Moneysupermarket Group

HELPING CUSTOMERS SAVE MORE MONEY THAN EVER BEFORE

Inside

Moneysupermarket.com Group PLC
Annual Report and Accounts 2017

Through our three leading brands, MoneySuperMarket, MoneySavingExpert and TravelSupermarket, we are committed to providing our customers with the services, tools and products they need to grow their money.

Through our reliable and continually refined customer journey we are able to fulfil our purpose to help households save money.

TURN OVER TO SEE HOW IT WORKS

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Our brands in review, from page 18

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Financial

- Group revenue increased by 4% to £329.7m
- Group operating profit increased by 4% to £94.9m
- Group adjusted operating profit* increased by 6% to £113.9m
- Group profit after tax increased by 6% to £78.1m
- Final dividend up 7% to 7.6p per share
- Total dividend for the year up 6% to 10.44p per share
- £94m distributed to shareholders through dividends and share repurchase programme
- Basic earnings per share increased by 7% to 14.4p per share
- Adjusted earnings per share* increased by 8% to 16.9p per share

Financial Review on page 24

Operational

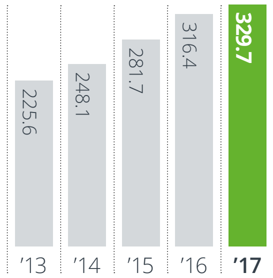
- Estimated customer savings up 10% to £2.0bn
- Capital investment of £15.8m in technology
- Life Buy Now launched by MoneySuperMarket
- An additional 2.7m people opened accounts with MoneySuperMarket through 'MyProfile'
- Completed transition to new Fusion technology platform
- Implementation of new integrated Finance and HR back office system

Chief Executive's Review on page 6

* as detailed in the Financial Review on page 24.

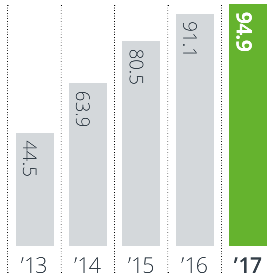
Revenue (£m)

£329.7m
^ 4%



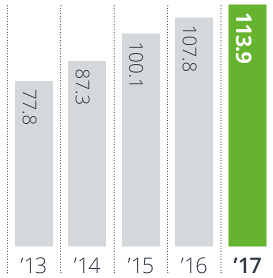
Operating profit (£m)

£94.9m
^ 4%



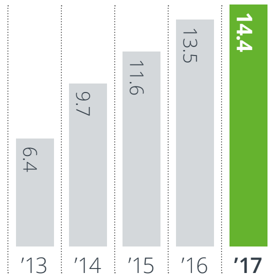
Adjusted operating profit* (£m)

£113.9m
^ 6%



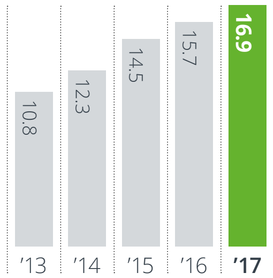
Basic earnings per share (p)

14.4p
^ 7%



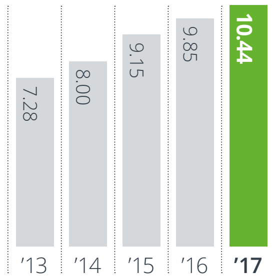
Adjusted earnings per share* (p)

16.9p
^ 8%



Total dividend per share (p)

10.44p
^ 6%



More information on **http://corporate.moneysupermarket.com**

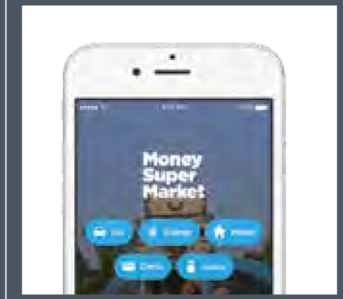
OUR CUSTOMER JOURNEY

HOW IT WORKS

We provide a convenient and intuitive journey, enabling customers to access our services through multiple devices. We work with partners to ensure our customers receive exclusive and market-leading deals and that our content, tools and services are relevant, engaging and user-friendly.

See how this fits into our business model on page 12

INFORMING OUR CUSTOMERS



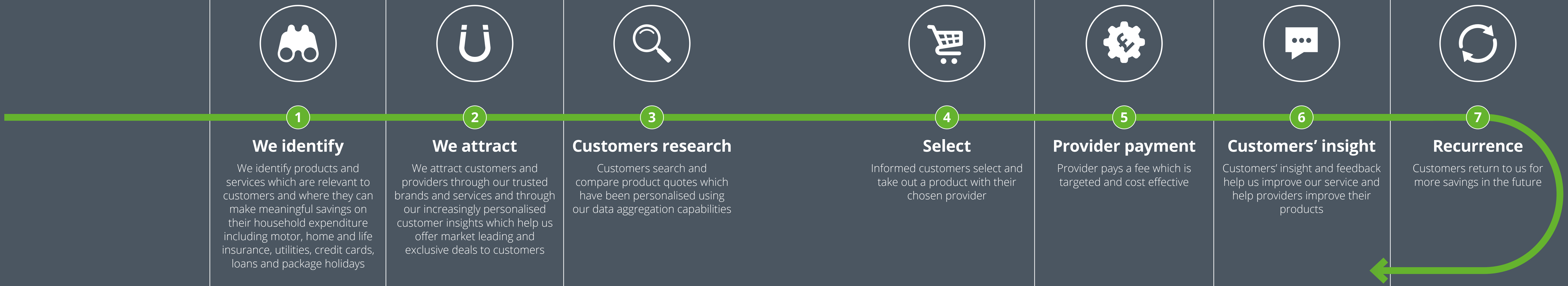
Strategy in action
MoneySuperMarket App
With an increasing number of customers using their phones, the MoneySuperMarket App makes it easy to find the right deal for them. It then keeps their policies in one easy to access place and reminds them when it's time to save again.

Read more on page 14

LISTENING TO OUR CUSTOMERS

Strategy in action
Cheap Energy Club
We've focused our product development on helping users choose the right provider for them, far more easily.

Read more on page 16



1 We identify
We identify products and services which are relevant to customers and where they can make meaningful savings on their household expenditure including motor, home and life insurance, utilities, credit cards, loans and package holidays

2 We attract
We attract customers and providers through our trusted brands and services and through our increasingly personalised customer insights which help us offer market leading and exclusive deals to customers

3 Customers research
Customers search and compare product quotes which have been personalised using our data aggregation capabilities

4 Select
Informed customers select and take out a product with their chosen provider

5 Provider payment
Provider pays a fee which is targeted and cost effective

6 Customers' insight
Customers' insight and feedback help us improve our service and help providers improve their products

7 Recurrence
Customers return to us for more savings in the future

CONTINUING TO DELIVER IN A YEAR OF TRANSITION

Our three leading brands give us significant strength, breadth and diversity, generating growth and increasing the predictability of the business. All of our brands are consistent in their ambition 'To help households save money'.

Our results

This was a solid year of performance for the Group during a year of transition, with the Group's revenue increasing by 4% from £316.4m to £329.7m and adjusted operating profit increasing by 6% from £107.8m to £113.9m.

Growth was strong in MoneySuperMarket's Insurance channels driven by our marketing and pricing initiatives. MoneySuperMarket's Home Services channels declined during the year as a result of lower collective switch activity compared to 2016 and during the second half management refocused on the core energy switching proposition. Revenue in MoneySavingExpert was 13% ahead of last year with trends consistent with those seen by MoneySuperMarket: energy revenues were impacted by reduced collective switch activity compared with last year, but there was good growth in Money products. TravelSupermarket's revenue increased by 4% compared with 2016. We continue to maintain a strong financial position with good cash generation.

Cash generated from operations during the year was £106.3m. After paying dividends and completing its share repurchase programme, the Group ended the year with cash and cash equivalents of £35.1m. During the year the Group returned a total of £94m in dividends and share repurchases and generated a Total Shareholder Return for the year of 24%.

New Chief Executive Officer

Our results were achieved in a year of transition as we welcomed Mark Lewis to the Group on 13 March 2017 and who, following a period of handover from Peter Plumb, became Chief Executive Officer on 10 April 2017. Peter stepped down from the Board at the conclusion of the Annual General Meeting on 4 May 2017.

Mark has a successful track record of leading fast growing digital businesses with strong customer satisfaction, trust and values. His experience and values are aligned with our goal of helping households save money.

Bruce Carnegie-Brown
Chairman

Business model

2017 has again demonstrated the value of our three leading brands, giving the Group significant strength, breadth and diversity and increasing the predictability of the business. The Group has delivered its eighth year of revenue and earnings growth and has helped nearly eight million customers during the year to save money on a broad range of financial and household services. More and more customers wish to engage digitally with their service providers across a wide range of devices and want to test the value of the services being provided to them by comparing prices on an increasing range of services. The continuing structural shift in consumers' engagement from offline to online and from desktop to mobile, and their continuing demand for a better customer experience and better execution from providers of these services all support the growth aspirations of the Group's key brands.

Dividend and share repurchase

In line with our progressive dividend policy, the Board is recommending a final dividend of 7.6p per share (2016: 7.1p) representing an increase of 7% on the final dividend in 2016. If approved by shareholders at the forthcoming Annual General Meeting, this will bring the total dividend for the year to 10.44p (2016: 9.85p) per ordinary share, an increase of 6% year over year, and will be paid on 15 May 2018 to all shareholders on the register on 6 April 2018.

Details of our dividend policy can be found on page 27.

We also completed a £40m share repurchase programme during 2017, returning surplus capital to shareholders in the year.

Strategic progress

Following the appointment of Mark Lewis as Chief Executive Officer, and under his direction, the Group undertook a review of its strategic initiatives and its key performance indicators. This review has culminated in the evolution of our strategy with a revised set of key performance indicators. Further detail on the Group's strategy can be found on pages 10 to 11.

While no acquisitions were made in 2017, the Group continues to be open to acquisition opportunities which are evaluated against a disciplined set of risk and return appetite metrics.

As anticipated, in recent years, the price comparison industry has attracted greater scrutiny from our regulators, in part due to the growing importance of the sector to consumers looking to make informed decisions about their choice of service providers. In particular, the Competition and Markets Authority completed its review of Digital Comparison Tools (ranging from price comparison websites to smartphone apps) in September 2017. During 2017 we have continued to engage on a proactive basis with key regulators and we share the vision of regulators to make products more accessible and understandable to consumers.

Governance and risk management

The identification and management of risk has continued to be a focus for us during the year. Following the detailed assessment of the risks associated with change management and our software development life-cycle in 2016, we spent 2017 implementing the recommendations from those assessments as well as reviewing the risks associated with the new strategic priorities. Further information on risk management and the key risk focus areas during the year are set out on pages 29 to 33.

During the year we continued to enhance our approach to corporate governance, building on areas for improvement identified during our 2016 Board evaluation. During 2017, we undertook an external evaluation of the Board, in line with the UK Corporate Governance Code (the Code). More information on our approach to governance is set out in my Introduction to Governance, the Corporate Governance Report and the reports of each of the Committees on pages 38 to 72. These reports describe how we have applied the main principles of the Code during 2017 and reports upon our compliance with the Code's provisions.

The Board

The composition of the Board continues to be appropriate to the Group's requirements with the right diversity of experience and technical expertise to support the strategic and operational direction of the Group.

During 2017, as described earlier in my report, Mark Lewis was appointed Chief Executive Officer in succession to Peter Plumb who stepped down from the Board on 4 May 2017. Peter served as the Group's Chief Executive Officer for eight years and I would like to thank him for his commitment and dedication to the Group's vision 'to help households save money' and to recognise the support he provided to Mark during the handover period.

In addition, Rob Rowley, our Senior Independent Non-Executive Director, stepped down from the Board during the year. Rob was a Director for nine years having joined the Board shortly after flotation. I would like to thank Rob for his significant contribution to the Board over this time. Sally James succeeded Rob as Senior Independent Director.

Following the publication of the Hampton-Alexander Review, we revised our diversity policy and are aiming for a minimum of 33% of women on the Board by 2020. We will continue to focus on broadening and strengthening the diversity of the Board and Group in the years to come.

Our employees

Our results this year once again reflect the dedication and quality of all our employees across the Group. We rely on their skills, experience, competence and hard work to drive our business forward. Most importantly, their passion for our mission and their commitment to delivering the best for our customers are key assets for the Group and critical to its future success. On behalf of the Board, I would like to thank all of our employees for their contribution to the performance of the Group.

Outlook

We have set out on pages 10 to 11 our refined strategic priorities to invest in customer experience optimisation and to focus on key areas to drive future growth. We expect adjusted EBITDA for 2018 to be broadly flat as we invest in our revised strategy. This investment will enable us to accelerate our growth after 2018. We have great confidence in our brands which give us strength, breadth and diversity and are aligned with our ambition to 'help households save money', enabling us to continue to build our business for the future.

Bruce Carnegie-Brown
Chairman
21 February 2018

"This was a solid year of performance for the Group during a year of transition, with the Group's revenue increasing by 4% from £316.4m to £329.7m and adjusted operating profit increasing by 6% from £107.8m to £113.9m."

Adjusted operating profit (£m)

£113.9m

^ 6%

Total dividend per share

10.44p

^ 6%

Read more about the performance of our brands from page 18

WE SAVED OUR CUSTOMERS OVER £2BN IN 2017

As the most diversified price comparison business we take great pride in our ability to help people with their household bills and with fantastic brands and a new technology platform, we are well positioned to help more people save even more money in the future.

I was attracted to Moneysupermarket by its inspirational purpose 'To help households save money', and I am delighted to be able to confirm this motivation holds strong within the Group. We take great pride in our ability to help people manage their household bills.

As the most diversified price comparison business, with fantastic brands and a new technology platform, we are uniquely positioned to help more people save even more money.

The opportunity to lead such a successful business and fulfil such a compelling purpose is a true privilege. I have inherited a strong team and with our revised set of strategic priorities I believe we are set for an exciting new phase in our growth story.

Overview

I am pleased to report that in 2017 we helped more households save more money than ever before: an estimated £2.0bn for nearly eight million families. In doing so we grew revenue by 4% and grew adjusted operating profit by 6% to £113.9m.

2017 was a year of transition and solid delivery for the business so it is notable that we are also finding new ways to help customers save money. For the first time in 2017, the majority of interactions with our customers came via a mobile device and this trend continues. Our markets remain healthy, dynamic and growing and we are committed to leading the way in price comparison through innovation.

Mark Lewis
Chief Executive Officer

Our business serves both our customers and our providers, importantly creating value for both sides of our marketplace. It's pleasing that the CMA's recent market study of the comparison industry confirmed the customer satisfaction rating for our services at over 90%.

There will be changes in our regulatory environment during 2018 and we have developed plans for our operations to take account of these, including PSD2 (Open Banking) and GDPR.

No matter where the lively political debate around energy pricing lands in the months to come, we remain confident there will still be significant consumer savings to be made through energy switching.

2017 marked the successful completion of our replatforming project and all our major channels are now running on the new technology platform, 'fusion'. The completion of this significant multi-year investment gives us the foundation on which we can build a truly enhanced customer experience.

The stage is set for us to drive forwards with innovation. We have a successful, differentiated, well diversified price comparison business with highly trusted and popular brands. Our new technology platform enables us to harness more of the latent potential of that core business, more effectively. It also gives us the means to develop and extend our markets in new ways, making it possible for us to help more households save even more money in future.

> **"I was attracted to Moneysupermarket by its inspirational purpose 'To help households save money'."**

MoneySuperMarket

The MoneySuperMarket business delivered revenue in 2017 of £294.5m, up 3% compared to 2016. Insurance performed strongly with our marketing and pricing initiatives growing share in a buoyant market. During 2017 we continued to enhance our offer and transformed our customer proposition in life insurance to enable customers to complete their applications on our website.

The low interest rate environment set the context for our Money category. Credit card switching remained positive with strong balance transfer products on offer. Bank account and savings switching was initially subdued, but picked up pace towards the year end as banks once again saw benefits from attracting new customers and deposits.

Home Services had a mixed year with a significant slow down in energy collective switches compared to the peak of 2016, but through improving the online customer experience we were able to enhance our core energy switching proposition to drive a recovery in our core performance during the second half.

MoneySavingExpert

MoneySavingExpert had a good year, growing revenue by 13% to £41.5m despite a significant reduction in energy collective switch activity.

More users signed up to receive the MoneySavingExpert weekly tip email, taking the total to almost 13 million. This is a huge endorsement of the great work the editorial team do at MoneySavingExpert which was the highest rated brand for advocacy in 2017 (YouGov Advocacy Rating 2017).

We saw a particularly lively political debate about energy pricing during the year. As true consumer champions, we encourage debate about the benefits of comparison and switching, and remain confident in our ability to help households make significant savings on their energy bills. However, in this political environment we found that some providers were less keen to offer collective switches to new customers. Even so, our Cheap Energy Club now monitors over three million households for better energy tariffs, immediately alerting them when savings can be made through the Group's quick and simple switching process.

TravelSupermarket

TravelSupermarket's turnaround continued throughout the year, with revenue of £23.3m, 4% higher than 2016. We continue to work on improving the proposition for both customers and providers. Travel remains a very competitive market and we remain focused on the true value TravelSupermarket brings to its customers, that of price comparison, particularly in packaged holidays and associated car rental.

Strategy

The purpose of the Group, to help households save money on their bills, is highly compelling but on joining the business it was important to me that we should revisit and challenge our strategic priorities.

As a result, we have refined our strategy and initiatives and are very excited to have identified clear opportunities to continue to grow our business.

With the major replatforming project finished, we can now move into a phase of increased customer experience innovation. We are calling this the 'Reinvent' strategy and it commits us to leading price comparison into its next chapter.

Replatforming has positioned us to reaccelerate and consolidate our core business growth through optimising the customer experience.

But in addition, we are excited about opportunities it affords us to add new growth to the market by developing new services and propositions, including building price comparison in new products and categories, to help our customers save even more.

Importantly, this revised strategy is built on the core strengths of our business: our leading brands, product diversification and breadth of provider relationships, our modern technology platform and, of course, our customers looking to save on their bills across multiple products and categories. I believe these combining factors will be even more differentiating and important for us in the future.

Summary

Innovation is integral to the achievement and success of Moneysupermarket. To deliver our strategy we will be re-energising that spirit of innovation in price comparison, and in the process creating roles for new talent and opportunities for colleagues across the Group.

As I approach my first anniversary in the business, and as we move into our new London head office building, I believe we have developed a clear strategic direction in dynamic, growing markets, and I am as excited about the opportunities as I was on my first day.

Mark Lewis
Chief Executive Officer
21 February 2018

Estimated savings made by customers (£bn)

£2.0bn

^ 10%

Active users

13.2m

Read more about our new KPIs on page 11

Read more about the performance of our brands from page 18

HELP HOUSEHOLDS SAVE MONEY

Our strategy is to invest in the right products and services within our core brands of MoneySuperMarket, MoneySavingExpert and TravelSupermarket to help more people save more money year after year.

Through our continued focus on our technology, our data capabilities and our customer product propositions we improved our understanding of our customers and delivered an improved and consistent customer experience. Customers find it easier to use our websites and benefit from greater personalisation of our services and improved customer journeys on mobile and tablet devices, enabling our customers to access our services wherever and whenever they want to. This allows us to build deeper relationships, delivering more value to our customers by helping them save money on their household bills.

Progress against existing strategic priorities

Best site:
Be the easiest way for people to find the right products for their needs

In 2017 we spent £15.8m as we continued to invest in our technology and product propositions, delivering improvements to the customer journey as we continued the roll-out of our re-platform.

The investment also improves data capabilities including the development of our Enterprise Data Warehouse which stores our customer data. Customers will find it easier to use our sites and benefit from greater personalisation of services and improved customer journeys on mobile and tablet devices.

The average monthly unique users increased in 2017 reflecting the benefits we are delivering to our customers, particularly MoneySavingExpert users, as more choose to engage with our brands to make the most of their money.

Earn customer loyalty:
Trusted destination brands

We have continued to focus on ensuring that customers can use our services more easily across channels and through multiple devices. Our efforts to earn customer loyalty are reflected in our Net Promoter Score. In 2017 our Group Net Promoter Score increased by 4%, reflecting an impressive increase in customer satisfaction with the MoneySavingExpert brand.

An additional 2.7m customers set up a MoneySuperMarket 'MyProfile' customer account in 2017, adding to the existing 22.2m customers who keep their data with us. This enables us to understand our customers even better, to personalise our communications to them and make it easier for them to save money with us.

We estimate that the savings made by customers in 2017 were £2.0bn, an increase of 10% on 2016 and demonstrating the value of our customer proposition.

Preferred partner:
Be the best way for providers to acquire customers

Our business' success is based on providing value to both our customers and our providers. Throughout 2017, our commercial teams have continued to focus on building stronger relationships with our providers and to secure market-leading exclusive products for customers.

Providers understand the value we bring them, which is why we continue to attract a strong panel of providers to our sites, with the number of providers in 2017 increasing to 989.

Our marketing margin was stable in 2017.

Our results:
Underpinned by our core values

The strength of our Group is a reflection of the passion, innovation, skills and experience of our employees. They play a critical role in the performance of the Group, living our core values as one team and always making things better for customers, colleagues and providers. We take pride in being a profitable and efficient Group that has a clear focus on our customers.

Key performance indicators

Following the review of our strategic priorities undertaken in 2017, our strategic priorities have been revised and so have our key performance indicators as a consequence.

- We set out below our existing key performance measures for 2017 to show performance against our existing strategic priorities.
- We set out on page 11 our new measures which will apply from 2018 onwards so that we can measure our performance against our revised strategic priorities.

Risk management

The management of risk has a key role to play in the achievement of our strategy. The relationship between our Principal Risks and our strategy is identified in the Principal Risks & Uncertainties section of this Report on pages 32 and 33.

- See pages: 48 to 53 and 56 to 58 for details of how the Audit Committee and Risk Committee support the Board in oversight of internal controls and risk management.

Remuneration

The Remuneration Committee determines the Remuneration Policy to ensure it promotes the long-term success of the Group.

- See page: 61 for details of how our executive remuneration is linked to our strategy.

Key performance indicators

Average monthly unique visitors
This is Google Analytics' measure calculating the average monthly unique visitors by brand over the year. Note this is not de-duplicated by device and so effectively is unique devices visiting our sites rather than people.

'17	24.0m
'16	23.4m
'15	23.6m

Investment in technology
The amount we have invested in technology.

'17	£15.8m
'16	£22.6m
'15	£19.6m

Net promoter score
This is an index that measures the willingness of customers to recommend our brands' services to others. This is averaged across the three months preceding the year end.

'17	47%
'16	43%
'15	48%

Unique adults choosing to share data
The number of adults that have a valid customer account.

'17	24.9m
'16	22.2m
'15	18.6m

Savings made by customers
Calculated by multiplying sales volume against the average saving per product for core channels, the balance of the calculation is a Company estimation.

'17	£2.0bn
'16	£1.8bn
'15	£1.6bn

Marketing margin
The inverse relationship between revenue and total marketing spend represented as a percentage.

'17	65%
'16	64%
'15	68%

Number of providers
The number of providers our brands partner with during the year.

'17	989
'16	980
'15	877

Revenue
This is the annual revenue generated.

'17	£329.7m
'16	£316.4m
'15	£281.7m

Adjusted operating profit
As detailed in the Financial Review on page 24.

'17	£113.9m
'16	£107.8m
'15	£100.1m

Net cash from operating activities
A measure of the cash generated in a given period solely related to core business operations.

'17	£106m
'16	£106m
'15	£97m

OUR NEW STRATEGIC PRIORITIES

We have revised our strategic priorities to fulfil our purpose to 'Help households save money' through a combination of reaccelerating our core growth and unlocking new market growth.

Reinvent Growth Strategy: Reaccelerate Core and New Market Growth

Help households save money

Growing markets
Our strategy review has confirmed that we operate in growing markets, with forecast volume growth of 6-7% for the next three years. We believe we already help customers save money in the broadest set of categories in the market with significant revenue generated through switching across at least 14 categories. Nevertheless, we also believe that there are opportunities to unlock further growth in the market, by making it ever easier for users to save and by developing new categories such as mortgages.

Strong differentiated model
The fundamentals in the core business are strong and differentiated. We have leading brands with customer satisfaction scores well above the industry average. Within the Group we benefit from an efficient mix of marketing and publishing business models to attract users. On the back of our investments in data analytics, we can now track our users across the multiple interactions they have with us.

Efficiently growing this group of active users and helping them save in new ways is core to our business model and we are updating our strategic KPIs to ensure we are focused on this goal.

Technology platform
Our replatforming has delivered critical assets for the business. We now operate a modern cloud based technology platform offering security, stability and scalability. We have built API service layers to power our own sites and to enable commercial partnerships. Significantly we now have a single view of our users across their key interactions with us which will allow us to serve them better.

Work over the last three years on completing the replatforming has restricted the customer experience innovation. We will now be focused on the customer experience optimisation and new proposition development.

Reaccelerate core growth
Our first priority for reaccelerating core growth is the focus on rapid optimisation of our customer journeys, particularly for those on their mobile phone. We have seen early successes in conversion and marketing efficiency following actions taken in the second half of 2017 from producing an easier, faster and simpler experience. In 2018, we will invest an additional £5m to build out our product engineering hub in Manchester to scale this customer experience focus across our core categories. Adding this capability will complement the existing strengths of our brands and provider relationships strengthening our performance.

New market growth
The second strand of the Reinvent strategy uses the new technology platform to enable the Group to lead the evolution of price comparison to unlock new market growth:

- Personalised MoneySuperMarket – we are improving our single customer view across multiple product categories, so customers are shown new ways to save based on information they have shared with us and open data. We are building a hassle free service for users to save on key bills in one place and remind our customers, for example, when a better energy or insurance deal has been found for them.
- Take price comparison to the user – we are tapping into the opportunity to take price comparison to the sites people are already visiting regularly on their mobile phones. Someone checking their bank balance online, for example, may welcome the offer of a better broadband deal. We will be leveraging our technology platform, customer and provider reach with the skills and platforms of partners.
- Mortgage price comparison – customers are already looking to us for help with mortgages, with 16m annual visits to our mortgages site and 25% of mortgage search traffic. In the past, we offered a very limited service and, in return, earned little from providers. We will develop a new user experience to find the most appropriate mortgage online. This enhances our service to customers and moves us deeper into the value chain earning greater share of mortgage commissions.

New KPIs
The Board has revised the KPIs that will be used to monitor the delivery of these strategic priorities.

- Estimated customer savings – we have retained the same measure we currently use to ensure we are focussed on the outcome for customers.
- Net promoter score – we are adopting an externally measured benchmark to create a Group-wide metric, as well as individual brand level metrics, enabling us to use a consistent and external benchmark across all of our brands.
- Active users – our Enterprise Data Warehouse allows us to store enquires across our core seven channels, an enquiry is a completed search on the website made by customer. This allows us to introduce active users, a more robust measure of customer engagement. This will help measure customer relevance and brand strength.
- Revenue per active user – the key drivers of this metric are conversion and loyalty. The revenue per active user does not cover all of the Group's revenue. It is the revenue directly attributed to the enquires described above. These are enquires made on the moneysupermarket.com website for Car insurance, Home insurance, Life insurance, Travel insurance, Credit Cards, Loans and Energy. This revenue represents c.60% of Group revenues and we expect to increase this as more channels transition into the Warehouse.
- Marketing margin – we have retained the same measure as it is an effective measure of our ability to create leverage as we grow.

New KPIs - definitions

Estimated customer savings
Calculated by multiplying sales volume against the average saving per product for core channels, the balance of the calculation is a Company estimation.

'17	£2.0bn
'16	£1.8bn

Net promoter score
Twelve monthly rolling average (1 Jan 2017 - 31 Dec 2017 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue to create a Group-wide NPS.

'17	69%
'16	65%

Active users
The number of unique accounts running enquiries in our core seven channels (Car insurance, Home insurance, Life insurance, Travel insurance, Credit Cards, Loans and Energy) in the prior twelve month period.

'17	13.2m

Revenue per active user
This is the revenue for the core seven MoneySuperMarket channels divided by the number of active users.

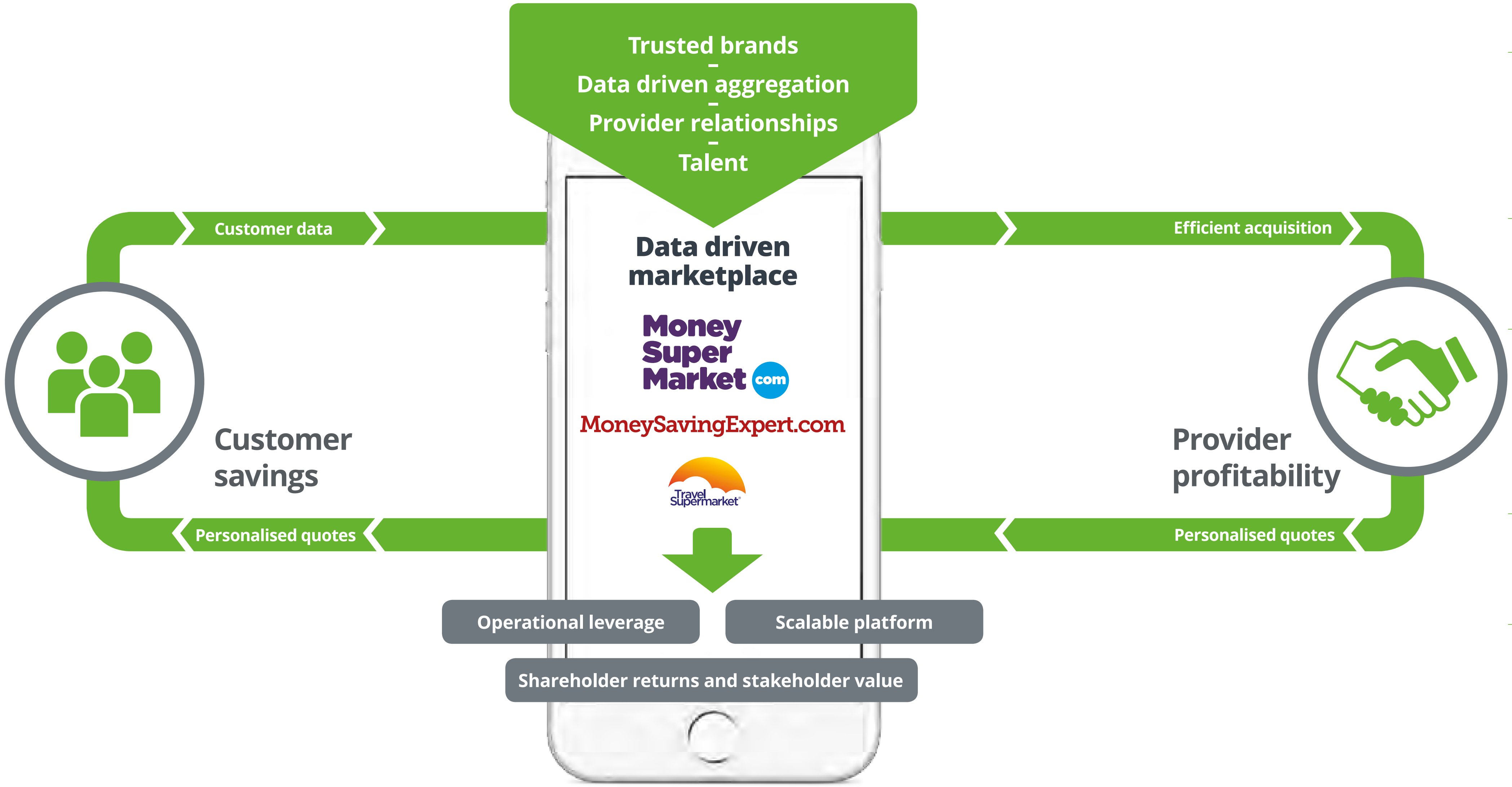
'17	£14.81

Marketing margin
The inverse relationship between revenue and total marketing spend represented as a percentage.

'17	65%
'16	64%

ACHIEVING SAVINGS FOR CUSTOMERS AND PRODUCT PROVIDERS

We operate through three leading brands, MoneySuperMarket, MoneySavingExpert and TravelSupermarket, providing price and product comparison and editorial based websites. Whilst each business has a slightly different business model, we set out in this section the overarching business model for the Group – this is a simple, success-based revenue model which is highly scalable. For the majority of our services, we receive a fixed marketing fee from the product provider for customers who have taken out a product through us. Revenue is driven by the number of products taken out through us and fee rates payable by product providers for each product taken out.



How it works

Using our inputs (trusted brands, data driven aggregation, provider relationships and talent), we:

- identify products and services which are relevant to customers and where they can make meaningful savings on their household expenditure including motor, home and life insurance, utilities, credit cards, loans and package holidays; and
- attract customers and providers through our trusted brands and services.

Details of our customer journey is set out on pages 2 to 3.

How we create value

We create value through:

- **our trusted brands** – customers have the reassurance of using a family of well-known and trusted brands and we help customers to find us through TV and radio advertising, editorial comment in the press and on television programmes, and through search engines;
- **data driven aggregation** – we combine, process and aggregate data using our Enterprise Data Warehouse which is a single, modern, flexible and secure platform, enabling us to personalise customer experience, helping customers make informed choices about which products they wish to take out in a straightforward and convenient way;
- **our provider relationships**, ensuring our commercial teams build strong relationships with providers to identify opportunities to help our customers, including market-leading exclusive products and new products;
- **our talent**, ensuring we hire the most talented people with appropriate industry, technology, data, product and marketing expertise who are responsible for innovating, designing, implementing, maintaining, supporting and promoting our websites and apps, and by investing in our talented people through management development and mentoring programmes;
- **our scalable platform** – our websites and apps are robust, flexible, secure and scalable across our different channels ensuring we can adapt and meet the needs of our customers and product providers; and
- **operational leverage** – our revenue is driven by the number of customers who take out a product through us and the fee rates payable to us by product providers for each product taken out. Therefore an increase in either the number of products purchased or the fee rates will have a positive impact on revenue.

Sharing value with our stakeholders

Our customers – in a few simple steps, customers can use any of our trusted brands to help them save time and money on their household bills.

Fact: Our customers are estimated to have saved over £2.0bn in 2017 (2016: £1.8bn)

Page 6 – read more in Chief Executive's review

Our providers – we offer providers access to millions of informed customers thereby giving providers a targeted, flexible, efficient and cost effective success-based marketing solution.

