions and recommendations of the internal audit reports on Data Protection, Van Mildert compliance with GDPR and FCA requirements, pricing, the pricing to billing system and HR starters and leavers procedures
- evaluate the effectiveness of the external auditor and the internal audit function, and
- develop the internal audit plan for 2021

2021 Priorities

- focus on key risk areas such as compliance, cyber and data security
- review of customer onboarding, the supplier management framework and purchasing-to-payables financial controls

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 2020. In this report we aim to provide an overview of the principal activities of the Committee and insight into key topics discussed and the way in which the Committee discharged its responsibilities during the year.

The key responsibilities are set out in the Corporate Governance Report.

The impact of Covid-19 on the Group, outlined in the Chief Executive's Review, required certain decisions and their outcomes to be reflected in the financial statements. The Committee supported the Board in considering the appropriate level of disclosure to reflect the FRC guidance on Covid-19 reporting and in ensuring that the Annual Report, taken as a whole, is fair, balanced, understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Furthermore, Covid-19 meant that the Finance team and auditors had to quickly adapt to remote working, and the related challenges, and I am pleased to report that the financial control environment was maintained during the year.

The Committee has overseen a detailed programme of work in 2020 in relation to its remit, including agreeing the scope of work delivered by the PwC outsourced internal audit function, Rightmove Assurance. The Committee reviewed the results of PwC's data protection review, which looked at consent management and privacy-by-design, and the Van Mildert compliance review which focused on the company's GDPR and FCA compliance. These reviews were supplemented by further discussion at Board level to consider the progress against agreed actions to strengthen the controls framework, which included the establishment of a new risk and compliance team. Other PwC activities in the year included a review of pricing and the pricing-to-billing process, as well as the HR joiners and leavers procedures.

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

Looking forward to the next 12 months, the Committee will continue to focus on risk areas such as GDPR and Van Mildert compliance, as well as cyber and data security. Other areas of focus will include third-party supplier management, the purchasing-to-payables process and customer on-boarding.

In addition to its annual performance evaluation, the Committee carried out a review of its terms of reference in relation to the 2018 UK Corporate Governance Code. These are published on the investor relations section of

the Group's website at plc.rightmove.co.uk and are available in hard copy form from the Company Secretary.

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

Andrew Findlay
Chair of the Audit Committee

Audit Committee membership and meetings

All the members of the Audit Committee are Independent Non-Executive Directors in accordance with provision 24 of the UK Corporate Governance Code (the Code). The Board has determined that Andrew Findlay, as the Committee Chair, has the recent and relevant financial experience required by the Code, given his former executive role as Chief Financial Officer of easyJet plc. Andrew is also a chartered accountant 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.

Biographies of the members of the Committee are set out in the Corporate Governance Report.

The Committee met four times in 2020 and attendance of the members is shown in the Corporate Governance Report. In order to maintain effective communication between all relevant parties, the Committee invited the Chief Financial Officer, together with appropriate members of the management team, and the external and internal auditors, to meetings as necessary. The Committee periodically set time aside to seek the views of the external auditor, without the presence of management. The external auditor had direct access to the Chair to raise any concerns outside formal Committee meetings. The Committee also met separately with the internal auditor during the year and inbetween meetings the Chair maintained contact with the Chief Financial Officer, external audit partner and other members of the management team.

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

Audit Committee effectiveness

The effectiveness of the operation of the Committee was reviewed in December 2020 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 has considered, among other things, the accounting policies and practices adopted by the Group; the correct application of reporting standards and compliance with broader governance requirements, including the FRC guidance on reporting the impact of Covid-19; the approach taken by management to the key judgmental areas of reporting; the comments of the external auditor on management's chosen approach; and the information, underlying assumptions and stress-test analysis presented in support of the Going Concern status and Viability Statement

Significant accounting matters

The key significant accounting matter in the context of the 2020 Group Financial Statements is revenue recognition. The Committee considers this area to be significant given the volume of transactions and the fact that revenue is the most material figure in the income statement, which this year included the significant discounts offered to support customers during the pandemic. The Committee discussed revenue recognition in detail, including the underlying policies, processes and controls, to ensure that the approach taken to accounting and disclosure was appropriate.

In relation to the parent Company Financial Statements, the key significant accounting matter is the recoverability of the investment by the parent Company in its subsidiary Rightmove Group Limited, given its materiality in the context of the total assets of the parent Company.

Key accounting matters	Committee review
Revenue recognition As more fully described in Note 1 to the accounts the majority of the Group's revenue is derived from membership subscriptions for core listing fees and advertising products on Rightmove's platforms. Customers are able to tailor their packages. The Group recognises this revenue over the period of the contract or the point at which advertising products are used. In 2020, the Group offered significant discounts to customers to support them during the reduction in activity in the property market between April and August.	Revenue is a prime area of audit focus, in particular the timing of recognition in relation to the billing of subscription fees, additional products and the accounting for any membership offers to customers with discounts. 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. As part of the financial statement audit KPMG 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 was supplemented by a detailed analytical review of margin and ARPA together with a comprehensive analysis on the treatment of discounts and free member offers.
Investment by the Company 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 when 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, with 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 12 years since 2008, resulting in a current market value in excess of £5.5billion, significantly higher than the investment carrying value of £0.6 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 2020 financial statements.

Accounting matter	Committee review
Going concern and viability statements	In assessing the validity of the viability and going concern statements detailed on page 27, the Committee reviewed the work undertaken by management to assess the Group's resilience to the Principal Risks set out on pages 23 to 26 under various stress test scenarios. The Committee 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 2021 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 fair, balanced and understandable paper to the February 2021 Audit Committee, which identified the key themes in the Annual Report and assessed whether each of the governance requirements were met.

When forming its opinion, the Committee reflected on the information it had received and its discussions throughout the year. It considered the key messages for 2020 and whether these are appropriately and consistently disclosed through the Annual Report, with equal prominence of front half reporting and financial statements, with no bias or omissions; and with clear language within a structured framework. In addition, the Committee also considered the requirements of the FRC annual letter for 2020 regarding disclosure on the impact of Covid-19 and the UK's exit from the EU. The key matters considered by the Committee and its conclusion were:

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 KPI's 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, including the impact of Covid-19? • Is the Annual Report free of unnecessary clutter?
Conclusion	Following its review, the Committee is of the opinion that the 2020 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 2020 AGM. The current external audit engagement partner is Anna Jones, who has held this role since the beginning of 2018. The Board expect to start the selection process for new auditors during 2021 and appoint the new auditor for the year ended 2022. 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 £240,100 for the year as set out in Note 6 of the financial statements.

Independence and non-audit services

The Board 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	2021	2022
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 during 2021*	New auditor in place for 2022 year-end

*KPMG will not be invited to re-tender as they would exceed maximum period in office

Non-audit services	Policy
Assurance-related services directly related to the audit -for example, the review of the half year Financial Statements.	The half-year Review, an assurance-related non-audit service, is approved as part of the Audit Committee approval of the external audit plan, which takes place in May of each year. Management is authorised to incur additional fees for permitted non-audit services of up to £15,000 in any financial year, without any prior approval from the Committee. Thereafter, all additional fees are to be referred to the Audit Committee in advance, subject to the cap of 70% of the fees paid for the audit in the last three consecutive financial years.
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.	
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 2019 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 £20,800 for non-audit services, representing 8% of the 2020 audit fee. Of this, £19,100 related to the half-year review, and £1,700 for agreed-upon procedures in relation to the 2020 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 high quality and effective. The Committee considered the quality and effectiveness of the external audit process in line with the FRC's Practice Aid for Audit Committees (updated 2019). The effectiveness of the external audit process is dependent on several factors, including the quality, continuity, experience and training of audit personnel; understanding of the business model, strategy and risks; technical knowledge and 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, at times 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 considered in the 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 2020 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.

Risk Management

The Audit Committee has considered the nature and extent of the Group's risk management framework and reviewed the work undertaken by management and the Board to assess the Group's principal risks and uncertainties, which included an assessment of each risk and the related response, and progress made against any actions. Further details on the Group's approach to risk management is set out in the Risk management section of the Strategic Report.

Internal audit

The Group has an Internal Audit function, 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 2020 was approved in advance 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:

- Data protection – consent management and privacy-by-design;
- Van Mildert compliance with GDPR and FRC requirements;
- Pricing;
- Pricing-to billing-system; and
- HR starters and leavers processes.

The Committee reviewed the reports provided by Rightmove Assurance that set out the principal findings of their reviews and agreed management actions. The Committee also reviewed open actions from previous reviews, together with monitoring the progress by management in completing these actions.

Approach to developing the 2021 internal audit plan

The approach to the 2021 internal audit plan is in line with prior years, in that it includes a combination of traditional internal audit and compliance reviews, primarily with a financial control, cyber or GDPR focus, as well as reviews with more of an advisory focus. In addition, as the business continues to evolve, with new sources of growth and with the increasing complexity of the environment within which Rightmove now operates, the Board wants to ensure an appropriate level of continuity in the monitoring of risks and controls throughout the year by senior management. Consequently, the 2021 internal audit plan will include some elements of in-house assurance activities to supplement the work of PwC, strengthening the second line of defence in the assurance model on page 22 and enhancing the on-going ownership of risk management by the business.

PwC will continue to work closely with management and have completed their annual detailed review of the audit universe which highlights the various functional areas within Rightmove, the associated key process areas, related principal or emerging risks and where internal audit work has previously taken place. This review was then used as the basis for developing of the Rightmove Assurance plan for 2021, to ensure an appropriate focus on the key risks facing the business and any in-house assurance activities.

Effectiveness of the internal audit process

The work of Rightmove Assurance provides a key source of additional assurance and support to management and the Audit Committee regarding 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.

At the end of the year, the Audit Committee undertook a review of the effectiveness of the Rightmove Assurance function during 2020. 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 complete confidence, raise concerns about possible improprieties in relation to 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, that includes a third party 'speak up' facility provided by Navex Global (previously Expolink). The Committee receives reports on the communication of the whistleblowing policy to the business and on the use of the service which contains information on 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 exist to set out what is expected from employees and other stakeholders acting on the Group's behalf to ensure that they protect both themselves and the Group's reputation and assets. Employees are required to sign up to Rightmove's Bribery Policy on appointment, and any updates 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, 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. Prior approval is required for any gifts or hospitality greater than £100, 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 Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (which integrates and replaced the earlier FRC guidance and the Turnbull Guidance) for its effectiveness.

The Board has taken, and will continue to take, appropriate measures to ensure that the chances of financial irregularities occurring are reduced as far as is reasonably possible by improving the quality of information at all levels in the Group, fostering an open environment and ensuring that 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 2020 and up to the date of the approval of these financial statements.

To date, Rightmove's Internal Audit function, Rightmove Assurance, has been fully outsourced to PwC which 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, by senior management, 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 on:
  - 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 work remotely 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;
- A Cyber Security Plan which identifies and categorises cyber security threats and controls, which are regularly reviewed by the Board and Audit Committee;
- A management sub-committee focused on additional risks posed by Covid-19 and related operating restrictions; 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.

Andrew Fisher
Chair of the Nomination Committee

Dear shareholder

I am pleased to present the Nomination Committee report for 2020.

The role of the Nomination Committee (the Committee) is to keep the structure, size and composition of the Board and Committees under review. Our primary objective is matching the skills, knowledge and experience of Directors to Rightmove's business strategy and optimise Board performance, manage risk effectively and foster innovation in the business.

The terms of reference of the Committee were reviewed and updated during the year and can be found on the Company's website.

The Committee fulfilled its terms of reference during the year by:

- reviewing the Group organisation and succession plans;
- nominating a new Chief Financial Officer; and
- approving the format of internal Board and Committee evaluations, further details of which can be found later in this report.

The Committee continued its focus on Board and organisational succession, comparing Rightmove's strategic objectives with the profiles of Directors and the Senior Leadership Team, to shape recruitment plans.

Robyn Perriss stepped down from the Board as Finance Director on 30 June 2020 after over 12 years at Rightmove. Robyn's contribution to Rightmove's success was invaluable, and particularly significant in the areas of investor relations and financial management and control. We were delighted to welcome Alison Dolan to the Board as Chief Financial Officer on 7 September 2020.

The Board currently consists of eight Directors including six Non-Executive Directors, all of which are considered to be independent, from diverse backgrounds and 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, Chief Financial Officer and the Director of People & Development attend meetings by invitation. At the request of the Chair, the CEO is normally invited to attend the meeting to discuss the organisation and succession plans.

The Committee met twice during the year and attendance at the meetings is shown in the Corporate Governance report.

Membership

The Committee is comprised of Non-Executive Directors, whose biographical details can be found in the Corporate Governance report.

Throughout the year, all our Non-Executive Directors were considered by the Board to be independent.

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.

Principal activities

During the year the Committee has:

- reviewed the composition and diversity of the Board;
- reviewed the membership of Board committees;
- approved the plans for the organisation and succession of the Executive Directors and senior management;
- considered the Board succession plan and recommendation of the preferred candidate for Chief Financial Officer;
- agreed the process for an internal Board evaluation and considered actions arising; and
- conducted the annual review of its terms of reference.

Board induction and training

New Directors joining the Board undertake a tailored induction programme including meetings with key members of the management team. Non-Executive Directors have full access to our Executive Directors and Senior Leadership Team outside scheduled Board meetings and can attend Company and employee events and briefings.

The Chief Financial Officer's induction was comprehensive, including online meetings with each member of the Senior Leadership Team, Non-Executive Directors, advisors, analysts and investors. In addition, our CFO had access to the secure Board portal containing papers from Board and Audit Committee meetings, Group policies, analysts' and management reports and other relevant company documentation.

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 to enable them to perform their duties effectively.

The Board receives technical briefings on key business activities, new products and technology; risks including emerging cyber security risks, data protection and other relevant regulations. All Directors are required to complete mandatory information security and data protection training, which is a requirement for all Rightmove employees.

Board diversity and experience

We are committed to maintaining a Board with diverse skills and backgrounds. The Committee has reviewed proposals to further develop a diverse talent pipeline in terms of gender and ethnicity for senior roles at Rightmove.

Details of our Board diversity policy and the skills and experience of our Directors are set out in the Corporate Governance Report.

Board succession and independence

The Nomination Committee takes a long-term view of Board succession, which has been informed by the externally facilitated Board Strategy Review in 2018 and refreshed Board skills accordingly. In 2020, the Committee considered current Board skills and the talent pipeline in light of the Board approved Group strategic plan. All key roles currently have recognised successors; additionally a number of individuals have been identified with strong potential to join the Senior Leadership Team and possibly the Board in the future.

Following the announcement that Robyn Perriss would step down from the Board as Finance Director at the end of June 2020, the Committee appointed Russell Reynolds Associates, to conduct an external search for a suitable candidate for the position of Chief Financial Officer. In August, following an extensive search and interview process, the Board considered the Chief Executive's proposal to appoint Alison Dolan, former Chief Strategy Officer at News UK, as CFO and approved her appointment with effect from 7 September 2020. Each Non-Executive Director met Alison online in advance of her start date. Russell Reynolds Associates has no other connection with the Company or any individual directors.

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. Directors were all able to meet the extra demands on the Board's time in 2020, in response to the coronavirus pandemic.