Fact: we worked with 989 providers in 2017 (2016: 980)

Page 8 – read more in Our existing strategy

Our people – we offer a great place to work, rewarding and stimulating career paths, with learning and development opportunities, attractive range of benefits and the opportunity to help households save money.

Fact: we spent £550,000 on employee training in 2017 (2016: £410,000)

Page 34 – read more in the Corporate Responsibility Report

Our community – we seek to make a positive difference by being an active contributor to the communities we operate in.

Fact: we donated more than £138,000 to charitable causes in 2017 (2016: £135,000)

Page 36 – read more in the Corporate Responsibility Report

Our shareholders – by delivering value to our customers and providers, we ultimately drive long-term financial value to our shareholders through the delivery of consistent revenue and earnings growth together with the payment of dividends in accordance with our progressive dividend policy.

Fact: we returned £94m to shareholders in 2017 through dividends and the share purchase programme (2016: £51m)

Page 24 – read more in the Financial Review

INFORMING OUR CUSTOMERS

"Intuitive, convenient and on my phone, the MoneySuperMarket App saves time and money"

With an increasing number of customers using their phones, the MoneySuperMarket App makes it easy to find the right deal for them. It then keeps their policies in one easy to access place and reminds them when it's time to save again.

The customer demand for convenience on the device of their choice means that MoneySuperMarket's App is catering for a bigger audience each year, giving the Group a competitive advantage in the fast-paced switching market.

With the same comprehensive panel of insurers as the main site, the App makes it incredibly easy to switch. Providing additional services such as saving insurance policy details, the App makes it simple to find and contact your insurer, access your renewal date and see last year's price.

Utilising the unique features of the phone, such as push notifications, the App delivers personalised messaging and provides a free reminder service for your tax and MOT, making it easy for drivers to understand what's needed to stay insured. All this is automatically saved for you when an insurance policy is added, taking the effort away from the customer and making it as simple and intuitive as ever to save time and money.

Behind the scenes

ALWAYS WORKING HARD TO SAVE CUSTOMERS MONEY, EASILY

The App not only helps ensure that customers pay the right price for their insurance, but that it stays valid throughout the year. And the resulting business benefits were a welcome surprise to the product team.

Product development at MoneySuperMarket involves the team stepping into the customer's shoes in the form of 'live' testing. It was during a test of the new MOT reminder service that one of the team discovered his MOT was about to run out.

"My wife had renewed our insurance more than a month earlier, but it was only when adding our insurance policy to the App that I saw a marker against the MOT status. We hadn't needed an MOT before as the car was less than 3 years old - had we missed the 3rd anniversary our insurance would have become invalid without an MOT. Safe to say I was straight on the phone to get booked in!"

The MoneySuperMarket App provides this service for free to our customers, and it has had a positive impact on business performance too. Conversion metrics for car insurance – those customers who 'click out' to providers – are significantly higher when an insurance policy has been added to a customer's profile. Some early signs that in doing more for our customers, the MoneySuperMarket App is also delivering value for the Group.

LISTENING TO OUR CUSTOMERS

"Love **Cheap Energy Club!** Got an email to say I could get a better deal, now

£475 a year better off ....

...on my gas and electricity bills in 2017. Should have done it ages ago, it was so simple. Many thanks and keep up the good work."

We receive numerous stories from users just like the one quoted above. We set up Cheap Energy Club for a very simple reason – whilst MoneySavingExpert has been promoting when to switch energy (and when not to) for over ten years, through our cheap gas and electricity guide, users still considered that switching is complicated and a hassle. So, users inspired us to build a tool that takes the effort out of switching energy. Users just sign up to Cheap Energy Club, tell us what their current energy tariff is and we tell them if they are overpaying. Then, as many tariffs are only cheap in the short term, we monitor the market and email users if they can save.

Users just sign up to Cheap Energy Club, tell us what their current energy tariff is and we tell them if they are overpaying.

Behind the scenes

A PROCESS WITH CUSTOMER FEEDBACK AT ITS HEART

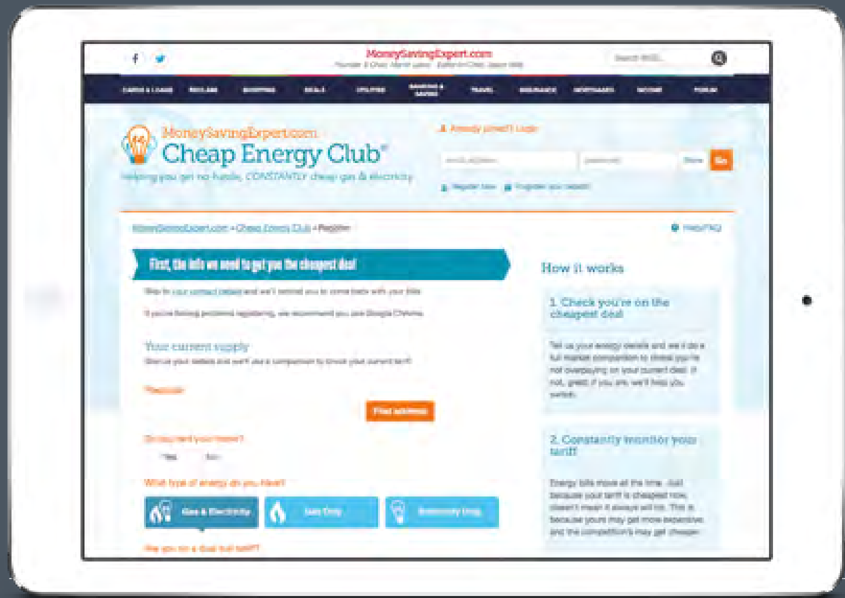
The energy market has been flooded with small, new providers in the last few years. While this should be good for competition, we know consumers are fearful of switching to an unknown, a nervousness heightened when small company GB Energy went bust last year.

So to help our users navigate this new world and avoid decision paralysis, we've focused our product development on helping them choose the right provider for them, far more easily. This year we introduced a number of new filters which allow users to personalise their results and email alerts, excluding companies with poor service, or opting only for deals from 'big names'. In addition, our unique editorial highlights the results from the customer service poll we run twice a year, as well as warnings about service or issues where we spot them, going much further than most comparison sites do.

Feedback from users has also shown us that often they would be happy staying with their existing provider, but what many people don't know is that their current provider probably has a cheaper tariff. So our 'existing provider' filter allows users to find the cheapest deal with their existing provider, and often we are able to give them cashback for switching too.

This gives our users the confidence to switch while still saving money.

"We've focused our product development on helping users choose the right provider for them, far more easily."



A LEADING DESTINATION FOR CUSTOMERS TO SAVE MONEY ON THEIR HOUSEHOLD BILLS

Looking ahead

During 2018, we will:

- invest further in the MoneySuperMarket brand, enhancing its status as a leading destination for households wanting to save money;
- work obsessively to optimise and personalise our customers' experience when they visit MoneySuperMarket, whichever device they use;
- continue to develop the MoneySuperMarket App, ensuring it reflects best practice and provides customers with the innovative services they want; and
- begin to focus on new opportunities to help customers save money on their household bills such as mortgages.

MoneySuperMarket's aim is to 'help households save money'. This ambition is perfectly suited to the times in which we live, given the political uncertainty that exists at home and abroad, and the financial unease which accompanies it.

There are many challenges faced by our customers. Inflation has risen to levels not seen for several years, and wages have failed to keep pace. That means households have reduced spending power, putting pressure on budgets and making saving money on bills a necessity.

There are also high levels of personal indebtedness - a cause for concern given the likelihood that interest rates will continue to rise. At the same time, savers are still struggling to find a decent return on their cash deposits.

Against this backdrop, the markets in which we operate are changing. New companies are emerging with different customer propositions whilst our traditional competitors continue to develop.

Reinventing what we do

We will continue to invest in our brands whilst at the same time working obsessively to improve the customer experience. This will include investments in our product development teams as we focus on new opportunities to innovate and help customers save money on household bills such as mortgages.

Best price, best experience

If we want to help households save money, we have to offer them consistently competitive prices. That means negotiating market-leading and exclusive deals with providers for our customers.

But winning on price and product quality is not our only objective. We have to deliver a great visitor experience, so that customers find what they want, and think of us first for their future needs.

There are a number of ways we will achieve this:

- Device We will provide the same great customer experience, whether customers want to access us on their phone, laptop, tablet or desktop.
- Journey Our website will be consistent, intuitive and easy to use with an improved customer experience.
- Tools We will provide a range of tools to help customers find the right products for them.
- Personalisation We will use the information our customers give us to help them find what they are looking for. This includes pre-populating quote forms to help them save time when looking for a product.
- Communication The better we know our customers, the more targeted, relevant and valuable our communications become. So we will use what we know about our customers to send them emails about products we know they will be interested to hear about.

Market trends and opportunities

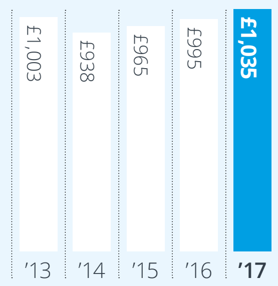
MoneySuperMarket offers consumers many opportunities to save money, from the 'big spends' such as insurance and energy bills to high value and rewarding financial products.

In addition to the broad economic trends affecting household budgets, there are various factors impacting our key markets including:

- Motor insurance premiums – with average premiums for comprehensive cover approaching £1,035 a year, car insurance is a major expense for UK households. In the past year, three factors have influenced prices: changes to the way personal injury compensation payments are calculated; an increase in insurance premium tax (IPT); and sustained levels of fraud arising from exaggerated and fabricated whiplash claims. The first of these, a reduction in the discount rate applied to lump sum awards, triggered large price increases. But the government has responded with a consultation aimed at overhauling the way the rate is calculated, reducing the impact on insurer balance sheets and hopefully removing a source of inflationary pressure on premiums. Secondly IPT rose from 10% to 12% in June 2017. Further increases in 2018 and beyond will directly impact what people pay for personal insurances, apart from life and income replacement cover. Finally, fraud is estimated to add £40 to every car insurance policy. Changes to small claims court procedures and rules, expected in October 2018, are designed to reduce this figure. Beyond these factors, it remains the case that drivers can often beat their renewal quote from their existing insurer by shopping around at MoneySuperMarket.
- Money products – many households rely on credit cards to manage their budgets, so we will continue to showcase the best possible deals on balance transfer and purchase cards. We will also continue to encourage current account holders to take advantage of switching deals that offer cash payments, cashback on spending and other rewards.
- Energy bills – a typical household spends well over £800 a year on gas and electricity bills, and the cost of energy has become a deeply political issue, with calls for a price cap and the phasing-out of standard variable rate tariffs. MoneySuperMarket believes bigger savings can be achieved by households switching to fixed-rate tariffs. Accordingly, we will continue to promote the savings that are already available and to reassure customers that the switching process itself is swift and hassle-free.
- Political and regulatory focus – regulators are increasingly looking to remove the advantages of being the incumbent supplier and to encourage customers to switch to make savings. Examples of this include both energy and current accounts. This trend facilitates competition and consumers' propensity to switch and save.

Motor insurance premium (mean price quoted)

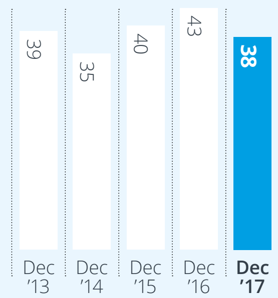
Annual average insurance premium (£)



Source: MoneySuperMarket motor insurance enquiry data

Longest 0% balance transfer period for credit card

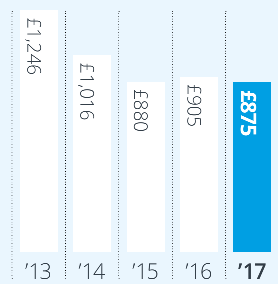
Headline balance transfer period (months)



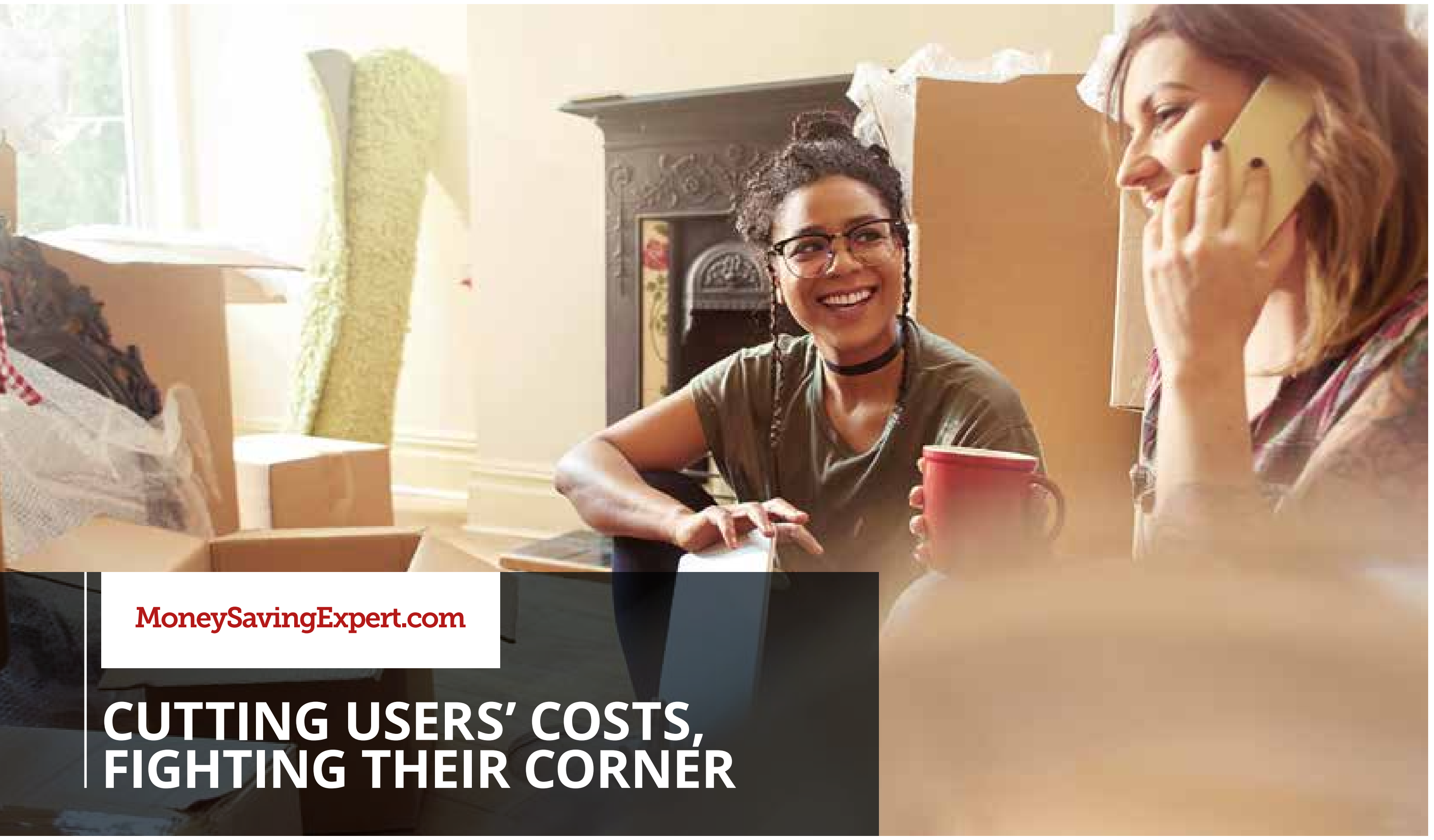
Source: MoneySuperMarket data

Average energy quote – MoneySuperMarket user

Average annual energy price (£)



Source: MoneySuperMarket enquiry data median cheapest price (dual fuel customers only) energy enquiries



CUTTING USERS' COSTS, FIGHTING THEIR CORNER

Looking ahead
During 2018, we will:

- continue our strategy of educating and fighting for the user – investing in our editorial and campaigning teams to help spread our message even further. Campaigning will continue to be at the heart of what MoneySavingExpert does;
- continue to increase our presence on multiple channels to attract new audiences via video and social media;
- develop and enhance our clubs and tools including Cheap Energy Club and Broadband Unbundled to help users cut their bills; and
- invest in technology to enhance our site, tools and guides so they are easier to use on a mobile or tablet and to improve productivity.

MoneySavingExpert is one of the UK's biggest consumer finance websites and is dedicated to cutting users' costs and fighting their corner with journalistic research, cutting edge tools and a massive community all focused on finding deals, saving costs and campaigning for financial justice. It was the highest rated brand for advocacy in 2017 (YouGov Advocacy Rating 2017).

Putting the user first
MoneySavingExpert operates with full editorial independence and integrity and always focuses on what's best for the user, in line with its editorial code.

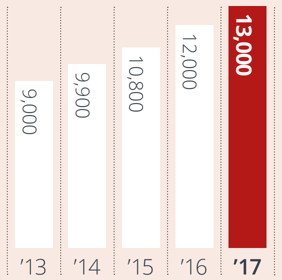
Fighting consumers' corner
MoneySavingExpert has successfully helped millions of consumers to get redress for mis-sold payment protection insurance ('PPI') and bank charges, to tighten regulation of payday loans, to get financial education in schools and much more. In 2017, we continued to fight injustice including a damning report to Government on the Ombudsman system, highlighting how tens of thousands of people with severe mental impairments can pay lower council tax and raising awareness that millions need to hurry to beat the PPI reclaiming deadline. We're proud of our campaigning stance – it's us 'fighting your corner'.

Improving the user proposition in 2017
Almost 13 million people have now signed up to receive our weekly email, which is packed full of deals, tips and money saving guides.

In 2017, we added the ground-breaking Broadband Unbundled tool to our comprehensive suite of money saving tools and calculators. It shows you the cheapest broadband, phone and TV deals available in your area, and whether it's best to get them from one or multiple providers.

We did that while growing our Credit Club, which helps users manage and boost their credit chances, and our Cheap Energy Club, which shows if you are overpaying for your gas and electricity and monitors this position.

Subscribers
Number '000s to weekly email



> **"Almost 13 million people have now signed up to receive our weekly email, which is packed full of deals, tips and money saving guides."**

We also significantly grew our social media channels with a greater variety and amount of content. As a result, engagement on our Facebook page jumped by over 400% last year and we trebled the number of people clicking from it to our site.

To help engage with a younger audience and make our content more dynamic we also invested in our video proposition, producing more than 200 new videos in 2017.

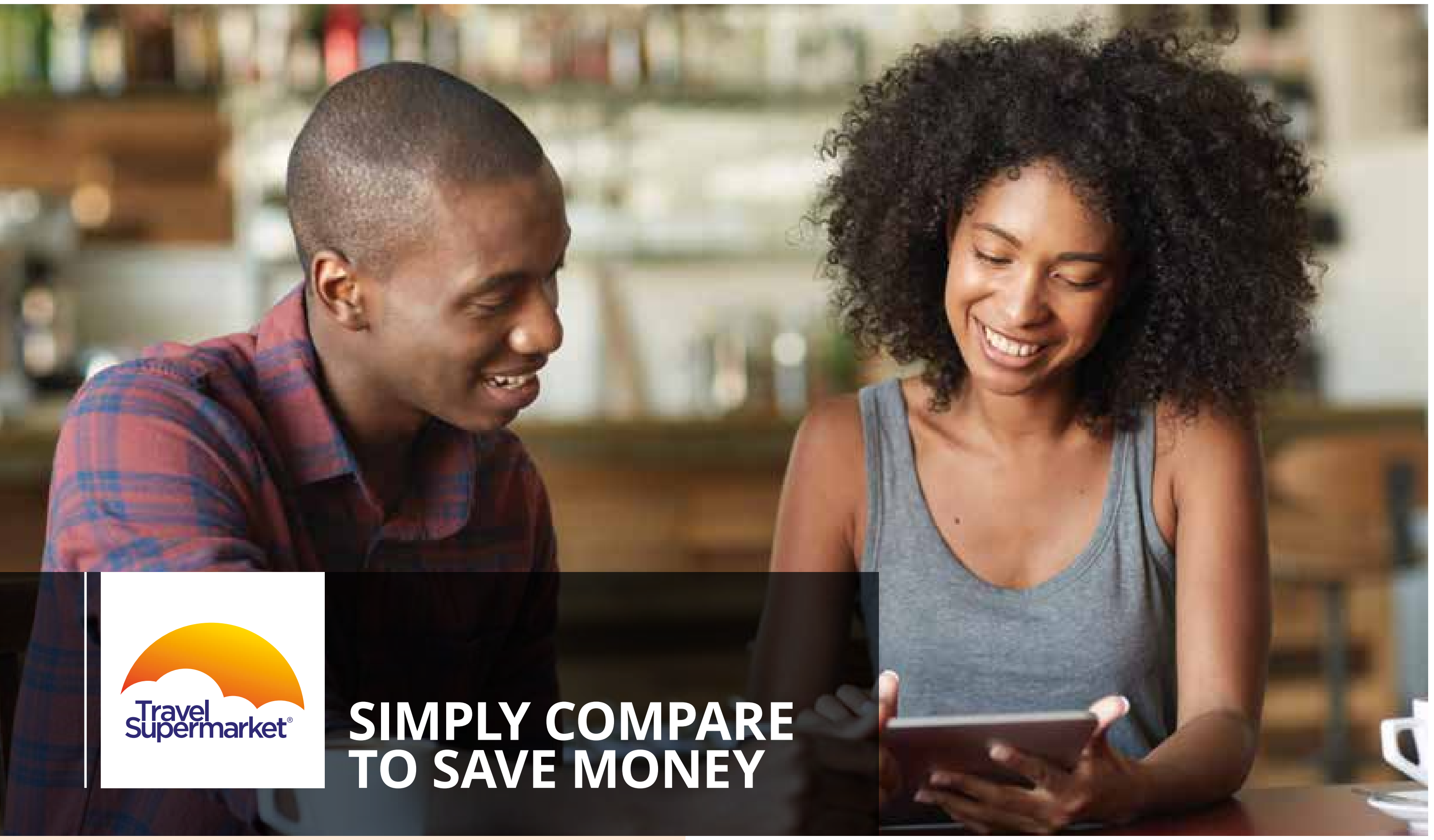
And building on our core money saving content we published more than 40 new guides to help users save even more money, covering new subjects such as app-only banking products, robo-investing and the hugely popular tip on how to get into an airport lounge for free.

Easy to use
We have invested considerable technological and editorial resources to start our journey to becoming a fully responsive, multiplatform publishing site. Accessible, unique and easy to understand editorial content is at the heart of what MoneySavingExpert does, so ensuring our content and tools are responsive and optimised for a mobile or tablet device is key. This has significantly improved user engagement. We will continue to develop our user experience by enhancing our site navigation and empowering users through our content and tools.

We have a massive forum community. With 1.7 million users and almost 3.3 million threads, our forum is an active and passionate community that helps users to get out of debt, find better deals and find ways to save money.

Market trends and opportunities
We have seen a number of trends in the markets in which we operate where consumers could save money by actively managing their household bills including:

- Financial services – savings rates have risen in 2017 and may rise further in 2018 if the base rate rises – this has increased engagement from users to take control of their savings, and will only grow further if the base rate does indeed rise again. The appetite for bank switching is dependent upon the quality of the offers from banks and when some banks launched huge incentives in the final quarter of 2017, the appetite to switch grew. Loan rates have remained fairly steady following the base rate rise in November so there is still demand for what are close to the cheapest ever loans. Any increase in the quality of financial products enables MoneySavingExpert to provide expert editorial comment and engage with consumers on the best savings, loans and credit cards available in the market.
- Energy – the cost of energy has become a deeply political issue, with calls for a price cap and the phasing-out of standard variable rate tariffs. MoneySavingExpert believes that bigger savings can be achieved by households switching to fixed-rate tariffs. MoneySavingExpert's Cheap Energy Club, which alerts consumers if energy tariffs change and savings can be made, helps to ensure it is well placed to benefit from consumers seeking to reduce their energy costs.
- Political and regulatory focus – Regulators are increasingly looking to remove the advantages of being the incumbent supplier. Examples of this include both energy and current accounts. This trend facilitates competition and consumers' propensity to switch and MoneySavingExpert is well placed to benefit from this through its editorial content and tools.



Despite 2017 being challenging for the UK economy, the demand for holidays remains strong with research from ABTA showing that British people are taking more holidays than at any time since 2011. TravelSupermarket exists to help a new breed of savvy British holidaymakers get away without paying a penny too much.

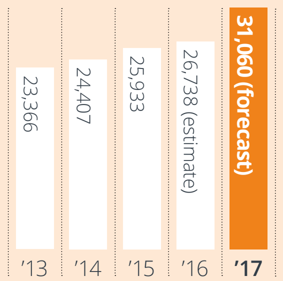
Buying a holiday is a huge outlay for the average British family, and although planning a break should ultimately be fun, the financial aspect can often add unnecessary stress to the booking process. TravelSupermarket's goal is to give customers a range of options so they can book with confidence and save on their holiday.

Compare and save, securely

The key to TravelSupermarket's offering is its simplicity. Users only need to enter their requirements, then hit search; the range of results that is returned can then be compared and fine-tuned allowing customers to find the right holiday, car, flight or hotel room for their needs.

Once a decision is made, the customers are transferred to one of our partners' websites, where they can check everything over and finalise their booking. As we work with the industry's most reputable brands, which provide consumer protection on package holidays through the ATOL scheme, customers are ensured of peace of mind while making one of their biggest purchases of the year.

Holidays (packaged and independent)
Total value (£m)



Source: Package vs Independent Holidays - April 2017 - Market Size and Forecast, Mintel, based on ONS

TravelSupermarket continues to focus on building leading comparison services for consumers to help them find the best deal for their holiday.

Looking ahead

During 2018, we will:

- continue to develop our service through investment in technology in order to help our customers find the right holiday for them;
- work with trusted travel brands to ensure that the breadth of deals we show our customers offers choice and value; and
- focus on customer experience, data capabilities and optimisation of our site for customers and providers.

Focus on holidays

In order to focus on our core offering and continue to build upon our heritage as one of the UK's leading price comparison sites in the sector, we have outsourced our flight and hotel channels to partners who we believe can offer our customers the best level of service and range of choice in these areas. By doing this, we are able to focus our technology resource on our package holiday and car hire channels, developing an easy-to-use tool which customers can use to search and compare their holidays.

Market trends and opportunities

A sluggish UK economy and weak pound are likely to make holidays more expensive in 2018, so it's more important than ever that TravelSupermarket provides its customers with a wide selection of holiday deals. TravelSupermarket continues to focus on building leading comparison services for consumers to help them find the best deal for their holiday and to benefit from this increasing consumer demand to get more holiday for their money.

Matthew Price
Chief Financial Officer

> **"This year our broad-based business delivered record levels of switching, helping people save £2bn across their household bills."**

Our Group demonstrated the value of its diversified offering, delivering an estimated £2 billion of savings for our customers and growing revenues and profits. We completed our technology replatforming, creating a good foundation for future growth, and we delivered strong cash returns to our shareholders with a total of £94 million returned through ordinary dividends and buy-backs.

The Group's revenues increased 4% to £329.7m (2016: £316.4m) and profit after tax of £78.1m (2016: £73.5m), up 6%. When reviewing performance, the Directors use a number of adjusted measures, including Adjusted Operating Profit which increased by 6% to £113.9m (2016: £107.8m). This is reconciled from the GAAP measure in the table below and is explained in the following text.

Extract of Consolidated Statement of Comprehensive Income

for the year ended 31 December 2017

	2017 £m	2016 £m
Revenue	**329.7**	316.4
Cost of sales	**(85.2)**	(79.6)
Gross profit	**244.5**	236.8
Distribution expenses	**(29.3)**	(34.3)
Administrative expenses	**(111.0)**	(109.2)
Impairment of intangible assets	**(9.3)**	(2.2)
Operating profit	**94.9**	91.1
Reconciliation to adjusted operating profit:		
Operating profit	**94.9**	91.1
Amortisation of acquisition related intangible assets	**7.3**	14.5
Impairment of intangible assets	**–**	2.2
Strategy related one-off costs:		
Technology assets no longer in use	**9.3**	–
Strategy review and associated reorganisation costs	**2.4**	–
Adjusted operating profit	**113.9**	107.8
Adjusted earnings per ordinary share:		
– basic (p)	**16.9**	15.7
– diluted (p)	**16.8**	15.6

Full Consolidated Statement of Comprehensive Income see page 83

Revenue

During the year Group revenues grew 4%. Insurance growth was very strong at 12% whilst Home Services was significantly impacted by the lack of collective switch activity and dynamic external markets. Money picked up in the second half of the year, growing at 3% overall for the year.

	Note	Revenue 2017 £m	Revenue 2016 £m	Change
Insurance		**173.6**	155.2	12%
Money		**81.2**	78.9	3%
Home Services		**39.6**	51.0	(22%)
MoneySuperMarket.com		**294.5**	285.1	3%
TravelSupermarket.com		**23.3**	22.3	4%
MoneySavingExpert.com		**41.5**	36.8	13%
Other	1	**–**	0.7	(97%)
Intercompany revenue	1	**(29.6)**	(28.5)	4%
Total		**329.7**	316.4	4%

Note:
1 Other revenues represent revenues from the shopping and vouchers channels £nil (2016: £0.1m) plus significant, one-off recoveries relating to prior years of £nil (2016: £0.6m) arising from revenue assurance activity. Revenues in MoneySuperMarket.com arising from traffic from MoneySavingExpert.com are shown in both businesses. These intercompany revenues are then eliminated as shown above.

The Group offers price comparison for its customers across a broad range of products. In 2017, it offered fourteen products with revenues of more than £5 million – Car, Home, Landlord, Life and Travel Insurance; Credit Cards, Loans, Current accounts, Savings, Mortgages, Energy, Broadband, Car Hire and Package Holidays.

Insurance growth has been very strong during 2017, helped by positive market conditions as well as internal initiatives such as pricing investments and additional online marketing. The first half was up by 18% and the second half ahead by 6% as prior year comparatives became tougher.

Revenue growth for Money was flat in the first half, and in the second half of the year was up 6%, with growth driven primarily by promotional activity within current accounts and savings.

Revenue in Home Services reduced by 22% from £51.0m to £39.6m. Utility switching (gas and electricity) makes up the majority of revenues in Home Services and this was impacted by significantly lower levels of collective switch activity. This is where customers sign up to collectively take advantage of one-off deals. While collective switches are still happening, they are not of the same scale as the prior year. Away from collectives, MoneySavingExpert has helped a large number of users switch their energy, however, current market dynamics mean that a lot of it is not monetised. We committed at the half year to focus on improving our core energy proposition and this is in growth.

TravelSupermarket.com offers customers the ability to search for and compare travel products including car hire, flights, hotels and package holidays. Revenue increased by 4% to £23.3m.

MoneySavingExpert is one of the UK's biggest consumer finance websites and is dedicated to cutting consumers' costs and fighting their corner by means of journalism, great tools and a large community. Its utilities revenues were impacted by the reduction in collective switch activity and there was strong revenue growth from Money products, notably savings and current accounts.

Gross profit and distribution expenses

Group gross margins were stable at 74% (2016: 75%). The Group maintained its disciplined approach to marketing and continues to operate paid search at a profit. Online marketing accounts for 24% of our revenue, up 2% on the prior year and is in part due to customers shifting to mobile.

We have seen strong mobile growth. And we are through the tipping point, with mobile now accounting for nearly half of our customer visits. Looking back over the last few years, we have managed through the headwind of this mobile transition, which puts around 1% point a year pressure on our gross margins through margin and conversion impacts.

Distribution costs were lower than last year because of reduced TV spend by TravelSupermarket. We continued the 'You're So MoneySuperMarket' campaign on television, supported by radio and print.

Administrative expenses

Administrative costs (excluding amortisation of acquisition related intangible assets and strategy review and associated reorganisation costs) increased by 7% from £94.9m to £101.3m in 2017. Staff costs (including contract resource) increased 7% from £50.6m to £54.1m. Other administrative costs increased by £3m, mainly due to increased irrecoverable VAT from higher online marketing.

Impairment of intangible assets

In 2016, goodwill of £1.5m from the acquisition of OnTrees in March 2014 was written off, and we wrote off the residual book value of MySuitcase within TravelSupermarket, as this feature under-performed.

Amortisation of acquisition related intangible assets

The acquisition of Moneysupermarket.com Financial Group Limited by the Company prior to its Listing gave rise to £207.2m of intangible assets. These have been written off over a period of 3–10 years ending in 2017, with a charge of £6.2m expensed in 2017 (2016: £13.2m). The acquisition of the trade and certain assets of MoneySavingExpert.com and a sole trader business from Martin Lewis (together MSE) on 21 September 2012 by the Group gave rise to £12.9m of intangible assets (excluding goodwill). These are being written off over a period of 3–10 years with a charge of £1.0m included within 2017 (2016: £1.3m). We expect amortisation of acquisition intangible assets to be in the region of £1 million for 2018.

Strategy related one-off costs
During 2017, the Group reviewed its strategy following the completion of its technology investment replatforming. As part of this strategic review, the Group wrote off £9.3m of technology assets that are no longer going to be in use. This comprised product development trials that are not being rolled-out of £3.3m, and a further £6m for work on code bases that will no longer be used. In addition, the Group incurred expenditure in undertaking the review, which resulted in one-off costs and some related reorganisation costs. In 2018, we also expect to incur one-off transitional costs of £6-9m, relating to the necessary reorganisation to support our new strategy.

Investment in technology
The Group completed its technology replatforming in 2017, with £15.8m capitalised in 2017 (2016: £22.6m). This investment focused on the continued roll out of our new platform including our single Enterprise Data Warehouse. This gives a modern and scalable tech infrastructure and provides a good foundation to deliver growth in years ahead. The total technology spend, defined as technology operating costs excluding amortisation plus technology capital investment, for 2017 is £39m (2016: £46m). Software amortisation costs were £12.2 million in 2017 and we expect the full-year amortisation charge to be in the region of c.£14 million for 2018.

Alternative performance measures
The Group uses a number of alternative (non-Generally Accepted Accounting Practice ("non-GAAP")) financial measures which are not defined within IFRS. The Directors use these measures when reviewing performance of the Group, evidenced by executive management bonus performance targets being measured in relation to AOP and Long Term Incentive Schemes being measured in relation to Adjusted EPS. As such, these measures are important and should be considered alongside the IFRS measures. The adjustments are separately disclosed and are usually items that are non-underlying to trading activities and which are significant in size. For example, amortisation of acquisition intangibles is a non-cash item which fluctuates significantly in line with acquisition activity and the impairments of assets and other costs arising from the strategic review are considered to be non-underlying and significant in size. Alternative performance measures used within these statements are accompanied with a reference to the relevant GAAP measure and the adjustments made.

In 2018, as part of our strategic review, the Directors intend to stop using AOP and instead switch focus to adjusted EBITDA alongside the GAAP measures and adjusted EPS. The Group is moving out of the phase of significant capital investment in its technology platform and instead focusing on developing and optimising its platform. Therefore, capital investment and amortisation will be less meaningful and so it is more appropriate to focus on an adjusted EBITDA measure alongside adjusted EPS. Adjusted EBITDA will adjust operating profit for items considered non-underlying to the trading operations of the Group and before interest, tax and the other costs associated with the use of assets that support the generation of these earnings.

Group KPIs
The Directors use key performance indicators (KPIs) to assess the performance of the business against the Group's strategy. Our strategy has been to build our core business of helping customers to find the right product by investing in our technology, customer data and tools. This enables us to build deeper relationships, and deliver more value to both customers and providers.

The three strategic priorities are: be the best site; earn customer loyalty; and be the preferred partner for our providers. The KPIs measure our progress against these priorities. Following the completion of our new technology platform, we took the opportunity to review our strategy, as discussed in the Business Review Section. We have simplified and refined the number of KPIs, aligning them to our strategic objectives and using the new data we have from Enterprise Data Warehouse; creating a modern suite of metrics. The revised KPIs are set out as an appendix to this document. The revised KPIs are set out on page 11.

Best site: Be the easiest way for people to find the right products for their needs

	31 December 2017	31 December 2016	Change
Average monthly unique visitors	**24.0m**	23.4m	3%
Investment in technology	**£15.8m**	£22.6m	(30%)

During the year we invested £15.8m (2016: £22.6m) in our technology and delivered improvements to the customer journey, helping customers find the right product for them. We have continued the roll out of the re-platform and the Enterprise Data Warehouse and have successfully implemented a new finance and HR system. Unique monthly visitors were diminished by our decision to close the MoneySuperMarket.com vouchers channel at the end of 2016, although this is balanced by strong growth in MoneySavingExpert.com users, validating the strength and huge reach of this brand.

Earn customer loyalty: Trusted destination brands

	31 December 2017	31 December 2016	Change
Unique adults choosing to share data	**24.9m**	22.2m	12%
Net promoter score	**47%**	43%	4%
Estimated savings made by customers	**£2.0bn**	£1.8bn	10%

We estimate that in 2017 our customers saved £2.0bn, an increase of 10% on the previous year, demonstrating the value of our customer proposition. Even more customers chose to share data with us, up 12% to nearly 25 million. Our Net Promoter Score increased 4%, attributable to an increase in customer satisfaction with the MoneySavingExpert.com brand.

As previously disclosed, MoneySuperMarket.com was fined £80,000 by the Information Commissioner's Office for sending direct marketing emails to customers without their consent. We apologised for this isolated incident and put in place measures to ensure it does not recur.

Preferred partner: Be the best way for providers to acquire customers

	31 December 2017	31 December 2016	Change
Number of providers	**989**	980	1%
Marketing margin	**65%**	64%	1%

Our business' success is based on providing value to both our customers and our providers. Our providers need an efficient market place to reach the right customers effectively. Providers understand the value we bring and we continue to attract a strong panel of providers on our sites.

Our marketing margin was stable.

Cash
As at 31 December 2017 the Group had cash of £35.1m (2016: £44.6m). We completed our £40m share buyback programme announced in February 2017.

In November 2017, the Group exercised its option to extend by a further year to December 2020, the three-year revolving credit facility of £100m in committed funds provided in equal parts by Lloyds Bank PLC and Barclays Bank PLC. The Group also has an accordion option to apply for up to an additional £100m of committed funds. The facility was unused at the year end.

Dividends
The Group operates a progressive dividend policy aiming to increase the ordinary dividend each year broadly in line with the growth in adjusted earnings per share. In addition, the Group expects to generate significant surplus cash over time. Available surpluses, after taking into account the matters set out below will be distributed to shareholders, either through special dividends or as share repurchases. The Board will consider a special distribution when the surplus cash exceeds £40m. In 2017, the Company returned surplus cash to shareholders through a £40m share repurchase programme.

In determining the level of dividend in any year in accordance with the policy, the Board also considers a number of other factors that influence the proposed dividend through its annual and strategic planning processes and the scenario-planning described below in our viability review section, which include: the level of available distributable reserves in the parent company; future cash commitments and investment needs to sustain the long-term growth prospects of the business; potential strategic opportunities; a prudent buffer and the level of dividend cover.

Moneysupermarket.com Group PLC, the parent company of the Group, is a non-trading investment holding company, which derives its distributable reserves from dividends paid by subsidiary companies. The Board reviews the level of distributable reserves in the parent company bi-annually, to align with the proposed interim and final dividend payment dates, and aims to maintain distributable reserves that provide adequate cover for dividend payments. The distributable reserves of the parent company approximate to the balance on the profit and loss account reserve, which at 31 December 2017 amounted to £63.4 million (2016: £160.5 million) (as disclosed in the Company balance sheet on page 107). The total external dividends relating to the year ended 31 December 2017 amounted to £56.1 million and we also returned £40 million to shareholders through the share repurchase programme in 2017.

The Group is well positioned to continue to fund its dividend, which is suitably covered by cash generated by the business. The distributable reserves are sufficient to pay dividends for a number of years as, when required, the parent company can receive dividends from its subsidiaries to increase its distributable reserves. Details on the Group's continuing viability and going concern can be found on pages 27 to 28.

The ability of the Board to maintain future dividend policy will be influenced by a number of the principal risks identified on pages 32 to 33 that could adversely impact the performance of the Group.

As part of the review of the strategic priorities completed in 2017, the Board agreed that the capital allocation and dividend policies remain appropriate for the Group as it enters the next stage of its development.

For 2017, the Board has recommended a final dividend of 7.60 pence per share, making the proposed full-year dividend 10.44 pence per share (2016: 9.85 pence per share). The 6% increase in the 2017 proposed full-year dividend is in line with our policy and underlying dividend cover is maintained at 1.6 times (2016: 1.6 times). The final dividend of 7.60 pence per share will be paid on 15 May 2018 to shareholders on the register on 6 April 2018, subject to approval by shareholders at the Annual General Meeting to be held on 3 May 2018. Details of total dividends paid in relation to the years ended 31 December 2013 to 31 December 2017 are set out on page 1.

Tax
The Group tax charge of £18.0m in the Consolidated Statement of Comprehensive Income represents an effective rate of 18.7% (2016: 19.5%). This is broadly in line with the prevailing rate of 19.25% (2016: 20.00%) and the Group expects the underlying effective rate of tax to continue to approximate to the standard UK corporation tax rate.

The Group published its tax strategy for the first time this year. The Group is guided by its vision to help every household save money. We believe that our business makes a valuable contribution to UK society and we are proud to have helped nearly seven million families save an estimated £2 billion on their household bills in 2017, by finding a better deal on their energy, insurance and banking products.

Alongside this, we want to make our contribution to the communities that our customers live in by paying the right amount of tax, at the right time. In 2017 alone we have paid over £52 million in UK taxes.

We are committed to acting with integrity and transparency in all tax matters. We will not support proposals to reduce our tax cost through implementing artificial structures, but we will seek to structure commercial transactions in an efficient and legitimate way.

Earnings per ordinary share
Basic statutory earnings per ordinary share for the year ended 31 December 2017 was 14.4p (2016:13.5p). Adjusted basic earnings per ordinary share increased from 15.7p to 16.9p per share.

The adjusted earnings per ordinary share is based on profit before tax after adjusting for intangible amortisation related to acquisitions, goodwill impairments, the profit on disposal of investments and other one-off items. The tax rate of 19.25% (2016: 20%) has been applied to calculate adjusted profit after tax.

Viability statement
As required by Provision C.2.2 of the 2016 revision of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a three-year period to December 2019. In making this assessment the Directors took account of the Business Model and Principal Risks set out on pages 12 to 13 and 32 to 33 of the Strategic Report.

Business model
The Group has a simple business model – matching customers to the right providers. It uses online services to help customers to compare a wide range of products in one place and make an informed choice when taking out the product most suited to their needs.

For our providers, it offers an efficient and cost-effective way to reach a large volume of informed customers who are actively looking for a product. For the majority of our services, we receive a success-based marketing fee from the providers. This business model operates along the following principles:

- the Group relies on customer transactions for its revenues and does not have long-term contracted revenue streams – the Group makes money when its customers find the product they want, switch to it, and save themselves money;
- customers will continue to see value in shopping around for products and services and will aim to save money by doing so; and
- providers will have strategies of new customer acquisition and develop products and services to fulfil that strategy.

As noted in the Strategic Report, the Group has revised its strategic priorities for 2018. These priorities are: leading trusted brands, leading provider offer, customer experience optimisation and new market growth including personalising MoneySuperMarket, extending price comparison to new platforms and enhancing mortgage price comparison. The Board has set new KPIs to monitor the delivery of these strategic priorities.

The Strategic Report also sets out the Group's performance on the main KPIs which the Board monitored for the year ended 31 December 2017. The Board monitors and reviews progress against three time horizons – quarterly to review and reforecast performance against the Annual Plan and Budget; annually to establish a clear Annual Plan and Budget that will deliver against the Strategic Plan; and a three-year Strategic Plan re-assessed annually, to determine the strategy of the Group.

The Board believes that a three-year cycle is the right time period to plan the business as this links to the expected life-cycle of most of the Group's technology and reflects the frequent changes in the way that consumers choose to use technology. Therefore, the Board is using a three-year period to make this viability assessment.

Risk management

As part of the review of the strategic priorities, the Board identified the Group's Principal Risks around delivering these priorities, which represent a risk or combination of risks in severe but reasonable scenarios that can seriously affect the future prospects or reputation of the Group through threatening its business model, future performance, solvency or liquidity. These include competitive environment and consumer demands, brand strength and reputation, data processing and protection, data security and cyber, business transformation and relevance to partners. In addition, the Directors believe that the Group faces risks around regulation and economic conditions (including, in particular, the impact of the terms negotiated in relation to the departure of the UK from the EU) especially as that may influence the availability of attractive products for customers. The changes in the Principal Risks are outlined on page 31.

The risks described above were assessed in a range of scenarios, encompassing:

- competition taking significant market share;
- changes in customer habits as they continue to shift to mobile as their preferred way to access the Group's services;
- increased reliance on paid search as a means of attracting customers;
- sizeable reduction in significant product categories;
- loss of trust in data, for example due to a data breach or data errors, leading to a fall in visitor volumes;
- significant slowdown in growth rates or new competitors entering the market; and
- regulatory changes impacting our energy channel.

Stress scenarios were then combined into one combined scenario for those scenarios with impacts of medium or higher likelihood and moderate or higher residual risk.

The Directors also considered possible mitigating circumstances and actions in the event of such scenarios occurring, including the availability of the Group's banking facilities, reduction of future special dividends/share buybacks or the slowdown of capital expenditure.

The Board manages risks across the Group through a formal risk identification and management framework, designed to ensure that risks are properly identified, prioritised, evaluated and mitigated to the extent possible. Key aspects of this framework include:

- a Risk Appetite Statement expressing the amount and type of risk the Board is willing to accept to achieve its strategic objectives;
- regular assessments of current and emerging risks being faced by the Group including internal control effectiveness and mitigating actions;
- risk metrics and thresholds which are monitored as potential indicators of risk;
- scenario planning based on the Principal Risks; and
- oversight from the Risk and Compliance and Internal Audit functions.

As indicated above, the Board carried out a review of its strategic priorities in 2017 and we have set out in the Strategic Report how the Board intends to serve its customers better in a mobile-led environment and how it will be optimising our current model and reinventing price comparison. This review is a clear demonstration of how the Board considers and seeks to mitigate risks.

Viability assessment

In making its assessment of viability, the Board has considered the resilience of the Group using scenario-planning based on the Principal Risks to test the Group's planned earnings, cash flows and viability over the three-year period. Using its judgement on the likelihood of the Principal Risks and the probability of them being interrelated, the Board assessed the risks separately and in certain combinations of stressed scenarios. In arriving at its conclusion, the Board is making the assumption that the key aspects of customer and provider behaviour set out above which underpin the business model will continue. It is also assuming that customers and providers will continue to want to transact online.

Based on the Company's current position and Principal Risks, together with the results of this robust assessment and the Company's ongoing risk management processes, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Going concern

Having reassessed the Principal Risks, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this Report. Accordingly, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Investment proposition

The Group is a data-driven online marketplace, providing market-leading exclusive products to customers, value to our providers and a track record of returns to investors. It is a Group with leading brands, a diversified provider base and a large number of customers as well as core strengths in marketing, publishing and provider relationships. The Group operates in a wide set of markets, each with significant headroom and growth opportunities. The new technology platform is now in place which means we are able to set out our new strategy to accelerate growth and lead innovation in the sector. Investors benefit from investing in a highly cash generative business with a progressive ordinary dividend policy.

RISK MANAGEMENT

How we mitigate risk

Risk management approach

In common with many businesses, the Group faces risk in all areas of its activity. The Group seeks to understand its risks and manage them appropriately. Effective risk management is vital in enabling the Group to achieve its strategic objectives and to secure the business for the long term, whilst ensuring the desired outcomes for consumers. Risk management is a key element of the Group's decision-making processes and, alongside its governance structure and system of internal control, gives the Board assurance that risks are being appropriately identified and managed, in line with its risk appetite.

Governance and oversight

A governance and oversight structure is in place, with clearly defined lines of responsibility, accountability and delegation of authority.

The Board is ultimately responsible for the overall effectiveness of risk management across the business, supported by the Risk Committee. The Board delegates day to day responsibility to executive management. Executive management owns the Group risks, is responsible for ensuring that the business effectively manages risk and takes appropriate and timely action where issues are identified. The Risk Committee oversees executive management on behalf of the Board in the management of risks.

The Board has carried out a robust assessment of the Principal Risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Our Principal Risks and uncertainties are outlined on pages 32 and 33, along with a description of how they are being managed.

Role	Responsibilities
Board	— Approval of Risk Appetite Framework and Statement for the Group. — Carry out a robust assessment (at least annually) of Principal Risks and effectiveness of risk management and internal control policies; and report to shareholders on such matters. — Assessment of the effectiveness of Risk Appetite Framework and system of internal control.
Risk Committee	— Advise the Board on Risk Appetite Framework and Statement for the Group. — Review and oversight of Risk Register. — Assessment of identification and measurement of risks. — Oversight of executive management in management of risks.
Executive Management (1st Line of Defence)	— Ensure risk management is an integral part of implementing the business strategy. — Operate the business within set risk appetite and tolerances. — Responsibility for managing risks and implementing effective controls. — Ensure that appropriate policies are implemented to identify and evaluate risks.
Risk & Compliance (2nd Line of Defence)	— Monitor against Risk Appetite Framework and Statement, risk profile, control effectiveness and management actions. — Monitor and update the Risk Register. — Co-ordinate appropriate and timely delivery of risk management information to executive management and the Risk Committee. — Maintain and implement risk policies. — Implement appropriate risk management processes and methodologies. — Advise and challenge management on risk management and internal control processes. — Develop tools, techniques, methodologies, risk framework, analysis, reporting, communication and training.
Internal Audit (3rd Line of Defence)	— Monitor effectiveness of risk management processes. — Perform tests of controls effectiveness. — Identify and agree corrective actions with management. — Liaise with Risk & Compliance function, including in relation to mapping of assurance activities to the Group's significant risks. — Report to the Audit Committee.

In addition, the Audit Committee performs an annual assessment of the risk management and internal control framework, covering financial, operational and compliance controls including the:

— assessment of the risk management framework for identifying and monitoring risks, with consideration of the integration with strategic and business planning processes. This is supported by independent reporting on risk management and internal controls by the Internal Audit function or independent third parties, including the external auditor;
— assessment of the extent, frequency and quality of risk management and internal control reporting;
— review of the resolution of issues arising from internal control failings or weaknesses; and
— review of the effectiveness of the financial reporting processes.

The Audit Committee makes a recommendation to the Board on effectiveness which the Board considers, together with reports from the Risk Committee, in forming its own view on the effectiveness of the risk management and internal control systems.

Risk management framework

During 2017, we further enhanced the Group Risk Appetite Framework and Statement following scenario analysis and consideration by executive management. We also reviewed the proposed revisions to the Group strategy against the Risk Appetite Framework and Statement and advised the Board on risks associated with the proposals.

Risk appetite

'Risk appetite' defines the level and type of risk the Group is able and willing to accept in order to achieve its strategic objectives. The Group's risk appetite influences the business culture and operating decisions, and is reflected in the way risk is managed. The Group Risk Appetite Statement is reviewed at least annually, in line with the strategic direction of the Group, recent experience and the regulatory environment, and is subject to Board approval.

There are certain risk areas where we have a very low appetite such as complying with applicable laws, including applicable regulatory requirements. This means that we take actions to try and avoid or eliminate this risk as far as possible. In other areas, such as strategy, we recognise the importance of managed risk-taking in order to achieve business objectives and goals.

Risk identification and assessment

The Group adopts formal risk identification and management processes which are designed to ensure that risks are properly identified and evaluated, in line with risk appetite. At least quarterly, the identification of significant risks is informed using a bottom up and top down approach with each business area identifying new risks as well as re-assessing those already being monitored. To aid in the identification of risks and development of associated mitigating actions, risks are categorised into strategic, financial and operational/conduct risks. During 2017 we restructured and resourced our Risk & Compliance team to be business partners embedded across the business. In addition, robust risk and control assessments are carried out at least bi-annually across all areas of the business, in order to understand the strength and performance of the controls in place, and potential gaps and weaknesses.

Management reporting

Timely and accurate management information is provided to the right people to support management decisions and manage risk effectively within the Group.

Reporting enables management: to have clear visibility of the most relevant risks; to identify areas of concern and/or priority; to have access to detailed information to enable root cause analysis and underlying trends; and to identify, escalate and potentially mitigate the impact of new operational risk concerns in a timely manner.

Where risk exposures are identified as being outside appetite, this is escalated and reported to the Risk Committee, alongside clear action plans to bring the risk within tolerance, with appropriate timescales. The type and extent of any mitigating actions will be determined by the level and nature of the risk and the Group's risk appetite.

Future developments

We will continue to embed a risk aware culture within our strategic initiatives where risk management is part of everyday business decision-making and is understood by our wider business. We continue to develop our management information and risk metrics in the light of our strategic initiatives and ensure that specialist risk knowledge is readily available to each of our brands to enable them to take and be fully accountable for risk-based decisions, whilst providing an effective level of risk and compliance oversight for the Group.

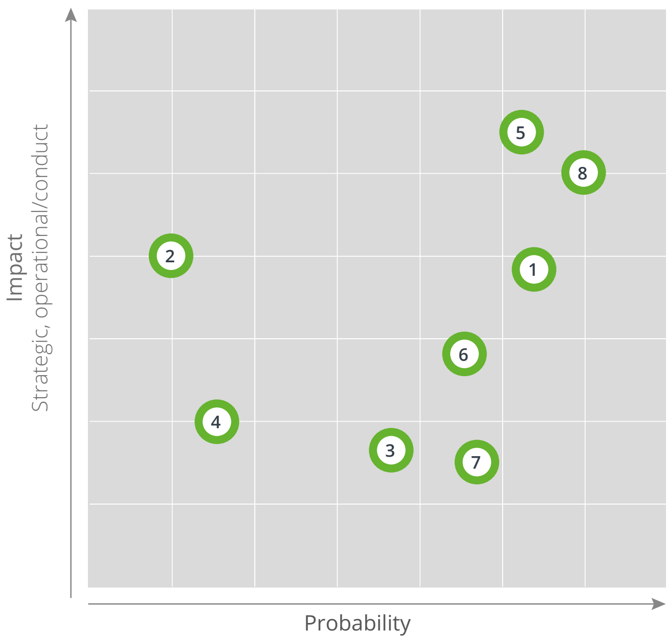
We will further enhance our risk management and governance arrangements in preparation for upcoming regulatory change including of the Insurance Distribution Directive, the Senior Managers & Certification Regime and the General Data Protection Regulation ('GDPR').

Changes to Principal Risks

Following a review of the risks associated with the revised strategic priorities, we have made changes to our Principal Risks. 'Competition', 'Changing consumer behaviour' and 'Product offering' have been combined due to their overlap and are now described as 'Competitive environment and consumer demands'. 'Brand strength', 'Data errors and inaccuracies', 'Customer trust including cyber' and 'Economic uncertainty' have been re-named 'Brand strength and reputation', 'Data processing and protection', 'Data security and cyber' and 'Economic conditions' respectively, with the descriptions being revised. We have also added a new principal risk 'Business transformation' reflecting the significance of managing the implementation of the new strategic priorities.

Our Principal Risks (as of 31 December 2017)

Outlined here are our most significant risks that may affect our future. We assess the probability of the risk materialising and the impact of the risk on a residual basis (taking into account the benefit of mitigating controls).



Strategic Priority

	1	Competitive environment and consumer demands
	2	Brand strength and reputation
	3	Data processing and protection
	4	Data security and cyber
	5	Business transformation
	6	Relevance to partners
	7	Economic conditions
	8	Regulation

Strategic Priority:
Leading trusted brands
Leading provider offer
Customer experience optimisation
New market growth

PRINCIPAL RISKS & UNCERTAINTIES

The table below summarises the Board's view of the material financial and operational risks to the Group and how the Group seeks to mitigate them.

Risk area and trend	Description	Risk type	Strategic Priority	Mitigating activities	Developments in 2017
Competitive environment and consumer demands	The Group operates in a dynamic and highly competitive marketplace and must continually innovate to keep ahead of competitors and changing consumer demands.	SR		Continuous innovation of new services and ongoing evolution of existing propositions. Regular engagement with consumers to understand changes in how they use our services. Investment in our technology platforms to improve customer experience and make comparing products easier.	We have developed plans for regulatory changes such as PSD2 (Open Banking) and GDPR. We transformed our customer proposition in life insurance to enable customers to access fully underwritten premiums from multiple insurers at the same time and complete the application process on the MoneySuperMarket.com website. We completed our 'replatforming project' and have now migrated all our major channels to our new 'fusion' technology platform.
Brand strength and reputation	The Group must maintain consumer awareness of and engagement with its key brands.	SR		Investment in marketing across a range of media to maintain the Group's brands in consumers' minds. Arrangement of exclusive and competitive deals to offer consumers market-leading products and prices.	In MoneySuperMarket, our marketing and pricing initiatives performed well with a growing insurance market share and we were able to enhance our core energy switching proposition within the year. In MoneySavingExpert, our editorial and campaigning activities contributed to the brand which was the highest rated brand for advocacy in 2017 (YouGov Advocacy Rating 2017).
Data processing and protection	The Group must appropriately process and control the data our customers share and ensure data is transferred accurately and completely to partners.	OR		Understanding and assessment of the data we collect from our customers and how we use it. Specialist data protection knowledge within our Data Analytics, Technology and Legal teams. Annual data protection training for all colleagues. Rigorous controls and monitoring of internal processes. Regular ongoing quality assurance procedures.	Our GDPR project is progressing to timescale. We have performed detailed data mapping activities across our operations and have strengthened our processes for the collection and use of marketing consents. We have invested in quality assurance and testing within technology release processes and strengthened controls in respect of data mapping.
Data security and cyber	The Group must protect itself from security breaches or successful cyber-attacks which could impact our ability to operate our websites and services.	OR		Rigorous monitoring and testing of the Group's systems and infrastructure. Robust access controls to our data and systems.	Our technology investments have improved the robustness of our infrastructure and platforms. Our Data and Cyber Security project is progressing to plan and we have recruited additional data security expertise into our technology team.
Business transformation (new)	The Group must manage the implementation of the new strategic priorities appropriately, without our focus being disrupted, in order to get where we need to be. We must retain and recruit colleagues with great industry, technology and marketing expertise.	OR SR		Clear management structures which provide clear and straightforward responsibilities and accountabilities in the delivery of our strategic priorities. Effective governance arrangements to oversee implementation of strategic priorities. Structured approach to recruitment and retention of high quality talent combined with learning and development activities for existing colleagues.	We have executive sponsorship of the transformation programme and have created a transformation office to oversee implementation. This will be supported by experienced resource from within the Group and externally as required. We have invested in our management development and mentoring programmes and re-organised our recruitment agency relationships.
Relevance to Partners	The Group relies on its partners to access competitive products and technological integration to provide a seamless customer experience.	SR		Working closely with partners to ensure high quality and appropriate products and to maximise the opportunities for partners to acquire customers in a cost effective manner.	We have worked closely with partners in launching exclusive deals and offers for our customers. We have enhanced our customer insights and data analysis for partners to help them understand how they can further improve their products.
Economic conditions	Weaknesses in the UK economy including as a result of Brexit, may lead to more challenging conditions for the Group and reduced financial performance.	SR		Maintaining a diversified business across a range of products. Regular monitoring of market conditions and environment. Focusing on maintained controls of our cost base.	The diversity of the Group across a portfolio of brands and channels offers the Group protection from cyclical economic changes.
Regulation	The Group must understand and comply with existing and new regulatory requirements.	SR		We maintain regular and ongoing dialogue with key regulatory bodies. Our Risk & Compliance team works across the Group to ensure it remains compliant with new and existing regulation.	We have monitored and responded to new and emerging regulatory developments. We have proactively engaged with regulators including FCA, Ofgem and CMA (in respect of its Digital Comparison Tools market study).

Risk type:
Strategic risk SR
Operational/conduct risk OR

Risk trend:
Increasing Decreasing Stable

Strategic Priority:
Leading trusted brands
Leading provider offer
Customer experience optimisation
New market growth

The Board considers that the management of safety, health, environment, social and ethical matters forms a key element of effective corporate governance which in turn supports the strategy, long-term performance and sustainability of the business.

Employees

Moneysupermarket Group wants to be a great place to work. Passion about our mission, doing the right thing for customers, innovation and performance are key assets for the Group and its future success. We have clear priorities for how we:

- engage with our employees, recognising the different needs they have;
- create sustainable employment opportunities that attract a talented and diverse range of new people into all levels of the business;
- invest in the future to ensure each individual can perform to the best of their ability; and
- ensure we are constantly seeking to do the right things, particularly in how people are treated throughout the Group.

We actively encourage employee involvement and consultation. There is considerable emphasis on keeping our employees informed of the Group's activities via formal business performance updates, monthly all employee floor briefings, regular team meetings, CEO video blogs, the Group's intranet site (which enables easy access to the latest Group information as well as Group policies), and the circulation to employees of relevant information including corporate announcements. This helps to achieve a common awareness amongst employees of the financial and economic factors affecting the performance of the Group as well as key initiatives.

A robust employee engagement survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback. We have acted on feedback to improve our health and well-being activities (described below).

The Group is committed to an equal opportunities policy. The Group aims to ensure that no employee is discriminated against, directly or indirectly, on the grounds of colour, race, ethnic and national origins, sexual orientation or gender, marital status, disability, religion or belief, being part time or on the grounds of age.

As well as being engaged, we want our employees to share in the success of our business and we offer a range of benefits which help employees to do so. These include both an employee Share Incentive Plan and a Sharesave Scheme. The Sharesave Scheme gives employees the opportunity to purchase ordinary shares in the Company. This helps to encourage employee interest in the performance of the Group and alignment with shareholder interest. We are delighted that those employees who joined the 2014 Sharesave invitation at an option price of £1.495 more than doubled their savings at maturity in November 2017. The Group's full range of benefits reflects the differing needs and interests of its employees. Particular focus is given to contributing towards employees' health and wellbeing.

During the year we reviewed our flexible benefits provider and improved the range of benefits on offer as well as the ease with which employees can take advantage of them. These include the opportunity to buy or sell holidays, medical cover, gym memberships, as well as benefitting from discounts on products and services for the home and family life. We also offer employees a variety of social and wellbeing activities ranging from circuit training and spinning classes to pilates and massage. Annual social events include the football tournament and summer and Christmas parties. Recognising that employees can require advice and support for a range of personal and professional reasons, a free comprehensive employee assistance programme is also available. The Group also has a wide variety of flexible working arrangements in place.

Inca Trail Trek: Employees took part in the Inca Trail Trek to raise funds for Shelter and Shelter Cymru.

Training and development

Our employees are integral to what we do and we are committed to providing personal development training which is designed to ensure that all employees are able to fulfil their potential and contribute as much as possible to the achievement of the Group's goals whilst applying the Group's values. This is supported by a Performance and Capability Policy, which provides for employee's annual objectives to be reviewed with managers on a quarterly basis, identifying training and development requirements.

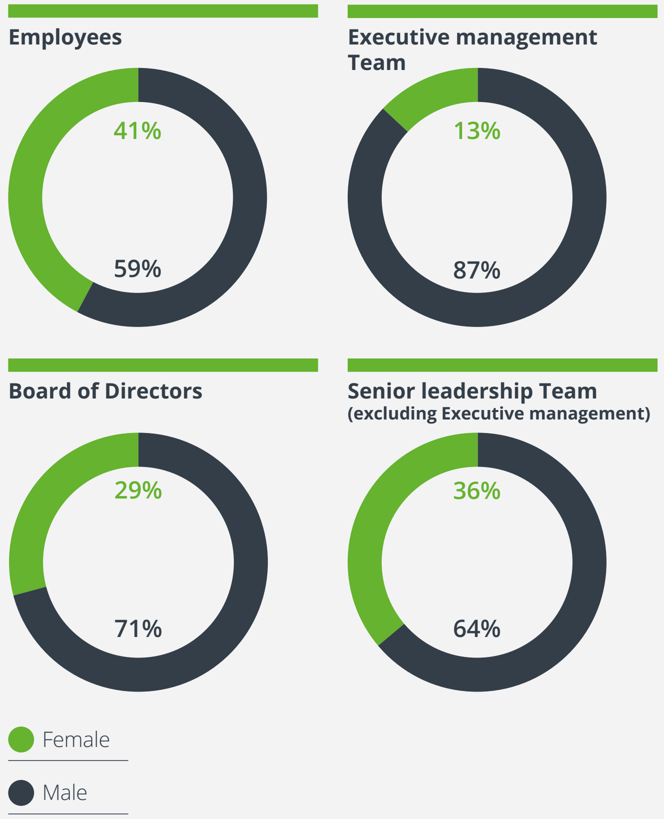
During 2017, we invested £550,000 in employee training programmes. In addition to our existing online training modules covering our Code of Conduct, our 'Customer First' programme and data protection which every employee is required to complete and which also forms part of the induction process for new employees, we offer a suite of personal development courses, both face to face and online which are made available to all employees. In addition to the internally curated courses, we also fund employees to gain professional qualifications. Examples of this include:

- CIA – Certified Internal Auditor Qualification
- IIA – Institute Internal Auditor Diploma
- CIMA and AAT

Those enrolled on these types of courses (via our Sponsored Education Policy) are fully funded for course fees and exams, in addition to time off for study leave.

Diversity

The average number of employees during 2017 was 631. At the end of the year, 386 of our employees were male and 270 female. In our executive management team, seven members are male and one is female whilst on our Board, five of the Directors are male and two female.



In 2017 the Group engaged external support to help us understand the challenges that exist in our organisation and from this the Group has developed our 2018 Diversity Action Plan under the vision 'Be yourself. Be brilliant together. Belong'. In 2018 we are investing in employee resource groups to support grass roots diversity initiatives, reviewing and making changes to our talent acquisition and talent progression approaches and creating a dedicated diversity lead role within our people function.

Health and safety

We recognise the importance of health and safety and the positive benefits to the Group. The Group has a health and safety policy which is communicated to all employees through a health and safety handbook, which is regularly reviewed and updated.

Supporting students

In order to build links between the Group and local schools and colleges, work experience and placements are offered to a number of students. In doing so, we strive to make work placements positive, challenging and relevant to participants' current studies and their future job prospects.

Business ethics

Behaving ethically is an essential part of working for our Group. It is fundamental to how we do business and is vitally important to the reputation and success of our Group. Our Code of Conduct was last revised in 2016 and applies to all employees. The Code sets out our commitment to:

- behave ethically;
- comply with relevant laws and regulations; and
- do the right thing.

Our Code of Conduct also confirms we respect and uphold internationally proclaimed human rights principles as specified in:

- the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work ('ILO Convention'); and
- the United Nations' Universal Declaration of Human Rights.

In addition we have an Anti-Slavery and Human Trafficking Policy for suppliers and a separate one for employees. Training is provided to all employees on issues of modern slavery in conjunction with the Code of Conduct e-learning module. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We published our first Modern Slavery Act Transparency Statement in March 2017 and this can be viewed on our website at http://corporate.moneysupermarket.com.

We also have anti-bribery, competition law and whistleblowing policies which incorporate the Group's key principles and standards governing business conduct towards our key stakeholder groups. We believe we should treat all of these groups with honesty and integrity. Our Anti-Bribery Policy is supported by clear guidelines and processes for giving and accepting gifts and hospitality from third parties. Our in-house legal team advise on the level of due diligence required prior to entering into contracts with third parties and the form of anti-bribery clauses required in agreements. Our whistleblowing policy is supported by an external, confidential reporting hotline which enables employees of the Group to raise concerns in confidence.

Investment in employee training

£550,000

Tax policy

Our Group is guided by its vision to help households save money. We believe that our business makes a valuable contribution to UK society and we are proud to have helped nearly eight million families save an estimated £2 billion on their household bills in 2017, by finding a better deal on their energy, insurance and banking products.

Alongside this, we want to make our contribution to the communities that our customers live in by paying the right amount of tax, at the right time. In 2017, we paid £52m in tax.

We are committed to acting with integrity and transparency in all tax matters. We will not support proposals to reduce our tax cost through implementing artificial structures but we will seek to structure commercial transactions in an efficient and legitimate way. A copy of our tax strategy is available at http://corporate.moneysupermarket.com.