Board effectiveness and evaluation

In 2020, Directors completed an internally facilitated review of the Board and each of its Committees. The review concluded that Directors would benefit from more time in meetings and the Non-Executive Directors would welcome the opportunity to meet more often than scheduled meetings. The 2021 Board programme has been extended to include more employee engagement activities and Board agendas have been lengthened to allow more time for business presentations and briefings for Non-Executive Directors with the Chair. The increased time commitment required in 2020 is not expected to reduce in future, owing to the Board's increased focus on environmental, social and governance issues, including stakeholder engagement.

An externally facilitated Board and Committee evaluation will be conducted in 2021.

Annual Statement by the Chair of the Remuneration Committee

Lorna Tilbian
Chair of the Remuneration Committee

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 2020.

Our report explains the work of the Committee and how it applied the Remuneration Policy, which was approved by shareholders during the year. The Remuneration Policy and its application is summarised in 'Remuneration at a glance' below. Full details of the 2020 Remuneration Policy can be found on the Company's website at www.plc.rightmove/investors/corporate-governance/remuneration-policy.co.uk.

Remuneration priorities in 2020

The Committee's key objective is to design and implement a remuneration policy to attract, reward, retain and incentivise our management team and wider workforce to deliver Rightmove's long-term business strategy. The Committee's focus in 2020 was to support the Board and management team in a year of great uncertainty, to ensure that the interests of our employees, customers and shareholders were taken into consideration in a fair and balanced way.

The Company's directors and the senior management team offered to accept a 20% pay cut between April and July, during which time around one third of Rightmove employees were furloughed. In order to protect the Group's liquidity during the first lockdown, the Board elected to take a grant of £750,000 from the Coronavirus Job Retention Scheme in April, which was repaid in full in September, when the Group's trading position became more certain. Executive Directors' bonuses for 2020 will be just 18.5% of the maximum award, reflecting the significant impact on the Group's results of offering discounts to our customers.

Despite a year of uncertainty, we have maintained all employee benefits, including an award of free shares under the Share Incentive Plan and the annual Sharesave grant of options. In addition, a small cash bonus was paid to all employees (other than directors and senior managers already in a bonus scheme) in December, in recognition of the outstanding contribution our teams have made to the business in the face of the extraordinary personal challenges in the working and broader environment.

2020 performance and reward

The Committee's key role is to ensure that Directors' remuneration fairly reflects the overall performance of the Group, through the achievement of pre-set performance targets.

The Committee reviewed business performance against the bonus plan objectives for 2020 and recommended an annual bonus payment of 18.5% for Executive Directors. The bonus level achieved primarily reflects the reduction in Group revenue relative to 2019, which reduced adjusted operating profit[1] below the threshold target. Likewise, the threshold was not met for Other revenue growth nor for Tenant Services. The remaining two targets were achieved: audience growth in time spent on our platforms, compared to time spent on Rightmove's closest competitors, achieved the maximum target; and the employee 'great place to work' satisfaction score[2] increased to 93% (2019: 81%), exceeding the threshold of 90%.

In making its recommendation, the Committee considered whether the performance measures and resulting bonus calculation were a fair and reasonable outcome for 2020, and if any bonus should be payable to Executive Directors. It was discussed and agreed that as business performance was strong in the second half of 2020, with the successful unwinding of customer discounts, record traffic levels and strong employee engagement, a bonus of 18.5% of the maximum was an appropriate outcome in the context of business performance, the shareholder experience and our employees' experience. Therefore, no discretion was applied to this bonus outcome.

Despite the challenges arising from the coronavirus pandemic in 2020, Rightmove has outperformed the market over the three-year performance period from 1 January 2018 to 31 December 2020. Rightmove's TSR growth over that period exceeded the FTSE 350 Index by over 50%,

resulting in 25% of the Performance Share Plan (PSP) awards granted in 2018 vesting in March 2021 (the maximum award relating to TSR performance). However, Rightmove's adjusted basic EPS[3] fell by 37% over the performance period, reflecting the revenue loss from customer discounts, which meant that the threshold target of 20% growth was not achieved, the result of which is that 75% of the awards will not vest. The Committee reviewed and received verification of both performance conditions, set at the beginning of the performance period, and believes the overall outturn against the performance conditions is fair and accurate.

2021 Remuneration

The Committee has approved a 1% increase in Executive Directors' salaries from 1 January 2021, in line with the all-employee pay rise in accordance with the Policy and no change to the range of benefits, described in the 2020 Remuneration Policy.

The 2021 Bonus plan targets have been adjusted and weighted to align with key performance targets in the business strategy. 80% of the bonus will be determined by financial targets, compared to 70% in 2020. The Rental Services target is now a financial measure and as such we have increased its weighting by 5%, with a corresponding reduction of 5% in the profit target. Both represent challenging revenue generation targets to achieve in the current trading environment:

- 60% (reduced from 65%) for a challenging operating profit target above 2020;
- 15% for absolute growth in traffic, compared to our nearest competitors;
- 10% for a stretching Other revenue[4] target above 2020;
- 10% (increased from 5%) for achieving a revenue target for Rental Services; and
- 5% for employee engagement, based on our 'Have Your Say' survey.

The Remuneration Committee has reviewed the weighting of the EPS and TSR performance measures and the EPS targets, which applied to the PSP awards granted in 2020, to take account of the current economic uncertainty, and to reflect current external consensus for the financial measures. The Committee decided to increase the percentage of the 2021 PSP awards that vest based on relative TSR performance from 25% to 50% and reduce the weighting of the EPS vesting condition from 75% to 50% of the awards.

With a view to ensuring that appropriately stretching but achievable targets are set in light of market expectations for the Group, the EPS growth ranges from threshold to maximum have been set as 98% to 107% growth (i.e. broadly doubling EPS) over the three-year performance period. These targets are considered to be demanding in light of the current trading environment, the Group's starting position, internal financial planning and external market expectations for future growth. In view of the continued uncertainty facing Rightmove and our customers, 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 remains appropriately demanding, and no less challenging than the range of targets set for prior year awards.

The Committee intends to review the weighting of the performance measures and target ranges for future grants to ensure they continue to be appropriately stretching, taking into account internal and external forecasts and overall market stability.

Employee remuneration and engagement

The Committee has received feedback on employee sentiment during the year, including two 'Have your Say' surveys, an additional survey and feedback on employees' experience of lockdown and frequent online all-employee webinars. We have considered the need to balance rewards for effort, which has been very high, with financial performance, which has been hampered by the effects of the pandemic. We have recommended management's proposal to continue and extend the Free Share award under the Share Incentive Plan and offer Sharesave options for all Group employees in 2020. The annual pay award for 2021 will be 1% for all employees and directors.

Shareholder engagement

I have written to investors holding in total over 50% of Rightmove shares to inform them of these changes and to seek feedback. Our major shareholders have supported these changes. I will also be available at the AGM to answer any questions you may have on the application of the Remuneration Policy in 2020 and its proposed application in 2021.

Lorna Tilbian
Chair of the Remuneration Committee

26 February 2021

(1) Operating profit 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) Calculated using operating profit 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.
(4) Revenue excluding Agency and New Homes.

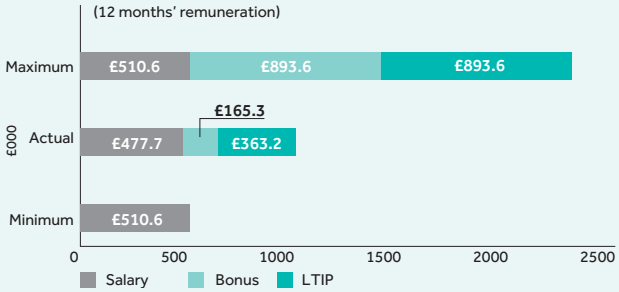
2020 Financial performance

Revenue	Operating profit[1]	Returns to shareholders
-29%	-37%	£30.1m

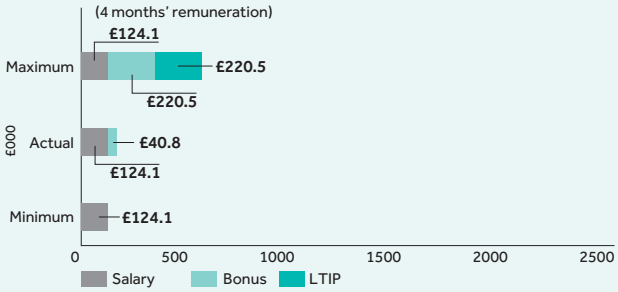
Pay and performance for 2020

The charts below show the actual remuneration for the Chief Executive Officer for 2020 and the Chief Financial Officer, from her appointment in September 2020. The charts include data for salary, bonus and the LTIP (performance shares) granted in 2018, with a performance period ending on 31 December 2020. The charts exclude data for benefits, pensions and the former Finance Director's remuneration, details of which can be found in the single remuneration figure table.

Chief Executive Officer – Peter Brooks-Johnson



Chief Financial Officer – Alison Dolan



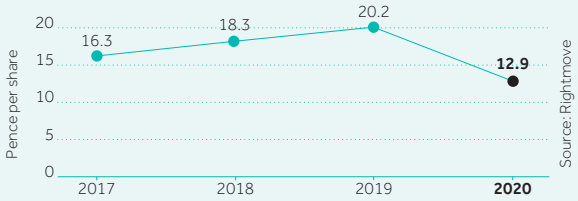
Annual bonus achievement – 18.5%

Performance Target	Threshold	Actual	Bonus % achieved
Operating profit	£213.3m	£135.1m	0%
Growth in absolute time on site in minutes relative to our nearest competitors[1]	Same absolute growth in minutes	Growth in time spent on Rightmove, increased by 12% compared to an 8% fall in competitors' traffic	15.0%
Innovation – growth in Other revenue[2]	£2.0m	Other revenue was lower year on year	0%
Tenant Services – number of new independent agency branches using Van Mildert referencing in 2020	360	There was a net reduction in the number of branches using Van Mildert referencing	0%
Employee survey respondents who think 'Rightmove is a great place to work'	90%	93%	3.5%

Long-term incentive plan performance – 25%

Adjusted basic EPS[3]	Total Shareholder Return
EPS fell by 37% over three years, missing the threshold of 20% growth; this element of the 2018 PSP awards will not vest in 2021.	25% out of a maximum of 25% for this element of the 2018 PSP awards will vest as relative three-year TSR performance exceeded the FTSE 350 index by over 50%.

Adjusted basic EPS[3]

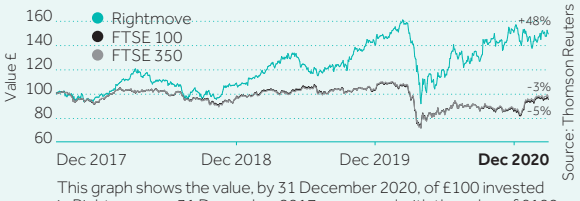


67% out of a maximum 75% of 2016 PSP awards vest on achievement of three-year EPS growth of 51%.

Shareholder alignment

Shareholding guidelines	Proportion of variable awards received in shares
200% of salary for all Executive Directors	80% of performance-related pay for 2020 was awarded in Rightmove shares

Total Shareholder Return



This graph shows the value, by 31 December 2020, of £100 invested in Rightmove on 31 December 2017, compared with the value of £100 invested in the FTSE 100 and the FTSE 350 Indices on the same date.

(1) Time in minutes spent on Rightmove platforms, measured by comScore, relative to our nearest competitors.

(2) Other business revenue is all revenue excluding Agency and New Homes.

(3) Calculated using operating profit before share-based payments and NI on share-based incentives with no related adjustment for tax.

2020 Remuneration Policy

	Policy	Application
Base salaries	Executive Directors will normally receive inflationary adjustments to salaries in line with wider workforce increases	Executive Directors will receive a 1% pay rise in line with the wider workforce from 1 January 2021
Pension	Rightmove contributes 6% of base salary, subject to an employee contributing a minimum of 3% of base salary	The CEO and former Finance Director elected not to participate in the Group pension plan during the year. The current CFO joined the Group pension scheme, on the same terms as all employees, in December 2020
Annual bonus and Deferred Share Bonus Plan (DSP)	Maximum 175% of salary, with 40% cash and 60% deferred into Company shares for two years	Directors' 2019 bonus awarded in March 2020 based on a maximum of 125% of salary. The CEO and CFO will be awarded cash and deferred bonuses for 2020 in March 2021 based on a maximum of 175% of salary with 60% deferred into shares
Performance Share Plan (PSP)	Awards granted at 175% of salary. Introduction of two-year post-vesting holding period	The CEO and CFO were granted awards in September 2020, based on the three-year performance period from 1 January 2020 to 31 December 2022 at 175% of salary, exercisable from September 2025
Malus and Clawback	Enhanced malus and clawback apply to DSP and PSP awards	Applied to the 2020 PSP award and will be applied to the 2021 PSP and DSP awards
Shareholding Guidelines	200% of basic salary	–
Post cessation shareholding 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	–
Non-executive director fees (including the Company Chair and additional fees for chairing Board Committees)	The fees for Non-Executive Directors are reviewed periodically (normally every three years). Fee levels reflect the responsibility, skills and knowledge required to perform each role and the expected time commitment	A fee review and benchmarking of all roles was completed in early 2021. The Senior Independent Director's fee was increased to £10,000, in line with the additional commitments of that role. It was also agreed that an all employee increase of 1% would be added to all non-executive director fees in 2021

Annual Report on Remuneration

Remuneration Committee purpose and membership

Terms of reference

The Committee is primarily responsible for making recommendations to the Board on the Company's overall remuneration policy and framework, setting the remuneration of the Chair, Executive Directors and the Senior Leadership Team. The Committee's primary objective in formulating and applying the Remuneration Policy is the effective recruitment, retention and fair reward of 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.

Membership

The following independent Non-Executive Directors were members of the Committee during 2020:

Lorna Tilbian (Chair of the Committee)

Rakhi Goss-Custard

Jacqueline de Rojas

The Committee met seven times during 2020 and attendance at meetings is shown in the Corporate Governance Report. The Committee will meet as necessary, but normally at least five times a year. The quorum for meetings of the Committee is two members. 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 Chief Financial Officer and the Senior Leadership Team. No Executive Director is involved in deciding their own remuneration.

External advisors

Deloitte LLP (Deloitte) is the Committee's remuneration advisor. Deloitte is a member of the Remuneration Consultants Group and has signed up to its Code of Conduct.

In 2020, the Company paid fees of £17,500 to Deloitte in respect of services 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. Aside from other remuneration-related support provided in their role as advisors that was not considered to be of material assistance to the Committee (e.g. provision of accounting fair values for Rightmove share awards), 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 2020 business performance against relevant performance targets to determine annual bonus payments and vesting of long-term incentives;
- review and approval of appropriate benchmarks and performance measures for the annual performance-related bonus and 2021 PSP awards to ensure measures are aligned with strategy and that targets are achievable and appropriately stretching;
- approval of share awards granted in March under the DSP and in September 2020 under the PSP;
- recommend the remuneration package for the new Chief Financial Officer, Alison Dolan; and
- ongoing monitoring of remuneration for the Senior Leadership Team.

Governance and strategy

- review of the 2020 AGM voting and feedback from institutional investors;
- engagement with shareholders on the application of the 2020 Remuneration Policy in 2021;
- 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 formulating the Remuneration Policy approved by shareholders in 2020 ('the 2020 Policy'), the Committee considered the following principles 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.
- 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

This section of the report sets out how the 2020 Policy was applied in 2020, along with changes in Directors' share interests during 2020. Information that is audited is clearly indicated.