Communities and charities

We seek to make a positive difference by being an active contributor to the communities that we operate within. The Group's .Community initiative was launched in 2008 and has continued to develop during 2017. The initiative is focused on providing support to charities and community groups located within a few miles of the Group's office in Ewloe, so support is targeted primarily in Flintshire and Cheshire.

A volunteer group of employees meets regularly to review requests for donations and to allocate funds according to agreed donation guidelines. Employees are also active in researching and seeking out local good causes that the Group can help support. The initiative has been effective at harnessing the energy and enthusiasm of the Group's employees to benefit the communities within which it operates.

In 2016 the Group made £6,000 per quarter available for the Community initiative. This funding has been channelled via the Charities Aid Foundation, enabling the Group to make gross donations to registered charities.

Over the course of the year the Group has supported over 40 charities and community groups including:
- Allsorts Preschool
- Citizens Advice
- Superkids
- Wizz kids
- Buckley Gymnastics
- West Coast Crash Rugby
- St John Ambulance
- Friends of Penarlag
- Mold Community Hospital
- Flitshire Downs Syndrome Association
- Buckley Amateur Swimming Club
- Meirionnydd Special Riding Group
- Afasic, St Asaph
- Manor House School
- Parents of Autisim, Wrexham
- Pentre Gwyn, Tanycoed And Coed Y Bryn Community Association
- Advanced Brighter futures (mental health)
- Wrexham Disability Football Club
- Rhosnesni Netball Club
- Flintshire Young Carers

In addition to the .Community initiative, the Group and its employees continue to select and support a Charity of the Year on an annual basis. The 2017 Charity of the Year was the Shelter Cymru and Shelter England and Scotland. Shelter helps millions of people every year struggling with bad housing or homelessness through their advice, support and legal services. And they campaign so that, one day, no one will have to turn to them for help. Shelter exists so no one has to fight bad housing or homelessness on their own. As part of the new partnership, we will be raising valuable funds to support the delivery of Shelter's Digital Advice Service in England and Scotland. The web chat facility, which allows people struggling with bad housing and homelessness to discuss their situation within a safe and secure online environment, is currently funded entirely by voluntary income. The Group's financial support during 2017 will cover the time for Shelter's qualified and experienced advisers to provide support and advice to almost 5,000 people. Over the course of the year the Group's employees raised £41,734 for Shelter with the Group also donating £30,993 bringing the total donated to Shelter during the year to £72,727.

Employees held a 'car wash' day to raise money for Shelter and Shelter Cymru.

Total donated

£138,000

to charitable causes by the Group in 2017

The Group launched a volunteering scheme in October 2011 through which the Group supports a total of 60 volunteering days per year to help those who are less fortunate, and thereby make a valuable contribution to our local community. During the year employees volunteered in a diverse range of activities and also took part in the sponsored 'Inca Trail Trek 2017'.

MoneySavingExpert has also continued to donate to The MoneySavingExpert Charity, which is a grant giving charity dedicated to improving information and education about debt, money and consumer issues with £60,000 donated in 2017. In addition to this, MoneySavingExpert supported a number of charities including ShelterBox, CAP UK and the Samaritans with donations totalling a further £30,000.

Environment

Our Environmental Policy is intended to demonstrate our commitment to ensuring Moneysupermarket Group considers environmental and sustainability issues in all parts of its operations and business activities. We seek to progressively reduce our environmental impact in all aspects of our operations by minimising and making efficient use of resources. The Group has implemented the following initiatives to support this aim:
- the installation of solar panels at our Ewloe office resulting in energy savings of approximately 26,660 kwh during 2017;
- the installation of four electric vehicle charging bays at our Ewloe office;
- the continued replacement of energy efficient bulbs with higher efficiency LEDs;
- the replacement of all external lighting with higher efficiency LEDs; and
- the recycling, via one of our suppliers, of waste oil from our on-site catering into useful products such as biofuels.

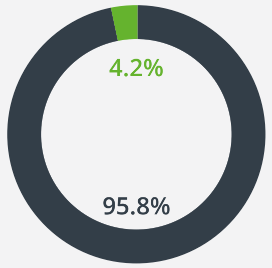
The Group estimates that during 2017 it recycled on average over 96.95% of its commercial waste.

Greenhouse gas ('GHG') emissions

This section includes our mandatory reporting of greenhouse gas emissions pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The methodology used to calculate our emissions is based on the GHG Protocol Corporate Standard. Emissions reported correspond with our financial year. We have included emissions from both our owned and leased assets for which we are responsible. Emissions are predominantly from gas combustion and electricity use at our offices and data centres. We have reported on all material emission sources which we deem ourselves to be responsible for. Emission factors are from UK government conversion factor guidance current for the year reported.

In order to express our annual emissions in relation to a quantifiable factor associated with our activities, we have used revenue as our intensity ratio as this is a relevant indication of our growth and is aligned with our business strategy.

Total CO_2e by emission type in 2017



- Electricity, heat, steam and cooling purchased for own use
- Combustion of fuel and operation of facilities

Greenhouse gas ('GHG') emissions

Emissions from:	Tonnes of CO_2e 2017	2016
Combustion of fuel and operation of facilities	**31.5**	24.4
Electricity, heat, steam and cooling purchased for own use	**710.9**	734.7
Company's chosen intensity measurement: tonnes of CO_2e per £m revenue	**2.25**	2.39

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

Bruce Carnegie-Brown
Chairman

Governance Dashboard

2017 highlights:

- we reviewed the Group's strategic priorities and approved a revised set of strategic priorities, further details of which are set out on pages 10 to 11;
- we obtained approval for a new Remuneration Policy at the 2017 AGM following a comprehensive review of the executive remuneration framework and after incorporating feedback following a shareholder consultation;
- we reviewed the content of the Annual Report to ensure it is fair, balanced and understandable and in line with best governance practice;
- we held 'deep-dives' to cover a specific strategic priority at each meeting. This included deep-dives into each of MoneySuperMarket, MoneySavingExpert and TravelSupermarket, key risks and controls, cyber security, data protection, MoneySavingExpert's Credit Club and innovation in mobile and apps, including the MoneySuperMarket App;
- we reviewed the composition, skills and experience of the Board; and
- we continued to enhance our effectiveness by:
  - focusing on talent, succession and diversity both at Board and senior management level;
  - reviewing our annual agendas and revising meeting schedules as part of the review of the Group's strategic priorities in readiness for 2018; and
  - completing an external evaluation of the Board through SCT Consultants.

> **'The composition of the Board continues to be appropriate to the Group's requirements with the right diversity of experience and technical expertise to support the strategic and operational direction of the Group.'**

Our governance

As a Board of Directors we aim to establish a governance structure which provides effective control and oversight of the Group whilst at the same time promoting the entrepreneurial spirit which has been central to the Group's success in striving to help every household make the most of their money.

In our Corporate Governance Report on pages 42 to 47, we aim to provide a clear and meaningful explanation of how we as a Board lead the Group and discharge our governance duties, including how we apply the provisions of the UK Corporate Governance Code. It also outlines the governance initiatives we have undertaken during the year. Our statement of compliance with the UK Corporate Governance Code is set out on page 47.

Leadership

The composition of the Board continues to be appropriate to the Group's requirements with the right diversity of experience and technical expertise to support the strategic and operational direction of the Group. In March 2017, Mark Lewis joined us as an Executive Director. Following a period of handover, Mark succeeded Peter Plumb as Chief Executive Officer on 10 April 2017. Mark has a successful track record of leading fast growing digital businesses with strong customer satisfaction, trust and values scores. His experience and values are aligned with our goal of helping customers save money on their household bills.

Peter Plumb and Rob Rowley both stepped down from the Board at the conclusion of the 2017 Annual General Meeting. Rob was succeeded as Senior Independent Director by Sally James from that date. Sally remains Chairman of the Risk Committee and a member of the Audit, Remuneration and Nomination Committees.

The membership of the Board Committees was reviewed during 2017 to ensure the Committees continue to operate effectively and have the skills required to support the increasing complexity of the Group. The current membership of each of the Committees is set out in each of the Committee reports on pages 49, 54, 56 and 71. Sally James, Chairman of the Risk Committee, is a member of each of the Committees to ensure that risk is appropriately considered in each Committee.

Succession planning and diversity

We recognise that in order to maintain an effective and diverse Board, it is essential to plan for the future and to ensure the right individuals are appointed to the Board from a diverse pool of talent. We consider our Board to be diverse in terms of the background, skills and experience which each individual brings to the Board. Mindful of the need to refresh the Board, we have commenced a search for a new Non-Executive Director.

All future appointments will continue to be based on merit. More detail on the work of the Nomination Committee and on our diversity policy can be found in our Nomination Committee Report on pages 54 to 55. Details of the proportion of women on the Board, in senior leadership positions and within the whole organisation can be found on page 35 of the Corporate Responsibility Report.

Board effectiveness

During 2017 we conducted an external evaluation of the Board and the Committees, with SCT Consultants undertaking that evaluation. The evaluation process involved the completion of questionnaires, one to one interviews with each Director and the Company Secretary, observation at Board and Committee meetings, followed by a Board discussion, including a review of progress against actions from the 2016 internal Board evaluation. More information on the process and the key action areas are set out on page 41.

Ethics and governance

There is a strong relationship between ethics and good governance. We remain committed to operating ethically, demonstrating integrity and acting responsibly in our undertakings with our customers, our shareholders and our wider stakeholders. Our Code of Conduct incorporates additional guidance for employees and each employee completes an e-learning module on the Code of Conduct. Further information on ethics and social responsibility is contained in our Corporate Responsibility Report on pages 34 to 37.

Board operation

We continue to operate a clear line of distinction between management, led by the Chief Executive Officer, who is responsible for the day to day running of the business, and the Board, acting under my leadership, which provides constructive challenge to management ensuring an open culture of debate that creates and preserves value for our shareholders.

During 2018, I will ensure that the Board continues to engage with its stakeholders and operates in a constructive and open manner, with honesty and integrity as its core principles.

Bruce Carnegie-Brown
Chairman
21 February 2018

Committee Chairs

Robin Freestone
Audit Committee

Bruce Carnegie-Brown
Nomination Committee

Sally James
Risk Committee

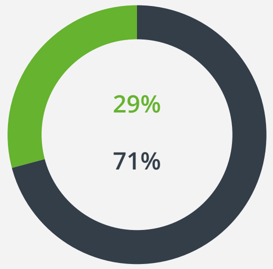
Andrew Fisher
Remuneration Committee

Board tenure

Bruce Carnegie-Brown	7-8 years
Sally James	4-5 years
Andrew Fisher	3-4 years
Matthew Price	3-4 years
Genevieve Shore	3-4 years
Robin Freestone	2-3 years
Mark Lewis	0-1 year

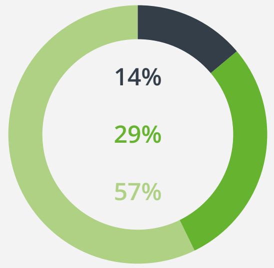
Board composition

Gender



Female
Male

Role



Chair
Executive Directors
Non-Executive Directors

BOARD OF DIRECTORS

Bruce Carnegie-Brown

Chairman of the Board and Chairman of the Nomination Committee

Term of Office: Appointed to the Board as a Non-Executive Director in April 2010 and became Chairman of the Board in April 2014.

Committee Membership: Bruce chairs the Nomination Committee and attends meetings of the Risk, Remuneration and Audit Committees by invitation.

Independent: On appointment.

Skills and Experience: Bruce has over 30 years of experience of the financial services sector in both executive and non-executive roles. He has previously held senior executive positions in private equity as managing partner of 3i Group, in insurance as chief executive officer of Marsh Ltd and in banking as a managing director of JP Morgan, and non-executive roles as chairman of Aon UK Ltd (2012 to 2015), director of Close Brothers Group plc (2006 to 2014) and director of Catlin Group Ltd (2010 to 2014).

External Appointments: Bruce is chairman of Lloyd's of London and vice chairman and lead independent director of Banco Santander SA.

Mark Lewis

Chief Executive Officer

Term of Office: Mark was appointed to the Board in March 2017 and became Chief Executive Officer in April 2017.

Committee Membership: Mark attends meetings of the Risk, Remuneration, Audit and Nomination Committees by invitation.

Independent: Not applicable.

Skills and Experience: Mark has experience in consumer marketing, online marketplaces and retail. He was formerly retail director at John Lewis (2013 to 2017) and was its online director prior to that. Mark previously held senior commercial and management roles at Collect+ and eBay UK including CEO and managing director. Mark has an MBA (INSEAD) and an MA, BA (Hons) from Cambridge University in Mathematics.

External Appointments: None.

Matthew Price

Chief Financial Officer

Term of Office: Matthew was appointed to the Board in April 2014.

Committee Membership: Matthew attends meetings of the Audit and Risk Committees by invitation.

Independent: Not applicable.

Skills and Experience: Matthew has experience in finance and in consumer facing businesses. He was formerly finance director at Costa Coffee (2009 to 2014) and managing director of its business in China. Matthew previously held senior finance and commercial roles at Sodexo and J Sainsbury including retail finance director and property director. Matthew is a qualified chartered accountant, having trained and qualified with Deloitte in its corporate finance practice.

External Appointments: None.

Sally James

Senior Independent Non-Executive Director and Chairman of the Risk Committee

Term of Office: Sally was appointed to the Board as a Non-Executive Director in April 2013 and became Senior Independent Director in May 2017.

Committee Membership: Sally chairs the Risk Committee and is a member of the Remuneration, Audit and Nomination Committees.

Independent: Yes.

Skills and Experience: Sally has experience of the financial services sector having been a non-executive director of UBS Limited (2009 to 2015) and before that held a number of senior legal roles in investment banks in London and Chicago including Managing Director and EMEA General Counsel at UBS Investment Bank from 2001 to 2008. She has also been a non-executive director of Rotork plc since 2012 where she is senior independent director, a non-executive director of Bank of America Merrill Lynch International since 2016 and a non-executive director of Hermes Fund Managers Limited since 2017.

External Appointments: Sally is a non-executive director of Rotork plc, Bank of America Merrill Lynch International and Hermes Fund Managers Limited.

Andrew Fisher

Independent Non-Executive Director and Chairman of the Remuneration Committee

Term of Office: Andrew was appointed to the Board as a Non-Executive Director in August 2014.

Committee Membership: Andrew chairs the Remuneration Committee and is a member of the Nomination and Risk Committees.

Independent: Yes.

Skills and Experience: Andrew has experience of building digital, media and entrepreneurial businesses. He is currently executive chairman and was previously chief executive officer of Shazam Entertainment Limited. Prior to that, Andrew was European managing director of Infospace Inc and founder and managing director of TDLI.com. Andrew has been a non-executive director of Marks and Spencer Group plc since December 2015.

External Appointments: Andrew is executive chairman of Shazam Entertainment Limited and a non-executive director of Marks and Spencer Group plc.

Robin Freestone

Independent Non-Executive Director and Chairman of the Audit Committee

Term of Office: Robin was appointed to the Board as a Non-Executive Director in August 2015. He became Chairman of the Audit Committee in April 2016.

Committee Membership: Robin chairs the Audit Committee and is a member of the Risk, Remuneration and Nomination Committees.

Independent: Yes.

Skills and Experience: Robin has experience of leading global and digital businesses, having been chief financial officer of Pearson PLC from 2006 to 2015. Previously he was deputy chief financial officer at Pearson and prior to that, he held a number of senior financial positions at Amersham plc (2000 to 2004), Henkel Ltd (1995 to 2000) and ICI plc (1984 to 1995). Robin is a non-executive director of Smith & Nephew plc and Michael Kors Holdings Limited, also chairing the audit committee of both companies.

External Appointments: Robin is a non-executive director of Smith & Nephew plc and Michael Kors Holdings Limited. He sits on the advisory board to the ICAEW's Financial Reporting Committee and also chairs the ICAEW's Corporate Governance Advisory Group.

Genevieve Shore

Independent Non-Executive Director

Term of Office: Genevieve was appointed to the Board as a Non-Executive Director in September 2014.

Committee Membership: Genevieve is a member of the Risk, Remuneration, Audit and Nomination Committees.

Independent: Yes.

Skills and Experience: Genevieve brings digital, technology and commercial expertise to the Group from a career in the media, publishing and technology sectors. Most recently she was chief product and marketing officer of Pearson PLC and prior to that was director of digital strategy and chief information officer. Genevieve is also a non-executive director at Santander UK plc, Next 15 Communications Group plc, Arup Group Limited and the Rugby Football Union. She is an advisory board member for Lego Education and has advised and invested in education technology start-ups and works with female executives as a coach and mentor.

External Appointments: Genevieve is a non-executive director of Santander UK plc, Next 15 Communications Group plc, Arup Group Limited and the Rugby Football Union. She is a member of the advisory board of Lego Education.

Darren Drabble

Company Secretary and Group General Counsel

Term of Office: Darren was appointed Company Secretary in June 2007.

Skills and Experience: Darren has a corporate and commercial law background originally qualifying as a solicitor with Addleshaw Goddard LLP before working as a senior legal counsel at United Utilities Group PLC. Darren joined the Group as Company Secretary and Group General Counsel in May 2007.

Governance framework

Leadership

This section looks at the roles and responsibilities of our Board members.

The role of the Board

We are responsible for the long-term success of Moneysupermarket.com Group PLC, with the overall aim of delivering shareholder value over the long term. Principally, we achieve this through:

- setting and monitoring strategy and ensuring the necessary resources are in place;
- providing entrepreneurial leadership within an effective risk management framework; and
- reviewing management performance.

In setting and monitoring strategy, we have regard to the impact that those decisions will have on the Group's obligations to various stakeholders, such as shareholders, employees, regulators and the wider community.

While the Board is not managing the day-to-day operations of the Group, key decisions and matters which are reserved for approval of the Board are fully documented and regularly reviewed. These include the setting of, and changes to, Group strategy, approval of major acquisitions or disposals, determination of interim dividends and recommendation of final dividends, approval of budget and financial results, and carrying out an annual review of the effectiveness of risk management and internal control systems.

We review the matters reserved to the Board annually and the current matters reserved are available on our website at http://corporate.moneysupermarket.com.

The Board currently comprises me, as Chairman, four Independent Non-Executive Directors, Andrew Fisher, Robin Freestone, Sally James and Genevieve Shore, and two Executive Directors, Mark Lewis (Chief Executive Officer) and Matthew Price (Chief Financial Officer). As Chairman, I am responsible for leading the Board and for its effectiveness.

Mark Lewis leads the business as Chief Executive Officer, having succeeded Peter Plumb on 10 April 2017. Peter Plumb and Rob Rowley stepped down as Directors on conclusion of the AGM on 4 May 2017. The division of the roles and responsibilities of Chairman and Chief Executive Officer is in writing, provides clarity on the distinct responsibilities of each role and has been approved by the Board. Responsibilities of Board members are set out opposite.

Chairman

I am responsible for:

- leading the Board and ensuring its effectiveness in all aspects of its role;
- promoting the highest standards of corporate governance;
- facilitating effective contribution of Non-Executive Directors and encouraging active engagement by all Directors, with the appropriate level of challenge by all Directors;
- ensuring the Board receives accurate, timely and clear information and is consulted on all matters important to it; and
- ensuring the Company maintains effective communication with shareholders and communicating their views to the Board.

Chief Executive Officer

The Chief Executive Officer is responsible for:

- leading the performance and management of the Group;
- proposing strategies, business plans and policies to the Board;
- ensuring effective implementation of the Board's decisions;
- maintaining an effective framework of internal controls and risk management; and
- leading, motivating and monitoring performance of the Company's executive management and focusing on succession planning for the executive management.

The Non-Executive Directors

Each Non-Executive Director is responsible for:

- bringing experience and independent judgement to the Board; and
- constructively challenging and helping develop proposals on strategy.

The Senior Independent Director

The Senior Independent Director is an Independent Non-Executive Director who is responsible for:

- meeting with the Company's shareholders and representative bodies when requested and, if necessary, discussing matters with them where it would be inappropriate for those discussions to take place with either the Chairman or the Chief Executive Officer; and
- acting as a sounding board for the Chairman and as an intermediary for the other Directors when necessary.

Sally James is our Senior Independent Director, having succeeded Rob Rowley on 4 May 2017.

The Company Secretary

The Company Secretary is responsible for:

- managing the provision of timely, accurate and considered information to the Board;
- recommending corporate governance policies and practices to the Chairman and Chief Executive Officer;
- implementing and communicating corporate governance policies across the Group; and
- advising the Board and its Committees on corporate governance and compliance within the Group and appropriate procedures for the management of their meetings and duties.

The appointment and removal of the Company Secretary is a matter for the whole Board. All Directors are able to consult with the Company Secretary, who is also secretary to all of the Board Committees. There is also a formal documented procedure by which any Director may take independent professional advice relating to the performance of any aspects of their duties at the Company's expense, which can be facilitated by the Company Secretary.

Board meetings

I set the Board agendas following consultation with the Chief Executive Officer and with the assistance of the Company Secretary. This year we examined how we can leverage the skills, knowledge and experience of the Board more effectively, and in particular the Non-Executive Directors to support the business. This review included consideration of the annual programme, structure, format and timings of the Board and Committee meetings to free up time during Board meeting days for the Non-Executive Directors to share their skills and experience with the Group's employees and to learn more about our customers. This will include listening to employee calls with customers in order to better understand the issues being faced by our customers and how employees deal with those issues. In 2017 we held eight Board meetings. At each meeting we hold a 'deep-dive' into specific aspects of the business. The principal areas of focus for the Board in 2017 are listed in the section on the right and the pie chart on page 44 shows how the Board allocated its time.

The Board splits its meetings between its Ewloe, London and Manchester offices. Board members have the opportunity to meet and interact with employees at various times during the year. This year we held a product showcase in which the Board and senior leadership team were invited to sit with employees leading innovative projects in order to gain a deeper understanding of those projects. Additionally, I meet from time to time with the Non-Executive Directors without the Executive Directors present.

	Scheduled meetings in 2017	
Board members	Eligible to attend	Attended
Bruce Carnegie-Brown	8	8
Andrew Fisher	8	8
Robin Freestone	8	8
Sally James	8	8
Mark Lewis	6	6
Peter Plumb	3	2*
Matthew Price	8	8
Rob Rowley	3	3
Genevieve Shore	8	8

* Peter Plumb did not attend the May 2017 Board meeting, after he had ceased to be Chief Executive Officer

Ad hoc conference calls and Committee meetings were also convened to deal with specific matters which required attention between scheduled meetings.

In 2017, we:

Strategy

- undertook a comprehensive review of the Group's strategic priorities at a number of meetings attended by the Board and senior management including a two-day off-site strategy meeting at which we:
  - tested and reviewed the revised Group corporate strategy and strategic priorities;
  - reviewed the markets in which we operate; and
  - reviewed the regulatory and risk environment in which we operate, with a focus on price comparison websites.
- reviewed the Group's plans against the Board's risk appetite to ensure that our ambitions for the business are aligned with our ability to manage risk;
- considered the Group's capital structure and approved a £40m share repurchase programme;
- reviewed a number of potential acquisitions;
- approved the annual budget;
- held 'deep-dives' at our Board meetings into various aspects of the business including new business opportunities, internal control and risk management, cyber security, data protection, MoneySavingExpert's Credit Club, change management and innovation in mobile and apps, including the MoneySuperMarket App; and
- adopted new Group KPIs for 2018 onwards which are aligned with the revised Group strategic priorities.

Governance

- reviewed and revised our annual programme of business for the Board and each of the Committees;
- reviewed the outcome of the Board evaluation process, which this year was conducted externally by SCT Consultants, details of which are on page 45;
- oversaw the implementation of upgrades to our cyber and data security capabilities;
- received updates on the Government's plans for corporate governance reform and the FRC's review of the UK Corporate Governance Code;
- considered, discussed and revised the Principal Risks and uncertainties which could impact the Group; and
- obtained approval from shareholders for a new Remuneration Policy, which applied from 4 May 2017.

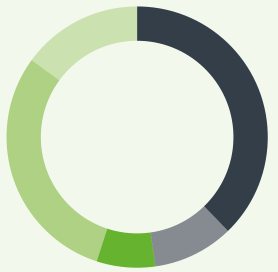
Leadership and employees

- facilitated the effective induction of the new Chief Executive Officer and ensured a seamless transition; and
- held a 'deep-dive' into the Group's people and culture, diversity, talent management and employee engagement including reviewing results of employee surveys and feedback from the diversity and inclusion employee focus group.

Performance

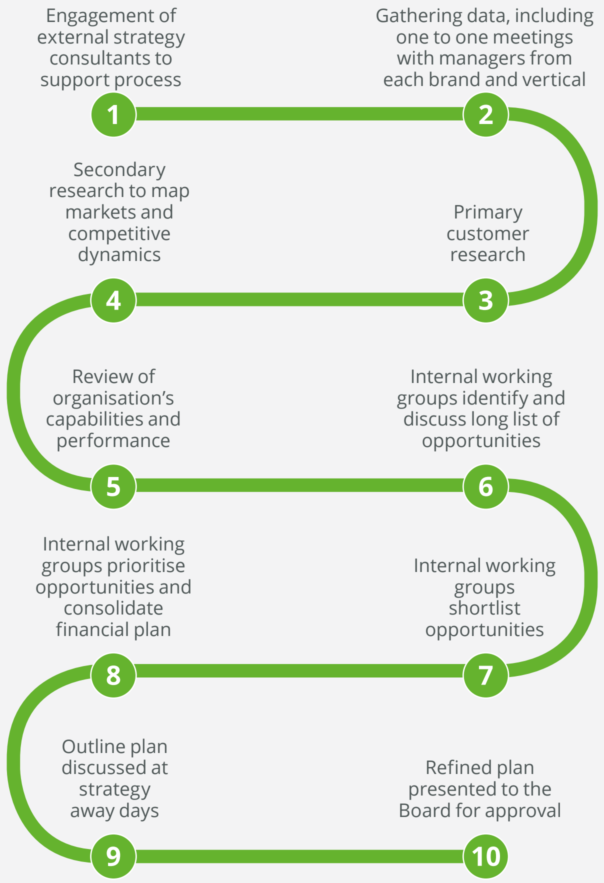
- reviewed the strategic and operational performance of each of the businesses; and
- considered Group financial performance against budget and forecast.

Allocation of Board time



- Strategy **38%**
- Governance, Risk and Annual Report **10%**
- People/Talent/Culture **7%**
- Business performance and CEO Updates **30%**
- Finance and investor relations **15%**

Process for review of strategic initiatives



Board Committees

We delegate certain Board responsibilities to our Board Committees which play an important governance role through the work they carry out. Briefing papers are prepared and circulated to the Committee members in advance of each meeting. The Committee chairmen report formally to the Board on Committee activities at the subsequent Board meeting.

The Committees may obtain external professional advice at the Company's expense if deemed necessary.

Detailed reports on the activities of the Audit Committee, Nomination Committee and Risk Committee are set out in this Report on pages 48 to 53, 54 to 55 and 56 to 58 respectively. Details of the work of the Remuneration Committee together with the Annual Statement from the Remuneration Committee chairman, the Remuneration Policy and the Annual Report on Remuneration are set out in the Director's Remuneration Report on pages 59 to 72.

Effectiveness

The composition of our Board is kept under review by the Nomination Committee to ensure that it retains the necessary skills, knowledge and experience to meet the needs of the business. Details of the skills and experience of individual Directors are set out on pages 40 to 41.

Mark Lewis joined the Board as an Executive Director on 13 March 2017 and succeeded Peter Plumb as Chief Executive Officer on 10 April 2017. Peter Plumb stepped down as an Executive Director and Rob Rowley stepped down as a Non-Executive Director on conclusion of the Annual General Meeting on 4 May 2017. Sally James succeeded Rob Rowley as Senior Independent Director from that date.

The Nomination Committee reviewed the composition and the balance of skills, knowledge and experience of the Board during 2017, including relevant experience and understanding of our stakeholder groups. Mindful of the need to refresh the Board, the Nomination Committee has commenced a search for a new Non-Executive Director.

Induction of a new Director

On appointment, each Director receives a tailored induction to suit the individual's background and experience. Mark Lewis' induction is summarised below:

Stage 1
Understand the Moneysupermarket Group businesses

Stage 2
Understand the Moneysupermarket Group environment

Stage 3
Meet the Moneysupermarket Group teams

Stage 1 – Company structure and strategy including Group structure, history, strategy, vision, key people, succession plans; Board procedures including governance framework, Code of Conduct and other key policies, recent Board and Committee minutes, annual agendas, matters reserved to the Board; finances and performance including operating plans, current KPIs and targets, operational overview of all business areas, stakeholders and key relationships including major suppliers and providers, meetings with key providers; Group Risk Appetite Framework and Statement.

Stage 2 – Industry and competitive environment and stakeholders including customer trends; consumer and regulatory environment; training from external advisers on directors' duties and responsibilities, including in relation to FCA regulated businesses; meetings with FCA representatives, recent analyst and broker reports, meetings with corporate brokers and other key advisers; share register analysis and meetings with key shareholders.

Stage 3 – Meet the team including individual meetings with the Chairman, Chief Financial Officer, Company Secretary, Chief Risk Officer and senior management, business-related presentations from senior management and the opportunity for all staff to meet Mark over informal 'Meet Mark' sessions during a period of six months.

Training and information

Directors are continually updated on the Group's business, the markets in which they operate and changes to the competitive and regulatory environment through presentations and briefings to the Board from Executive Directors and senior management.

As part of the annual individual performance evaluation I discuss training and development requirements with each Director so that any needs identified through the formal evaluation or during the year can be addressed. The Company Secretary also maintains a record of individual Director's training.

Directors received briefings from the Company Secretary during 2017 on governance and compliance areas including the FRC review of the UK Corporate Governance Code and the new corporate criminal offence of failing to prevent the facilitation of tax evasion.

To ensure that Directors are able to fully acquaint themselves with current trading and matters requiring discussions and decisions, comprehensive Board papers and Committee papers are circulated electronically approximately one week prior to scheduled meetings.

Directors, may, in the furtherance of their duties, take independent professional advice at the Company's expense.

Independence of Non-Executive Directors

The Board considers that I was independent on appointment as Chairman and considers Andrew Fisher, Robin Freestone, Sally James and Genevieve Shore to be independent, being independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgement.

Conflicts of interest

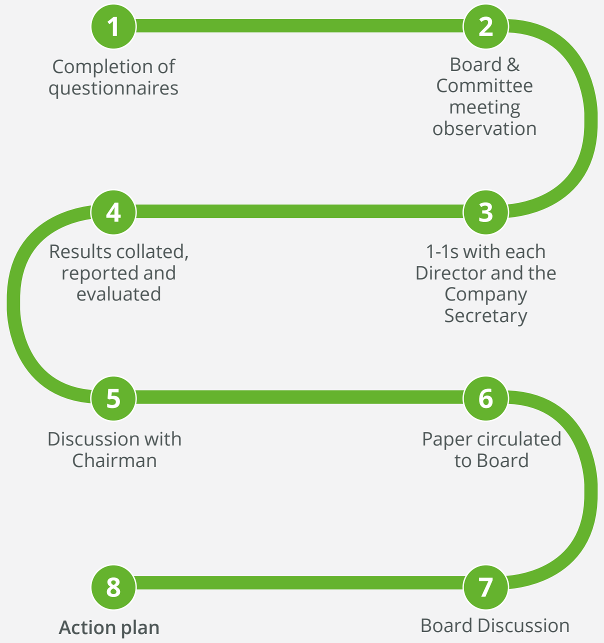
As permitted by the Companies Act 2006, the Company's articles of association enable Directors to authorise potential conflicts of interest. The Company has a formal procedure for notification and authorisation to be sought prior to appointment of any new Director or prior to a new conflict arising. This procedure enables non-conflicted Directors to impose limits or conditions when giving or reviewing authorisation and requires the Board to review the register of Directors' conflicts annually and on an ad hoc basis when necessary. The Board has complied with this procedure during the year.

Performance evaluation

Board evaluation

We undertake a performance evaluation of the Board each year. An external evaluation is carried out every three years. In 2017 we undertook an external evaluation, conducted by SCT Consultants. This involved the completion of questionnaires by individual

Board evaluation process



Directors, Board and Committee meeting observation and one to one meetings with each Director and the Company Secretary, with the results being analysed and presented for discussion at a Board meeting. The Board then agreed the key actions. The Board also reviewed its progress against actions identified in the internal 2016 Board evaluation:

2016 evaluation actions update

The following actions were identified following the evaluation conducted in 2016:

- Talent strategy – we have continued to focus both in Nomination Committee meetings and Board meetings on developing an effective talent strategy for managing the pipeline of top talent to run the business;
- Diversity – the Nomination Committee has received updates regarding the work by the diversity and inclusion focus group as well as presentations from senior management on their plans for improving diversity across the Group; and
- Organisational culture – we have continued to focus on organisational culture, with presentations on progress from the Chief People Officer and feedback from engagement surveys at Board meetings.

2017 evaluation actions

The Directors' many positive responses indicated their widely held view that ongoing improvements have been made since the previous external evaluation in 2014. In particular, members considered there was open and transparent debate with constructive challenge and active engagement from all members of the Board. The Board receives comprehensive reports to enable it to monitor performance, consider risks and controls, and take key decisions. Some of the areas that will be actioned in 2018 are a continuing focus on:

- Strategy – ensuring the new strategic priorities are translated into a strategic implementation plan and regularly reviewed;
- Board packs – enhancing Board papers, ensuring they are concise and facilitate constructive debate and discussion; and
- Stakeholder voice – ensuring stakeholder voices are heard in the Boardroom.

In 2018 we will undertake an internal evaluation of the Board and its Committees.

Director evaluation

I appraise each of the Directors individually in the form of interviews, taking account of feedback received as part of the Board evaluation process. I can confirm that each Director continues to make a valuable contribution to the Board and devotes sufficient time to the role. My evaluation was undertaken by the Senior Independent Director, taking into account the views of the other Directors. Biographies of the Board are set out on pages 40 and 41 which includes my significant commitments. During the year I was appointed chairman of Lloyd's of London and relinquished my role as a non-executive director of Jardine Lloyd Thomson Group plc and of Santander UK plc. The Board is satisfied that these appointments do not conflict with my ability to carry out my duties and responsibilities effectively for the Group.

Committee evaluation

Evaluations of each of the Committees were carried out as part of the external Board evaluation, which included observation of some of the Committee meetings. Summaries of the actions arising from these evaluations and progress on actions identified in 2016 can be found in the relevant Committee report.

Accountability

Financial and business reporting

The Board's aim is to present an Annual Report to shareholders, which, taken as a whole, is a fair, balanced and understandable assessment of the Group's position and performance, business model and strategy. The Board has ensured that processes are in place to achieve this and more information on the processes can be found in the Audit Committee Report on pages 48 to 53. A statement of Directors' responsibilities and the auditor's responsibilities in relation to the Annual Report are set out on pages 75 to 76 and 82 respectively. The Directors' opinion that the Company's business is a going concern is set out on page 28.

Risk management and internal control

The Board has overall responsibility for setting the risk appetite of the Group, maintaining the Group's risk management and internal control system and reviewing the system's effectiveness. We have an ongoing process for identifying, evaluating and managing the Principal Risks faced by the Group which has been in place for the year under review and up to the date of approval of the Annual Report. The Risk Committee and the Audit Committee assist us in discharging these duties.

We regularly review and update our internal control and risk management processes. We continued to oversee progress on work started in 2016 relating to an upgraded quality assurance and testing process for new technology releases and enhanced incident management process. A summary of actions we have taken in 2017 is set out in the Risk Committee Report on pages 56 to 58.

Risk management

A description of the process for managing risk together with a description of the Principal Risks and strategies to mitigate those risks, is provided on pages 29 to 33.

Internal control

The main features of the Group's risk management and internal controls in respect of financial reporting and the preparation of accounts are:

- a comprehensive annual business planning and budgeting process, requiring Board approval, through which risks are identified and appraised;
- a comprehensive financial reporting system, regularly enhanced, within which actual and forecast results are compared with approved budgets and the previous year's figures on a monthly basis and reviewed by the Board;
- a review of Group policies relating to the maintenance of accounting records, transaction reporting and key financial control procedures;
- an investment evaluation procedure to ensure an appropriate level of approval for all capital expenditure and other capitalised costs;
- monthly finance team meetings which include reviews of internal financial reporting issues and financial control monitoring; and
- ongoing training and development of financial reporting employees.

Other controls in place to manage our business in accordance with our Risk Appetite Framework include:

- an annual two-day strategy meeting to discuss and approve the Group's strategic direction, plans and objectives and the risks to achieving them;
- a schedule of matters reserved for approval by the Board to ensure it maintains control over appropriate strategic, financial, organisational, compliance and capital investment issues;
- an organisational governance structure with clearly defined lines of responsibility and delegation of authority;
- formal risk and control policies and supporting procedures manuals;
- regular reviews of the Principal Risks facing the Group to ensure they are being identified, evaluated and appropriately managed;
- a process for regular assessment of key controls across the Group;
- a Risk & Compliance function responsible for overseeing the implementation of the Risk Appetite Framework;
- an Internal Audit function providing assurance over key risks, processes and controls; and
- a whistleblowing hotline which employees can use to report any instances of suspected wrongdoing.

Our internal control effectiveness is assessed through the performance of regular checks, which in 2017 included the following areas:

- reviewing and testing the Group's financial reporting processes;
- completion of the Group's internal audit plan;
- performing compliance monitoring activities including financial promotion reviews and call listening;
- assessment of the identification and management of risks connected to the Group's capital investment programme;
- assessment of the Group's processes for identifying and mitigating potential conflicts of interest;
- assessment of the identification and management of technology risks across the Group, including data security and change management; and
- monitoring the completion of the Group's mandatory 'Customer First', data protection and Code of Conduct training for new starters and refresher training for all employees.

Risk review and assessment

The Group's systems and procedures are designed to identify and manage and, where practicable, reduce and mitigate the effects of the risk of failing to achieve the Group's objectives. They are not designed to eliminate such risk, but the Group seeks to understand its Principal Risks and manage them within our risk appetite.

The Group's risk register is a key element in our risk management framework and is used in the assessment and reporting of risks being managed by the Group. Senior management continue to work alongside the Risk & Compliance function to ensure the risk register incorporates any new risks and movements in risks. The risk register is managed by the Risk & Compliance function and is reviewed on a regular basis by the Risk Committee. Each risk is owned by a member of executive management who is responsible for the ongoing assessment of risk and the delivery of mitigating actions. Robust risk and control assessments are carried out at least quarterly across all areas of the business, in order to understand the strength and performance of the controls in place, and potential gaps and weaknesses. Internal Audit and Risk & Compliance monitoring findings are also taken into account when assessing risks.

The Risk & Compliance function provides challenge to executives in their assessment and management of risks with particular focus on the actions being taken to reduce risk. The senior management team meets on a monthly basis to ensure risk management is integrated within strategic and business planning processes. Reporting to the Risk Committee enables the Directors to have clear visibility of the most relevant risks; identify areas of concern and/or priority; have access to detailed information to enable root cause analysis and underlying trends; and identify, escalate, and potentially mitigate the impact of new risks in a timely manner. Twice a year the Board reviews the Group's Principal Risks and the Group Risk Appetite Framework and Statement. During these reviews it also takes account of the significance of any environmental, social and governance matters to the business of the Group, ensuring any related risk and associated mitigation have been identified.

In the 2016 Annual Report, we referred to two incidents which arose from data transfer errors following scheduled technology releases and impacted customers. In early 2017, through our optimisation and improvements workshops, we identified two additional similar incidents which were of a less significant nature. In response, we took steps to minimise the potential customer detriment. We included the findings from our root cause analysis of the additional incidents into our programme to improve quality assurance and testing within our technology release processes and strengthen controls in respect of data mapping. We did not experience any similar incidents throughout the rest of 2017. The Risk Committee oversaw the enhancements to processes and received regular updates, including in relation to the steps taken to minimise customer detriment.

Process for review of effectiveness

The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems. The steps it takes in relation to the review are set out on pages 29 and 30. The Audit Committee makes a recommendation to the Board on effectiveness which the Board considers, together with reports from the Risk Committee, in forming its own view on the effectiveness of the risk management and internal control systems.

During 2017, the Board reviewed the effectiveness of the Group's risk management and internal control systems. We confirm that the processes outlined above and on pages 29 to 30 and 52 have been in place for the year under review and up to the date of approval of this Annual Report and that these processes accord with the UK Corporate Governance Code and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014 version). We also confirm that no significant failings or weaknesses were identified in relation to the review. The Board has carried out a robust assessment of the Principal Risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity and these, together with how they are managed or mitigated, are set out on pages 31 to 32.

Shareholder engagement

Major shareholders

The Board actively seeks and encourages engagement with major institutional shareholders and other stakeholders. Senior executives, including the Chief Executive Officer and Chief Financial Officer regularly meet with analysts and institutional shareholders to keep them informed of significant developments and to develop an understanding of their views which are discussed with the Board. In addition, all Directors receive formal reports and briefings during the year about the Company's investor relations programme and receive detailed feedback obtained by the Company's brokers after meetings, direct contact and other means, through which they are able to develop an understanding of the views of major shareholders. External analysts' reports on the Group are also circulated to Directors.

Andrew Fisher, in his capacity as Remuneration Committee chairman, also engages in discussion with shareholders on significant matters relating to executive remuneration.

Formal presentations are given to analysts and shareholders covering the full-year and half-year results and the Company seeks to maintain a dialogue with various bodies which monitor the Company's governance policies and procedures. The Company Secretary generally deals with questions from individual shareholders.

Communications with shareholders

The results and results presentations, together with all information reported to the market via the regulatory information service, press releases and other shareholder information, are published on the investor relations section of the Group's website at http://corporate.moneysupermarket.com to be viewed and accessed by all shareholders.

Our Senior Independent Non-Executive Director is available to shareholders if they have concerns for which contact through the normal channels of me, the Chief Executive Officer or the Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

Annual General Meeting

All shareholders will have the opportunity to ask questions at the forthcoming Annual General Meeting. The chairs of the Audit, Nomination, Remuneration and Risk Committees will be available to answer questions at that meeting. Shareholders may also contact me, the Chief Executive Officer or, if more appropriate, the Senior Independent Non-Executive Director to raise any issue with one or all of the Non-Executive Directors of the Company.

The Company prepares separate resolutions on each substantially separate issue to be voted upon at Annual General Meetings. The result of the vote on each resolution is published on the Group's website after the Annual General Meeting and will be announced via the regulatory information service. At the 2017 AGM, shareholders representing 76.29% of the Company's issued share capital returned their proxy votes.

Compliance statement

This Corporate Governance Report, together with the Audit Committee Report on pages 48 to 53, the Nomination Committee Report on pages 54 to 55, the Risk Committee Report on pages 56 to 58 and the Directors' Remuneration Report on pages 59 to 72 provides a description of how the main principles of the 2016 edition of the UK Corporate Governance Code (the 'Code') have been applied by the Company during 2017. The Code is published by the Financial Reporting Council and is available on its website at www.frc.org.uk. The Directors consider that during the financial year ended 31 December 2017 and to the date of this Report, the Company complied with the Code except as follows:

E.1.1 – The Senior Independent Non-Executive Director is available to meet with major shareholders when requested but has not received any requests to do so. As a result of regular feedback provided to the Board by the Chief Executive Officer and the Chief Financial Officer following dialogue with major shareholders, the Senior Independent Non-Executive Director believes she is aware of the views, issues and concerns of major shareholders.

Robin Freestone
Chairman of the Audit Committee

The Audit Committee plays a key role in monitoring the integrity of the Group's financial reporting, reviewing the material financial reporting judgements and assessing the internal control environment.

Audit Committee Dashboard

2017 highlights

- monitored progress on the back office programme including implementation of a new integrated Finance and HR system;
- monitored progress on the automation of Finance and HR controls to our agreed target of 60%;
- focused on financial reporting, including the processes to make this Annual Report & Accounts 'fair, balanced and understandable';
- reviewed the effectiveness of external and internal audit processes and the effectiveness and appropriateness of our system of internal controls;
- considered and approved the Group's tax strategy for publication;
- oversaw the recruitment and onboarding of a new Head of Internal Audit;
- oversaw the onboarding of PricewaterhouseCoopers into a co-source internal audit arrangement, in particular to provide specialist IT and technology support; and
- received updates on the corporate offence of failing to prevent the criminal facilitation of tax evasion and oversaw management's actions in relation to the risks and implementation of new policies and procedures to mitigate those risks.

Number of meetings of the Audit Committee: 4

Allocation of time

Dear Shareholder

As chairman of the Audit Committee, I am pleased to present the Audit Committee's report for the year ended 31 December 2017. I have set out our role and activities in ensuring appropriate challenge and governance around accounting treatment and the internal control environment and ensuring that the Annual Report as a whole is fair, balanced and understandable.

Committee membership

I chair the Audit Committee. The other members of the Audit Committee are detailed in the table below. All the members are Independent Non-Executive Directors in accordance with provision C.3.1 of the UK Corporate Governance Code ('Code') and the Board has determined I have recent and relevant financial experience as required by the Code. I am a qualified accountant and was formerly chief financial officer of Pearson PLC. I am a non-executive director and chair the audit committees of both Smith & Nephew plc and Michael Kors Holdings Limited. I am also a member of the advisory board to the ICAEW's Financial Reporting Committee. As a whole the Committee has competence relevant to the sector in which the Company operates through Genevieve Shore's and my digital experience and the financial services experience of Sally James.

Biographies of the members of the Committee are set out on pages 40 to 41.

	Committee members	
Committee members	Eligible to attend	Attended
Robin Freestone (Chairman)	4	4
Sally James	4	4
Rob Rowley	2*	2
Genevieve Shore	4	4

· Rob Rowley stepped down from the Board and Audit Committee on 4 May 2017

The secretary to the Committee is Darren Drabble, Company Secretary and Group General Counsel.

Role

The primary role of the Audit Committee is to ensure the integrity of the financial reporting and audit processes and monitor the effectiveness of the Group's internal control and risk management systems. This includes:

- monitoring the integrity of the Financial Statements of the Company, any formal announcements relating to the Company's financial performance and any significant issues and judgements contained in them;
- reviewing the Group's Financial Statements and the material financial reporting judgements contained in them;
- advising the Board on whether the Committee believes this Annual Report and the Financial Statements contained within it, when taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's strategy, business activities and financial performance;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional regulatory requirements;
- developing and implementing a policy on the level, amount and pre-approval of non-audit services provided by the external auditor;
- advising the Board on the appointment, re-appointment and removal of the external auditor and the remuneration and terms of engagement of the external auditor;
- monitoring the effectiveness of the Group's internal control and risk management systems, including whistleblowing and fraud prevention procedures;
- reviewing the scope, activities and results of the Group's Internal Audit function;
- reviewing the Audit Committee's terms of reference, carrying out an annual performance evaluation exercise and noting the satisfactory operation of the Committee; and
- reporting to the Board how it has discharged its responsibilities.

Written terms of reference that outline the Committee's authority and responsibilities are published on the investor relations section of the Group's website at http://corporate.moneysupermarket.com and are available in hard copy form from the Company Secretary. We review our terms of reference annually. The Audit Committee's terms of reference include all matters required by Disclosure Guidance and Transparency Rule 7.1 and the Code.

Committee meetings

We met four times in 2017 and the attendance of our members is shown in the table. In order to maintain effective communication between all relevant parties, we invited the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Head of Internal Audit and Company Secretary, together with appropriate members of the management team with responsibility for risk and internal control, and the external auditor, to meetings as necessary. We set time aside periodically to seek the views of the external auditor, in the absence of management. The external auditor has direct access to me to raise any concerns outside formal Committee meetings. I also meet separately with the Head of Internal Audit during the year. In between meetings, I keep in touch with the Chief Financial Officer and external audit partner as well as other members of the management team.

After each meeting, I report to the Board on the main issues that we discussed.

The members of the Audit Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

Financial Statements and reports

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

In 2017, we:

- reviewed the 31 December 2016 Annual Report and Financial Statements and the half-year statement to 30 June 2017, together with reports from the external auditors;
- reviewed the trading updates issued in April 2017 and October 2017;
- examined key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Financial Statements; and
- reviewed documentation prepared to support the enhanced going concern and viability statements given on pages 27 to 28.

Significant issues

We identified the issues below as significant in the context of the 2017 Financial Statements. We consider these areas to be significant taking into account the level of materiality and degree of judgement exercised by management. We discussed the issues in detail to ensure that the approaches taken were appropriate. This included reviewing presentations and reports from both management and the external auditor.

Issue	Committee review
Revenue recognition As more fully described on pages 88 and 99 to 100 the majority of the Group's revenue is derived from success-based commercial deals which compensate the Group for each product sold by a provider to a customer referred to it by the Group. The Group recognises this revenue at the point at which a customer leaves one of the Group's websites, based on the number expected to click through and purchase a product from a provider site.	We reviewed and assessed management's key controls in relation to the recording of revenue which include: (a) a completeness check which is performed by reconciling all 'click' activity on the website and ensuring that an invoice has been raised, or revenue has been accrued, where appropriate; (b) a review to compare accrued revenue at the end of the previous month and actual revenue invoiced during the following month, with significant differences investigated to provide evidence that revenues are correctly stated; and (c) a programme of revenue assurance by the Group's Internal Audit function. This helps provide us with assurance that revenues are correctly stated by reviewing provider systems and controls to ensure that sales made by providers resulting from referrals made by the Group have been correctly identified and allocated in the provider systems. In addition management regularly reviews the quantum and ageing of any accrued revenue balances. The assessment of the Group's information system which records the clicks, together with the reconciliation of revenue to cash receipts, therefore form a key part of the audit. The results of KPMG's testing are included in their first half and full-year reports prepared for the Committee and reviewed in detail and discussed with KPMG.
Capitalisation and recoverability of software and development costs As more fully described on pages 97 to 98 of the Group's Financial Statements the Group holds intangible asset balances arising from the capitalisation of certain software and development costs principally relating to developments in the Group's front end platforms and back office data warehouse.	The judgements in relation to software and development assets largely relate to the future economic benefits associated with the assets and that capitalisation is in accordance with the relevant accounting standards. We addressed these matters through examining investment appraisals on key IT projects received from management outlining the basis for the key assumptions used and were comfortable with management's justification. We gain comfort that business plans in relation to the capitalised assets have received Board approval. This is also a significant risk area for the audit, and therefore KPMG provide to the Committee their comments on the approach taken by management. During the year ended 31 December 2017 the Committee critically reviewed the analysis performed on the capitalisation of software and development costs and agreed that as a result of the strategic review, where other projected future cash flows for certain assets did not support their carrying values these should be impaired.

We also reviewed and considered the following areas due to their materiality and the application of judgement. However, we considered them to be stable in nature and therefore did not classify them as significant issues in the context of the 2017 Financial Statements.

Issue	Committee review
Intangible assets impairment testing	We reviewed the judgements, assumptions and estimates made by management in preparing the impairment review to ensure that they were appropriate including the decision to impair some costs, principally relating to elements of our mobile apps and code base for our platforms and data warehouse. We also obtained the external auditors' views on the appropriateness of the approach and conclusions. The results of this review were that we were satisfied with the conclusions reached.
Share-based payment charges	We reviewed the judgements, assumptions and estimates made by management to ensure that they were appropriate. We also obtained the external auditors' assessment of the calculations. The results of this review were that we were satisfied with the conclusions reached.
Enhanced going concern and viability statements	In assessing the validity of the statements detailed on pages 27 to 28, we reviewed the work undertaken by management to assess the Group's resilience to the Principal Risks under various scenarios and gained appropriate assurance that sufficient rigour was built into the process.
Potential claims from providers	We continued to review the work undertaken by management and external advisers in assessing potential claims from providers against the Group in relation to data transfer errors occurring following previous technology releases and in assessing costs associated with minimising impact on customers. We also reviewed the level of insurance cover in place and additional controls introduced during the year and were satisfied with the conclusions reached by management.

Fair, balanced and understandable Report and Accounts

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. Ensuring this standard is met requires continuous assessment of the financial reporting issues affecting the Group in addition to the focused exercises which take place during the production of the Annual Report and Financial Statements. These focused exercises can be summarised as follows:

- a qualitative review of disclosures and a review of internal consistency throughout the Annual Report and Financial Statements;
- a review by the Committee of all material matters, as reported elsewhere in this Annual Report and Financial Statements;
- a risk comparison review, which assesses the consistency of the presentation of risks and significant judgements throughout the main areas of risk disclosure in this Annual Report and Financial Statements;
- a review of the balance of good and bad news; and
- ensuring it correctly reflects:
  - the Group's position and performance as described on pages 24 to 27;
  - the Group's business model, as described on pages 12 to 13;
  - the Group's strategy, as described on pages 8 to 10.

The Directors' statement on a fair, balanced and understandable Annual Report and Financial Statements is set out on page 76.

External auditor

The Committee is responsible for making recommendations to the Board in relation to the appointment of the external auditor. We also approve 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.

In 2017, we:

- reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor;
- evaluated the independence and objectivity of the external auditor, having regard to: (a) a report from the external auditor describing their arrangements to identify, report and manage conflicts of interest; (b) the extent and nature of non-audit services provided by the external auditor; and (c) considering the tenure of the audit partner, who is required to rotate every five years in line with ethical standards. The audit partner rotated with effect from April 2015 and the audit was tendered during 2016;
- monitored the quality of services provided by the external auditor;
- agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 2017 Financial Statements;
- reviewed recommendations made by the external auditor in their management letters and the adequacy of management's response; and
- reviewed the report of the FRC's Audit Quality Review team relating to KPMG.

Independence and non-audit services

We have policies and procedures in place in relation to the provision of non-audit services by the external auditor which are reviewed regularly and have been updated during the year to reflect the requirements of the new EU Ethical Standards for auditors. This 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. The external auditor is not permitted to perform any work which they may later be required to audit or which might affect their objectivity and independence or create a conflict of interest. Key points from our internal procedure for approval of work given to the external auditor are:

- no non-audit work may be placed with the external auditor without the specific approval of the Audit Committee;
- any approved non-audit services must be in line with the cap limits introduced by EU legislation (as referred to later);
- the non-audit fees are reported regularly to the Committee; and
- various services are prohibited, including the provision of most types of tax services, valuation services, appraisals or fairness opinions, outsourcing of internal audit services, management functions, recruitment services and legal services.

During the year the value of non-audit services provided by the external auditor amounted to £0.03m (2016: £0.06m). Non-audit services amounted to 16% of the value of the audit. EU legislation on permitted non-audit services came into effect from 17 June 2016 which introduced a permitted non-audit services fee cap of 70% of the average audit fee over a consecutive three-year period. This cap will come into effect for the Group in the financial year ending 31 December 2020. A significant proportion of non-audit services during 2017 related to the review of the Group's half-year reporting.

The assurance provided by the external auditor on this item is considered by the Group as strictly necessary in the interests of the Group. The level of non-audit services offered reflects the auditor's knowledge and understanding of the Group. The Group has also continued with the appointment of other accountancy firms to provide certain non-audit services to the Group in connection with internal audit, tax, systems and regulatory advice and anticipates that this will continue in 2018.

The external auditor was not engaged during the year to provide any services which may have given rise to a conflict of interest. The Committee is satisfied that the overall levels of audit and non-audit fees are not material relative to the income of the external auditor as a whole and therefore that the objectivity and independence of the external auditor was not compromised.

Effectiveness and re-appointment
We considered the quality and effectiveness of the external audit process, in light of the FRC's Practice Aid for Audit Committees (May 2015). The assessment of effectiveness was completed as part of an ongoing process of review throughout the year with the Audit Committee seeking assurances and understanding of the auditor's approach to the audit. At the planning meetings for the half-year review and year-end audit, the external auditor was required to explain significant risks to audit quality by reference to the Company's specific circumstances and changes in the risks and reasons for those changes. We explored the auditor's understanding of our business and industry knowledge which informed their approach to identifying risks.

We reviewed the report of the FRC's Audit Quality Review team relating to KPMG as a firm and discussed the actions taken by KPMG in light of the recommendations. KPMG confirmed that it is performing the audit in line with the latest firm guidance although KPMG as a firm is now working on standardisation across audits to bring greater levels of consistency. We worked with KPMG to understand their judgements about materiality. We looked at the way they communicated key accounting and audit judgements. This approach was supplemented by members of the Committee and senior members of the finance team who regularly interact with the external auditor completing a detailed questionnaire (which included consideration of the audit partner, the approach, communication, independence, objectivity, and reporting). The results of the questionnaire were then reported to and discussed by the Committee, with the Committee gaining an understanding from respondents of why respondents considered the audit team exhibited the qualities included in the responses. We also assessed the cost effectiveness and value for money aspect of the audit. We reported our findings to the Board as part of our recommendation.

We held private meetings with the external auditor as necessary after Committee meetings to review key issues within their sphere of interest and responsibility.

KPMG has acted as the auditor to the Group since 2004 and were appointed as the auditor to the Company on its flotation in 2007. The lead audit partner rotates every five years to ensure independence. The KPMG audit partner was rotated on 30 April 2015 in accordance with the FRC's Ethics Standard 3 (Revised). Following a formal competitive tender exercise during 2016 in relation to the audit for the Group for the year ended 31 December 2017, the Board approved the Audit Committee's recommendation to put a resolution to shareholders at the 2017 Annual General Meeting to re-appoint KPMG, which shareholders subsequently approved.

Since KPMG's re-appointment, we have considered further the length of KPMG's tenure and the results of the detailed questionnaire when assessing their continued effectiveness and independence. We continue to remain satisfied with the work of KPMG and that it continues to remain independent and objective. In accordance with International Standards on Auditing (UK & Ireland) 260 and Ethical Standard 1 issued by the Accounting Practices Board, and as a matter of best practice, the external auditor has confirmed its independence as auditor of the Company, in a letter addressed to the Directors.

We have therefore complied with the requirement to ensure the external audit contract is tendered within the 10 years prescribed by EU and UK legislation and the Code's recommendation. We confirm we have complied with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Internal control
The Committee is responsible for monitoring and reviewing the effectiveness of the Group's internal control and risk management systems. Through monitoring the effectiveness of its internal controls and risk management, the Committee is able to maintain a good understanding of business performance, key judgemental areas and management's decision-making processes.

In 2017, we:
- reviewed the framework and effectiveness of the Group's system of internal control and risk management, including financial, operational and compliance controls;
- monitored and reviewed management's progress on improvements to back office systems and processes, including the implementation of the Finance and HR system;
- received regular updates from management on internal control improvements and requested that PricewaterhouseCoopers, as part of their internal audit remit, reported on progress of automation of financial controls, ensuring the target of over 60% of automation of controls was met by the end of the year;
- reviewed comprehensive reports from the external auditor, KPMG, of the results of its controls testing as part of the external audit; and
- reported to the Board on our evaluation of the operation of the Group's internal control and risk management system, informed by reports from Internal Audit (including PricewaterhouseCoopers) and KPMG.

We consider the adequacy of management's response to matters raised and the implementation of recommendations made.

The Board's statement on internal control and risk management can be found on pages 46 to 47.

Internal Audit
The Group has an Internal Audit function which together with the PricewaterhouseCoopers co-source arrangement delivers a risk-based internal audit plan to provide independent assurance over the Group's key risks.

In 2017, we:
- continued to oversee investment in the Internal Audit function, with the recruitment of a new Head of Internal Audit to lead the transformation of the function and provide direct independent reporting to the Audit Committee Chair;
- oversaw the onboarding of PricewaterhouseCoopers who now work alongside our internal team to provide additional support on internal audit services, particularly relating to IT and technology;
- reviewed the rolling twelve-month Internal Audit plan which defines the scope of work the Internal Audit function will undertake, ensuring it is aligned to key risks of the business;
- reviewed results from audits performed including any unsatisfactory audit findings and related action plans;
- reviewed open audit actions, together with monitoring progress against the actions;
- considered the different sources of assurance against the Group's key risks to ensure there is comprehensive risk and assurance coverage;
- met with the Head of Internal Audit without management present;
- agreed a targeted plan to provide specific assurances in preparation for GDPR compliance;
- agreed the plan and received summary reports on the progress of the Revenue Audit function; and
- conducted an assessment of the Internal Audit function.

Whistleblowing
The Group has a whistleblowing process (including an external confidential reporting hotline) which enables employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, other operational matters or inappropriate personal behaviours in the workplace.

In 2017, we:
- reviewed the controls in place to mitigate against risks associated with the new corporate offence of failing to prevent the criminal facilitation of tax evasion; and
- reviewed reports at each meeting from the Company Secretary and Group General Counsel on: (a) socialisation of the external confidential reporting hotline, email and internet arrangements; and (b) whistleblowing incidents and their outcomes and received a benchmarking report from the provider of our external confidential reporting hotline.

Risk Committee
The Group established a separate Risk & Compliance function in 2014 headed by the Chief Risk Officer. A separate Risk Committee was also established in 2014 which is chaired by Sally James. The Risk Committee operates separately but alongside the Audit Committee. A separate report of the work and responsibilities of the Risk Committee is set out on pages 56 to 58.

Audit Committee effectiveness
In 2017 we carried out our evaluation of Audit Committee effectiveness as part of our external Board evaluation. Details of this process are set out on page 45. The Committee was considered to be effective in fulfilling its role during 2017 and remains independent. We also reviewed progress against actions identified in the 2016 evaluation:

2016 evaluation actions update
The following actions were identified during the 2016 evaluation:
- continued focus on internal controls over technology developments following appointment of PricewaterhouseCoopers to co-source the Internal Audit function – PricewaterhouseCoopers have carried out a number of internal audits since their appointment and presented their results to the Committee;
- monitor and ensure appropriate resources are available to the Internal Audit function – we have continued to monitor this and have overseen key appointments to the team in 2017; and
- continued focus on automation of controls – we have monitored this as part of the progress on the back office systems.

2017 evaluation actions
Some of the areas that will be actioned in 2018 include:
- enhancing Committee papers, ensuring they are concise and facilitate constructive debate and discussion; and
- overseeing an assurance programme to monitor the implementation of the new strategic initiatives.

Training
The Audit Committee receives or reviews guidance as appropriate during the year.

In 2017, we:
- received updates from our external auditor, KPMG, on financial reporting developments;
- received an update on the tax environment and forthcoming regulations from Deloitte, our tax adviser;
- received an update on the corporate offence of failing to prevent the criminal facilitation of tax evasion and the steps we needed to take to mitigate against the associated risks; and
- reviewed the impact of IFRS 15 on the Group's Financial Statements.

Overview of Committee activities for 2018
Our priority for 2018 will be overseeing an assurance programme to monitor implementation of the new strategic initiatives, as well as GDPR compliance, together with a review of reporting against the new strategic priorities. Following the implementation of our Finance and HR system, we will oversee further enhancements to systems and processes. We will also continue to focus on the development of our assurance and internal audit processes, with the new Head of Internal Audit and PricewaterhouseCoopers.

This report was approved by the Board and signed on its behalf by:

Robin Freestone
Chairman of the Audit Committee
21 February 2018

Bruce Carnegie-Brown
Chairman of the Nomination Committee

Nomination Committee Dashboard

2017 highlights

- commenced an executive search for a new Non-Executive Director;
- reviewed the composition of the Board;
- reviewed the Group's internal diversity plans; and
- continued to review talent in the Group with a greater focus on managing the pipeline of top talent to run the business particularly at the level below executive management.

Number of meetings of the Nomination Committee: 4

Allocation of time

Dear Shareholder

As chair of the Nomination Committee, I am pleased to present the Nomination Committee's report for the year ended 31 December 2017. I have set out our role and activities in reviewing the Board's composition, including the recommendation of appointment of a new Non-Executive Director, reviewing succession and development plans for the Board and executive management and overseeing the Group's diversity plans.

Committee membership

I chair the Nomination Committee and the other members, all of whom are Independent Non-Executive Directors, are detailed in the table below. Biographies of the members of the Nomination Committee are set out on pages 40 and 41.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and its Committees; taking into account skills, knowledge, experience and diversity, and making recommendations to the Board with regard to any changes.

	Committee members	
Committee members	Eligible to attend	Attended
Bruce Carnegie-Brown (Chairman)	4	4
Andrew Fisher	4	4
Robin Freestone	4	4
Sally James	4	4
Rob Rowley	2	2*
Genevieve Shore	4	4

* Rob Rowley resigned on 4 May 2017

Role

The role of the Nomination Committee is to:

- regularly evaluate the balance of skills, knowledge, experience and independence of the Board;
- review the size, structure and composition of the Board, including Board diversity;
- identify and recommend to the Board at the relevant time candidates for appointment as Directors; and
- give full consideration to succession planning for Directors and other senior executives.

The Nomination Committee has a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. When the need to appoint a Director is identified, we prepare a candidate profile indicating the skills, knowledge and experience required, taking into account the Board's existing composition, including relevant experience and understanding of our stakeholder groups. We engage external executive search consultants and we interview suitable candidates who are proposed by either existing Board members or by the external executive search consultants.

We give careful consideration to ensure proposed appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience, including experience and understanding of our stakeholder groups, on the Board is maintained.

When the Nomination Committee has identified a suitable candidate, we then make a recommendation to the Board with the Board making the final decision.

Committee meetings

We met on four occasions during the year. Details of the attendance at Nomination Committee meetings are set out above.

We invited the Chief Executive Officer, the Chief People Officer and the Company Secretary to attend meetings of the Nomination Committee. During 2017, we also invited members of the executive management to present to the Committee in relation to the management of top talent in their teams. The Company Secretary acts as secretary to the Nomination Committee.

In 2017, we:

- reviewed the composition of the Board, including the balance of skills, knowledge and experience, including experience and understanding of our stakeholder groups;
- reviewed the pipeline of top talent to run the business particularly at the level below executive management, with presentations from executive management which also included updates on diversity plans for their areas of the business;
- commenced an executive search for a new Non-Executive Director;
- considered and recommended to the Board the re-election of all Directors at the 2018 Annual General Meeting; and
- reviewed the register of Directors' conflicts of interest.

We commenced an executive search for a new Non-Executive Director, engaging Egon Zehnder as the external executive search consultants. Egon Zehnder is a signatory to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice and has no other connection with the Company. The search is ongoing at the time of this report.

The members of the Nomination Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

Written terms of reference that outline the Committee's authority and responsibility are published on the investor relations section of the Group's website at http://corporate.moneysupermarket.com and are available in hard copy form on application to the Company Secretary. We review our terms of reference annually.

Boardroom diversity

We currently have over 25% female representation on the Board and are working towards the target which we revised in 2016 in light of the Hampton-Alexander Review. The Board's Statement on Diversity is as follows:

'The Board of Moneysupermarket.com Group PLC welcomed the publication of the Hampton-Alexander Review on FTSE Women Leaders and the Parker Review on Ethnic diversity of UK boards. We recognise the benefits of having a diverse Board, and see diversity at Board level as important in maintaining good corporate governance and Board effectiveness. We want a Board that reflects diversity in the broadest sense to embrace different perspectives, insight and challenge such as gender, race, age, educational and professional background, disability or sexual orientation.

Moneysupermarket.com Group PLC is committed to ensuring that any Board vacancies arising are filled on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. When Board positions become available, the Company will remain focused on ensuring that a diverse range of candidates including all aspects of diversity as described above are considered whilst ensuring that appointments continue to be based on merit, measured against objective criteria and the skills and experience the individual offers. The Board has targeted a minimum female representation on the Board of 33% by 2020 and a minimum of one director of colour by 2024.

The Nomination Committee reviews and assesses composition on behalf of the Board and recommends appointments of new Directors. As part of these processes, the Nomination Committee will consider the balance of skills, experience, independence and knowledge of the Board and the diversity representation.'

As at the date of this report, the Board had a total of seven Directors. The skill set of the Non-Executive Directors includes financial, economic, financial services, banking, digital, technology, communications and consumer expertise.

As mentioned opposite, the external executive search consultants, Egon Zehnder, who we have engaged in the search for a new Non-Executive Director, is a signatory to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice and has been briefed on our Diversity Policy in the context of identifying candidates for our consideration.

We recognise that we do not currently have sufficient diversity in our Executive Management and direct reports. At the end of 2017 this group was 32% female and 68% male. In 2017 the Group engaged external support to help us understand the challenges that exist in our organisation and from this the Group has developed our 2018 Diversity Action Plan under the vision 'Be yourself. Be brilliant together. Belong'. In 2018 we are investing in employee resource groups to support grass roots diversity initiatives, reviewing and making changes to our talent acquisition and talent progression approaches and creating a dedicated diversity lead role within our people function.