Directors' Single Figure Remuneration Tables (audited)

The remuneration of the Directors of the Company during 2020 for time served as a Director is as follows:

	Fixed Pay				Performance-related pay			
	Salary/ fee[1] £	Benefits[2] £	Pension[3] £	Fixed pay subtotal £	Annual bonus[4] £	Long-term incentives[5] £	Variable pay subtotal £	**Total remuneration in 2020 £**
Executive Directors								
Peter Brooks-Johnson	477,736	2,224	–	479,960	165,312	363,176	528,488	**1,008,448**
Alison Dolan[6]	124,091	–	1,950	126,041	40,793	–	40,793	**166,834**
Robyn Perriss[7]	165,868	1,244	–	167,112	23,747	197,970	221,717	**388,829**
Non-Executive Directors[8]								
Andrew Fisher	187,121	–	–	187,121	–	–	–	**187,121**
Jacqueline de Rojas	56,136	–	–	56,136	–	–	–	**56,136**
Rakhi Goss-Custard	51,458	–	–	51,458	–	–	–	**51,458**
Andrew Findlay	65,492	–	–	65,492	–	–	–	**65,492**
Lorna Tilbian	65,492	–	–	65,492	–	–	–	**65,492**
Amit Tiwari	51,458	–	–	51,458	–	–	–	**51,458**

(1) All directors volunteered a 20% reduction in their salaries and fees for four months (April to July 2020); a total reduction of £83,228.

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

(3) Alison participated in the Rightmove pension scheme on the same terms as all employees.

(4) The annual bonus amount relates to the accrued payment in respect of the full year results for the year ended 31 December 2020 including the deferred element (60% of the annual bonus is deferred in shares with a two-year vesting period).

(5) 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 2021 (including dividend roll-up), which are subject to the three-year performance period, ending on 31 December 2020, multiplied by the year end closing share price of £6.51, and
- the capital gain of £8,791 on the CEO's Sharesave option which vested on 1 November 2020, is the difference between the option grant price of £3.29 (adjusted for the share subdivision) and £6.51, being the market value of shares at 31 December 2020.

The increase in the value of the PSP awards vesting in 2020, due to share price appreciation, was £136,951 for the CEO and £76,505 for the former Finance Director.

(6) Salary and benefits for four months from 7 September 2020.

(7) Salary and benefits are shown to 30 June 2020, being the period of Robyn's service as a Director; her bonus and performance shares were pro-rated to 30 June 2020.

(8) The basic fee for all Non-Executive Directors (excluding the Chair) in 2020 was £55,000; 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 is £200,000. All fees were subject to a voluntary 20% reduction for four months, from April to July 2020.

The remuneration of the Directors of the Company during 2019 (audited) was:

	Fixed Pay			Performance-related 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 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 was £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.

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. Alison Dolan elected to join the Group pension plan in December 2020, on the same basis as all employees. The Company does not contribute to any personal pension arrangements.

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.

Peter Brooks-Johnson is 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 €72,000 from Adevinta for the year to 31 December 2020 (2019: 597,000 Norwegian Krone).

How was pay linked to performance in 2020?

Annual bonus plan

The incentive for the financial year ended 31 December 2020 was in the form of a cash bonus of up to 70% of salary and a DSP bonus of up to 105% of salary (i.e. 175% in total awarded under the 2020 Policy). The bonus, both cash and DSP elements, was determined by a mixture of operating profit performance (65%) and key performance indicators (35%) relating to underlying drivers of long-term revenue growth.

When comparing performance against the 2020 bonus targets set, the Committee determined that 18.5% of the maximum achievable cash and DSP bonus should be paid to the Executive Directors in March 2021. Accordingly, a cash bonus of 13% of base salary (out of a maximum of 70%) will be paid to the executives and 19% of base salary (out of a maximum of 105%) will be granted to the Executive Directors under the DSP, which will be deferred until March 2023.

Details of the achievement of bonus targets are provided in the following table:

Measure	Target	As a % of maximum bonus opportunity	Actual performance achieved	Resulting bonus % achieved
Financial targets				
Operating profit	Growth in operating profit: • £10m: 25% payout • £21.4m: 100% payout	65%	Operating profit was lower year on year	0%
Strategic targets				
Traffic market share	Growth in time in minutes spent on Rightmove platforms as measured by comScore relative to Rightmove's 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 12%, compared to a fall in time spent on our nearest competitors' platforms	15.0%
Other business revenue[1]	• Growth of £5.0m: 25% • Growth of £6.5m: 100%	10%	Revenue was lower year on year	0%
Tenant Services[2]	The number of new independent agency branches using Van Mildert referencing in 2020: • 360 branches: 25% payout • 480 branches: 100% payout	5%	There was a net reduction in the number of branches using Van Mildert referencing	0%
Employee engagement[3]	Percentage of respondents to the employee survey who say 'Rightmove is a great place to work': • 90%: 25% payout • 95%: 100% payout	5%	93% of respondents say 'Rightmove is a great place to work'	3.5%
Total		**100%**		**18.5%**

(1) Revenue excluding Agency and New Homes.
(2) Referencing services provided by Van Mildert Landlord and Tenant Protection Limited.
(3) Based on the results of the annual employee engagement survey.

Long-term incentives vesting during the year

The PSP awards granted to Peter Brooks-Johnson and Robyn Perriss in March 2018 were subject to adjusted EPS (75% of the awards) and relative TSR (25% of the awards) performance conditions that related to the three-year period ended 31 December 2020. The vesting schedule for the relative TSR element of the 2018 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 48% compared to -3% 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 28 February 2021.

Rightmove's adjusted basic EPS growth is measured over a period of three financial years (2018 to 2020); the vesting schedule is set out below:

Basic adjusted EPS growth from 2018 to 2020	% 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, adjusted basic EPS was 12.9p which is 37% lower than basic adjusted EPS of 16.3p for the base year 2017. Therefore, there will be nil vesting for this part of the award (maximum of 75%).

Share awards granted during the year (audited)

On 17 September 2020 Peter Brooks-Johnson and Alison Dolan were awarded shares under the PSP, which vest in September 2023, 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	175% of base salary	143,034	£893,580
Alison Dolan	175% of base salary	84,970[2]	£530,833

(1) Based on the average mid-market share price for the three consecutive days prior to grant, taken from the Daily Official List, of £6.25.

(2) Alison Dolan's PSP award was prorated by 28/36 for time employed during the performance period (7 September 2020 to 31 December 2022).

The vesting schedule for the relative TSR element of Executive Directors' 2020 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 (2020-2022). The EPS figure used will be equivalent to the Group's basic EPS (based on the Group's operating profit).

The following vesting schedule will apply for Executive Directors' awards granted in 2020:

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

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

Share–based incentives held by the Executive Directors and not exercised as at 31 December 2020 (audited)

	Date granted	Share–based incentives held 1 January 2020[1]	Granted/dividend roll–up	Exercise price[1]	Exercised	Average share price at date of exercise	Lapsed	**Share–based incentives held at 31 December 2020**	Vesting date	Expiry date
Executive Directors										
Peter Brooks–Johnson										
01/03/2016 (PSP)	128,532	–	£0.00	(128,532)[2]	–	–	**–**	01/03/2019	28/02/2021
01/03/2017 (PSP)	186,910	6,297[3]	£0.00	–	–	(28,037)	**165,170**	01/03/2020	28/02/2022
09/05/2017 (PSP)	34,570	1,165[3]	£0.00	–	–	(5,186)	**30,549**	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)[4]	–	–	**–**	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	–	£0.00	–	–	–	**56,498**	06/03/2021	05/03/2022
06/03/2019 (PSP)	204,746	–	£0.00	–	–	–	**204,746**	06/03/2022	05/03/2024
04/03/2020 (DSP)	–	39,282[5]	£0.00	–	–	–	**39,282**	04/03/2022	03/03/2023
17/09/2020 (PSP)	–	143,034[6]	£0.00	–	–	–	**143,034**	17/09/2023	17/09/2027
30/09/2020 (Sharesave)	–	1,754[7]	£5.13	–	–	–	**1,754**	01/11/2023	30/04/2024
Total	**871,099**	**191,532**	**–**	**(171,022)**	–	**(33,223)**	**858,386**		

	Date granted	Share-based incentives held 1 January 2020	Granted/dividend roll-up	Exercise price	Exercised	Average share price at date of exercise	Lapsed	**Share-based incentives held at 31 December 2020**	Vesting date	Expiry date
Alison Dolan										
17/09/2020 (PSP)		–	84,970[6]	£0.00	–	–	–	**84,970**	17/09/2023	17/09/2027
30/09/2020 (Sharesave)		–	3,508[7]	£5.13	–	–	–	**3,508**	01/11/2023	30/04/2024
Total		**–**	**88,478**	**–**	**–**	**–**	**–**	**88,478**		

(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 exercise 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 to Executive Directors under the PSP on 1 March 2016 vested in 2019 subject to EPS and relative TSR performance measures, which were met in full. Peter Brooks-Johnson exercised the nil cost option over 128,532 shares (which included a dividend roll-up of 4,773 shares) on 14 September 2020 and sold all the shares at an average market price of £6.15 per share.

(3) The nil cost performance shares awarded to Peter Brooks-Johnson under the PSP on 1 March and 9 May 2017 vested in 2020 subject to EPS and relative TSR performance measures. 85% of the awards vested, resulting in options over 33,210 shares lapsing (28,037 in March and 5,186 in May 2020).

(4) The nil cost deferred shares granted under the DSP on 28 February 2018 vested in February 2020. Peter Brooks-Johnson exercised a nil cost option over 42,490 shares on 14 September 2020 and sold all the shares at an average market price of £6.15 per share.

(5) On 4 March 2020, the Executive Directors were awarded nil cost deferred shares under the DSP, which vest in March 2022. The average mid-market share price for the three consecutive preceding days, used to calculate the number of shares awarded, was £6.21.

(6) On 17 September 2020 the Executive Directors were awarded nil cost performance shares under the PSP, which vest in 2023 and are exercisable in September 2025. The average mid-market share price for the three consecutive preceding days, used to calculate the number of shares awarded, was £6.25.

(7) On 30 September 2020, Peter Brooks-Johnson and Alison Dolan were granted Sharesave options over 1,754 and 3,508 shares respectively at an exercise price of £5.13. The options will be exercisable from November 2023.

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 2021 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 2020, treasury shares were used to satisfy vested DSP and PSP awards over 74,820 shares, representing 0.01% of the issued share capital (less treasury shares) as at 31 December 2020.

Directors' interests in shares (audited)

The beneficial and family interests of each person who served as a Director during 2020 in the share capital of the Company were as follows:

	Interests in ordinary shares of 0.1p		Interests in share–based incentives		
	At 31 December 2020	At 1 January 2020[1]	PSP & DSP awards (unvested)	PSP & DSP awards (vested but unexercised)	Options (unvested)
Executive Directors					
Peter Brooks–Johnson	**2,014,553**	2,014,553	655,870	195,692	4,067
Alison Dolan	**–**	–	84,970	–	3,508
Robyn Perriss	**267,991**	267,991	368,338	–	–
Non–Executive Directors					
Andrew Fisher	**20,000**	–	–	–	–
Jacqueline de Rojas	**1,880**	1,880	–	–	–
Rakhi Goss–Custard	**5,440**	5,440	–	–	–
Andrew Findlay	**–**	–	–	–	–
Lorna Tilbian	**–**	–	–	–	–
Amit Tiwari	**–**	–	–	–	–
Total	**2,309,864**	**2,289,864**	**1,109,178**	**195,692**	**7,575**

(1) Or date of appointment where later.

- The Company's shares in issue (including 13,285,490 shares held in treasury) as at 31 December 2020 comprised 886,387,616 ordinary shares of 0.1p each (2019: 891,416,008 ordinary shares of 0.1p each).
- The closing share price of the Company was £6.51 as at 31 December 2020. The lowest and highest share prices during the year were £4.00 and £7.01 respectively.
- The Executive Directors are regarded as being interested, for the purposes of the Act, in 1,395,476 ordinary shares of 0.1p each (2019: 2,208,362 ordinary shares of 0.1p each) in the Company held by the EBT at 31 December 2020 as they are, together with other employees, potential beneficiaries of the EBT.
- The Directors' beneficial holdings represented 0.23% of the Company's shares in issue as at 31 December 2020 (2019: 0.50%), 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 on the Company's website. The interests of the Executive Directors in office at 31 December 2020 in the share capital of the Company as a percentage of base salary were as follows:

	Base salary 1 January 2021	Number of shares held beneficially at 31 December 2020	Number of vested, unexercised share awards	Value of shares at 31 December 2020[1]	Value of shares as a % of base salary	Guideline met (200% of salary)
Executive Directors						
Peter Brooks–Johnson	**£515,724**	2,014,553	198,422	£14,406,467	2,793%	Yes
Alison Dolan	**£393,900**	0	0	£0	0%	No[2]

(1) Based on the closing share price on 31 December 2020: £6.51 per share; multiplied by the number of beneficially owned shares plus vested share awards and shares under awards no longer subject to performance on a net of tax basis.

(2) 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.

Payments to past Directors and payments for loss of office

There were no payments to past Directors for loss of office during 2020.

Robyn Perriss, Finance Director, stepped down from the Board on 30 June 2020 and her notice period ended on 8 November 2020. Robyn was entitled to receive her base salary and other contractual benefits, including health and medical insurance during her notice period.

Share–based incentives

Robyn's outstanding share awards have been treated in accordance with Rightmove's 2020 Remuneration Policy.

Rightmove Performance Share Plan (PSP)

Unvested PSP awards were pro-rated for time elapsed from the date of grant to 30 June 2020 and vest on the original vesting dates. These awards will be exercisable for 12 months from the original vesting dates. Details of the PSP award exercised in 2020 and unexercised awards are set out in the table below. The 2018 PSP award was also pro-rated to 25% for achievement of TSR and EPS performance criteria; the 2019 award is shown as the maximum potential vesting, without any reduction for EPS and TSR performance conditions:

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	141,646[1]
28 February 2018	1 January 2018 to 31 December 2020	28 February 2021	152,490	30,420[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) The 2017 PSP award was pro-rated for 85% EPS and TSR performance and Robyn Perriss exercised a nil cost option over 141,646 shares (including the dividend roll up of 5,400 shares) on 7 August 2020 at a market value of £6.33 per share.

(2) Pro-rated by 28/36 for time elapsed from grant and by 25% for performance.

(3) Pro-rated by 16/36 for time elapsed from grant.

No performance shares were awarded in 2020.

Rightmove Deferred Share Bonus Plan (DSP)

DSP awards granted in respect of prior years' performance will vest in full on the original vesting dates and be exercisable for 12 months.

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
4 March 2020	1 January 2019 to 31 December 2019	4 March 2022	28,213

No DSP shares were awarded in respect of 2020. Details of Robyn's salary, benefits and cash bonus for 2020 are shown in the Directors' Single Figure Remuneration Table above.

Review of past performance

Share price performance

The Company's share price ended the year at £6.51, up 2.7% year on year, compared to the FTSE 100 Index which was down 14.3% and the FTSE 350 Index was down 13%. On a three-year basis the share price has increased by 44.6% and the FTSE 100 and FTSE 350 Indices fell by 16.0% and 13.5% respectively. Rightmove's Total Shareholder Return performance relative to those indices over three and ten years is shown in the graphs below.