Nomination Committee effectiveness

In 2017 we carried out our evaluation of Nomination Committee effectiveness as part of our external Board evaluation. Details of this process are set out on page 45. The Committee was considered to be effective in fulfilling its role during 2017 and remains independent. We also reviewed progress against actions identified in the 2016 evaluation:

2016 evaluation actions update

The following actions were identified during the 2016 evaluation:

- greater focus on managing pipeline of top talent to run the business particularly at the level below executive management – talent management has been discussed at each of the meetings supplemented by presentations from members of executive management; and
- continued focus in meetings on diversity – as well as regular updates on the Group's internal diversity plans, each presentation from executive management has included an update on diversity plans within their business areas.

2017 evaluation actions update

Some of the areas that will be actioned in 2018 include:

- continued focus in meetings on diversity; and
- Committee packs - enhancing Committee papers, ensuring they are concise and facilitate constructive debate and discussion.

This report was approved by the Board and signed on its behalf by:

Bruce Carnegie-Brown
Chairman of the Nomination Committee
21 February 2018

Sally James
Chairman of the Risk Committee

The Risk Committee is responsible for overseeing the Group's risk management framework, ensuring that risks are appropriately identified, managed and mitigated, and advising the Board on risk appetite, strategy and culture.

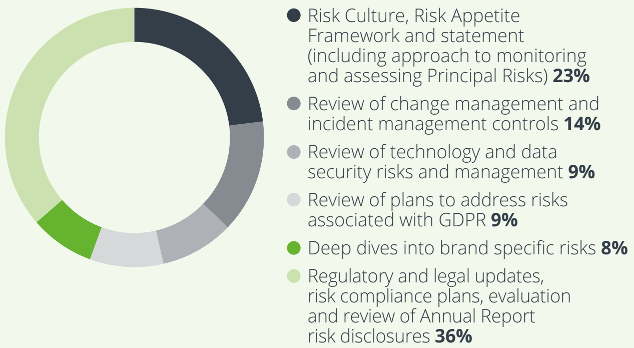
Risk Committee Dashboard

2017 highlights

- enhanced our approach to risk management to embed a stronger risk culture and support in our first and second lines, including the separation of Internal Audit from risk management, restructuring and resourcing the Risk Team to be business partners embedded across the business and rescheduling the annual Risk Committee agenda to receive presentations from executive and senior management on risks facing their parts of the business;
- received, in addition to the presentations referred to above, ad hoc reports from the business relating to new or emerging risks;
- continued to focus on technology and data security risks and management's progress on improvements to cyber security and change management processes;
- reviewed management's actions in relation to the consideration of risks associated with the General Data Protection Regulation and implementation of new procedures to mitigate those risks;
- implemented new and enhanced policies and controls relating to the reporting, resolution and remediation of incidents and the development and testing of software delivery; and
- reviewed the proposed revisions to the Group's strategic priorities against the Group Risk Appetite Framework and Statement and advised the Board on risks associated with the proposed revisions to the Group strategy.

Number of meetings of the Risk Committee: 5

Allocation of time



Dear Shareholder

As chair of the Risk Committee, I am pleased to present the Risk Committee's report for the year ended 31 December 2017. I have set out our role and activities in overseeing the Group's risk management framework, ensuring risks are appropriately identified, managed and mitigated and advising the Board on risk appetite, strategy and culture.

Committee membership

I chair the Risk Committee and the other members, all of whom are Independent Non-Executive Directors, are detailed in the table below. Biographies of the members of the Committee are set out on pages 40 to 41.

Committee members	Committee members: Eligible to attend	Attended
Sally James (Chairman)	5	5
Andrew Fisher	5	5
Robin Freestone	5	5
Rob Rowley	3*	3*
Genevieve Shore	5	5

* Rob Rowley stepped down from the Board and Risk Committee on 4 May 2017

The secretary to the Committee is Darren Drabble, Company Secretary and Group General Counsel.

The Risk Committee maintains close links with the Audit Committee with the Chairman of each Committee being a member of the other. This cross-membership and liaison between the Committees on agenda items and reports facilitates effective linkage between both Committees and ensures that any matters relating to internal control and financial reporting are considered in an effective manner. In addition, the Risk Committee works with the Remuneration Committee to ensure that risk is properly considered in setting the Group's remuneration policy. I am also a member of the Remuneration Committee and Nomination Committee.

Role

The primary role of the Risk Committee is to assist the Board in its oversight of risk within the Group, including risk appetite, risk tolerance and the risk management framework. This includes:

- advising the Board on the Group's overall risk appetite, tolerance, strategy and culture;
- overseeing and advising the Board on the current risk exposures of the Group and future risk strategy;
- overseeing the application of the Group's risk management framework;
- reviewing reports received from the Group's management, Risk and Compliance function and, where appropriate, Internal Audit or third parties on the identification, management and mitigation of risks;
- overseeing compliance with relevant legal and regulatory requirements including financial crime and anti-bribery procedures;
- in relation to proposed strategic transactions, material acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, which includes an assessment of risks and implications for the risk appetite and tolerance of the Group; and
- considering and approving the remit of the Risk & Compliance function and ensuring it has adequate resources.

Written terms of reference that outline the Committee's authority and responsibilities are published on the investor relations section of the Group's website at http://corporate.moneysupermarket.com and are available in hard copy form from the Company Secretary. We review our terms of reference annually.

Committee meetings

We met five times in 2017 and the attendance of our members is shown in the table on the previous page. We invited the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Head of Internal Audit and Company Secretary, together with appropriate members of the management team with responsibility for management of key risks, and the external auditor, to meetings as necessary. The Committee also meets separately with the Chief Risk Officer at least once a year.

After each meeting, I report to the Board on the main issues that we discussed.

The members of the Risk Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

Principal activities in 2017

The Committee has an annual schedule of work, developed from its terms of reference, with standing items that it considers at each meeting in addition to any specific matters upon which the Committee has decided to focus. This schedule of work is expected to evolve to reflect the Group's strategy and changes to the economic and regulatory environment in which the Group operates. The Risk Committee receives regular reports from members of executive management, the Chief Risk Officer, the Head of Internal Audit and the Group General Counsel.

In 2017, we:

- further enhanced and approved the Group Risk Appetite Framework and Statement following scenario analysis and consideration by executive management;
- reviewed the proposed revisions to the Group's strategic priorities against the Group Risk Appetite Framework and Statement and advised the Board on risks associated with the proposed revisions to the Group's strategic priorities;
- approved revisions to our detailed risk register to (1) include new risks in addition to those identified as part of the review of the strategic priorities; and (2) reflect changes in classification of risks including likely relevance to each brand;
- oversaw improvements in the management of technology risks, including cyber security and change management;
- received updates and oversaw management's actions in relation to the consideration of risks associated with the General Data Protection Regulation ('GDPR') and implementation of systems, processes and procedures to meet the requirements of GDPR;
- received presentations on risks from each of the brands;
- monitored management progress on embedding a risk culture where risk management is part of everyday business decision making which included restructuring and resourcing the Risk Team to be business partners embedded across the business;
- reviewed the conduct scorecards at each meeting to ensure we are putting customers at the heart of the business through our 'Customer First' programme;
- continued to enhance reporting of legal matters and regulatory developments; and
- oversaw the compliance with evolving regulation and interactions with our regulators including the FCA and the CMA, in particular in relation to the Digital Comparison Tools review.

Risk and Compliance

The Group has a Risk & Compliance function, headed by the Chief Risk Officer, which reviews the Group's standards and values together with regulatory matters in relation to the various bodies that regulate a number of the areas within which the Group operates. These include the FCA, the Information Commissioner's Office and Ofgem which operates a voluntary code relating to energy price comparison to which the Group subscribes.

In 2017, we:

- reviewed and approved the Risk & Compliance plan which defines the scope of the work that the function will undertake with regard to compliance monitoring and assurance activities across the Group;
- monitored progress against plans to address the recommendations of the external assessment, undertaken in 2016, of the Group's risk management;
- considered the updates against the Risk & Compliance plan and the results of the work performed since the previous meeting and management's response; and
- reviewed the resources of the Risk & Compliance function.

Risk Committee effectiveness

In 2017 we carried out our evaluation of Risk Committee effectiveness as part of our external Board evaluation. Details of this process are set out on page 45. The Committee was considered to be effective in fulfilling its role during 2017 and remains independent. We also reviewed progress against actions identified in the 2016 evaluation:

2016 evaluation actions update

The following actions were identified during the 2016 evaluation:

- greater interaction between the Risk Committee and senior management within the first line, in addition to executive management – we re-scheduled the annual Risk Committee agenda which enabled us to receive presentations from executive and senior management on risks facing their parts of the business;
- continue to focus on putting customers at the heart of the business – we ensure customers are at the heart of our Group Risk Appetite Framework and Statement and we review the conduct scorecards at each meeting to ensure we are doing the right thing for customers through our 'Customer First' programme; and
- further enhancements to management information relating to the reporting of key risks - management information and content of reports has been enhanced.

2017 evaluation actions

Some of the areas that will be actioned in 2018 include:

- Committee packs - enhancing Committee papers, ensuring they are concise and facilitate constructive debate and discussion; and
- continuing to focus on putting customers at the heart of the business.

Overview of Committee activities for 2018

The management of operational and conduct risks will continue to be our priority for 2018. We will focus on the ongoing embedding of a risk aware culture in the delivery of Group strategic priorities. As in 2017, we will continue to oversee risks associated with any change programmes that may be implemented. We will continue to improve the management of technology risks (including the delivery of the cyber security programme) and enhance our arrangement for the management of risks associated with the use of key third parties supporting our business. We will oversee the implementation of systems, processes and procedures to meet the requirements of upcoming regulatory developments including the Insurance Distribution Directive, the Senior Managers & Certification Regime and the General Data Protection Regulation.

The Group recognises that regulation in general, and in particular the activities of the FCA, Ofgem and CMA will continue to be a feature of the price comparison market. The Group has invested, and will continue to invest, in additional skills and resources in this area in 2018.

This report was approved by the Board and signed on its behalf by:

Sally James
Chairman of the Risk Committee
21 February 2018

Andrew Fisher
Chairman of the Remuneration Committee

The Remuneration Committee's key responsibility is to determine and apply the Remuneration Policy to ensure it promotes the delivery of our strategy and the long-term success of the Group.

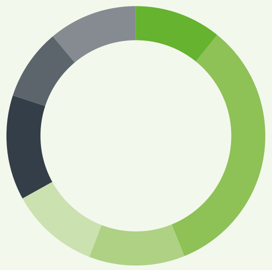
Remuneration Committee Dashboard

2017 highlights

- obtained approval for a new Remuneration Policy at the 2017 AGM following a comprehensive review of the executive remuneration framework and shareholder consultation;
- implemented the new Remuneration Policy (including bonus deferral, an LTIP holding period, and an increase in the shareholding guidelines);
- approved the remuneration arrangements for the CEO succession; and
- incorporated the new Group wide customer satisfaction metric into the 2018 bonus to improve the link between our strategy / KPIs and our incentive targets.

Number of meetings of the Remuneration Committee: 7

Allocation of time



- Remuneration Policy & Annual Report remuneration disclosures **11%**
- Bonus arrangements (setting) **33%**
- Bonus arrangements (reviewing, and determining outcome) **12%**
- Salary **11%**
- LTIP (performance criteria, grant and satisfaction) **13%**
- New LTIP and deferred bonus plan rules, sharesave grant and maturity and gender pay gap reporting **9%**
- Terms of reference, Committee effectiveness, pension governance and other remuneration matters **11%**

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2017.

This was a year of transition and solid delivery for the Group and significant activity for the Committee. Following a comprehensive review of the executive remuneration framework to ensure it continued to align with the strategy of the business and best practice, we obtained shareholder approval for a new Remuneration Policy at the 2017 AGM. We had consulted widely with our shareholders on the proposed changes and received strong support for these changes, with a vote of over 98% approval for the Remuneration Policy at the 2017 AGM.

This letter provides highlights of each of those key areas of activity. An extract of the Remuneration Policy is then set out on pages 61 to 63. Pages 64 to 72 constitutes the Annual Remuneration Report, summarising the 2017 outcomes and how we intend to operate the Policy in 2018.

Pay for performance in 2017

Our reward philosophy remains unchanged. We believe in a simple and transparent framework which rewards our Executives based on the financial and strategic performance of the business, the value created for our shareholders, and their individual performance. During 2017, the variable elements of executive remuneration were focused on simple and transparent measures of revenue growth, adjusted operating profit growth, adjusted earnings per share ('EPS') growth, total shareholder return and key strategic objectives.

Our bonus and Long-Term Incentive Plan ('LTIP') awards in respect of 2017 performance were based on challenging targets, as disclosed on pages 66 and 67.

2017 has been another year of growth for the Group with revenue increasing by 4% to £329.7m and adjusted operating profit increasing by 6% to £113.9m. Our executive team has continued to focus on the execution of our growth strategies, performing well against their stretching individual performance targets (aligned to some of the key achievements referred to in the Strategic Review on pages 6 to 9). As a result, the Committee determined that Mark Lewis and Matthew Price would receive a bonus for their performance of 67.62% and 62.68% respectively of their basic salary (which represents between 46.80% and 46.43% of the maximum).

Our 2015 LTIP award, which was based on a combination of compound annual growth in adjusted EPS and comparative total shareholder return, will vest at 68.37% of the maximum in April 2018, reflecting the achievements of the executives over the three years since the award was made. Our growth in total shareholder return of 74% was just below upper quartile against the FTSE 250 comparator group and we achieved 11.56% compound annual growth in adjusted EPS over the performance period.

Approach to remuneration in 2018

Following a comprehensive review of the overall remuneration framework in 2016 and shareholder approval of our new Remuneration Policy at the 2017 AGM, we will operate under that framework for 2018. As a reminder, this framework now includes:

- bonus deferral – to align the interests of our Executive Directors with shareholders, any bonus earned above 'target' will be deferred into Moneysupermarket.com Group PLC shares for an additional two year period;
- an LTIP holding period – any shares which vest based on performance over the initial three-year period will then be subject to an additional two-year holding period;
- increased shareholding guidelines – Executive Directors are expected to build up a shareholding of 200% of base salary.

The Remuneration Committee has also made the following key decisions in respect of the implementation of our Remuneration Policy for 2018:

- annual base salary increases of 2% for the Chief Executive Officer and 2% for the Chief Financial Officer, generally in line with the average employee increase across the Group of approximately 2%;
- no change to the maximum bonus or LTIP award levels in 2018;
- the incorporation of the new Group-wide customer satisfaction metric (see page 11 of the Strategic Report) to improve the link between our strategy/KPIs and our incentive targets;
- the adjusted EPS target range for the 2018 LTIP award has been set to 5% to 15% per annum which the Committee believes is stretching and aligned with our new strategic priorities; and
- the annual bonus will also include, as part of the personal objectives, a component based on Diversity & Inclusion, which again aligns with our priorities for the year.

Board changes in 2017

Mark Lewis joined the Group as an Executive Director on 13 March 2017 and became Chief Executive Officer on 10 April 2017.
Peter Plumb stepped down from the Board at the conclusion of the 2017 AGM.

As described in detail last year, the Remuneration Committee determined the remuneration arrangements for this succession during 2017.

Mark was appointed on to the new remuneration framework approved by shareholders at the 2017 AGM and will continue on that framework in 2018 (see page 64). Mark received an additional one-off 25% of base salary LTIP award in 2017 to take account of compensation relinquished from his previous employer. This award has the same structure and performance conditions as the normal annual LTIP award, and is disclosed in full in this report.

The Committee agreed the leaving arrangements for Peter Plumb in line with the Remuneration Policy. He received a payment in lieu of notice in accordance with the provisions of his service agreement. In recognition of his significant contribution to the growth and success of the Group, the Committee determined that he would be treated as a good leaver for the purposes of his unvested LTIP awards. Full details are disclosed in this report.

Employee gains from Sharesave Scheme

The Group offers a range of benefits which help employees share in the success of the Group. This includes a Sharesave Scheme which gives employees the opportunity to purchase ordinary shares in the Company. This helps to encourage employee interest in the performance of the Group and alignment with shareholder interest. We are delighted that those employees who joined the 2014 Sharesave invitation at an option price of £1.495 saw the value of their shares double by maturity in November 2017.

Alignment with shareholders

We are mindful of our shareholders' interests and are keen to ensure a demonstrable link between reward and value creation. The introduction of malus and clawback arrangements into our annual bonus and LTIPs for awards made from 2015; the introduction of bonus deferral and LTIP holding periods; the increase in the shareholding guidelines; the improved strategic alignment of performance measures from 2017; and the introduction of a new Group-wide customer satisfaction metric to be used from 2018, all foster an ongoing commitment to the business from our Executives and continued alignment of shareholder and Executive objectives.

We remain committed to an open and ongoing dialogue with our shareholders on the issue of executive remuneration and the Committee welcomes the feedback we receive.

We are pleased with the support we have received in the past from shareholders with over 98% approval for our Remuneration Policy last year and over 95% support for last year's Annual Remuneration Report. We look forward to receiving your continued support at the forthcoming AGM.

Andrew Fisher
Chairman of the Remuneration Committee
21 February 2018

Directors' Remuneration Policy

At the Annual General Meeting held on 4 May 2017 shareholders approved the Remuneration Policy which became effective as at that date. An extract of the Remuneration Policy table from the Remuneration Policy is reproduced below for information only. The full Remuneration Policy is contained on pages 60 to 64 of the 2016 Annual Report which is available in the investor relations section of the Group's website (http://corporate.moneysupermarket.com).

Summary Remuneration Policy

The table below summarises the Directors' Remuneration Policy.

Base salary

Purpose and link to strategy	To provide competitive fixed remuneration to attract and retain Executive Directors of the calibre required to deliver the business strategy for shareholders.
Operation	The base salary for Executive Directors may be reviewed annually by the Committee. Individual salary adjustments may take into account each Executive Director's performance and experience in role, changes in role or responsibility, the Group's financial performance, as well as external market data.
Maximum	There is no prescribed maximum base salary. Salary increases are ordinarily in line with the broader employee population but on occasions may need to recognise, for example, an increase in the scale, scope or responsibility of the role and developments in the wider competitive market. Current base salary levels are set out on pages 64 and 65.
Performance targets	No specific targets although the Committee will take into account individual performance when considering salary increases.

Pension

Purpose and link to strategy	To provide a market competitive retirement benefit to attract and retain Executive Directors of the calibre required to deliver the business strategy for shareholders.
Operation	Executive Directors may participate in the Company's defined contribution pension scheme and/or receive salary supplements, or such other allowance as the Committee considers appropriate.
Maximum	20% of base salary.
Performance targets	Not applicable.

Benefits

Purpose and link to strategy	To provide market competitive benefits.
Operation	Current benefit provision is a car allowance, life insurance and health insurance. Other benefits may be provided where appropriate including, amongst other things, relocation and travel expenses, and reimbursed business expenses (including any associated tax liability) incurred when travelling in performance of duties.
Maximum	There is no prescribed maximum monetary value for benefit provision. Benefits are set at a level which the Committee determines is reasonable and appropriate and the value may vary depending on the benefit provided and the market cost of the benefit given the individual's personal circumstances.
Performance targets	Not applicable.

Annual bonus

Purpose and link to strategy	Incentivises the delivery of stretching financial, operational and strategic annual performance targets. Deferral into Moneysupermarket.com Group PLC shares increases long-term alignment with shareholders.
Operation	The annual bonus is based on performance against stretching targets set at the start of the year by the Committee, and assessed following the end of the year. A proportion of the annual bonus (currently any amount earned in excess of 'target' bonus) will normally be deferred into an award of Moneysupermarket.com Group PLC shares under the terms of the Deferred Bonus Plan ('DBP'). DBP awards will normally vest at least two years after grant. The remainder will be paid in cash following the year end. Clawback provisions apply for a period of two years following the payment of a cash bonus and the grant of any DBP award.

Annual bonus continued

Maximum	The Committee intends that annual bonus opportunities in respect of a financial year will be: • CEO: target of 100% of base salary and maximum of 150% of base salary. • CFO: target of 90% of base salary and maximum of 135% of base salary. Where considered appropriate in exceptional circumstances, the Committee may determine that the maximum annual bonus opportunity in respect of a particular financial year is up to 200% of base salary.
Performance targets	Payment is determined by reference to performance assessed over one financial year based on financial and strategic performance measures which the Committee considers to be aligned to the strategy and the creation of shareholder value. Such measures may include: • Adjusted operating profit (or other measure of profitability). • Revenue. • Non-financial measures aligned to the strategy or KPIs. • Personal objectives. The performance measures and weightings for the 2018 financial year are shown on page 64. The Committee determines the weightings of the performance measures each year. The overall framework will normally be weighted towards financial measures of performance. Targets are set each year by the Committee by reference to factors such as the budget and strategic objectives for the year, progress against the prior year and market expectations. The Committee retains discretion to use different or additional measures, weightings or payout schedules to ensure that the bonus framework appropriately supports the business strategy and objectives for the relevant year. The Committee has the discretion to adjust targets for any exceptional events that may occur during the year. The Committee will consider the Group's overall performance before determining final bonus payment levels.

Long-term Incentive Plan

Purpose and link to strategy	Designed to align with both the strategic objectives of delivering sustainable earnings growth and the interests of shareholders.
Operation	Awards are made under the 2017 Long-Term Incentive Plan. Awards of Moneysupermarket.com Group PLC shares which vest subject to performance measured over a period of at least three years. Vested awards may then be subject to an additional holding period, which unless the Committee determines otherwise will apply up to the fifth anniversary of the date of grant. Clawback provisions apply for a period of five years from the date of grant.
Maximum	The Committee intends that maximum award levels in respect of a financial year will be: • CEO: 175% of base salary. • CFO: 150% of base salary. Where considered appropriate, the Committee may make an LTIP award in respect of a particular financial year of up to 200% of base salary, in line with the rules of the plan.
Performance targets	Vesting is determined by reference to performance assessed over a period of at least three years, based on performance measures which the Committee consider to be aligned with the delivery of strategy and long-term shareholder value. For awards to be made in 2018, the measures are: • Adjusted earnings per share ('EPS') – 80%. • Comparative total shareholder return ('TSR') – 20%. The Committee has discretion to use different or additional quantifiable performance measures or weightings for awards in future years to ensure that the LTIP remains appropriately aligned to the business strategy and objectives. Any performance conditions may be amended if an event occurs during the performance period which causes the Committee to consider an amended performance condition would be more appropriate and not materially less difficult to satisfy. The Committee will consider the Group's underlying financial performance over the performance period before determining the final vesting level. The threshold level of vesting will be no higher than 20% of the maximum award.

All employee share plans

Purpose and link to strategy	To encourage wider employee share ownership and thereby increase alignment with shareholders.
Operation	Executive Directors are eligible to participate in all employee share plans, which are offered on similar terms to all employees, such as HMRC-approved Sharesave plans and Share Incentive Plans.
Maximum	The limits for any HMRC-approved plans are as defined by HMRC from time to time.
Performance targets	Not applicable.

Share ownership guidelines

Purpose and link to strategy	To increase long term alignment between executives and shareholders.
Operation	Executive Directors are required to build up and maintain a substantial holding of Moneysupermarket.com Group PLC shares of 200% of base salary. To achieve this, Executive Directors must retain 50% of the net of tax vested LTIP shares until the guideline is met. Unvested deferred bonus shares and vested shares subject to a holding period under the LTIP will count towards the guideline (on a net of tax basis).
Maximum	Not applicable.
Performance targets	Not applicable.

Non-Executive Director fees

Purpose and link to strategy	To provide market competitive fees which reflect the time commitment and responsibilities of each role.
Operation	The fees for the Non-Executive Directors (excluding the Chairman) are determined by the Board and comprise a base fee with additional fees payable for additional responsibilities. The fees for the Chairman are determined by the Committee and are structured as a single fee. Fees may be reviewed on an annual basis. The Non-Executive Directors do not participate in any Company pension arrangements, nor do they currently receive any benefits. Non-Executive Directors may be reimbursed for business expenses (and any associated tax liabilities) incurred when travelling in performance of duties.
Maximum	There is no prescribed maximum annual increase. The Board is guided by the general increase in the non-executive director market and for the broader employee population but on occasions may need to recognise, for example, an increase in the scale, scope or responsibility of the role. Current fee levels are set out on page 65 and will not exceed the aggregate maximum levels set out in the Company's Articles of Association.
Performance targets	Not applicable. Non-Executive Directors do not participate in variable pay arrangements.

Service agreements for Directors

Executive Directors

The service agreements of the Executive Directors are not fixed term and are terminable by either the Company or the Director on twelve months' notice and make provision, at the Board's discretion, for early termination by way of payment of salary, benefits and pension in lieu of twelve months' notice. For service agreements entered into after 1 October 2016, the Committee has discretion to make such payments on a phased basis, subject to mitigation.

Non-Executive Directors

Non-Executive Directors are appointed under arrangements that may generally be terminated by either the Company or the Director on up to three months' notice and their appointment is reviewed annually.

Annual Report on Remuneration

Implementation of the Remuneration Policy for the year ending 31 December 2018

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2018 is set out below.

Base salary

The Remuneration Committee has determined that base salaries for the Executive Directors will increase as follows with effect from 1 January 2018:

	2018 £	2017 £	% increase
Mark Lewis	**540,600**	530,000	2%
Matthew Price	**367,200**	360,000	2%

The Group's employees are, in general, receiving salary increases averaging approximately 2%.

Pension arrangements

The Company will continue to provide pension contributions (or salary supplements) of 20% of base salary for Executive Directors.

Annual bonus

For the year ending 31 December 2018, the target and maximum annual bonus opportunities will remain the same as they were in 2017, in line with the Policy, as shown in the following table:

	Target bonus % of salary	Maximum bonus % of salary
Mark Lewis	**100%**	**150%**
Matthew Price	**90%**	**135%**

Awards will be determined based on a balanced combination of Group financial and operational performance and individual performance, directly aligned to our KPIs and strategic objectives, as shown below. For 2018, as explained in the Financial Review, the Board will focus on adjusted EBITDA due to the strategic focus on developing and optimising its technology platform. In addition a new Group-wide customer satisfaction measure (YouGov Brand Index) will be introduced which replaces net promoter score to more closely align to the Group's strategic objectives and the Group's KPI reporting (see page 11). We are also introducing a component based on Diversity and Inclusion, forming part of the personal objectives, to reflect our focus in this area, explained further in the Nomination Committee Report. The weightings for the various metrics are set out below:

Metric	Weighting (% of bonus)
Revenue growth	20%
Adjusted EBITDA	50%
YouGov Brand Index	15%
Personal objectives	15%

Maximum bonus will only be payable when performance has significantly exceeded expectations. The Committee believes that the underlying targets are commercially sensitive and cannot be disclosed at this stage. To the extent that they are no longer commercially sensitive, they will be disclosed in next year's Report.

Any amount earned over the 'target bonus' (shown above) will be deferred into Moneysupermarket.com Group PLC shares for a period of two years in line with the Policy.

Long-term incentives

For the year ending 31 December 2018, annual LTIP awards will remain the same as they were in 2017, in line with the Policy, as shown in the following table:

	2018 % of salary
Mark Lewis	**175%**
Matthew Price	**150%**

The extent to which 2018 LTIP awards will vest will be dependent on two independent performance conditions as follows:

Metric	Weighting (% of award)	Performance condition	Threshold	Maximum
Vesting (% of maximum)			20%	100%
Compound annual growth in adjusted earnings per share	80%	Compound annual growth in adjusted earnings per share over the three-year performance period.	5%	15%
Comparative total shareholder return	20%	Comparative total shareholder return against the constituents of the FTSE 250 Index (excluding investment trusts). Three-month averaging is applied at the start and end of the performance period.	Median	Upper quartile

Vesting is on a straight-line basis between threshold and maximum. The adjusted EPS target range has been set to 5%-15% per annum which the Committee believes is stretching and aligned with the new strategic priorities.

Upon vesting, the 2018 LTIP awards will be subject to an additional holding period which expires on the fifth anniversary of the date of grant.

Non-Executive Directors

The fees for the Non-Executive Directors with effect from 1 January 2018 are:

	2018 £	2017 £	Increase %
Chairman	**246,800**	246,800	0%
Base fee	**60,800**	59,600	2%
Additional fees:			
Senior Independent Director	**15,000**	15,000	0%
Committee Chair fee	**10,000**	10,000	0%
Committee membership fee per Committee	**1,500**	1,500	0%

Remuneration received by Directors for the year ended 31 December 2017 (audited)

Directors' remuneration for the year ended 31 December 2017 was as follows:

	Salary/fees	Taxable bens	Pension	Bonus	Vesting LTIPs	Total
Mark Lewis (appointed 13 March 2017)						
2017	**441,667**	**11,308**	**88,333**	**298,661**	–	**839,969**
2016	–	–	–	–	–	–
Peter Plumb (resigned 4 May 2017)						
2017	**195,416**	**5,833**	**39,083**	**176,285**	**648,017**	**1,064,634**
2016	469,000	14,000	93,800	627,599	1,399,245	2,603,644
Matthew Price						
2017	**360,000**	**14,000**	**72,000**	**225,643**	**457,407**	**1,129,050**
2016	316,750	14,000	63,350	345,548	771,513	1,511,161
Bruce Carnegie-Brown						
2017	**246,800**	–	–	–	–	**246,800**
2016	242,000	–	–	–	–	242,000
Andrew Fisher						
2017	**72,600**	–	–	–	–	**72,600**
2016	71,350	–	–	–	–	71,350
Robin Freestone						
2017	**74,100**	–	–	–	–	**74,100**
2016	70,219	–	–	–	–	70,219
Sally James						
2017	**83,891**	–	–	–	–	**83,891**
2016	72,850	–	–	–	–	72,850
Rob Rowley (resigned 4 May 2017)						
2017	**32,750**	–	–	–	–	**32,750**
2016	80,683	–	–	–	–	80,683
Genevieve Shore						
2017	**65,600**	–	–	–	–	**65,600**
2016	64,350	–	–	–	–	64,350
Total						
2017	**1,572,824**	**31,141**	**199,416**	**700,589**	**1,105,424**	**3,609,394**
2016	1,387,202	28,000	157,150	973,147	2,170,758	4,716,257

Notes

(1) Taxable benefits

Benefits for the Executive Directors incorporate all benefits and expense allowances arising from employment and relate to the provision of a car allowance and health insurance.

(2) Pension

Pension payments reflect defined contributions and/or salary supplement arrangements. The Company provided pension contributions for three Executive Directors during 2017.

(3) Annual bonus payments

The amounts shown in the single figure table represent the full value of the annual bonus earned in respect of the year.

Maximum bonus entitlements for the year ended 31 December 2017 as a percentage of base salary were 150% for Mark Lewis, 185% for Peter Plumb, and 135% for Matthew Price for the achievement of stretching targets for growth in revenue, adjusted operating profit and net promoter score as well as specific personal objectives. For Mark Lewis and Peter Plumb, the maximum bonus opportunity was reduced pro-rata for time served in the year.

The performance targets, weightings, and actual performance against those targets, are set out below:

	Performance targets			Mark Lewis	Peter Plumb	Matthew Price
Group revenue	Threshold	£343.5m	Weighting (% of salary)	30.00%	31.25%	27.00%
	Target	£357.1m				
	Maximum	£369.1m				
	Actual	£329.7m	Payout (% of salary)	0.00%	0.00%	0.00%
Group adjusted operating profit	Threshold	£107.6m	Weighting (% of salary)	75.00%	93.75%	67.50%
	Target	£113.0m				
	Maximum	£123.0m				
	Actual	£113.9m	Payout (% of salary)	52.20%	70.64%	46.98%
Net Promoter Score (MoneySuperMarket.com)	Threshold	49	Weighting (% of salary)	22.50%	–	20.25%
	Target	54				
	Maximum	58				
	Actual	50	Payout (% of salary)	3.00%	–	2.70%
Personal	The personal targets were set individually for each Executive Director based on the key objectives for the year in their area of responsibility – see below		Weighting (% of salary) Payout (% of salary)	22.50% 15.00%	60.00% 40.00%	20.25% 13.00%
Total			**Payout (% of maximum)** **Payout (% of salary)**	**46.80%** **67.62%**	**59.81%** **90.21%**	**46.43%** **62.68%**

In accordance with the Remuneration Policy, to ensure fair and consistent performance measurement, the Group adjusted operating profit performance targets may be adjusted to reflect exceptional one-off and unanticipated items which do not reflect underlying business performance.

Mark Lewis was appointed on 13 March 2017 and Peter Plumb stepped down on 4 May 2017. The maximum bonus was reduced for both to reflect time served.

The personal targets were set individually for each Executive Director based on the key areas of strategic focus for the year in their area of responsibility. The Committee assessed the personal targets and determined that they should pay out as set out in the table above. Detail on the underlying targets is commercially sensitive and cannot be disclosed, however, the following tables highlight key objectives and achievements for the personal targets of each Director:

Mark Lewis

Objective	Maximum opportunity (% of salary)	Performance outcome and key achievements
Strategic: Revise strategic priorities	11.25%	• Led the review of the long-term strategic priorities for the Group. Engaged relevant employees from each of the brands, reviewed the organisation's capabilities and performance, identifying, analysing and discussing opportunities and steered Board through the process resulting in approval by the Board of the new strategic priorities. Delivery to commence in early 2018.
Operational: Complete Chief Executive Officer transition plan	11.25%	• Completed seamless and fully effective transition from previous CEO within stated timescales and established a high performing Executive Management team and culture.
	22.50%	

Peter Plumb

Objective	Maximum opportunity (% of salary)	Performance outcome and key achievements
Operational: Migrate remaining core products to Fusion platform	30.00%	• Remaining products migrated to Fusion on time and on budget to enable personalisation of product services and to enable customer insights, data analysis and commercial partnerships to focus on delivering leading prices to customers.
Operational: Complete transition plan for Chief Executive Officer	30.00%	• Completed seamless and effective transition to new CEO within stated timescales.
	60.00%	

Matthew Price

Objective	Maximum opportunity (% of salary)	Performance outcome and key achievements
Strategic: Oversee combined Group strategy process with brand and functional plans.	6.75%	• Led the execution of the Group strategy process, including the mapping of markets, customer research, engaging all business units and ensuring alignment between brand and functional plans resulting in three-year growth plans for each of the Group brands. Steered the Board through executional priorities and resulting budget for Group.
Operational: Step change the automation of controls across the business in line with Company risk appetite statement.	6.75%	• Led the implementation of a new integrated finance and HR system. By the end of 2017, 85% of controls were automated. Led additional improvements to the Group's back office system identified in review conducted in 2016.
Operational: Set up procurement team and processes.	6.75%	• Led the establishment of a procurement team and established procurement processes which integrated with the new finance and HR system.
	20.25%	

4) Vesting of LTIP awards

The LTIP award made on 30 April 2015 was based on performance to the year ended 31 December 2017. The performance targets for this award, and actual performance against those targets, was as follows:

Metric	Weighting	Performance condition	Threshold	Maximum	Actual	Vesting %
Vesting			20%	100%		
Compound annual growth in adjusted earnings per share	70%	Compound annual growth in adjusted earnings per share from 31 December 2014 to 31 December 2017.	7%	17%	11.56%	56.45%
Comparative total shareholder return	30%	Comparative total shareholder return against the constituents of the FTSE 250 index (excluding Investment Trusts) from 31 December 2014 to 31 December 2017. Comparative total shareholder return measured over three financial years with a three-month average at the start and end of the performance period.	Median (30%)	Upper quartile (79%)	Between Median and Upper quartile (74%)	96.20%
					Total vesting	68.37%

Vesting is determined on a straight-line basis between threshold and maximum. In accordance with the Remuneration Policy, to ensure fair and consistent performance measurement over the period, EPS may be futher adjusted to reflect exceptional one-off and unanticipated items which do not reflect underlying business performance.

The value attributed to vested shares under long-term incentives in the remuneration table for 2017 includes amounts relating to dividend equivalents payable on vested LTIP awards over the three-year period ended 30 April 2018.

The value attributed to vested shares under long-term incentives in the remuneration table for 2017 is an estimate based on the average share price during the three months ended 31 December 2017 (£3.32). The 2016 value of the vested shares in the remuneration table has been updated from last year's value to represent the actual value received on the date of vesting.

Long-term incentives granted during the year (audited)

On 4 May 2017, the following LTIP awards were made to the Executive Directors:

Executive Director	Type of award	Basis of award granted	Face value of award £	% of maximum that would vest at threshold performance	Vesting determined by performance over
Mark Lewis	Conditional award	200% of salary*	1,060,000	20%	Three financial years to 31 December 2019
Matthew Price	Conditional award	150% of salary	540,000	20%	

Face value determined using the average share price over the preceding five trading days prior to the date of grant (4 May 2017) of £3.4718.

* Mark Lewis received an award of 175% of salary in line with the normal annual award size. He also received an additional award of 25% of salary to reflect remuneration forfeited as a result of leaving his previous employer. This additional award is based on the same vesting period and performance condition as the normal LTIP award.

The performance targets for this award are as follows:

Metric	Weighting (% of award)	Performance condition	Threshold	Maximum
Vesting (% of maximum)			20%	100%
Compound annual growth in adjusted earnings per share	80%	Compound annual growth in adjusted earnings per share over the three-year performance period.	7%	17%
Comparative total shareholder return	20%	Comparative total shareholder return against the constituents of the FTSE 250 Index (excluding investment trusts) over the three-year performance period. Three-month averaging is applied at the start and end of the performance period.	Median	Upper quartile

Vesting is determined on a straight-line basis between threshold and maximum.

Payments to past Directors (audited)

There were no payments to past Directors during the year.

Payments for loss of office (audited)

Peter Plumb stepped down from the Board and left the Group at the AGM on 4 May 2017. In respect of his period in office during 2017, Peter received the remuneration shown in the single figure table on page 65.

The Committee agreed his leaving arrangements in line with the Remuneration Policy. He received a payment totalling £582,800, representing 12 months' basic salary, benefits and pension in lieu of notice in accordance with the provisions of his service agreement and a contribution to his legal fees. In recognition of his significant contribution to the growth and success of the Group, the Committee determined that he would be treated as a good leaver for the purposes of his unvested 2015 and 2016 LTIP awards, vesting on their normal vesting dates, reduced pro-rata for the time served and based on the achievement of the performance conditions. His 2015 LTIP award will vest on 30 April 2018 at 68.37% of the maximum number of shares.

Statement of Directors' shareholdings and share interests (audited)

Director	Beneficially owned at 31 December 2017	Outstanding LTIP awards	Outstanding share awards under all employee share plans	Total interest in shares	Shares owned as a % of base salary at 31 December 2017
Mark Lewis	–	305,317	7,031	312,348	0%
Matthew Price	113,891	498,476	6,945	619,312	95%
Peter Plumb*	748,424	388,587	–	1,137,011	551%
Bruce Carnegie-Brown	50,000	–	–	50,000	n/a
Andrew Fisher	–	–	–	–	n/a
Robin Freestone	20,000	–	–	20,000	n/a
Sally James	20,000	–	–	20,000	n/a
Rob Rowley*	–	–	–	–	n/a
Genevieve Shore	–	–	–	–	n/a

* shown as at date of leaving

Executive Directors are currently required to hold shares in the Company worth 200% of base salary and must retain 50% of the net of tax value of any vested LTIP shares until the guideline is met. The shareholding value used for the purposes of the table above is based on the average share price during December 2017 of £3.45.

In the period from 31 December 2017 to the date of this Report, there has been no change in the Directors' interests in shares in the Company.

Outstanding share awards

The table below sets out details of outstanding share awards held by the Executive Directors.

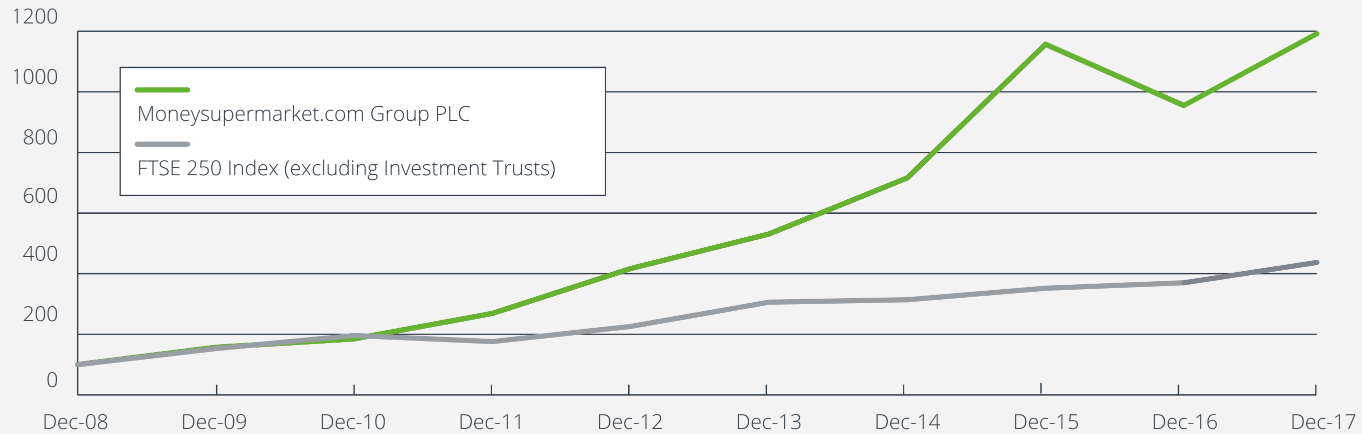
Executive Director	Scheme	Grant date	Exercise price	No. of shares at 1 January 2017	Granted during the year	Vested during the year	Lapsed during the year	No. of shares at 31 December 2017	End of performance period	Vesting/ exercise date
Mark Lewis	LTIP	04/05/2017	Nil	–	305,317	–	–	305,317	31/12/2019	04/05/2020
	SAYE	20/09/2017	£2.56	–	7,031	–	–	7,031	n/a	01/11/2020–30/04/2021
Peter Plumb	LTIP	03/04/2014	Nil	478,239	–	385,467	92,772	–	31/12/2016	03/04/2017
	SAYE	02/10/2014	£1.495	12,040	–	–	12,040	–	n/a	01/11/2017–30/04/2018
	LTIP	30/04/2015	Nil	336,436	–	–	74,286	262,150	31/12/2017	30/04/2018
	LTIP	21/03/2016	Nil	283,384	–	–	156,947	126,437	31/12/2018	21/03/2019
Matthew Price	LTIP	03/04/2014	Nil	263,691	–	212,538	51,153	–	31/12/2016	03/04/2017
	SAYE	02/10/2014	£1.495	7,224	–	7,224	–	–	n/a	01/11/2017–30/04/2018
	LTIP	30/04/2015	Nil	185,040	–	–	–	185,040	31/12/2017	30/04/2018
	SAYE	01/10/2015	£2.64	2,727	–	–	–	2,727	n/a	01/11/2018–30/04/2019
	LTIP	21/03/2016	Nil	157,897	–	–	–	157,897	31/12/2018	21/03/2019
	LTIP	04/05/2017	Nil	–	155,539	–	–	155,539	31/12/2019	04/05/2020
	SAYE	20/09/2017	£2.56	–	4,218	–	–	4,218	n/a	01/11/2020–30/04/2021

(1) Awards of LTIPs made in 2014 vested by reference to an EBITDA performance condition (70% of the award) and a comparative TSR performance condition (30% of the award). The awards made in 2014 were calibrated as a number of shares with a maximum vesting of 150% of that number. The figures shown in the above represent the maximum available if the performance targets are met in full. 20% of the maximum vests for threshold performance.
(2) Awards of LTIPs made in 2015 and 2016 vest by reference to an EPS performance condition (70% of the award) and a comparative TSR performance condition (30% of the award). 20% of the maximum vests for threshold performance. The 2015 LTIP award will vest at 68.37% of the maximum as referred to in this report.
(3) Awards of LTIPs made in 2017 vest by reference to an EPS performance condition (80% of the award) and a comparative TSR performance condition (20% of the award). 20% of the maximum vests for threshold performance.

Performance graph and table (unaudited)

The following graph shows the cumulative total shareholder return of the Company over the last nine financial years relative to the FTSE 250 Index (excluding Investment Trusts). The Remuneration Committee considers the FTSE 250 Index (excluding Investment Trusts) to be an appropriate index for total shareholder return and comparison disclosure as it represents a broad equity market index in which the Company is a constituent member.

This graph shows the value, by 31 December 2017, of £100 invested in Moneysupermarket.com Group PLC on 31 December 2008 compared with the value of £100 invested in the FTSE 250 Index (excluding Investment Trusts) on the same date. The other points plotted are the values at intervening financial year ends.



The total remuneration figures for the Chief Executive Officer during each of the last nine financial years are shown in the table below. The total remuneration figure includes the annual bonus based on that year's performance and LTIP awards based on three-year performance periods ending in the relevant year. The annual bonus payout and LTIP vesting level as a percentage of the maximum opportunity are also shown for each of these years.

Year ended 31 December	2009	2010	2011	2012	2013	2014	2015	2016	**2017**	
CEO	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	**Peter Plumb**	**Mark Lewis**
Total remuneration	£660,667	£868,748	£1,024,156	£2,866,123	£3,059,163	£3,365,277	£2,715,342	£2,391,627	**£1,064,634**	**£839,969**
Annual bonus (% of maximum)	77%	77%	91%	94%	83%	85%	95%	72%	**60%**	**47%**
LTIP vesting (% of maximum)	n/a	n/a	n/a	94%	100%	98%	85%	81%	**68%**	**N/A**

Percentage change in Chief Executive Officer's remuneration (unaudited)

The table below shows the percentage change in the Chief Executive Officer's salary, benefits and annual bonus between the financial year ended 31 December 2016 and 31 December 2017, compared to that of the average percentage change for all UK employees of the Group for each of these elements of pay.

	2016 CEO £	**2017 CEO £**	CEO % change	Other employees % change
Salary	469,000	**469,000**	0%	3%
Taxable benefits	14,000	**14,000**	0%	-29%
Annual bonus	627,599	**518,093**	-17%	5%

The figures in the table above reflect the annualised amounts for Peter Plumb in 2017 as if he remained Chief Executive Officer for the full year. The actual amounts he received are set out in the single figure table on page 65 as he stepped down from the Board on 4 May 2017.

UK employees have been selected as the most appropriate comparator pool, given our headquarters are located in the UK.

Relative importance of spend on pay (unaudited)

The following table shows the Company's actual spend on pay (for all employees) relative to dividends, tax and retained profits:

	2016	**2017**	change %
Staff costs (£m)	42.5	**46.5**	9%
Dividends (£m)*	53.9	**56.1**	4%
Tax (£m)	17.8	**18.0**	1%
Retained profits (£m)	73.5	**78.1**	6%

* 2017 includes a proposed final dividend of 7.6p per share.

The dividend figures relate to amounts payable in respect of the relevant financial year.

Consideration by the Directors of matters relating to Director's remuneration

The Remuneration Committee comprises four Independent Non-Executive Directors: Andrew Fisher (Chairman), Robin Freestone, Sally James and Genevieve Shore. Biographies of the members of the Remuneration Committee are set out on pages 40 and 41.

At the invitation of the Chairman of the Remuneration Committee, the Chairman of the Board, the Chief Executive Officer, the Chief People Officer and the Company Secretary may attend meetings of the Remuneration Committee, except when their own remuneration is under consideration. No Director is involved in determining his or her own remuneration. The Company Secretary acts as secretary to the Remuneration Committee. The members of the Remuneration Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

The Remuneration Committee's duties include:

- determining the policy for the remuneration of the Chairman, Executive Directors and executive management;
- determining the remuneration package of the Chairman, Executive Directors and executive management, including, where appropriate, bonuses, incentive payments and pension arrangements within the terms of the agreed framework and policy; and
- determining awards under the Company's long-term incentive schemes.

The Remuneration Committee met on seven occasions during the year. Details of the attendance at Remuneration Committee meetings are as set out below:

	Meetings in 2017	
Committee members	Eligible to attend	Attended
Andrew Fisher (Chairman)	7	7
Robin Freestone	7	7
Sally James	7	7
Genevieve Shore	7	7

The Remuneration Committee's terms of reference are published on the investor relations section of the Group's website at http://corporate.moneysupermarket.com and are available in hard copy form on application to the Company Secretary.

Consideration by the Directors of matters relating to Director's remuneration

During 2017, the Remuneration Committee and the Company received advice from Deloitte LLP, who are independent remuneration consultants, in connection with remuneration matters including the Group's performance related remuneration policy. Deloitte LLP is a member of the Remuneration Consultants Group and is committed to that group's voluntary code of practice for remuneration consultants in the UK. Deloitte LLP has no other connection or relationship with the Group. During 2017, Deloitte LLP also provided services to the Group in respect of corporate tax and VAT advice and operational audit advisory work. The fees paid to Deloitte LLP for providing advice in relation to executive remuneration over the financial year under review was £19,600.

Outside appointments

Executive Directors are permitted to accept outside appointments on external boards so long as these are not deemed to interfere with the business of the Group. In the year to 4 May 2017 when Peter Plumb stepped down as a Director, Peter Plumb received £21,923 (2016: £60,000) as a non-executive director of Co-operative Group Limited.

Remuneration Committee effectiveness

In 2017 we carried out our evaluation of Remuneration Committee effectiveness as part of our external Board evaluation. Details of this process are set out on page 45. The Committee was considered to be effective in fulfilling its role during 2017 and remains independent. We also reviewed progress against actions identified in the 2016 evaluation:

2016 evaluation actions update

The following actions were identified during the 2016 evaluation:

- ensuring risk is appropriately considered as part of the remuneration setting process - risk has been appropriately considered by the Committee as part of the remuneration setting process; and
- ensuring the Committee continues to be appraised of developments in shareholder expectations on remuneration: the Committee receives updates from Deloitte LLP on market trends and practices in relation to remuneration generally, including guidance and principles issued by the Investor Association as well as feedback, via the Company's brokers, from shareholders.

2017 evaluation actions

Some of the areas that will be actioned in 2018 include:

- Committee packs - enhancing Committee papers, ensuring they are concise and facilitate constructive debate and discussion; and
- alignment - ensuring remuneration continues to be aligned to the new strategic priorities.

Statement of voting at general meeting

At last year's Annual General Meeting, the following votes were received from shareholders:

	Remuneration Report		Remuneration Policy	
	Votes	%	Votes	%
Votes cast in favour*	398,373,372	95.97%	410,221,055	98.83%
Votes cast against	16,719,621	4.03%	4,869,995	1.17%
Total votes cast	415,092,993	100%	415,091,050	100%
Abstentions	7,540		9,483	

* Includes Chairman's discretionary votes.

This report was approved by the Board and signed on its behalf by:

Andrew Fisher
Chairman of the Remuneration Committee
21 February 2018

Darren Drabble
Company Secretary

The Directors' report sets out additional statutory information.

Annual General Meeting

The Annual General Meeting ('AGM') of the Company will be held at The DoubleTree by Hilton Hotel, Warrington Road, Hoole, Chester CH2 3PD on Thursday 3 May 2018 at 10.00am. The notice convening the meeting, with details of the business to be transacted at the meeting and explanatory notes is set out in a separate AGM circular which has been sent to all shareholders at the same time as this Report.

Dividend

The Directors recommend a final dividend of 7.6p (2016: 7.1p) per ordinary share in respect of the year ended 31 December 2017. If approved by shareholders at the forthcoming AGM, this will be paid on 15 May 2018 to shareholders on the register at close of business on 6 April 2018. The final dividend, together with the interim dividend of 2.84p per ordinary share paid in September 2017, gives a total dividend for the year of 10.44p (2016: 9.85p) per ordinary share.

Issued share capital and control

As at 31 December 2017, the issued share capital of the Company was £107,236 comprising 536,179,804 ordinary shares of 0.02p each. Full details of the share capital of the Company and changes to share capital during the year are set out in note 16 to the Group Financial Statements on page 101. The information in note 16 is incorporated by reference and forms part of this Directors' Report.

At the 2017 AGM, shareholders authorised the Directors to allot up to 364,750,000 ordinary shares in the capital of the Company. Directors will seek authority from shareholders at the forthcoming AGM to allot up to 357,000,000 ordinary shares.

Holders of ordinary shares are entitled to receive dividends when declared, to receive the Company's Annual Report, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

On a show of hands at a general meeting of the Company, every holder of ordinary shares present in person or by proxy, and entitled to vote, has one vote and, on a poll, every holder of ordinary shares present in person or by proxy, and entitled to vote, has one vote for every ordinary share held. Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before the meeting. A holder of ordinary shares can lose the entitlement to vote and the right to receive dividends where that holder fails to comply with a disclosure notice issued under section 793 of the Companies Act 2006. There are no issued shares in the Company with special rights with regard to control of the Company.

The Company operates a Share Incentive Plan which entitles all employees to purchase ordinary shares in the Company using money deducted from their pre-tax salary. Plan shares are held in trust for participants by Link Market Services Trustees Limited ('Trustee').

Voting rights are exercised by the Trustee in accordance with participants' instructions. If a participant does not submit an instruction to the Trustee, no vote is registered. In addition, the Trustee does not vote on any unawarded or forfeit shares held under the Plan as surplus assets. As at the date of this report, the Trustee held 0.07% of the issued ordinary share capital in the Company.

The Company operates a Long Term Incentive Plan ('Plan') and shares are held by the trustees, Estera Trust (Jersey) Limited ('Estera'), pending vesting of the shares awarded under the Plan. Estera does not vote on any shares held in trust. As at the date of this Report, Estera held 0.15% of the issued ordinary share capital in the Company.

Full details of the rights and obligations attaching to the Company's share capital are contained in the Articles of Association. The Articles of Association may only be amended by a special resolution at a general meeting of shareholders. No amendments are proposed to be made to the existing Articles of Association at the forthcoming AGM.

All of the Company's share schemes contain provisions relating to a change of control. Outstanding options and awards normally vest and become exercisable on a change of control subject to satisfaction of any performance conditions at that time. Save in respect of provisions of the Company's share schemes, there are no agreements between the Company and its Directors or employees providing compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

The Company has entered into one significant agreement which would be terminable upon a change of control; the credit facility agreement entered into with Barclays Bank PLC and Lloyds Bank PLC in December 2015. The facility was extended to December 2019 in October 2016 and again to December 2020 in November 2017.

Restrictions on the transfer of securities

Whilst the Board has the power under the Articles of Association to refuse to register a transfer of shares, there are no restrictions on the transfer of shares other than:

- certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws); and
- pursuant to the Listing Rules of the Financial Conduct Authority whereby certain Directors, officers and employees of the Group require the approval of the Company to deal in ordinary shares of the Company.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Authority to purchase own shares

The Company was authorised at the 2017 AGM to purchase up to 54,760,000 of its own shares in the market. No shares were purchased under the 2017 AGM authority although the Company utilised the authority granted at the 2016 AGM to undertake a share repurchase programme in 2017, during which the Group returned a surplus of capital to shareholders of £40 million. Directors will seek authority from shareholders at the forthcoming AGM for the Company to purchase, in the market, up to 53,600,000 shares. The Directors have no present intention of conducting further purchases of the Company's shares but consider it prudent to obtain the flexibility this authority provides. The Directors will only use this power after careful consideration, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will only purchase such shares after taking into account the effects on earnings per share and the interests of shareholders generally.

Substantial shareholders

As at 31 December 2017, the Company had been notified of the following holdings of voting rights in its shares under Rule 5 of The Disclosure Guidance and Transparency Rules of the Financial Conduct Authority:

Shareholder	No. of ordinary shares/voting rights notified	Percentage of ordinary share capital/voting rights notified
The Capital Group Companies, Inc	54,006,797	9.86
Aviva plc	39,339,618	7.34
Ameriprise Financial, Inc and its group	27,061,089	4.94
Standard Life Investments (Holdings) Limited	25,417,919	4.60
FIL Limited	24,758,460	4.52
State Street Nominees Limited	20,581,165	3.76
Blackrock, Inc	19,099,983	3.55

As at 7 February 2018, the Company had not received any further notifications of holdings of voting rights.

Directors

The Directors who served during the financial year were as follows:

Director	Position	Service in the year ended 31 December 2016
Bruce Carnegie-Brown	Chairman	Served throughout year
Andrew Fisher	Independent Non-Executive Director	Served throughout year
Robin Freestone	Independent Non-Executive Director	Served throughout year
Sally James	Independent Non-Executive Director	Served throughout year
Mark Lewis	Chief Executive Officer	Appointed 13 March 2017*
Peter Plumb	Chief Executive Officer	Resigned 4 May 2017**
Matthew Price	Chief Financial Officer	Served throughout year
Rob Rowley	Independent Non-Executive Director	Resigned 4 May 2017
Genevieve Shore	Independent Non-Executive Director	Served throughout year

* Mark Lewis joined the Board on 13 March 2017 and, after a period of handover, was appointed Chief Executive Officer on 10 April 2017.
** Peter Plumb stepped down as Chief Executive Officer on 10 April 2017 and from the Board on 4 May 2017.

Their biographical details (with the exception of Peter Plumb and Rob Rowley) are set out on pages 40 to 41. Further details relating to Board and Committee composition are disclosed in the Corporate Governance Report and Committee Reports on pages 42 to 72.

The Articles of Association provide that a Director may be appointed by an ordinary resolution of shareholders or by the existing Directors, either to fill a vacancy or as an additional Director. All Directors will retire and offer themselves for re-election at the 2018 AGM in accordance with the UK Corporate Governance Code ('Code').

The Executive Directors serve under rolling contracts that are terminable upon 12 months' notice from either party. The Non-Executive Directors serve under letters of appointment. Copies of service contracts and letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Company's AGM.

The Directors' Remuneration Report, which includes the Directors' interests in the Company's shares, is set out on pages 59 to 72. During the year, no Director had any material interest in any contract of significance to the Group's business.

Directors' powers

The Board of Directors may exercise all the powers of the Company subject to the provisions of relevant legislation, the Company's Articles of Association and any directions given by the Company in general meeting.

Directors' indemnities

During the financial year ended 31 December 2017 and up to the date of this Directors' Report, the Company has maintained appropriate liability insurance for its Directors and officers.

The Company has granted indemnities to each of its Directors and the Company Secretary to the extent permitted by law and its Articles of Association. These indemnities were in force throughout the year ended 31 December 2017 and remain in force as at the date of this Report in relation to certain losses and liabilities which the Directors or Company Secretary may incur in the course of acting as Directors, Company Secretary or employees of the Company or of any associated company.

Employees

The Group places considerable value on the involvement of its employees and uses a number of ways to engage with employees on matters that impact them and the performance of the Group. These include formal business performance updates by members of executive management for all employees, regular update briefings for all employees, regular team meetings, the Group's intranet site which enables easy access to the latest Group information as well as Group policies, and the circulation to employees of results announcements and other corporate announcements. This also helps to achieve a common awareness amongst employees of the financial and economic factors affecting the performance of the Group.

A robust employee engagement survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback. All employees are able to participate in the Company's Share Incentive Plan and Save As You Earn Scheme which gives employees the opportunity to purchase ordinary shares in the Company. This helps to encourage employee interest in the performance of the Group.

Equal opportunities

The Group is committed to providing equality of opportunity to all employees without discrimination and applies fair and equitable employment policies which seek to promote entry into and progression within the Group. Appointments are determined solely by application of job criteria, personal ability, behaviour and competency.

Disabled persons

Disabled persons have equal opportunities when applying for vacancies, with due regard to their skills and abilities. Procedures ensure that disabled employees are fairly treated in respect of training and career development. For those employees becoming disabled during the course of their employment, the Group is supportive so as to provide an opportunity for them to remain with the Group, wherever reasonably practicable.

In the opinion of the Directors, all employee policies are deemed to be effective and in accordance with their intended aims.

Borrowings

In November 2017, the Group exercised its option to extend by a further year to December 2020 the three-year revolving credit facility for £100m. The Group also has an accordian option to apply to the banks for an additional £100m of committed funds during the facility. As at 31 December 2017, the Group had cash of £35.1m with nil drawn down under the facility.

Political donations

During the financial year ended 31 December 2017, the Group did not make any political donations (2016: £nil).

Post balance sheet events

There have been no balance sheet events that either require adjustment to the Financial Statements or are important in the understanding of the Company's current position.

Research & development

Innovation is important to the future success of the Group and to the delivery of long-term value to shareholders. The Group's research and development expenditure is predominantly associated with computer and internet software systems. Successfully developed software is used to develop new products and to improve and extend the functionality and scope of the Group's operations.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Company Financial Statements in accordance with UK Accounting Standards, including FRS102- The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Company and of their profit or loss for that period. In preparing each of the Group and Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the Company Financial Statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Company Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Report that comply 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.

Each of the Directors whose names and functions are set out on pages 40 and 41 confirms that, to the best of their knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which comprises the Directors' Report and the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the Principal Risks and Uncertainties that they face.

In addition, the Directors consider that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Auditor and disclosure of information

The Directors who held office at the date of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each such Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

Auditor

The Board approved the Audit Committee's recommendation to put a resolution to shareholders recommending the re-appointment of KPMG LLP as the Company's auditors, and KPMG LLP have indicated their willingness to accept re-appointment as auditors of the Company.

The Audit Committee, in its recommendation, confirmed that (1) the recommendation was free from influence by a third party and (2) no contractual term of the kind mentioned in Article 16(6) of the EU Regulation 537/2014 has been imposed on the Company.

A resolution proposing the re-appointment of KPMG is contained in the notice of the forthcoming AGM and will be proposed to shareholders at that meeting.

Reporting requirements

The following sets out the location of additional information forming part of the Directors' Report:

Reporting requirement	Location
Strategic Report – Companies Act 2006 s414A-D	Strategic Report on pages 1 to 37
DTR4.1.8R – Management Report – the Directors' Report and Strategic Report comprise the 'management report'	Directors' Report on pages 73 to 77 and the Strategic Report on pages 1 to 37
Likely future developments of the business and Group	Strategic Report on pages 1 to 37
Statement on corporate governance	Corporate Governance Report, Audit Committee Report, Risk Committee Report, Nomination Committee Report and Directors' Remuneration Report on pages 38 to 72
Details of use of financial instruments & specific policies for managing financial risk	Note 17 to Group Financial Statements on page 101
Board's assessment of the Group's internal control systems	Corporate Governance Report on pages 46 to 47, the Audit Committee Report on page 52 and Risk Committee Report on pages 57 and 58
Greenhouse gas emissions	Corporate Responsibility Report on page 37
Directors' remuneration including disclosures required by Schedule 5 and Schedule 8 of SI2008/410 – Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008	Directors' Remuneration Report on pages 59 to 72
Directors' interests	Directors' Remuneration Report on page 68

The Strategic Report comprising the inside cover and pages 1 to 37 and this Directors' Report comprising pages 73 to 77 have been approved by the Board and are signed on its behalf by:

Darren Drabble
Company Secretary
21 February 2018

Registered office: Moneysupermarket House, St. David's Park, Ewloe, Chester CH5 3UZ

Independent auditor's report to the members of Moneysupermarket.com Group PLC only

1. Our opinion is unmodified

We have audited the Financial Statements of Moneysupermarket.com Group PLC ("the Company") for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Balance Sheet and Company Statement of Changes in Equity, including the accounting policies in note 2.

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 2017 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company Financial Statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

Basis for opinion

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

We were appointed as auditor by the shareholders on 22 April 2008. The period of total uninterrupted engagement is for the 11 financial years ended 31 December 2017. Prior to that we were also auditor to the Group's previous parent company, but which, being unlisted, was not a public-interest entity. 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	£4.8m (2016:£4.4m) 5.0% (2016: 4.8%) of Group profit before tax	
Coverage	100% (2016:100%) of Group profit before tax	
Risks of material misstatement	**vs 2016**	
Recurring risks	Revenue recognition	◀▶
	Capitalisation and recoverability of software and development costs	◀▶
	Recoverability of Parent Company's investment in subsidiary	◀▶

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2016), 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
Revenue recognition (£329.7 million; 2016: £316.4 million) Refer to page 50 (Audit Committee Report), page 88 (accounting policy) and page 93 and 99 (financial disclosures).	**Data Capture** Revenue recognition is considered to be a significant audit risk because of the complexities involved in the recording of internet lead generation (click based revenue). **Subjective estimate** Judgement is required to estimate unbilled revenue at the period end. Revenue is recognised predominately from internet lead generation (click based revenues). Accrued revenue as at period end is recorded based on an estimation of the likely number of successful conversions.	Our procedures included: – **Control design and operation:** Testing, with the assistance of our own IT specialists, the design and operating effectiveness of the general IT control environments and application controls in the click recording system. – **Reconciliation:** Agreeing total revenue recognised to cash receipts received in the year, with reference to the movement of trade receivables, accrued revenue and output VAT. – **Test of details:** Testing, on a statistical sample basis, the reasonableness of earned but not billed revenue at the year-end by agreeing the estimated revenue to post year end confirmatory evidence, including invoices and cash receipts. – **Assessing transparancy:** Considering the adequacy of the Group's disclosures in respect of the judgement and estimates around revenue recognition. **Our results** – We found revenue recognition to be acceptable.
Capitalisation and recoverability of software and development costs (£32.1 million; 2016: £37.8 million) Refer to page 50 (Audit Committee Report), page 89 (accounting policy) and page 97, 98 and 99 (financial disclosures).	**Accounting treatment** The criteria for capitalising software and development costs incurred include assessing whether the costs are directly attributable to the development project and whether the completion of the related asset is technically feasible. The Directors apply judgement in this respect. **Forecast-based valuation** Software and development project costs are capitalised to the extent that future economic benefits are expected to be generated by the projects to which they relate. This requires judgement as to whether sufficient profitability will be generated to recover the costs capitalised. The Directors make this assessment using a return on investment calculation. The key inputs in that calculation, specifically revenue growth, ability to cross sell products and timing and amount of capital expenditure, all require significant estimation and judgement. .	Our procedures included: – **Control design:** Testing the operating effectiveness of controls over purchase order and invoice authorisation of projects, to evidence the appropriate level of approval over total project spend and expenditure being capital in nature; – **Accounting analysis:** Comparing a statistical sample of costs capitalised to external invoices to assess whether costs have been appropriately capitalised, by reference to the recognition criteria of the applicable accounting standards, including challenging the Group's assessment of the technical feasibility of the related assets based on discussions with Capital Project managers and inspecting Board approved business cases, submitted prior to the costs being incurred, outlining the proposed features and expected completion dates; – **Our experience:** Challenging the Group's assessment of impairment and impairment indicators depending on the project concerned using our understanding of project progress, discussion at Board level and performance to date obtained from our other audit procedures; – **Benchmarking assumptions:** Critically assessing the reasonableness of the assumptions including assessing the historical accuracy of the Directors' forecasting and corroborating key inputs to internal performance reporting and knowledge gained performing our other audit procedures; and – **Assessing transparency:** Considering the adequacy of the Group's disclosures in respect of the capitalisation and recoverability of software and development costs. **Our results** – We found the capitalisation and recoverability of software and development costs to be acceptable.

Independent auditor's report to the members of Moneysupermarket.com Group PLC only continued

	The risk	Our response
Recoverability of Parent Company's investment in subsidiary (£181.7 million; 2016: £181.7 million) Refer to page 109 (accounting policy) and page 111 (financial disclosures).	**Low risk, high value** The carrying amount of the Parent Company's investment in subsidiary represents 60% (2016: 60%) of the Company's total assets. Their recoverability is not a high risk of significant misstatement or subject to significant judgement. However, due to their 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: – **Test of detail:** Comparing the carrying amount of the investment with the subsidiary's draft balance sheet to identify whether its net assets, audited as part of the Group's audit and being an approximation of its minimum recoverable amount, was in excess of its carrying amount and assessing whether the subsidiary has historically been profit-making. – **Comparing valuations:** Comparing the carrying amount of the investment to the Group's market capitalisation to assess whether there are any indicators of investment's impairment. **Our results** – We found the Group's assessment of the recoverability of the Parent Company's investment in subsidiary to be acceptable.

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 £4.8 million, determined with a reference to a benchmark of Group profit before tax of £96.1million, of which it represents 5.0% (2016: 4.8% of Group profit before tax).

Materiality for the parent Company Financial Statements as a whole was set at £4 million, determined with a reference to a benchmark of Parent Company total assets of £450.6 million, of which it represents 0.9% (2016: 1.3% of Parent Company total assets).