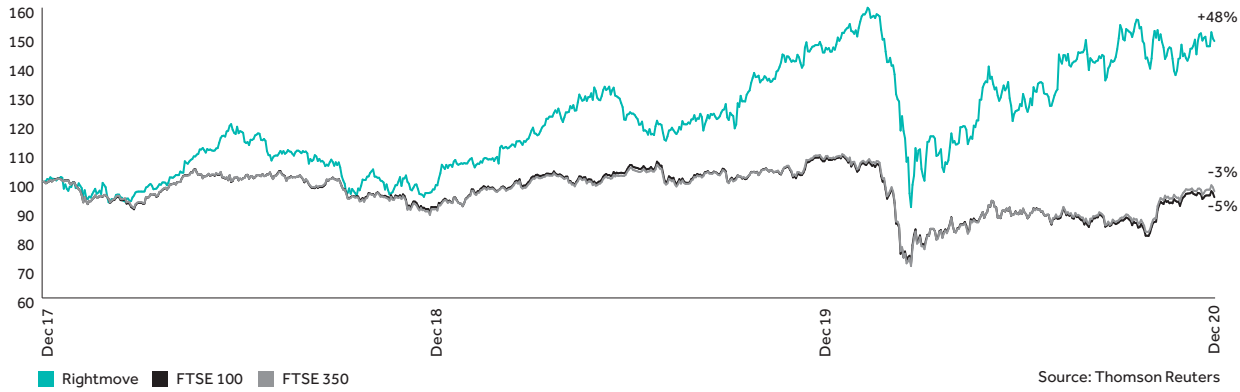
Total shareholder return (TSR)

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 2018 to 31 December 2020. 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 shown against a recognised broad-based share index; the FTSE 100 and the FTSE 350 indices are both considered appropriate comparators.

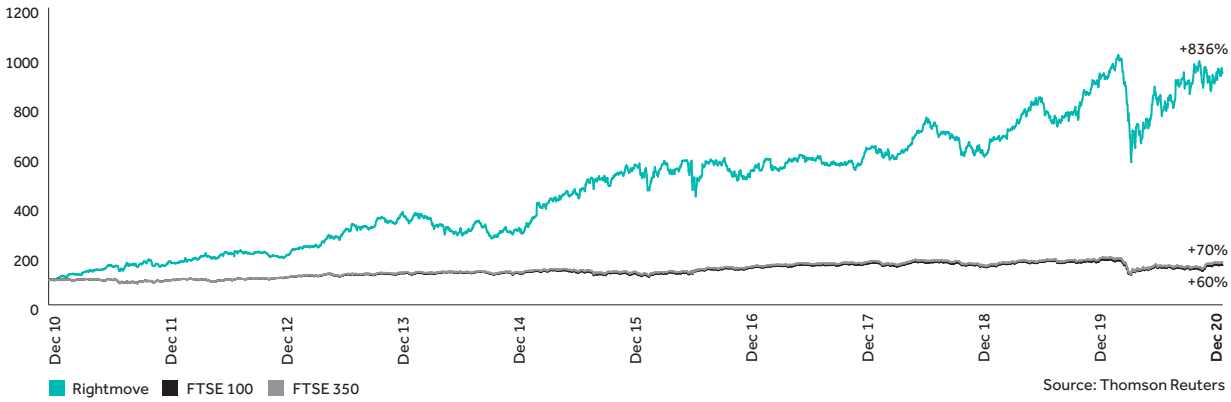
The graphs below illustrate, for statutory purposes, the TSR of Rightmove's shares against the FTSE 100 Index and the FTSE 350 Index for the three and ten years to 31 December 2020.

TSR Graph – three years



This graph shows the value, by 31 December 2020, of £100 invested in Rightmove on 31 December 2017, 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 2020, of £100 invested in Rightmove on 31 December 2010, 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)
2020	Peter Brooks–Johnson	1,008,440	18.5%	25%
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%

(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.

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 compared with the average of all employees between 2019 and 2020, based on the figures shown in the single figure tables above.

	% increase/(decrease) in remuneration of the Directors compared with the avereage of all employees between 2019 and 2020		
	Salary or fees	Benefits	Bonus
Peter Brooks–Johnson	(4.6)%	(7.6)%	(83.7)%
Alison Dolan[2]	–	–	–
Robyn Perriss[3]	(17.8)%	(12.4)%	(91.9)%
Andrew Fisher[4]	1.1%	–	–
Jacqueline de Rojas	(3.6)%	–	–
Andrew Findlay	(6.4)%	–	–
Rakhi Goss–Custard	(6.4)%	–	–
Lorna Tilbian[5]	1.3%	–	–
Amit Tiwari[6]	60.4%	–	–
Employees	(0.8)%	(4.1)%[7]	33.3%

(1) All directors volunteered a 20% reduction in their salaries and fees for four months from April to July 2020.

(2) Alison Dolan, CFO, was appointed to the Board on 7 September 2020 and has no prior year earnings from Rightmove.

(3) Robyn Perriss, Finance Director, stepped down from the Board on 30 June 2020 and received her salary and benefits to the end of her notice period on 8 November 2020.

(4) Andrew Fisher joined the Board as Chair on 1 January 2020 the uplift in his fee for 2020 is in comparison to the outgoing Chairman's fee of £185,000 for 2019.

(5) Lorna Tilbian was appointed Chair of the Remuneration Committee in May 2019, the uplift in her fee reflects the full year's fee earned in 2020.

(6) Amit Tiwari joined the Board on 1 June 2019, the uplift in his fee reflects the full year's fee earned in 2020.

(7) Employee benefits are shown on the same basis as 2019, excluding pension benefits. If pension benefits were included (Alison Dolan participates in the pension scheme), the increase in the average value of employee benefits would be 220.2%.

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

The table below shows the total remuneration of our Chief Executive Officer compared to the equivalent remuneration for our employees, who are all based in the UK.

We have calculated the full time equivalent remuneration for all Group employees using the Government's preferred Option A and identified the total remuneration figure at the 25th, 50th and 75th percentile. We then compared each percentile figure against our CEO's single figure for total remuneration to determine the pay ratios set out below.

			All employees					
Year	Method	CEO's total remuneration[1]	25th percentile	Median	75th percentile	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020	Option A	1,008,448	29,854	51,155	73,266	34	20	14
2019	Option A	2,155,759[2]	30,204	48,433	66,054	71	45	33

(1) The CEO's total remuneration comprises salary, benefits, bonus and the value of long-term incentives, including PSP awards.

(2) £452,401 of the CEO's remuneration was 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.

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 operating profit has been provided for context.

	Year ended 31 December 2020	Year ended 31 December 2019	% change
Employee costs (refer Note 7)	**£34,832,000**	£34,146,000	2%
Dividends paid to shareholders (refer Note 12)	**£0**	£60,173,000	(100)%
Purchase of own shares (refer Note 23)	**£30,125,000**	£88,583,000	(66)%
Income tax (refer Note 10)	**£25,040,000**	£40,473,000	(37)%
Average number of employees (refer Note 7)[1]	**558**	538	4%
Revenue	**£205,717,000**	£289,320,000	(29)%
Operating profit	**£135,142,000**	£213,730,000	(37)%

(1) Average number of employees includes Executive Directors and Group employees.

Application of Policy for the year ending 31 December 2021

Salaries

The Executive Directors' salaries for the 2021 financial year are set out in the table below:

	Salary 1 January 2021	Salary 31 December 2020	Change
Executive Directors			
Peter Brooks–Johnson	**£515,724**	£510,617	1%
Alison Dolan	**£393,900**	£390,000	1%

The 1% increase in base salaries for Executive Directors is the same cost of living increase applied to other Group employees for 2021. Salaries remain 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 Leadership Team and other key roles.

Pension and other benefits

The Group operates a stakeholder pension plan for all employees (including Executive Directors under the same terms) under which Rightmove contributes 6% of base salary, subject to the employee contributing a minimum of 3% of base salary. Our new CFO elected 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, the medical cash plan and receive life assurance cover equal to four times base salary.

Annual bonus

The annual bonus for the 2021 financial year will be consistent with the 2020 Remuneration Policy, 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 Committee has decided to revert to adjusted operating profit as an appropriate performance measure for 2021 bonus awards, because adjusted operating profit excludes share-based incentive costs and the related national insurance payments.

The performance measures and weightings for the 2021 financial year are as follows:

Measure	As a % of maximum bonus opportunity
Financial targets	
Adjusted operating profit[1]	60%
Strategic targets	
Traffic market share[2]	15%
Other business revenue[3]	10%
Rental services revenue[4]	10%
Employee engagement[5]	5%

(1) Before share-based payments and NI on share-based incentives.
(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 revenue generated from combined Rental Services.
(5) Based on the results of the annual employee engagement survey.

In relation to the financial target a challenging sliding scale will operate with 10% of the maximum bonus opportunity payable at the threshold operating profit target relative to the 2021 business plan through to 100% payable for significant outperformance relative to the plan.

The relative weighting of performance measures has changed from 2020, reflecting the strategic focus on Rental Services and making lettings easier and more efficient for both our consumers and our customers. Financial targets (operating profit, other revenue and rental services revenue) comprise 80% of the performance measures, with 20% key operational performance indicators (traffic and employee engagement).

The specific financial targets for the 2021 financial year are considered to be commercially sensitive. However, retrospective disclosure of the actual targets and performance against them will be provided as usual in the 2021 Remuneration Report, 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 2021 will be consistent with the 2020 Remuneration Policy, with a maximum bonus opportunity of 175% of base salary. The awards will again be subject to a mixture of EPS and relative TSR performance conditions and subject to a two year post-vesting holding period. The Committee has decided to:

- change the weighting of EPS and TSR vesting conditions to 50% each, compared to 75% and 25% respectively for prior years; and
- revert to adjusted EPS as an appropriate performance measure for 2021 PSP awards, as this is based upon operating profit before share-based incentives and related NI charges.

The Committee has consulted Rightmove's investors about the change in the weighting of EPS and TSR targets and will continue to invite feedback and keep these weightings under review, within our Remuneration Policy parameters. Whilst determining the increase in the TSR weighting, the Committee was cognisant of the share price performance during 2020; Rightmove shares recovered from a 12 month low of £4.00 in 2020 to end the year at £6.51. This represents a strong starting point for the three year comparative TSR target.

The 2021 targets are as follows:

EPS performance condition

The Group's EPS growth will be measured over the period of three financial years (2021 to 2023). 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 2021 awards:

Adjusted Basic EPS growth from 2021 to 2023[1]	% of award vesting (maximum 50%)
Less than 98%	0%
98%	12.5%
107%	50%
Between 98% and 107%	Straight–line vesting

(1) The benchmark adjusted basic EPS for the financial year 2020 from which these targets will be measured is 12.9p.

The targets that are intended to operate for the 2021 PSP awards are considered to be demanding in light of the current trading environment, the Group's starting position, internal financial planning and external market expectations for future growth. In view of the continued uncertainty facing Rightmove and our customers, the targets are considered to be no less stretching than in 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' 2021 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 50%)
Less than the Index	0%
Equal to the Index	12.5%
25% higher than the Index	50%
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 50% of the PSP shares to vest.

Chair and Non–Executive Directors' fees

The Chair's and Non-Executive Directors' fees have historically been reviewed in a market context and in light of Directors' time commitments every three years. The last review was during 2018 and fee increases were effective from 1 January 2019. The Chair's fee was reviewed and increased to £200,000 to reflect the time commitment and responsibilities of the role of our new Chair with effect from 1 January 2020.

The Board and Remuneration Committee has agreed that from 2021, fees for all Non-Executive Directors and the Chair should be subject to an annual increase in line with the annual employee pay award, rather than a three year cumulative increase. The Board considered a review of non-executive director fees, prepared by Deloitte, which indicated that the fees for our Senior Independent Director were low relative to the market for the time commitment required and when compared to other comparable Board positions in Rightmove's sector. It was therefore agreed that the Senior Independent Director's fee would increase to £10,000, inclusive of the 1% all-employee rise, for 2021.

The proposed fee increases are subject to shareholder approval of a higher Directors' fee cap in the Articles of Association at this year's AGM. Subject to such approval, the annual fees for the Chair and Non-Executive Directors will increase as detailed below:

Role	2020 Fees £	2021 Fees £
Chair	200,000	202,000
Non–Executive Director (basic fee)	55,000	55,550
Committee Chair (excluding the Nomination Committee)	15,000	15,150
Senior Independent Director	5,000	10,000

Details of fees paid to Directors in 2020 can be found earlier in this report.

Shareholder voting on the Remuneration Policy and Annual Report

At the AGM on 4 May 2020, shareholders again voted overwhelmingly in favour of the 2020 Remuneration Policy and the Directors' Remuneration Report, demonstrating a strong level of shareholder support for Rightmove's management and their remuneration.

The table below shows full details of the voting outcomes for the Remuneration Policy and the Directors' Remuneration Report at the 2020 AGM:

	Votes for	% Votes for	Votes against	% Votes against	Votes withheld[1]
Remuneration Policy	684,058,225	96.08	27,900,733	3.92	793,538
Directors' Remuneration Report	670,870,672	94.18	41,468,750	5.82	413,075

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

In line with the Company's commitment to ongoing dialogue with its shareholders, the Committee has corresponded with major shareholders to invite their feedback on the 2021 remuneration proposals.

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 2020.

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, Transparency and Guidance 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 and is incorporated into the Directors' Report by reference.

Strategic Report

The Strategic Report can be found on pages 1 to 45. The Act requires this Annual Report to present a fair, balanced and understandable view of Rightmove's business during the year ended 31 December 2020 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 in the Working with our Stakeholders section in the Strategic Report.

Directors

The Directors of the Company as at the date of this report are Andrew Fisher, Peter Brooks-Johnson, Alison Dolan, Jacqueline de Rojas, Andrew Findlay, Rakhi Goss-Custard, Lorna Tilbian and Amit Tiwari. Robyn Perriss was the Finance Director of the Company until she stepped down from the Board on 30 June 2020. Biographies of current Directors can be found in the Corporate Governance Report.

Share capital and Shareholder Voting Rights

The shares in issue, including 13,285,490 shares of 0.1p held in treasury (2019: 13,360,310 0.1p shares) at the year-end amounted to 886,387,616 shares of 0.1p (2019: 891,416,008 0.1p shares), with a nominal value of £886,388 (2019: £891,416).

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 regulations applicable for UK listed companies, there are no restrictions on the transfer of the Company's shares.

Results and dividends

The Group reported operating profit before tax for the year of £135.1m (2019: £213.7m). The Directors are recommending a final dividend for the year of 4.5 pence per 0.1p share (2019: nil) amounting to £39.2m (2019: Nil). 2020 was an unprecedented year in which the final dividend for 2019 was cancelled and an interim dividend for 2020 (2019: 2.8 pence) was not declared, due to the impact of Covid-19. The total dividend for the year is therefore 4.5 pence per 0.1p share (2019: 2.8 pence).

Subject to shareholder approval at the Annual General Meeting (AGM) on 7 May 2021, the final dividend will be paid on 28 May 2021 to shareholders on the register of members at the close of business on 30 April 2021.

Share buyback

The Company's share buyback programme was suspended in view of the UK Government's lockdown announcement on 23 March, with the last purchase taking place on 13 March 2020. Of the 10% authority granted by shareholders at the 2019 AGM, a total of 5,028,392 shares of 0.1p (2019: 16,268,322 0.1p shares) were purchased in the year to 31 December 2020, being 0.6% (2019: 1.8%) 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 £5.99 (2019: £5.45 per 0.1p share) with a total consideration paid (excluding all costs) of £30,124,778 (2019: £88,583,260).

Since January 2008, the equivalent of 432,666,464 shares have been purchased in total, of which 39,964,605 were purchased as 1p shares[1]; 13,285,490 shares of 0.1p were held in treasury as at 31 December 2020, with the remainder having been cancelled. A resolution seeking to renew this authority will be put to shareholders at the AGM on 7 May 2021.

(1) 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 2020, 1,395,476 shares of 0.1p (2019: 2,208,362 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 2020 of £1,395 (2019: £2,208) and a market value of £9,084,549 (2019: £14,001,000). The shares held by the EBT may be used to satisfy share-based incentives for the Group's employee share plans. During 2020, 817,714 shares of 0.1p (2019: 294,160 0.1p shares) were transferred to Group employees following the exercise of share options under the Sharesave plan, the Deferred Share Bonus Plan and the Performance Share Plan.

Additionally, 113,465 shares of 0.1p (2019: 131,110 0.1p shares) were purchased by the EBT for transfer to the Rightmove Share Incentive Plan Trust (SIP) and 4,828 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 2020, 757,575 shares of 0.1p (2019: 785,130 0.1p shares) were held by the SIP for the benefit of Group employees. These shares had a nominal value at 31 December 2020 of £758 (2019: £785) and a market value of £4,931,813 (2019: £4,978,000). 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, 141,020 shares of 0.1p (2019: 156,075 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.

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 (2019: £nil). Details of the Group's charitable donations are set out in the Environmental, Social and Governance Report.

Annual General Meeting

The AGM of the Company will be held at Rightmove's London office 6th Floor, 33 Soho Square, London W1D 3QU on 7 May 2021 at 10am. The Notice of Annual General Meeting will be published in March 2021.

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 2021 AGM. In addition to the other Ordinary Business of the AGM, the Directors propose a resolution to update the Articles of Association.

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 2021 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 2020 financial year. It should be noted that these holdings are likely to have changed since they were 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	Direct	71,571,964	8.20%
	American Depository Receipts	33,746,254	3.87%
BlackRock Inc[2]	Indirect	50,160,300	5.75%
	Contracts for difference	5,473,130	0.63%
	Stock Lending	16,304,460	1.87%
Marathon Asset Management LLP[2]	Indirect	59,307,550	6.79%
Baillie Gifford & Co[2]	Indirect	58,736,140	6.73%
Standard Life Aberdeen[2]	Indirect	45,307,190	5.19%
Generation Investment Management LLP[2]	Indirect	45,181,680	5.17%
Axa Investment Managers SA[2]	Indirect	44,413,780	5.09%
	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 873,102,126 as at 26 February 2021.

(2) Date of notification preceded the 2020 financial year.

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.

Transactions with Related Parties

During the year under review neither the Company nor its subsidiaries entered into any material transactions with any related parties other than those disclosed in Note 28 to the financial statements.

Post-balance sheet events

There have been no balance sheet events since the end of the 2020 financial year.

Branches

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

Other Information

Information	Location in Annual Report
Financial instruments and financial risk management	Notes 3 and 26, Financial Statements
Appointment, removal and powers of Directors	Corporate Governance Report
Future developments of the Group's business	Strategic Report[1]
Employee engagement	Strategic Report: Environmental, Social and Governance Report[1]
Employee share schemes	Strategic Report: Environmental, Social and Governance Report[1] and Directors' Remuneration Report
Health and safety and employee-related policies including diversity and disability	Strategic Report: Environmental, Social and Governance Report[1]
Movements in share capital	Note 23, Financial Statements
Share-based incentives	Note 25, Financial Statements
Long-term incentive plans	Directors' Remuneration Report
Energy and Greenhouse Gas Report	Strategic Report: Environmental, Social and Governance Report[1]
Fair, balanced and understandable	Audit Committee report and Directors' statement of responsibilities
Directors' indemnities	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 26 February 2021.

Signed on behalf of the Board:

Peter Brooks-Johnson
Chief Executive Officer

26 February 2021

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

The directors are responsible for preparing the Annual Report and the 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 accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the parent Company financial statements on the same basis. In addition the Group financial statements are required under the UK Disclosure and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs as adopted by the EU").

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 the Group's 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("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

Alison Dolan
Chief Financial Officer

26 February 2021

1. Our opinion is unmodified

We have audited the financial statements of Rightmove plc ("the Company") for the year ended 31 December 2020 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 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- the parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, 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 to the extent applicable.

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 15 financial years ended 31 December 2020 as a public-interest entity and 21 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	£5.8m (2019: £9.3m) 4.3% (2019: 4.4%) of profit before tax
Coverage	99.8% (2019: 99.4%) of group profit before tax

Key audit matters		**vs 2019**
Recurring risks	Agency and New Homes revenue recognition	▲
	Recoverability of parent Company's investment in subsidiaries	◀▶

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

Key audit matters are those matters that, in our professional judgement, 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 (unchanged from 2019), in decreasing order of audit significance, 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
Agency and New Homes revenue recognition (£205.7m; 2019: £264.8m) Refer to page 56 (Audit Committee Report), page 106 (accounting policy) and page 116 (financial disclosures).	**Processing error:** The key revenue streams, being Agency and New Homes, 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 membership offers available and customers are able to tailor both the specific add-on products (purchased in addition to the subscribed membership package) and the volume of these that they receive. In response to Covid-19 and during the period of the housing market closure, Rightmove introduced discounts applied across Agency and New Homes customers between April and September 2020. These discounts were applied at a flat rate for each month across the transactions starting at 75% from April. The discounts were phased out through to the end of September when normal pricing resumed. The effect of these discounts resulted in a year on year decrease of 29% in revenue. The resulting large volume of non-routine transactions, accompanied with the business as usual variability of product and pricing combinations available to customers, creates a risk of pricing processing error, in particular revenue being recognised at the incorrect amount. 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 has the greatest effect on our allocation of resources in planning the audit.	**Our procedures included:** We performed the detailed tests below rather than seeking to rely on any of the group's controls because our knowledge of related IT controls indicated that we would not be able to obtain the required evidence to support reliance on controls. **Tests of details:** Using statistical sampling we selected revenue transactions recorded throughout the year. We have agreed the sample through to source documentation in order to assess whether revenue is recognised in line with the products and rates agreed by the customer. We also agreed discounts applied due to Covid-19; **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; **Tests of details:** We Inspected a sample of credit notes raised during the year and post year end to determine whether they related to revenue recognised in the year; and **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 and all significant unexpected entries back to supporting evidence to assess whether revenue was recognised appropriately. **Our results** We found no exceptions performing the procedures described above (2019: We found no exceptions performing the procedures described.)
Recoverability of parent Company's investment in subsidiaries (£557.6m; 2019: £554.6m) Refer to page 56 (Audit Committee Report), page 108 (accounting policy) and page 123 (financial disclosures).	**Low risk, high value:** The carrying amount of the parent Company's investments in the subsidiary company Rightmove Group Limited represents 100% (2019: 99%) of the Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. 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 (2019: 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 £5.8m (2019: £9.3m), determined with reference to a benchmark of Group profit before tax, of which it represents 4.3% (2019: 4.4%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the group and parent company was set at 75% (2019: 75%) of materiality for the financial statements as a whole, which equates to £4.4m (2019: £7m) for the group and £3.2m (2019: £5.1m) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

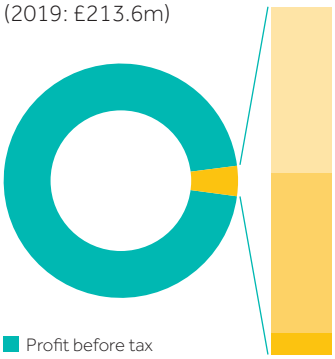
Materiality for the parent Company financial statements as a whole was set at £4.4m (2019: £6.8m), determined with reference to a benchmark of Company net assets, of which it represents 1.1% (2019: 1.3%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.29m (2019: £0.47m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's four (2019: four) reporting components, we subjected two (2018: two) to full scope audits for Group purposes. All components are audited by the Group audit team. There are no specific risks, that are material to the Group, in the components not in Group scope. The components within the scope of our work accounted for the percentages illustrated opposite.

Group profit before tax

£134.8m
(2019: £213.6m)



Profit before tax
Group materiality

Group materiality

£5.8m (2019: £9.3m)

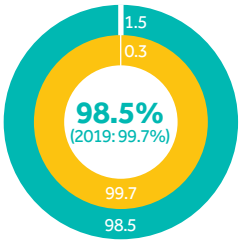
£5.8m
Whole financial statements materiality (2019: £9.3m)

£4.4m
Whole financial statements performance materiality (2019: £7m)

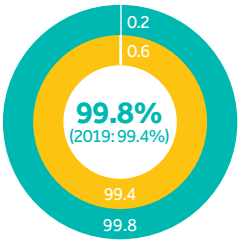
£4.4m
Component materiality £4.4m (2019: £6.8m)

£0.29m
Misstatements reported to the audit committee (2019: £0.47m)

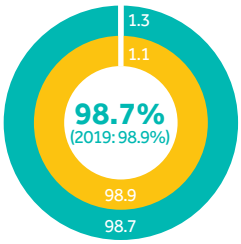
Group revenue



Group profit before tax



Group total assets



Full scope for Group audit purposes 2020
Full scope for Group audit purposes 2019
Residual components

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over 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").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's available financial resources over this period was lower than expected revenues as a result of the Covid discounts provided to customers.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test). We also assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing 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 the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- the related statement under the Listing Rules set out on page 27 is materially consistent with the financial statements and our audit knowledge.

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

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Using our own forensic specialists to assist us in identifying any associated fraud risks.
- Enquiring of directors, the audit committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee and remuneration committee minutes.
- Considering remuneration incentive schemes and performance targets for management including the EPS target for management remuneration.
- Using analytical procedures to identify any usual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls , in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue consists of a high volume of low value transactions with no individually significant transactions such that there is a remote chance that fraudulent revenue recognition could have a material impact on the financial statements. Further, the revenue transactions are simple and are largely automated based on contractual prices established in the billing system which provides little opportunity to fraudulently record revenue.

We did not identify any additional fraud risks.

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

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

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

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

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

Firstly, the 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.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: general data protection regulation, health and safety, anti-bribery, employment law, agency regulations, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the some of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

6. 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 emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement page 27 that they have carried out a robust assessment of the emerging and 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 how emerging risks are identified, 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.

We are also required to review the Going Concern and Viability Statement, set out on page 27 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

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 judgements 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 perform procedures to identify whether there is a material inconsistency between the directors' the corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- 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;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. 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.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 90, 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 and 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.

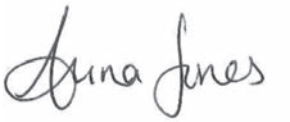
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. 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 and the terms of our engagement by the Company. 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 the further matters we are required to state to them in accordance with the terms agreed with the Company, 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 (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Milton Keynes
26 February 2021

Consolidated statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Revenue	4,5	**205,717**	289,320
Administrative expenses		**(70,575)**	(75,590)
Operating profit	6	**135,142**	213,730
Financial income	8	**151**	318
Financial expenses	9	**(478)**	(486)
Net financial expense		**(327)**	(168)
Profit before tax		**134,815**	213,562
Income tax expense	10	**(25,040)**	(40,473)
Profit for the year being total comprehensive income		**109,775**	173,089
Attributable to:			
Equity holders of the Parent		**109,775**	173,089
Earnings per share (pence)			
Basic	11	**12.60**	19.57
Diluted	11	**12.57**	19.49
Dividends per share (pence)	12	**–**	6.80
Dividends paid	12	**–**	60,173

Consolidated statement of financial position as at 31 December 2020

	Note	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment	13	**13,852**	12,802
Intangible assets	14	**22,112**	21,954
Deferred tax asset	16	**2,843**	2,718
Total non-current assets		**38,807**	37,474
Current assets			
Trade and other receivables	17	**23,450**	23,985
Contract assets	5	**334**	429
Income tax receivable		**1,163**	–
Money market deposits	18	**–**	4,141
Cash and cash equivalents	18	**96,690**	32,117
Total current assets		**121,637**	60,672
Total assets		**160,444**	98,146
Current liabilities			
Trade and other payables	19	**(18,925)**	(19,516)
Lease liabilities	21	**(2,023)**	(1,709)
Contract liabilities	5	**(1,570)**	(2,111)
Income tax payable		**–**	(18,930)
Provisions	22	**(666)**	(256)
Total current liabilities		**(23,184)**	(42,522)
Non-current liabilities			
Lease liabilities	21	**(10,287)**	(10,499)
Provisions	22	**(2,969)**	(2,914)
Deferred tax liability	16	**(859)**	(871)
Total non-current liabilities		**(14,115)**	(14,284)
Total liabilities		**(37,299)**	(56,806)
Net assets		**123,145**	41,340
Equity			
Share capital	23	**887**	892
Other reserves		**545**	540
Retained earnings (net of own shares held)		**121,713**	39,908
Total equity attributable to the equity holders of the Parent		**123,145**	41,340

The financial statements were approved by the Board of directors on 26 February 2021 and were signed on its behalf by:

Peter Brooks-Johnson
Director

Alison Dolan
Director

Company statement of financial position as at 31 December 2020

	Note	2020 £000	2019 £000
Non-current assets			
Investments	15	**557,622**	554,554
Deferred tax asset	16	**549**	1,010
Total non-current assets		**558,171**	555,564
Total assets		**558,171**	555,564
Current liabilities			
Trade and other payables	19	**(47,464)**	(15,240)
Total current liabilities		**(47,464)**	(15,240)
Net assets		**510,707**	540,324
Equity			
Share capital	23	**887**	892
Other reserves		**124,539**	121,466
Retained earnings (net of own shares held)		**385,281**	417,966
Total equity attributable to the equity holders of the Parent		**510,707**	540,324

The financial statements were approved by the Board of directors on 26 February 2021 and were signed on its behalf by:

Peter Brooks-Johnson
Director

Alison Dolan
Director

Consolidated statement of cash flows for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Profit for the year		**109,775**	173,089
Adjustments for:			
Depreciation charges	13	**3,259**	3,114
Amortisation charges	14	**1,011**	480
Financial income	8	**(151)**	(318)
Financial expenses	9	**478**	486
Re-measurement of leased assets	13	**(20)**	283
Share-based payments	25	**2,102**	4,911
Income tax expense	10	**25,040**	40,473
Operating cash flow before changes in working capital		**141,494**	222,518
Decrease/(increase) in trade and other receivables		**507**	(481)
(Decrease)/increase in trade and other payables		**(572)**	35
Increase/(decrease) in provisions		**465**	(371)
Decrease in contract assets		**95**	28
Decrease in contract liabilities		**(541)**	(44)
Cash generated from operating activities		**141,448**	221,685
Financial expenses paid		**(198)**	(198)
Income taxes paid		**(44,959)**	(37,263)
Net cash from operating activities		**96,291**	184,224
Cash flows used in investing activities			
Interest received on cash and cash equivalents		**160**	259
Reduction in money market deposits	18	**4,141**	–
Acquisition of property, plant and equipment	13	**(2,308)**	(543)
Acquisition of intangible assets	14	**(1,169)**	(236)
Acquisition of subsidiary, net of cash acquired	27	**–**	(15,627)
Net cash used in investing activities		**824**	(16,147)
Cash flows used in financing activities			
Net dividends	12	**2**	(59,856)
Purchase of own shares for cancellation	23	**(30,125)**	(88,583)
Purchase of own shares for share incentive plans	24	**(765)**	(2,112)
Share-related expenses	23	**(211)**	(619)
Payment of lease liabilities	21	**(2,159)**	(1,535)
Proceeds on exercise of share-based incentives		**716**	898
Net cash used in financing activities		**(32,542)**	(151,807)
Net increase in cash and cash equivalents		**64,573**	16,270
Cash and cash equivalents at 1 January		**32,117**	15,847
Cash and cash equivalents at 31 December	18	**96,690**	32,117

Company statement of cash flows for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
(Loss)/profit for the year		**(707)**	174,618
Adjustments for:			
Dividend income	28	**(734)**	(179,398)
Financial expenses	28	**279**	542
Share-based payments	25	**(966)**	1,835
Income tax credit		**(441)**	(927)
Operating cash flow before changes in working capital		**(2,569)**	(3,330)
Increase in trade and other payables		**2,569**	3,330
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	**–**	–

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2020

	Note	Share capital £000	Own shares held £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
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
At 1 January 2020		**892**	**(11,744)**	**402**	**138**	**51,652**	**41,340**
Total comprehensive income							
Profit for the year		**–**	**–**	**–**	**–**	**109,775**	**109,775**
Transactions with owners recorded directly in equity							
Share-based payments	25	**–**	**–**	**–**	**–**	**2,102**	**2,102**
Tax credit in respect of share-based incentives recognised directly in equity	10	**–**	**–**	**–**	**–**	**311**	**311**
Net dividends	12	**–**	**–**	**–**	**–**	**2**	**2**
Exercise of share-based incentives	24	**–**	**957**	**–**	**–**	**(241)**	**716**
Purchase of shares for share incentive plans	24	**–**	**(765)**	**–**	**–**		**(765)**
Cancellation of own shares	23	**(5)**	**–**	**5**	**–**	**(30,125)**	**(30,125)**
Share-related expenses	23	**–**	**–**	**–**	**–**	**(211)**	**(211)**
At 31 December 2020		**887**	**(11,552)**	**407**	**138**	**133,265**	**123,145**

Company statement of changes in shareholders' equity for the year ended 31 December 2020

	Note	Share capital £000	Own shares held £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
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
At 1 January 2020		**892**	**(9,552)**	**17,946**	**103,520**	**427,518**	**540,324**
Total comprehensive income							
Loss for the year		**–**	**–**	**–**	**–**	**(707)**	**(707)**
Transactions with owners recorded directly in equity							
Share-based payments	25	**–**	**–**	**–**	**–**	**(966)**	**(966)**
Tax credit in respect of share-based incentives recognised directly in equity	10	**–**	**–**	**–**	**–**	**56**	**56**
Capital contribution	24	**–**	**–**	**3,068**	**–**	**–**	**3,068**
Dividends to shareholders	12	**–**	**–**	**–**	**–**	**2**	**2**
Transfer of shares to SIP		**–**	**(734)**	**–**	**–**		**(734)**
Exercise of share-based incentives		**–**	**560**	**–**	**–**	**(560)**	**–**
Cancellation of own shares	23	**(5)**	**–**	**5**	**–**	**(30,125)**	**(30,125)**
Share-related expenses	23	**–**	**–**	**–**	**–**	**(211)**	**(211)**
At 31 December 2020		**887**	**(9,726)**	**21,019**	**103,520**	**395,007**	**510,707**

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 2020 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 2020 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 adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The consolidated financial statements were authorised for issue by the Board of directors on 26 February 2021.

Basis of preparation

The accounts have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 loss for the year of the Company was £707,000 (2019: profit £174,618,000).

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

Management has performed a detailed and extended going concern review and tested the Group's liquidity in a range of scenarios as set out below, taking into account the uncertainties arising from the Covid-19 pandemic.

Throughout the year, the Group was debt free, has continued to be cash generative and has cash of £96.7m at 31 December 2020 (31 December 2019: cash and money market deposits balance of £36.3m).

The Group has the benefit of a £10m committed revolving loan facility with Barclays Bank plc which was agreed on 7 February 2020 and replaced the previous £10m committed loan facility with Barclays Bank plc which was terminated on that date. In April 2020 a variation was agreed to the facility to extend the term beyond the original year to 7 February 2022 and introduced a covenant in relation to the ratio of net debt to EBITDA. No amount has been drawn under the facility to date.

The Group took immediate steps to preserve liquidity in response to Covid-19. This included the decision to suspend the share buyback programme from 14 March 2020 and the cancellation of the previously announced 2019 dividend. On 27 April 2020 Rightmove received confirmation that it was eligible to access the UK Government's Covid Corporate Financing Facility (CCFF).

Following the lockdown measures introduced in late March 2020, particularly the inability to physically view properties, activity in the housing market was significantly reduced in the UK until May/June 2020. In order to support customers during this unprecedented shut down of the UK property market, customers were offered discounts which had a negative impact on 2020 revenue of £88.9m: Agency customers received a 75% discount on their invoice value for four months between April and July, 60% in August and 40% in September; the Agency discount in Scotland and Wales was extended to 75% in August and 60% in September due to the delay in the restart of activity in those areas; New Homes customers were offered a 75% discount on their invoice value for four months between April and July. Selected, limited support across other business units continues to be in place.

Going concern continued

During the second half of the year, in addition to ending the discounts offered to customers, the Group repaid the Furlough grant in September and a deferred VAT amount in October. The Covid Corporate Financing Facility (CCFF) was not needed and access to the scheme lapsed at the end of December.

In stress testing the future cash flows of the Group, management modelled a range of scenarios which considered the impact of a reduction in housing transaction numbers of varying severity for at least the next 12 months from the approval of these financial statements ("the going concern period"). These included severe, but plausible downside scenarios. Under these various scenarios management have modelled likely timing of cash flows from our customers over the going concern period. The models considered the impact of changes in key drivers of the Group's revenue, including customer numbers and average revenue per advertiser (ARPA). In all the scenarios tested, the Group remained cash positive, debt-free and did not require utilisation of the loan facility.

The Board of directors is confident that with the existing cash resources and banking facility in place the Group and the Company will remain cash positive and will have adequate resources to continue in operational existence for at least a period of 12 months from the date of approval of these financial statements, and therefore, have prepared these financial statements on the going concern basis.

Judgements and estimates

The preparation of the consolidated and Company financial statements in conformity with EU 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.

2 Significant accounting policies

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 2019. There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(a) Revenue

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 services, which includes Data Services and Third-Party advertising.

Revenue is recognised based upon the transaction price specified in a contract with a customer. It is recognised at the point when the performance obligations are satisfied, through providing a customer with access to the Rightmove platforms and or products or other services.

2 Significant accounting policies continued

The table below summarises 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. Contracts for these services are per branch location or branch equivalent for Agency, Commercial and Overseas customers and per development for New Homes customers. They vary in length from one month to five years but are typically for periods of six to 12 months. Performance obligations are satisfied, and revenue recognised, from the point that customer has access to the platform to allow them to list their properties. Subscription revenue is spread over the life of the contract. Agency, Overseas and Commercial services are typically billed monthly in advance, from the point the customer gains access to the platform, and New Homes developers are billed monthly in arrears. Customers have the option to enhance their property listings and presence on Rightmove through purchasing additional advertising products. For products that provide enhanced brand property exposure across a period of time, revenue is recognised over the life of the product from the point the customer gains access to the product. Invoices are sent on a monthly basis in line with the core listing services. For products which are one-off use, at a point chosen by the customer, revenue is recognised at the end of the month during which the customer chose to apply and use the product. For products that provide enhanced brand exposure or property exposure across a period of time, revenue is recognised over the life of the product from the point the customer gains access to the product. Invoices are sent on a monthly basis in line with the core listing services. For products which are one-off use, at a point chosen by the customer, revenue is recognised at the end of the month during which the customer chose to apply and use the product. Discounts may be offered to customers as part of membership or package offers and are taken into consideration in the transaction price for each product.
Property products – provision of tenant referencing and rent guarantee insurance	Referencing revenue relates to the supply of tenant referencing services, primarily to lettings agency customers. Performance obligations are satisfied, and revenue is recognised at the end of the month during which the tenant referencing service is completed and the final report passed to the customer. Revenue related to insurance broking commission is generated on the sale of rent guarantee insurance to lettings agency and landlord customers. Revenue is recognised at the start date of the insurance policy purchased. 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 a variety of different data and valuation products and tools. Where the contract gives a customer access to use Rightmove's property tools, revenue is recognised on a monthly basis, over the life of the product, from the point the customer gains access to the tools. Where the contract is to provide the customer with specific data, revenue is recognised at the point that the data is transferred to the customer. Discounts 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 by customers to advertise non-property products on the Rightmove platforms. Performance obligations are met once a customer is actively advertising on the Rightmove Platform. Revenue is recognised on a monthly basis over the life of the contract. A small number of arrangements with third party customers mean that Rightmove is acting as an agent, in a principal-agency relationship. In any case where the Group is acting as an agent, revenue is recognised at a net amount reflecting the margin earned.

Contract assets relate to the Group's rights to consideration for services that have been provided but not yet invoiced at the reporting date. Contract assets are transferred to receivables when invoiced and the rights have become unconditional.

Contract liabilities relate to the advance consideration received from Estate Agency, Overseas and Commercial customers, for which revenue is recognised at a later date, as or when the services are provided.

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	20.0% 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	10.0% 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) Leases

When a contractual arrangement contains a lease the Group recognises a lease liability and a corresponding right of use asset at the commencement of the lease.

At the commencement date the lease liability is measured at the present value of the future lease payments, discounted using the Group's incremental borrowing rate where the interest rate in the lease is not readily determined. Subsequently, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease term is determined from the commencement date of the lease and covers for the non-cancellable term. If the Group has an extension option, which it considers it reasonably certain to exercise, then the lease term will be considered to extend beyond that non-cancellable period. If the Group has a termination option, which it considers it reasonably certain to exercise, then the lease term will be considered to be until the point the termination option will take effect.

At the commencement date the right of use asset is measured at an amount equal to the lease liability plus any lease payments made before the commencement date and any initial direct costs, less any lease incentive payments. An estimate of costs to be incurred in restoring an asset, in accordance with the terms of the lease, is also included in the right of use asset at initial recognition. Subsequently, the right of use asset is measured in accordance with the accounting policy for property, plant and equipment.

An adjustment is also made to the right of use to reflect any remeasurement of the corresponding lease liability. The right of use assets are also subject to impairment testing under IAS 36. Short-term leases and low value leases are not recognised as lease liabilities and right of use assets but are recognised as an expense straight line over the lease term.

(i) 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.

2 Significant accounting policies continued

(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.

(j) 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.

(k) Segmental reporting

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

(l) 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.

(m) 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.

(n) 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.

2 Significant accounting policies continued

(o) Earnings per share (EPS)

The Group presents 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.

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.

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 84.0% (2019: 87.0%) 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 £40,000,000 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 552 days (2019: 232 days).

3 Risk and capital management continued

The agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility was terminated on 7 February 2020. This was replaced with a new agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility that expires on 7 February 2022 and introduced a covenant in relation to the ratio of net debt to EBITDA.

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 97.8% (2019: 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 basic EPS.

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 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 £385,282,000 (2019: £417,966,000) as set out in the Company statement of changes in shareholders' equity. The Group has cash and money market deposits at 31 December 2020 of £96,690,000 (2019: £36,258,000), 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 2020 cash generated from operating activities was £141,452,000 (2019: £221,685,000) 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 2020, 5,028,392 (2019: 16,268,322) shares were bought back and were cancelled at an average price of £5.99 (2019: £5.45).

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.

3 Risk and capital management continued

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.

4 Operating segments continued

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 2020							
Revenue	**141,636**	**40,656**	**182,292**	**23,425**	**–**	**–**	**205,717**
Operating profit[1]	**–**	**–**	**–**	**–**	**137,521**	**(2,379)[2]**	**135,142**
Depreciation and amortisation	**–**	**–**	**–**	**–**	**(4,270)**	**–**	**(4,270)**
Financial income	**–**	**–**	**–**	**–**	**151**	**–**	**151**
Financial expenses	**–**	**–**	**–**	**–**	**(478)**	**–**	**(478)**
Trade receivables[3]	**4,776**	**9,683**	**14,459**	**2,811**	**–**	**127[4]**	**17,397**
Other assets	**–**	**–**	**–**	**–**	**140,968**	**57[4]**	**141,025**
Liabilities	**–**	**–**	**–**	**–**	**(35,093)**	**(184)[4]**	**(35,277)**
Capital expenditure	**–**	**–**	**–**	**–**	**(3,476)**	**–**	**(3,476)**
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)

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

(2) Central operating profit does not include share-based payments charge of £2,102,000 (2019: £4,911,000) and NI on share-based incentives charge of £277,000 (2019: £1,069,000).

(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.

Geographic information

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

	2020		2019	
Group	Revenue £000	Trade receivables £000	Revenue £000	Trade receivables £000
UK	**202,468**	**17,252**	281,993	18,982
Rest of the world	**3,249**	**145**	7,327	570
	205,717	**17,397**	289,320	19,552

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 2020	Agency £000	New Homes £000	Other £000	Total £000
Revenue stream				
Property products	141,636	40,656	9,832	192,124
Non-property products	–	–	13,593	13,593
	141,636	40,656	23,425	205,717

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

Contract balances

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

	Note	2020 £000	2019 £000
Receivables, which are included in trade and other receivables	17	18,277	20,285
Contract assets		334	429
Contract liabilities		(1,570)	(2,111)

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

	2020 £000	2019 £000
Operating profit is stated after charging:		
Employee benefit expense	34,832	34,146
Depreciation of property, plant and equipment	3,259	3,114
Amortisation of intangibles	1,011	480
Bad debt impairment charge	701	740

6 Operating profit continued

Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor in respect of the audit		
Audit of the Company's financial statements	**32**	19
Audit of the Company's subsidiaries pursuant to legislation	**208**	197
Total audit remuneration	**240**	216
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**	2
Total non-audit remuneration	**21**	21

There were no other fees payable to KPMG LLP (2019: £nil).

7 Employee numbers and costs

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

	2020 Number of employees	2019 Number of employees
Administration	**514**	502
Management	**44**	36
	558	538

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	**29,698**	29,125
Social security costs	**3,700**	3,664
Pension costs	**1,434**	1,357
	34,832	34,146

In 2019, employee numbers and costs include the average number of Van Mildert employees for the 3-month period since acquisition with an aggregate Van Mildert payroll cost of £534,000. The 2020 aggregate payroll costs include the full year Van Mildert employee costs of £2,176,000.

Wages and salaries include £8,099,000 (2019: £8,890,000) 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 £277,000 (2019: £1,069,000) relating to NI on share-based incentives (note 25).

8 Financial income

	2020 £000	2019 £000
Interest income on cash and cash equivalents	**134**	267
Interest income on money market deposits	**17**	51
	151	318

9 Financial expenses

	2020 £000	2019 £000
Other interest payable	**199**	198
Interest unwind on lease liabilities	**279**	288
	478	486

10 Income tax expense

	2020 £000	2019 £000
Current tax expense		
Current year	**25,272**	40,689
Adjustment to current tax charge in respect of prior years	**60**	(385)
	25,332	40,304
Deferred tax		
Origination and reversal of temporary differences	**219**	14
Adjustment to deferred tax in respect of prior years	**(351)**	–
(Increase)/decrease in tax rate at which deferred tax is being recognised	**(160)**	155
	(292)	169
Total income tax expense	**25,040**	40,473

Income tax credit recognised directly in equity

	2020 £000	2019 £000
Current tax		
Share-based incentives	**(465)**	(904)
Deferred tax (Note 16)		
Share-based incentives	**250**	(124)
Increase in tax rate at which deferred tax is being recognised	**(96)**	–
	154	(124)
Total income tax credit recognised directly in equity	**(311)**	(1,028)

Total income tax recognised directly in equity in respect of the Company was a credit of £56,000 (2019: £375,000 credit).

10 Income tax expense continued

Reconciliation of effective tax rate

The Group's consolidated effective tax rate for the year ended 31 December 2020 is 18.5% (2019: 19.0%) which is lower than (2019: in line with) the standard rate of corporation tax in the UK due to credit for research and development expenditure and other items shown below. A full reconciliation of the components of the tax charge is set out below:

	2020 £000	2019 £000
Profit before tax	**134,815**	213,562
Current tax at 19.0% (2019: 19.0%)	**25,614**	40,579
Reduction in tax rate at which deferred tax is being provided	**(160)**	155
Non-deductible expenses	**77**	129
Share-based incentives	**50**	(5)
Adjustment to deferred tax charge in respect of prior years	**(351)**	–
Adjustment to current tax charge in respect of prior years	**60**	(385)
Research and development credit	**(250)**	–
	25,040	40,473

11 Earnings per share (EPS)

	£000	Pence per share Basic	Pence per share Diluted
Year ended 31 December 2020			
Earnings	**109,775**	**12.60**	**12.57**
Year ended 31 December 2019			
Earnings	173,089	19.57	19.49

Weighted average number of ordinary shares (basic)

	2020 Number of shares	2019 Number of shares
Issued ordinary shares at 1 January less ordinary shares held by the EBT and SIP Trust	**888,422,516**	904,626,215
Less own shares held in treasury at the beginning of the year	**(13,360,310)**	(14,813,304)
Effect of own shares purchased for cancellation	**(4,280,999)**	(6,097,026)
Effect of share-based incentives exercised	**409,021**	863,996
Effect of shares purchased by the EBT	**(6,669)**	(216,744)
Issued ordinary shares at 31 December less ordinary shares held by the EBT and SIP Trust	**871,183,559**	884,363,137

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.

11 Earnings per share (EPS) continued

	2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares (basic)	**871,183,559**	884,363,137
Dilutive impact of share-based incentives outstanding	**2,491,363**	3,670,032
	873,674,922	888,033,169

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.

Adjusted EPS

Adjusted EPS is calculated as it is used in the remuneration arrangements noted in the Directors Remuneration Report. It is calculated by taking basic profit for the year and adding back the charge for share-based payments and the related NI, but without any adjustment to the tax charge in respect of these items. A reconciliation of the basic earnings for the year to the adjusted earnings is presented below:

	2020 £000	2019 £000
Basic profit for the year	**109,775**	173,089
Share-based incentives charge	**2,102**	4,911
NI on share-based incentives	**277**	1,069
Adjusted profit for the year	**112,154**	179,069

	Price per share 2020	Price per share 2019
Basic adjusted EPS	**12.87**	20.25
Diluted adjusted EPS	**12.84**	20.16

12 Dividends

Dividends declared and paid by the Company were as follows:

	2020		2019	
	Pence per share	£000	Pence per share	£000
2018 final dividend paid	**–**	**–**	4.00	35,510
2019 interim dividend paid	**–**	**–**	2.80	24,663
2019 final dividend paid	**–**	**–**	–	–
2020 interim dividend paid	**–**	**–**	–	–
	–	**–**	6.80	60,173
Unclaimed dividends returned	**–**	**(2)**	–	(317)
Net dividends included in the statement of cash flows	**–**	**(2)**	–	59,856

After the reporting date a final dividend of 4.5p (2019: 4.4p cancelled) per qualifying ordinary share being £39,228,000 (2019: 38,484,000 cancelled) was proposed by the Board of directors. The final dividend will be paid, subject to shareholder approval, on 28 May 2021. There was no 2020 interim dividend paid (2019: £24,663,000).

There was no 2020 interim dividend paid (2019: £24,663,000).

On 28 February 2020, the final dividend for 2019 was proposed for 4.4p with an estimated payment of £38,484,000. However, due to the Covid-19 pandemic, the Board of directors decided on 27 March 2020 to cancel the proposed payment of the final 2019 dividend and not to declare any further discretionary dividend payments during 2020. The Board of directors believes that the additional liquidity generated by this decision was prudent given the uncertainties arising from the Covid-19 pandemic.

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 2020	13,205	1,022	9,637	1,115	1,130	26,109
Additions	–	52	2,256	–	–	2,308
Leased asset additions	–	–	–	–	573	573
Modification of leased assets	1,429	–	–	–	–	1,429
At 31 December 2020	14,634	1,074	11,893	1,115	1,703	30,419
Depreciation						
At 1 January 2020	(2,961)	(656)	(8,437)	(466)	(788)	(13,308)
Charge for year	(1,570)	(146)	(1,129)	(122)	(292)	(3,259)
At 31 December 2020	(4,531)	(802)	(9,566)	(588)	(1,080)	(16,567)
Net book value						
At 31 December 2020	**10,103**	**272**	**2,327**	**527**	**623**	**13,852**
At 31 December 2019	10,244	366	1,200	649	343	12,801

* Land & Buildings and Motor Vehicles are Right of Use assets held under leasing arrangements accounted for in accordance with IFSR16. Further disclosure is in Note 21.

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	13,252	951	9,008	1,105	940	25,256
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)	–	–	10	–	(273)
At 31 December 2019	13,205	1,022	9,637	1,115	1,130	26,109
Depreciation						
At 1 January 2019	(1,476)	(491)	(7,367)	(334)	(396)	(10,064)
Acquired through a business combination	(29)	(24)	(77)	–	–	(130)
Charge for year	(1,456)	(141)	(993)	(132)	(392)	(3,114)
At 31 December 2019	(2,961)	(656)	(8,437)	(466)	(788)	(13,308)
Net book value						
At 31 December 2019	**10,244**	**366**	**1,200**	**649**	**343**	**12,801**
At 31 December 2018	11,776	461	1,640	771	544	15,192

The re-measurement of leased assets relates to a cash refund in relation to a rent-free period on an office lease.

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 2020	16,516	6,197	4,521	27,234
Additions	–	1,169	–	1,169
At 31 December 2020	16,516	7,366	4,521	28,403
Amortisation				
At 1 January 2020	–	(5,167)	(113)	(5,280)
Charge for year	–	(559)	(452)	(1,011)
At 31 December 2020	–	(5,726)	(565)	(6,291)
Net book value				
At 31 December 2020	**16,516**	**1,640**	**3,956**	**22,112**
At 31 December 2019	16,516	1,030	4,408	21,954

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 Company had no intangible assets in either year.

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's 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 comprises £14,051,000 recognised on the acquisition of Van Mildert in 2019; £1,733,000 arising on the acquisition of The Outside View Analytics Ltd in May 2016 and £732,000 of purchased goodwill arising pre-transition to IFRS. The Van Mildert goodwill was allocated to the Agency segment as the revenue and future synergy benefits primarily relate to Agency customers. The goodwill in relation to the Outside View was also 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.

14 Intangible assets continued

Management performed the annual impairment test, which included considering the uncertainties arising from the Covid- 19 pandemic. The calculations used in the cash flow projections are based on the latest business plan that has been updated to reflect the most recent developments as at the reporting date. The impairment test looked at cash flows over the next five years. The long-term growth rate used is in line with the prevailing rate of inflation of c1% for the next two years. The pre-tax discount rate used was 10%. The result of the impairment testing is not sensitive to changes in the inputs.

15 Investments

The subsidiaries of the Group as at 31 December 2020 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 was liquidated in January 2021, after liquidators were appointed in February 2019.

Company	2020 £000	2019 £000
Investment in subsidiary undertakings		
At 1 January	**554,554**	551,478
Additions – subsidiary share-based payments charge	**3,068**	3,076
At 31 December	**557,622**	554,554

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 £3,068,000 (2019: £3,076,000) being recognised in the Company accounts as a capital contribution to its subsidiary.

The Company's investment in its subsidiary undertaking, Rightmove Group Limited, has been assessed for impairment. Management compared 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. There was no impairment as, at 31 December 2020, the market capitalisation of the Group was more than nine times greater than the Company's investment in Rightmove Group Limited.

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				Company
	Share-based incentives £000	Property plant and equipment £000	Provisions £000	Total £000	Share-based incentives £000
At 1 January 2020	**2,318**	**308**	**92**	**2,718**	**1,010**
Prior year adjustment	–	130	221	351	–
Recognised in profit and loss	(98)	(57)	83	(72)	(335)
Recognised directly in equity	(154)	–	–	(154)	(126)
At 31 December 2020	**2,066**	**381**	**396**	**2,843**	**549**
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

The decrease in the deferred tax asset relating to share-based incentives at 31 December 2020 is primarily due to the reduction in expected performance of the PPS awards.

Deferred tax liability

Group	Intangibles 2020 £000	Intangibles 2019 £000
At 1 January	**(871)**	–
Arising on business combination	**–**	(897)
Recognised in profit and loss	**12**	26
At 31 December	**(859)**	(871)

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. On 17 March 2020 a measure was substantively enacted to maintain the corporation tax rate of 19% for the 2020 and 2021 financial years, rather than reducing it to 17%. This will increase the Group's future tax charge accordingly. The deferred tax asset and liability as at 31 December 2020 have been calculated at the rate of 19% (2019:17%) which represents the average rate at which they are expected to reverse in the future, based on currently enacted UK tax rates.

17 Trade and other receivables

Group	2020 £000	2019 £000
Trade receivables	**18,277**	20,285
Less provision for impairment of trade receivables	**(880)**	(733)
Net trade receivables	**17,397**	19,552
Prepayments	**5,951**	3,922
Interest receivable	**4**	32
Other debtors	**98**	479
	23,450	23,985

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	2020 £000	2019 £000
Cash and cash equivalents	**96,690**	32,117
Money market deposits	**–**	4,141
	96,690	36,258

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 0.2% (2019: 0.5%). The cash and cash equivalents balance includes £454,000 (2019: £507,000) 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% (2019: 1.3%).

The Company had no cash and cash equivalents in either year.

19 Trade and other payables

	Group		Company	
	2020 £000	2019 £000	2020 £000	2019 £000
Trade payables	**2,742**	1,384	**–**	–
Trade accruals	**5,879**	6,705	**666**	1,202
Other creditors	**414**	481	**–**	–
Other taxation and social security	**9,890**	10,946	**–**	–
Inter-group payables	**–**	–	**46,798**	14,038
	18,925	19,516	**47,464**	15,240

20 Loans and borrowings

The agreement with Barclays Bank plc for a £10,000,000 committed revolving loan facility was updated on 20 April 2020 to incorporate a variation to extend the term to 7 February 2022 and to introduce a covenant in relation to the ratio of net debt to EBITDA. No amount has been drawn under this facility. The company had no bank loans and borrowing in either year.

21 Leases

The Group leases assets including land and buildings and motor vehicles that are held within property, plant and equipment (Note 13). Information about leases for which the Group is a lessee is presented below.

Analysis of property, plant and equipment between owned and leased assets	2020 £000	2019 £000
Net book value of property, plant and equipment owned	**3,126**	2,216
Net book value of right of use assets	**10,726**	10,586
	13,852	12,802

21 Leases continued

Net book value of right of use assets	Property £000	Vehicles £000	Total £000
At 1 January 2020	10,244	342	10,586
Additions	–	573	573
Lease modification	1,429	–	1,429
Depreciation charge	(1,570)	(292)	(1,862)
At 31 December 2020	**10,103**	**623**	**10,726**
At 1 January 2019	11,776	544	12,320
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	10,244	342	10,586

Lease liabilities Maturity analysis – contractual undiscounted cash flows	2020 £000	2019 £000
Less than one year	**2,281**	1,983
One to five years	**8,346**	7,391
More than five years	**2,544**	3,921
	13,171	13,295

Lease liabilities included in the statement of financial position	2020 £000	2019 £000
Current	**2,023**	1,709
Non-current	**10,287**	10,499
	12,310	12,208

Amounts recognised in profit or loss	2020 £000	2019 £000
Interest on lease liabilities	**279**	287
Expenses relating to short-term leases	**233**	87
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**16**	31
	528	405

Amount recognised in the statement of cash flows	2020 £000	2019 £000
Total cash outflow for leases	**2,159**	1,535

22 Provisions

	2020				2019			
	Dilapidations provision £000	Employee provisions £000	Contingent consideration £000	Total £000	Dilapidations provision £000	Employee provisions £000	Contingent consideration £000	Total £000
At 1 January	**507**	**256**	**2,407**	**3,170**	424	671	–	1,095
Utilised during the year	**–**	**(256)**	**–**	**(256)**	–	(417)	–	(417)
Arising on business combination	**–**	**–**	**–**	**–**	37	2	2,407	2,446
Charged in the year	**55**	**666**	**–**	**721**	46	–	–	46
At 31 December	**562**	**666**	**2,407**	**3,635**	507	256	2,407	3,170
Current	**–**	**666**	**–**	**666**	–	256	–	256
Non-current	**562**	**–**	**2,407**	**2,969**	507	–	2,407	2,914
	562	**666**	**2,407**	**3,635**	507	256	2,407	3,170

The dilapidations provision is in respect of any 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.

During the year the Group has accrued amounts in relation to employee related holiday pay. The provision is based on the estimated future payroll cost to the Group and has 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 was reassessed at 31 December 2020 and is discounted over the remaining one and a half year period and is therefore classified as a non-current liability.

The Company had no provisions in either year.

23 Share capital

	2020		2019	
	Amount £000	Number of shares	Amount £000	Number of shares
In issue ordinary shares				
At 1 January	**892**	**891,416,008**	908	907,684,330
Purchase and cancellation of shares	**(5)**	**(5,028,392)**	(16)	(16,268,322)
At 31 December	**887**	**886,387,616**	892	891,416,008

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 2020 was 5,028,392 (2019: 16,268,322) shares representing 1.8% (2019: 1.8%) 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 £30,125,000 (2019: £88,583,000). The maximum and minimum prices paid were £6.50 (2019: £6.40) and £5.05 (2019: £4.28) per share respectively. Share-related expenses in relation to stamp duty charges and broker expenses were £211,000 (2019: £619,000).

Included within shares in issue at 31 December 2020 are 1,395,476 (2019: 2,208,362) shares held by the EBT, 757,575 (2019: 785,130) shares held by the SIP and 13,285,490 (2019: 13,360,310) 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 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 as at 1 January 2020	**(2,191)**	**(3,205)**	**(6,348)**	**(11,744)**
Shares purchased for share incentive plans	**(765)**	**–**	**–**	**(765)**
Shares transferred to SIP	**734**	**(734)**	**–**	**–**
Share-based incentives exercised in the year	**397**	**524**	**36**	**957**
Reduction in shares released due to net settlement	**–**	**–**	**–**	**–**
SIP releases in the year	**–**	**–**	**–**	**–**
Own shares held as at 31 December 2020	**(1,825)**	**(3,415)**	**(6,312)**	**(11,552)**

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 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
Own shares held as at 1 January 2020	**2,208,362**	**785,130**	**13,360,310**	**16,353,802**
Shares purchased for share incentive plans	**118,293**	**–**	**–**	**118,293**
Shares transferred to SIP	**(113,465)**	**113,465**	**–**	**–**
Share-based incentives exercised in the year	**(817,714)**	**(141,020)**	**(74,820)**	**(1,033,554)**
Reduction in shares released due to net settlement	**–**	**–**	**–**	**–**
SIP releases in the year	**–**	**–**	**–**	**–**
Own shares held as at 31 December 2020	**1,395,476**	**757,575**	**13,285,490**	**15,438,541**

(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 2020, the EBT held 1,395,476 (2019: 2,208,362) ordinary shares in the Company, representing 0.2% (2019: 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 2020 was £9,085,000 (2019: £14,001,000).

24 Reconciliation of movement in capital and reserves continued

(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 350 free shares with effect from 21 December 2020 (2019: 450), subject to a three year service period. 141,020 shares were exercised and nil (2019: 44,275) shares were released by the SIP during the year in relation to good leavers and retirees. 113,465 (2019: 131,110) shares were transferred to the SIP reserve from the EBT.

At 31 December 2020 the SIP held 757,575 (2019: 785,130) ordinary shares in the Company, representing 0.09% (2019: 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 2020 was £4,932,000 (2019: £4,978,000).

(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 nil (2019: 23,085) 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 2020 was £86,489,000 (2019: £84,704,000).

Other reserves

This represents the Capital Redemption Reserve in respect of own shares bought back and cancelled. The movement of £5,000 (2019: £16,000) is the nominal value of ordinary shares cancelled during the year.

Retained earnings

The loss on the exercise of share-based incentives of £241,000 (2019: £608,000 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 £3,068,000 (2019: £3,076,000) in respect of the share-based incentives charge for employees of Rightmove Group Limited.

In addition, other reserves include £407,000 (2019: £402,000) of Capital Redemption Reserve. A movement of £5,000 (2019: £16,000) 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 £277,000 (2019: £1,069,000). The share price at 31 December 2020 was £6.51 (2019: £6.34).

25 Share-based payments continued

The Group recognised a total share-based payments charge for the year of £2,102,000 (2019: £4,911,000) with a Company credit for the year of £966,000 (2019: charge £1,835,000), as set out below:

	Group		Company	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Sharesave Plan	**324**	267	**1**	(1)
Performance Share Plan (PSP)	**(1,112)**	1,302	**(1,019)**	1,206
Deferred Share Bonus Plan (DSP)	**1,489**	2,364	**52**	630
Share Incentive Plan (SIP)	**838**	676	**–**	–
Restricted Share Plan (RSP)	**563**	302	**–**	–
Total share-based payments charge	**2,102**	4,911	**(966)**	1,835
NI on applicable share-based incentives at 13.8%	**277**	1,069	**(53)**	597

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 £41,000 (2019: £58,000).

Approved and Unapproved Plans

There has been no award of share options for Approved and Unapproved Plans since 5 March 2010.

	2020		2019	
Group	**Number**	**Weighted average exercise price (pence)**	Number	Weighted average exercise price (pence)
Outstanding at 1 January	**–**	**–**	525,530	66.6
Exercised	**–**	**–**	(525,530)	66.6
Outstanding at 31 December	**–**	**–**	–	–
Exercisable at 31 December	**–**	**–**	–	–

The weighted average market value per ordinary share for options exercised in 2020 was nil (2019: 541.60 pence). There are no options outstanding at 31 December 2020 (2019: nil).

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 2019	558.6	430.0	22.4	3.0	0.8	1.2	25.0	146.9
30 September 2020	627.0	513.0	27.5	3.0	0.0	0.5	10.0	167.1

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 must 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.

	2020		2019	
Group	Number	Weighted average exercise price (pence)	Number	Weighted average exercise price (pence)
Outstanding at 1 January	**804,221**	**387.3**	954,274	349.2
Granted	**247,942**	**513.0**	316,047	388.0
Forfeited	**(85,974)**	**401.5**	(187,093)	359.0
Exercised	**(214,166)**	**329.7**	(279,007)	324.8
Outstanding at 31 December	**752,023**	**442.9**	804,221	387.3
Exercisable at 31 December	**42,096**	**329.00**	22,220	331.5

The weighted average market value per ordinary share for Sharesave options exercised in 2020 was 624.01 pence (2019: 585.88 pence). The Sharesave options outstanding at 31 December 2020 have an exercise price in the range of 389.00 pence to 513.00 pence (2019: 296.00 pence to 430.00 pence) and a weighted average contractual life of 2.2 years (2019: 2.4 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.

228,004 PSP awards were made on 17 September 2020 (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 2020 – 31 December 2023). The vesting in March 2022 (Vesting Date) of 50% 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 50% 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)
6 March 2019 (TSR dependent)[1]	495.1	0.0	22.4	3.0	0.8	0.0	0.0	270.0
6 March 2019 (EPS dependent)[1]	495.1	0.0	n/a	3.0	0.8	0.0	0.0	495.1
17 September 2020 (TSR dependent)[1]	630.0	0.0	27.5	3.0	0.0	0.0	0.0	346.0
17 September 2020 (EPS dependent)[1]	630.0	0.0	n/a	3.0	0.0	0.0	0.0	533.0

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

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

25 Share-based payments continued

Group	2020 Number	2019 Number
Outstanding at 1 January	**1,131,918**	1,719,070
Granted	**228,004**	351,802
Lapsed[1]	**(82,637)**	(326,905)
Exercised	**(260,006)**	(612,049)
Outstanding at 31 December	**1,017,279**	1,131,918
Exercisable at 31 December	**188,258**	123,758

(1) Following the achievement of 67% of the 2016 PSP performance targets 236,692 nil cost PSP options were lapsed in 2019. Following the achievement of 85% of the 2017 PSP performance target 57,266 nil cost PSP options were lapsed in the year.

The weighted average market value per ordinary share for options exercised in 2020 was 624.25 pence (2019: 529.79 pence). The weighted average exercise price was nil in both years. The PSP awards outstanding at 31 December 2020 have a weighted average contractual life of 3.3 years (2019: 2.9 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)
6 March 2019	6 March 2019[1]	495.1	0.0	3.0	0.8	1.3	12.0	476.0
4 March 2020	4 March 2020[2]	614.0	0.0	3.0	0.8	0.5	12.0	605.3

(1) Following the achievement of 65% of the 2019 internal performance targets, 357,152 nil cost shares were awarded to executives and senior management on 4 March 2020 (the award date) with the right to release the shares deferred until March 2022.

(2) Based on the 2020 internal performance targets, the Remuneration Committee determined that 56% of the maximum award in respect of the year will be made in March 2021. The number of shares to be awarded will be determined based on the share price at the Award Date in March 2021.

Group	2020 Number	2019 Number
Outstanding at 1 January	**939,982**	789,640
Awarded	**357,152**	572,387
Forfeited	**(10,257)**	(64,525)
Exercised	**(405,300)**	(357,520)
Outstanding at 31 December	**881,577**	939,982
Exercisable at 31 December	**–**	–

The weighted average market value per ordinary share for deferred shares exercised in 2020 was 616.37 pence (2019: 523.19 pence). The weighted average exercise price was nil in both years. The DSP awards outstanding at 31 December 2020 have a weighted average contractual life of 2.2 years (2019: 1.7 years).

25 Share-based payments continued

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 350 shares on 21 December 2020 (2019: 450 shares on 20 December 2019) 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)
21 December 2018	420.9	0.0	25.4	3.0	0.8	0.0	33.0	420.9
20 December 2019	642.4	0.0	22.4	3.0	0.8	0.0	33.0	642.4
20 December 2020	651.6	0.0	27.5	3.0	0.0	0.0	33.0	651.6

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

Group	2020 Number	2019 Number
Outstanding at 1 January	**761,845**	790,470
Granted	**187,250**	223,650
Forfeited	**(60,025)**	(96,200)
Released	**–**	(111,800)
Exercised	**(141,020)**	(44,275)
Outstanding at 31 December	**748,050**	761,845
Exercisable at 31 December	**106,000**	79,770

The weighted average market value per ordinary share for SIP awards released and exercised in 2020 was 630.37 pence (2019: 496.24 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 2020 have a weighted average contractual life of 1.2 years (2019: 1.4 years).

Restricted Share Plan (RSP)

In March 2019 an 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. A further 33,614 were awarded on 17 September 2020 with a vesting period of one year.

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.

25 Share-based payments continued

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	495.1	0.0	22.4	3.0	0.8	0.0	25.0	476.0
17 September 2020	630.0	0.0	27.5	1.0	0.0	0.0	0.0	627.2

Group	2020 Number	2019 Number
Outstanding at 1 January	**211,323**	–
Awarded	**33,614**	254,502
Forfeited	**–**	(28,786)
Exercised	**–**	(14,393)
Outstanding at 31 December	**244,937**	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 2020 have a weighted average contractual life of 1.1 years (2019: 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	2020 £000	2019 £000
Net trade receivables	17	**17,397**	19,552
Accrued interest receivable	17	**4**	32
Contract assets	5	**334**	429
Other debtors	17	**98**	479
Cash and cash equivalents	18	**96,690**	32,117
Money market deposits	18	**–**	4,141
		114,523	56,750

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	2020 £000	2019 £000
UK		**17,252**	18,982
Rest of the world		**145**	570
	17	**17,397**	19,552

26 Financial instruments continued

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

Group	Note	2020 £000	2019 £000
Property products		**14,961**	17,355
Other		**2,436**	2,167
	17	**17,397**	19,522

The Group's most significant customer accounts for £499,000 (2019: £861,000) of net trade receivables as at 31 December 2020.

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.

Management has considered the impact of Covid-19 on its customers and any credit risks arising due to the slowdown in converting property sales into cash, due to the additional activity in the property market. However there have been very limited indications that this is impacting customers' ability to pay the Group. Overall, the impact on credit risk is minimal due to the majority of customers paying in advance on a subscription basis.

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 2020.

2020	Weighted-average loss rate	Gross carrying amount £000	Loss allowance £000	Credit-impaired
Current	1.6%	11,969	(197)	No
Past due 1 – 30 days	6.5%	3,391	(220)	No
Past due 31 – 60 days	13.3%	1,281	(171)	No
Past due 61 – 90 days	5.9%	423	(25)	No
More than 91 days past due	21.9%	1,213	(267)	No
		18,277	**(880)**	

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)**	

26 Financial instruments continued

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

Group	2020 £000	2019 £000
At 1 January	**733**	718
Arising on business combination	**–**	71
Charged during the year	**701**	740
Utilised during the year	**(554)**	(796)
At 31 December	**880**	733

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.

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 2020			
Trade payables being non-derivative financial liabilities	**2,742**	**(2,742)**	**(2,742)**
At 31 December 2019			
Trade payables being non-derivative financial liabilities	1,384	(1,384)	(1,384)

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 2020 all the Group's sales and more than 97.8% (2019: 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 2020 the Group had total cash and cash equivalents of £96,690,000 (2019: £32,117,000) and money market deposits of nil (2019: £4,141,000).

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 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 in 2020 and 2021 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 2020.

	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

The total cash consideration paid of £15,882,000 excludes acquisition costs of £322,000, which was recognised as an expense in the 2019 Consolidated Statement of Comprehensive Income. Included within transaction costs on acquisition of £322,000 were 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 estimated that the 2019 consolidated revenue would have been £292,253,000 and the 2019 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.

27 Acquisition of subsidiary continued

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**

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 considered the fair value of assets and liabilities acquired and concluded that there were 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 £279,000 (2019: £542,000) under this agreement and at 31 December 2020 the unsecured inter-group loan balance was £46,799,000 (2019: £14,038,000) including capitalised interest (refer Note 19).

There were no interim or final dividends declared in 2020 (2019: £178,572,000). Rightmove Group Limited declared a dividend in specie of £734,000 (2019: £826,000), 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, Rightmove Group Limited has settled liabilities on behalf of Van Mildert Landlord and Tenant Protection Limited. The balance owing under the inter-group loan agreement dated 30 September 2019 was £384,000 as at 31 December 2020 (2019: £86,000).The interest charged under this agreement was £1,400 (2019: £nil). During the year, on 29 April 2020, a subordinated loan was granted to Van Mildert Landlord and Tenant Protection Limited for the value of £900,000. The amount owing at 31 December 2020 was £904,000 (2019: nil). The interest charge was £4,000 (2019: 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 £1,534,000 as at 31 December 2020 (2019: £1,359,000). 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 £11,000 (2019: £13,000).

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.

During the year, the directors in office in total had gains of £2,153,000 (2019: £5,791,000) arising on the exercise of share-based incentive awards. The total share-based payments credit in relation to the directors in office was £965,000 (2019: £1,835,000 charge). The credit in the current year arose as a result of a reduction in the estimated performance of long-term incentive schemes in the period.

Robyn Perriss, who was Finance Director until 30 June 2020, 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. The value of purchases by Rightmove from Softcat plc in 2020 was £58,000 (2019: £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.

29 Contingent liabilities

The Group and the Company had no contingent liabilities in either year, other than the contingent consideration disclosed in Note 22.

30 Subsequent events

There have been no subsequent events having a material impact on the financial statements between 31 December 2020 and the reporting date.

Contacts

Chief Executive Officer:	Peter Brooks-Johnson
Chief Financial Officer:	Alison Dolan
Company Secretary:	Sandra Odell
Website:	www.rightmove.co.uk

Financial calendar 2021

2020 full year results	26 February 2021
Final dividend record date	30 April 2021
Annual General Meeting	7 May 2021
Final dividend payment	28 May 2021
Half year results	30 July 2021

Registered office

Rightmove plc
2 Caldecotte Lake
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Milton Keynes
MK7 8LE

Registered in
England no. 06426485

Corporate advisers

Financial adviser
UBS Investment Bank

Joint brokers
UBS AG London Branch
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 Group*

*Shareholder enquiries

The Company's registrar is Link Group. 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 contact details are:

Shareholder helpline: 0371 664 0300 calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.

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Central Square
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LS1 4DL

Shareholders can register online to view your holdings using the shareholder portal, a service offered by Link Group at www.signalshares.com. The shareholder portal is an online service enabling you to quickly and easily access and maintain your shareholding online – reducing the need for paperwork and providing 24 hour access for your convenience.
You may:
- View your holding balance and get an indicative valuation
- View the dividend payments you have received
- Cast your proxy vote on the AGM resolutions online
- Update your address
- Register and change bank mandate instructions so that dividends can be paid directly to your bank account
- Elect to receive shareholder communications electronically
- Access a wide range of shareholder information and download shareholder forms

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