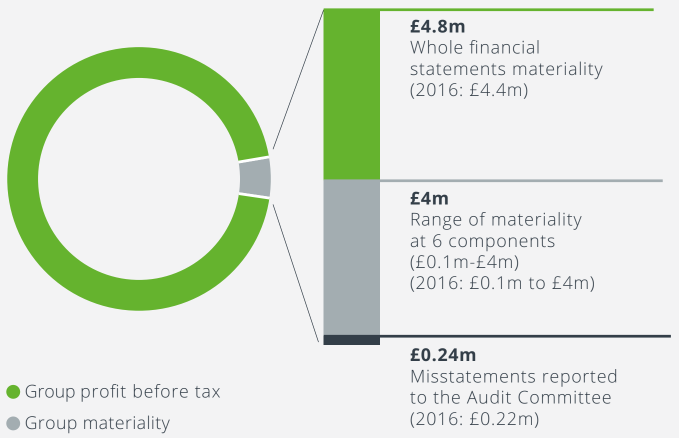
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.24m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

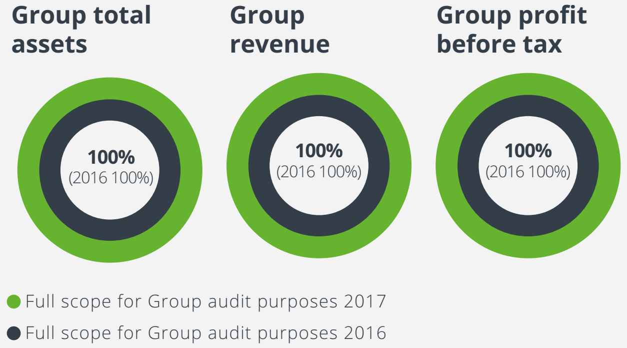
Of the Group's 6 (2016: 6) reporting components, we subjected 6 (2016: 6) to full scope audits for Group purposes, all of which, including audit of the Parent Company, was performed by the Group team.

The components within the scope of our work accounted for 100% of the Group's revenue (2016: 100%), 100% of the Group's profit before tax (2016: 100%) and 100% (2016: 100%) of the Group's total assets.

Group profit before tax
£96.1m
(2016: £91.3m)

Group materiality
£4.8m
(2016: £4.4m)





4. We have nothing to report on going concern

We are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' statement in note 2 to the Financial Statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for a period of at least twelve months from the date of approval of the Financial Statements; or
- the related statement under the Listing Rules set out on page 28 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic Report and Directors' Report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the Financial Statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our Financial Statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Directors' Viability Statement on pages 27 to 28 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Directors' Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Directors' Viability Statement. We have nothing to report in this respect.

Corporate governance disclosures

We are required to report to you if:

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

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6. We have nothing to report on the other matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on pages 75 to 76, 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, other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities – ability to detect

Our audit aimed to detect non-compliance with relevant laws and regulations (irregularities) that could have a material effect on the financial statements. In planning and performing our audit, we considered the impact of laws and regulations in the specific areas of regulatory compliance, recognising that, as an insurance intermediary, the Group is authorised and regulated by the Financial Conduct Authority (FCA). We identified these areas through discussion with the directors and other management (as required by auditing standards), from our sector experience, and from inspection of the group's relevant regulatory correspondence. In addition we had regard to laws and regulations in other areas including financial reporting, and company and taxation legislation.

We considered the extent of compliance with those laws and regulations that directly affect the financial statements, being regulatory compliance, as part of our procedures on the related financial statement items. For the remaining laws and regulations, we made enquiries of directors and other management (as required by auditing standards), and inspected correspondence with regulatory authorities.

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

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

8. The purpose of our audit work and to whom we owe our responsibilities

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

Stuart Crisp (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

21 February 2018

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Revenue		**329.7**	316.4
Cost of sales		**(85.2)**	(79.6)
Gross profit		**244.5**	236.8
Distribution expenses		**(29.3)**	(34.3)
Administrative expenses		**(111.0)**	(109.1)
Impairment of intangible assets	12	**(9.3)**	(2.2)
Operating profit	5	**94.9**	91.2
Net finance costs	7	**(0.8)**	(0.7)
Profit on disposal of associate and investment	23	**2.0**	0.8
Profit before tax		**96.1**	91.3
Taxation	8	**(18.0)**	(17.8)
Profit for the year		**78.1**	73.5
Other comprehensive income		**–**	–
Total comprehensive income for the year		**78.1**	73.5

All profit and comprehensive income is attributable to the equity holders of the Company.

	Note	2017	2016
Earnings per share			
Basic earnings per ordinary share (p)	9	**14.4**	13.5
Diluted earnings per ordinary share (p)	9	**14.4**	13.4

Consolidated Statement of Financial Position
at 31 December 2017

	Note	31 December 2017 £m	31 December 2016 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**9.4**	7.5
Intangible assets	12	**144.6**	157.6
Investments		**0.4**	0.5
Total non-current assets		**154.4**	165.6
Current assets			
Trade and other receivables	13	**37.4**	35.7
Prepayments		**5.5**	3.6
Cash and cash equivalents	17	**35.1**	44.6
Total current assets		**78.0**	83.9
Total assets		**232.4**	249.5
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	**9.5**	8.3
Total non-current liabilities		**9.5**	8.3
Current liabilities			
Trade and other payables	14	**46.9**	46.8
Current tax liabilities		**6.0**	8.0
Total current liabilities		**52.9**	54.8
Total liabilities		**62.4**	63.1
Equity			
Share capital	16	**0.1**	0.1
Share premium		**203.3**	202.7
Reserve for own shares		**(3.5)**	(3.7)
Retained earnings		**(88.6)**	(71.4)
Other reserves		**58.7**	58.7
Total equity		**170.0**	186.4
Total equity and liabilities		**232.4**	249.5

The Financial Statements were approved by the Board of Directors and authorised for issue on 21 February 2018. They were signed on its behalf by:

Mark Lewis
Chief Executive Officer

Matthew Price
Chief Financial Officer

Consolidated Statement of Changes in Equity
for the year ended 31 December 2017

	Note	Issued share capital £m	Share premium £m	Reserve for own shares £m	Retained earnings £m	Other reserves £m	Total £m
At 1 January 2016		0.1	202.4	(3.8)	(91.6)	58.7	165.8
Profit for the year		–	–	–	73.5	–	73.5
Total comprehensive income for the year		–	–	–	73.5	–	73.5
New shares issued		–	0.3	–	–	–	0.3
Purchase of shares by employee trusts		–	–	(3.9)	–	–	(3.9)
Exercise of LTIP awards		–	–	4.0	(4.0)	–	–
Distribution in relation to LTIP		–	–	–	(0.5)	–	(0.5)
Equity dividends	10	–	–	–	(51.1)	–	(51.1)
Share-based payments	18	–	–	–	1.9	–	1.9
Tax effect of share-based payments		–	–	–	0.4	–	0.4
At 31 December 2016		0.1	202.7	(3.7)	(71.4)	58.7	186.4
Profit for the year		–	–	–	78.1	–	78.1
Total comprehensive income for the year		–	–	–	78.1	–	78.1
New shares issued		–	0.6	–	–	–	0.6
Purchase of shares by employee trusts		–	–	(2.7)	–	–	(2.7)
Purchase of own shares		–	–	–	(40.0)	–	(40.0)
Exercise of LTIP awards		–	–	2.9	(2.9)	–	–
Distribution in relation to LTIP		–	–	–	(0.3)	–	(0.3)
Equity dividends	10	–	–	–	(54.1)	–	(54.1)
Share-based payments	18	–	–	–	2.0	–	2.0
Tax effect of share-based payments		–	–	–	–	–	–
At 31 December 2017		**0.1**	**203.3**	**(3.5)**	**(88.6)**	**58.7**	**170.0**

Other reserves
The other reserves balance represents the merger and revaluation reserves generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed below, and a capital redemption reserve for £19,000 arising from the acquisition of 95,294,118 deferred shares of 0.02p by the Company from Simon Nixon.

Upon the acquisition of Moneysupermarket.com Financial Group Limited, a merger reserve of £60,750,000 for 15% of the fair value of assets acquired, a merger reserve of £16,923,000 for 45% of the book value transferred from a company under common control, and a revaluation reserve of £65,345,000 representing 45% of the fair value of the intangible assets transferred from a company under common control, were recognised. Amounts were transferred from these reserves to retained earnings as the goodwill and other intangibles balances which relate to this acquisition were impaired and amortised.

Reserve for own shares
The reserve for the Company's own ordinary shares comprises the cost of the Company's ordinary shares held by the Group through employee trusts. At 31 December 2017, the Group held 365,116 ordinary shares at a cost of 0.02p per share through a Share Incentive Plan trust for the benefit of the Group's employees.

The Group also held 821,573 shares through an Employee Benefit Trust at a cost of 309.19p per share for the benefit of employees participating in the various Long Term Incentive Plan schemes.

Purchase of own shares
During the year the Group entered a share repurchase programme with Barclays Bank PLC to return capital to shareholders. At 31 December 2017, the Group had repurchased 11,941,410 ordinary shares at an average cost of 330.74p per share.

Consolidated Statement of Cash Flows
for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Operating activities			
Profit for the year		**78.1**	73.5
Adjustments to reconcile profit for the year to net cash flow from operating activities:			
Depreciation of property, plant and equipment	11	**1.2**	1.9
Amortisation of intangible assets	12	**19.5**	25.6
Profit on disposal of associate	23	**(0.9)**	(0.8)
Profit on disposal of investment	23	**(1.1)**	–
Impairment of intangible assets	12	**9.3**	2.2
Net finance costs	7	**0.8**	0.7
Equity-settled share-based payment transactions	18	**2.0**	1.9
Tax charge	8	**18.0**	17.8
Change in trade and other receivables		**(3.6)**	(6.9)
Change in trade and other payables		**1.9**	6.0
Tax paid		**(18.9)**	(15.9)
Net cash flow from operating activities		**106.3**	106.0
Investing activities			
Interest received	7	**0.1**	0.1
Acquisition of investment		**(0.4)**	(0.5)
Disposal of associate		**0.9**	0.8
Disposal of investment		**1.5**	–
Acquisition of property, plant and equipment	11	**(1.5)**	(0.8)
Acquisition of intangible assets	12	**(19.4)**	(21.9)
Net cash used in investing activities		**(18.8)**	(22.3)
Financing activities			
Proceeds from share issue		**0.7**	0.2
Proceeds from borrowings	17	**57.5**	44.0
Repayment of borrowings	17	**(57.5)**	(44.0)
Purchase of shares by employee trusts		**(2.7)**	(3.9)
Purchase of own shares		**(40.0)**	–
Payment of transaction costs relating to financing facilities		**(0.2)**	(0.2)
Interest paid	7	**(0.4)**	(0.3)
Distribution in relation to Long Term Incentive Plan		**(0.3)**	(0.5)
Dividends paid	10	**(54.1)**	(51.1)
Net cash used in financing activities		**(97.0)**	(55.8)
Net (decrease)/increase in cash and cash equivalents		**(9.5)**	27.9
Cash and cash equivalents at start of year		**44.6**	16.7
Cash and cash equivalents at end of year	17	**35.1**	44.6

Changes in liabilities from financing activities

	Loans and borrowings £m
Balance at 1 January 2017	–
Changes from financing cash flows	
Proceeds from loans and borrowings	57.5
Repayment of borrowings	(57.5)
Total changes from financing cash flows	–
Balance at 31 December 2017	–

Notes to the Consolidated Financial Statements

1. Corporate information

The Consolidated Financial Statements of Moneysupermarket.com Group PLC (Company), a company incorporated in England, and its subsidiaries for the year ended 31 December 2017, were authorised for issue in accordance with a resolution of the Directors on 21 February 2017. The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs). The Company has elected to prepare its Company Financial Statements in accordance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland; these are presented on pages 107 to 112.

2. Summary of significant accounting policies

Basis of preparation

The Financial Statements are prepared on the historical cost basis, except where otherwise stated. Comparative figures presented in the Financial Statements represent the year ended 31 December 2016. The Financial Statements are prepared on a going concern basis, which the Directors deem appropriate, given the Group's positive cash position, continued growth and forecast profitability.

Use of estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 affected.

The most significant areas of estimation uncertainty, and areas where critical judgements are made in applying accounting policies that have a material effect on the Financial Statements, are listed below. The uncertainties encountered, and judgements made, are described in more detail in the relevant accounting policies and accompanying notes:

- Note 12 capitalisation and recoverability of software and development costs
- Note 13 revenue recognition (revenue that has not been received as cash at the period end)

Basis of consolidation

These Consolidated Financial Statements incorporate the Financial Statements of the Company and all its subsidiaries.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Accounting for business combinations

From 1 January 2010 the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent amount payable is recognised at fair value at the acquisition date. If the contingent amount is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent amount are recognised in profit or loss. Where the contingent amount is dependent on future employment, it is treated as a cost of continuing employment, and therefore is recognised as an expense over the relevant period.

2. Summary of significant accounting policies continued

Acquisitions between 22 June 2007 and 1 January 2010

For acquisitions between 22 June 2007 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

The Group was established via a series of transactions that occurred concurrently on 22 June 2007. These comprised the incorporation of the Company with Simon Nixon as sole shareholder, the acquisition by the Company using a share for share exchange of Simon Nixon's 45% interest in Moneysupermarket.com Financial Group Limited and the acquisition by the Company of all other shares in Moneysupermarket.com Financial Group Limited from third parties. The acquisition of Simon Nixon's shares was between two parties, being Simon Nixon and the Company, who were under common control at the time of the transaction. The acquisition was of an interest in a company which gave the investor a significant influence in the company and it was concluded that this arrangement was a common control transaction and not within the scope of IFRS 3 Business Combinations. As a result the Company accounted for this 45% interest in Moneysupermarket.com Financial Group Limited at original carrying value rather than fair value at the date of the acquisition. The acquisition of the remaining shares in Moneysupermarket.com Financial Group Limited was accounted for in accordance with IFRS 3 Business Combinations applying the accounting guidance for a business combination achieved in stages. This resulted in the fair value of the identifiable assets, liabilities and contingent liabilities of Moneysupermarket.com Financial Group Limited being recognised in full and the goodwill in respect of the acquisition from third parties being recognised.

Revenue

The Group generates fees from internet lead generation (click based revenue), commissions from brokerage sales and advertising through a variety of contractual arrangements. The Group recognises click based revenues and associated costs in the period that the lead is generated. Brokerage commissions are recognised at the point of completion of the transaction with the customer.

Advertising revenue is recognised in the period when an advertisement is delivered to the end user. Revenue is recognised net of value added tax.

Cost of Sales

The Group recognises associated costs of internet lead generation in the period that the lead is generated. Costs in respect of cashback payments made by the Group to customers are included in cost of sales.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated. Assets under construction are not depreciated until brought into use. The estimated useful lives are as follows:

Buildings	50 years
Plant and equipment (including IT equipment)	3 years
Fixtures and fittings	5 years
Office equipment	5 years

The useful lives and depreciation rates are reassessed at each reporting date.

2. Summary of significant accounting policies continued

Intangible assets

Goodwill

Goodwill is measured at cost less any accumulated impairment losses, with the carrying value being reviewed for impairment at least annually, and whenever there is an indication that the carrying value may be impaired.

Other intangible assets

The cost of other intangible assets acquired in a business combination is fair value as at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. All the Group's intangible assets (other than goodwill) have been identified as having finite useful lives. As such, they are amortised on a straight-line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life, is reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category consistent with the function of the intangible asset. The estimated useful lives are as follows:

Market-related	10 years
Customer relationships	7 years
Non-compete agreement	4 years
Customer lists	3 years
Technology	3-5 years

Market-related intangible assets are defined as those that are primarily used in the marketing or promotion of products and services, for example trademarks, trade names and internet domain names.

Customer-related intangible assets consist of customer lists, customer contracts and relationships, and non-contractual customer relationships. For accounting purposes, customer relationships and customer lists have been identified separately. Relationships with high-profile customers provide the Group with prominence in the marketplace, create volume and traffic on the website, and enhance the reputation of the brand. Customer lists allow the Group to undertake targeted marketing activities.

Technology-based intangible assets relate to innovations and technical advances such as computer software, patented and unpatented technology, databases and trade secrets.

Impairment

The carrying amounts of the Group's assets are reviewed annually to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

For the purposes of impairment reviews, the recoverable amount of the Group's assets is taken to be the higher of their fair value less costs to sell and their value in use.

Investments in equity securities

Fixed asset and short term investments in equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and foreign exchange gains and losses which are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining technical knowledge and understanding, is charged to the Consolidated Statement of Comprehensive Income when incurred. Development expenditure is capitalised when it meets the criteria outlined in IAS 38. Expenditure that does not meet the criteria is expensed directly to the Consolidated Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose only of the Consolidated Statement of Cash Flows.

2. Summary of significant accounting policies continued

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Comprehensive Income as incurred.

Share-based payment transactions

The Group's share schemes allow certain Group employees to acquire ordinary shares in the Company. The fair value of share awards made is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at award date and spread over the period during which the employees become unconditionally entitled to the awards. The fair values of the share awards are measured using the Monte Carlo method for options subject to a market-based condition and the Black-Scholes model for all others, taking into account the terms and conditions upon which the awards were made. The amount recognised as an expense is adjusted to reflect the number of share awards expected to vest.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognised in the Consolidated Statement of Comprehensive Income as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or deferred bonus plan if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group's deferred bonus plans currently do not have any ongoing performance obligations and are therefore provided for as described above in the period to which they related.

Advertising costs

The Group incurs costs from advertising via a number of different media. Costs associated with the production of adverts are recognised as an expense in the Consolidated Statement of Comprehensive Income only once the advert is available to the Group in a format ready for use, having been approved for airing or displaying. The cost of airing or displaying the advert is taken as an expense in the period in which the advert is aired or displayed.

Finance income

Finance income comprises interest receivable, which is recognised in the Consolidated Statement of Comprehensive Income as it accrues using the effective interest method.

Finance costs

Finance costs comprise of interest charged on borrowings. Borrowings are recognised initially at fair value less directly attributable transaction costs. The effective interest rate method is then used for subsequent re-measurement of borrowings at amortised cost.

Operating leases

Rental payments under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Lease incentives and rent-free periods are amortised through the Consolidated Statement of Comprehensive Income over the term of the relevant lease.

Dividends

Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income 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 year, using tax rates in force for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on 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 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 substantively enacted at the balance sheet date.

2. Summary of significant accounting policies continued

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

Deferred tax liabilities are recognised at the expected future tax rate of the value of the intangible assets with finite lives which are acquired through business combinations representing the tax effect of the amortisation of these assets in future periods.

These liabilities will decrease in line with the amortisation of the related intangible assets, with the deferred tax credit recognised in the Statement of Comprehensive Income in accordance with IAS 12.

Research and development tax credits are accounted for in accordance with IAS 20 as a government grant. The credit is recognised once a reasonable estimate of the amount can be made.

Reserve for own shares

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by an Employee Benefit Trust ('EBT'). The assets and liabilities of the EBT are required to be consolidated within these accounts as it is deemed to be under de facto control of the Group. The assets of the EBT mainly comprise Moneysupermarket.com Group PLC shares, which are shown as a deduction from total equity at cost.

Group management of capital

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In assessing the level of capital all components of equity are taken into account, i.e. share capital, retained earnings and reserves (where applicable), as well as unvested share options and awards.

In line with internal capital management requirements, the Group manages its cash balances by, where possible, depositing them with a number of financial institutions to reduce credit risk.

In December 2015, the Group secured a three-year revolving credit facility for an amount of £100m in committed funds provided in equal parts by Lloyds Bank PLC and Barclays Bank PLC with half-yearly covenant testing based on adjusted leverage and interest cover ratios. The Group also has an accordion option to apply to the banks for up to an additional £100m of committed funds.

This facility was extended to December 2019 for a fee of £175,000 in October 2016, and again in November 2017 to December 2020 for the same fee. The Group has no amounts drawn down from the facility at 31 December 2017.

Management of capital focuses around the Group's ability to generate cash from its operations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to raise funds. The Group believes it is meeting its objectives for managing capital as funds are available for reinvestment where necessary as well as being in a position to make returns to shareholders where this is felt appropriate.

There were no changes to the Group's approach to capital management during the year.

Standards, amendments and interpretations adopted during the period

The Group has adopted the following standards, amendments and interpretations which have not had a significant impact on the Group's results:

- Disclosure initiative – Amendments to IAS 7

2. Summary of significant accounting policies continued

Standards, amendments and interpretations issued but not yet effective

IFRS 9 'Financial instruments' – The standard was endorsed on 22 November 2016 and applies to an entity's first annual statements beginning on or after 1 January 2018. The revised standard replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new guidance for classification and measurement, impairment of financial instruments, and hedge accounting. During the year, a review was conducted to ensure that the impact of the new standards is fully understood in advance of the effective date. It is expected that the main Group financial statement captions to be affected by this new standard are investments and trade receivables. Under the new standard, we expect to classify our investments under the new standard at fair value through other comprehensive income, with any resultant unrealised and realised gains or losses going through other comprehensive income. The new single expected credit loss impairment model will be applied in calculating the provision for doubtful debts. The cumulative impact on adoption of this standard is not expected to be significant.

IFRS 15 'Revenue from Contracts with Customer' – The standard was endorsed on 22 September 2016 and applies to an entity's first annual statements beginning on or after 1 January 2018. The standards will replace IAS 15 Revenue and IFRIC 13 Customer Loyalty Programmes. The standard introduces a new revenue recognition model that recognises revenue either at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. During the year, a systematic review was conducted to ensure that the impact of the new standard is fully understood in advance of the effective date. This involved a portfolio-based contract review focussing on those verticals/channels most likely to be impacted by IFRS 15 and individual contract sampling from these portfolios to assess the impact of IFRS 15. From this review, we do not expect changes to our current revenue recognition methods.

IFRS 16 'Leases' – In January 2016, the IASB issued IFSR 16 and it is expected to apply to an entity's first annual statement beginning on or after 1 January 2019. IFRS 16 changes fundamentally the accounting for leases by lessees. It eliminates the current IAS 17 dual accounting model, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases and, instead, introduces a single, on-balance sheet accounting model that is similar to current finance lease accounting. In preparation for the adoption of IFRS 16, in the financial statements for the year ending 31 December 2019, management are in the process of assessing the potential impact. We have carried out a preliminary review of the impact of the changes to IFRS 16. The standard is expected to have an impact, with the main impact being on the Group's land and buildings operating leases being recognised on balance sheet. A systematic review will be completed next year to quantify the impact of this new standard.

3. Acquisitions and Disposals

OnTrees

On 14 March 2014, the Group acquired the trade and assets of OnTrees for consideration of £1.5m paid in cash. Accordingly £1.5m of goodwill was recognised in the Consolidated Statement of Financial Position in relation to the acquisition. OnTrees is a bank account and credit card aggregation service provider. In the prior year, the goodwill was impaired as the business had been aggregated within the mobile app and was not expected to generate revenues for the foreseeable future.

Social Significance Limited

On 22 February 2016, the Group acquired a 12.8% shareholding in Social Significance Limited for consideration of £0.5m paid in cash. Accordingly £0.5m of investments was recognised in the Consolidated Statement of Financial Position in 2016 in relation to the acquisition. This shareholding was disposed of on 27 January 2017, resulting in a profit on disposal of £1.1m in 2017.

Other investments

Two small minority investments were made during the year in fintech businesses totalling £0.4m.

4. Segmental information

Business segments

In applying IFRS 8 – Operating segments, the Group has disclosed five reportable segments, being Money, Insurance, Travel, Home Services and MoneySavingExpert.com. Money, Insurance and Home Services operate under the brand name MoneySuperMarket.com, and Travel under the brand name TravelSupermarket.com, however, all four segments are reported separately. MoneySavingExpert.com is disclosed as a separate operating segment, with revenue generated by the shopping and vouchers channel reported within 'Other'. This disclosure correlates with the information which is presented to the Group's Chief Operating Decision Maker, the Company Board, which reviews revenue by segment. The Group's costs, finance income, tax charges and net assets are only reviewed by the Chief Operating Decision Maker at a consolidated level, with the exception of MoneySavingExpert.com, and therefore have not been allocated between all segments in the analysis below. All of the Group revenue of £329.7m (2016: £316.4m) reported in 2017 was generated in the UK.

	Money £m	Insurance £m	Travel £m	Home Services £m	Money Saving Expert £m	Reportable segments total £m	Other £m	Inter-segmental revenue £m	**Total £m**
Year ended 31 December 2017									
Revenue									
Segment revenue	81.2	173.6	23.3	39.6	41.5	359.3	–	(29.6)	329.7
Results									
Operating expenses					(13.4)				(234.8)
Operating profit					28.1				94.9
Net finance costs									(0.8)
Profit on disposal of associate and investment									2.0
Profit before tax									96.1
Taxation									(18.0)
Profit for the year									78.1
At 31 December 2017									
Assets and liabilities									
Intangible assets									37.0
Goodwill									107.6
Other unallocated assets									87.8
Total assets									232.4
Deferred tax liabilities									9.5
Other unallocated liabilities									52.9
Total liabilities									62.4
Other segment information									
Capital expenditure									
Property, plant and equipment									1.2
Intangible assets									15.8
Investments									0.4
Total capital expenditure									17.4
Depreciation									1.2
Amortisation									19.5

4. Segmental information continued

	Money £m	Insurance £m	Travel £m	Home Services £m	Money Saving Expert £m	Reportable segments Total £m	Other £m	Inter-segmental revenue £m	Total £m
Year ended 31 December 2016									
Revenue									
Segment revenue	78.9	155.2	22.3	51.0	36.8	344.2	0.7	(28.5)	**316.4**
Results									
Operating expenses					(10.6)				**(225.2)**
Operating profit					26.2				**91.2**
Net finance costs									**(0.7)**
Profit on disposal of associate									**0.8**
Profit before tax									**91.3**
Taxation									**(17.8)**
Profit for the year									**73.5**
At 31 December 2016									
Assets and liabilities									
Intangible assets (excluding goodwill)									**50.0**
Goodwill									**107.6**
Other unallocated assets									**91.9**
Total assets									**249.5**
Deferred tax liabilities									**8.3**
Other unallocated liabilities									**54.8**
Total liabilities									**63.1**
Other segment information									
Capital expenditure									
Property, plant and equipment									**0.6**
Intangible assets									**22.6**
Investments									**0.5**
Total capital expenditure									**23.7**
Depreciation									**1.9**
Amortisation									**25.6**

5. Results from operating activities

	31 December 2017 £m	31 December 2016 £m
Profit on ordinary activities before taxation is stated after charging		
Depreciation of property, plant and equipment	**1.2**	1.9
Amortisation of intangible assets	**19.5**	25.6
Research and development expenditure	**–**	0.8
Operating lease rentals	**2.2**	2.2
Impairments	**9.3**	2.2
Auditor's remuneration:		
Audit of these Financial Statements	**0.1**	0.1
Audit of subsidiaries' Financial Statements	**0.1**	0.1

6. Staff numbers and cost

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

	Number of employees 31 December 2017	Number of employees 31 December 2016
IT operations	**173**	164
Administration	**458**	434
	631	598

The aggregate payroll costs of these persons were as follows:

	31 December 2017 £m	31 December 2016 £m
Wages and salaries	**37.9**	34.7
Compulsory social security contributions	**4.7**	4.1
Contributions to defined contribution plans	**1.6**	1.6
Equity-settled share-based payment transactions	**2.0**	1.9
Social security contributions related to share awards and options	**0.3**	0.2
	46.5	42.5

7. Net finance costs

	31 December 2017 £m	31 December 2016 £m
Finance income		
Interest received on bank deposits	**0.1**	0.1
Finance expense		
Interest payable on loan facility	**(0.9)**	(0.8)
Net finance costs	**(0.8)**	(0.7)

8. Taxation

Tax charged in the Consolidated Statement of Comprehensive Income

	31 December 2017 £m	31 December 2016 £m
Current tax		
Current tax on income for the year	**18.7**	18.3
Adjustment in relation to prior period	**(1.5)**	(0.9)
	17.2	17.4
Deferred tax		
Origination and reversal of temporary differences	**–**	0.2
Adjustment in relation to prior period	**0.8**	0.2
	0.8	0.4
Tax expense for the year	**18.0**	17.8

8. Taxation continued

Reconciliation of the effective tax rate

The tax charge for the year is lower (2016: lower) than the effective standard rate of corporation tax in the UK in 2017 of 19.25% (2016: 20%). The differences are explained below.

	31 December 2017 £m	31 December 2016 £m
Profit before tax	**96.1**	91.3
Standard rate of tax at 19.25% (2016: 20%)	**18.5**	18.3
Effects of:		
Expenses not deductible for tax purposes	**0.2**	0.1
Other current and deferred tax movements	**–**	0.1
Adjustments in relation to prior periods	**(0.7)**	(0.7)
Tax expense for the year	**18.0**	17.8

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on these rates.

9. Earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year. The Company's own shares held by employee trusts are excluded when calculating the weighted average number of ordinary shares outstanding.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings per share

Basic and diluted earnings per share has been calculated on the following basis:

	31 December 2017	31 December 2016
Profit after taxation attributable to ordinary equity holders (£m)	**78.1**	73.5
Basic weighted average ordinary shares in issue (millions)	**540.8**	546.6
Dilutive effect of share-based instruments (millions)	**1.7**	2.2
Diluted weighted average ordinary shares in issue (millions)	**542.5**	548.8
Basic earnings per ordinary share (p)	**14.4**	13.5
Diluted earnings per ordinary share (p)	**14.4**	13.4

10. Dividends

	31 December 2017 £m	31 December 2016 £m
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2015: 6.60p per share	**–**	36.1
Interim dividend for 2016: 2.75p per share	**–**	15.0
Final dividend for 2016: 7.10p per share	**38.7**	–
Interim dividend for 2017: 2.84p per share	**15.4**	–
Total dividend paid in the year	**54.1**	51.1
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2017: 7.60p per share (2016: 7.10p per share)	**40.7**	–

11. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Office equipment £m	Fixtures and fittings £m	Total £m
Cost:					
At 1 January 2016	6.8	28.5	1.2	1.8	38.3
Additions	0.3	0.5	(0.2)	–	0.6
At 31 December 2016	7.1	29.0	1.0	1.8	38.9
Additions	2.8	0.1	–	0.2	3.1
At 31 December 2017	**9.9**	**29.1**	**1.0**	**2.0**	**42.0**
Depreciation:					
At 1 January 2016	1.0	26.4	0.7	1.4	29.5
Depreciation for the year	0.2	1.3	0.2	0.2	1.9
At 31 December 2016	1.2	27.7	0.9	1.6	31.4
Depreciation for the year	0.4	0.5	0.1	0.2	1.2
At 31 December 2017	**1.6**	**28.2**	**1.0**	**1.8**	**32.6**
Carrying amounts:					
At 31 December 2016	5.9	1.3	0.1	0.2	7.5
At 31 December 2017	**8.3**	**0.9**	**–**	**0.2**	**9.4**

12. Intangible assets

	Market related £m	Customer relationship £m	Customer list £m	Technology related £m	Goodwill £m	Total £m
Cost:						
At 1 January 2016	148.7	69.3	2.3	45.7	181.9	447.9
Additions internally developed	–	–	–	22.6	–	22.6
Transfer	–	–	–	(1.1)	–	(1.1)
At 31 December 2016	148.7	69.3	2.3	67.2	181.9	469.4
Additions internally developed	–	–	–	15.8	–	15.8
At 31 December 2017	**148.7**	**69.3**	**2.3**	**83.0**	**181.9**	**485.2**
Amortisation:						
At 1 January 2016	122.0	69.3	2.3	17.6	72.8	284.0
Amortisation charge for the year	14.5	–	–	11.1	–	25.6
Impairment	–	–	–	0.7	1.5	2.2
At 31 December 2016	136.5	69.3	2.3	29.4	74.3	311.8
Amortisation charge for the year	7.3	–	–	12.2	–	19.5
Impairment	–	–	–	9.3	–	9.3
At 31 December 2017	**143.8**	**69.3**	**2.3**	**50.9**	**74.3**	**340.6**
Carrying amounts						
At 31 December 2016	12.2	–	–	37.8	107.6	157.6
At 31 December 2017	**4.9**	**–**	**–**	**32.1**	**107.6**	**144.6**

Included within the technology related intangible assets are technology related intangible assets under development with a net book value of £10.6m (2016: £12.3m).

Included within the above additions are accrued costs of £1.1m (2016: £4.3m). The transfer in 2016 relates to Research & Development tax credits claimed on the development cost relating to the technology related intangible assets.

As highlighted in Note 2, there is a degree of uncertainty regarding the recognition of costs incurred in developing technology related intangible assets. This is due to the asset recognition criteria being predicated on future economic benefit flowing from that asset. Management are confident however that any spend capitalised satisfies the criteria of IAS38 – Intangible Assets and, where relevant, SIC-32 Intangible Assets – Web Site Costs. On an annual basis, or where an indication exists, the Group is required to assess its goodwill and intangible assets for impairment, see page 98-99 for the assessment for goodwill and technology related assets.

During 2007 the Group employed the services of an appropriately qualified and experienced independent third party to value the intangible assets acquired from Moneysupermarket.com Financial Group Limited. This valuation was used as the initial carrying value for these assets. Following the impairment in 2008, the market capitalisation of the Group approximated to the total carrying value of the goodwill, intangible and other non-current assets of the Group. At 31 December 2017 the market capitalisation exceeded the carrying value of the goodwill, intangible and other non-current assets, and net current assets by more than 100% (2016: more than 100%).

12. Intangible assets continued

On adoption of IFRS 8 the Group was required to allocate goodwill between its cash generating units (CGU) that represent the lowest level within the Group at which goodwill is monitored for internal management purposes, but are not larger than an operating segment as defined by IFRS 8. These CGUs are the five operating segments Insurance, Money, Travel, Home Services and MoneySavingExpert.com. The Group has performed impairment testing at a CGU level. For the original four segments, the goodwill was allocated on 1 January 2009 based on estimates of the relative values of the operating segments at that date with £30.7m allocated to Insurance, £15.5m to Money, £6.6m to Travel and £2.2m to Home Services. The balances at 31 December 2017 are in line with those at 1 January 2009. Goodwill impairment testing for MoneySavingExpert.com has been considered separately from the four operating segments outlined above and the Group.

Impairment review by vertical and Group

For the current year, the recoverable amount of the assets was taken to be their value in use and was calculated by reference to the forecast cash flows.

The present value of the future cash flows has been calculated with the following key assumptions:

- Cash flows for years 1–3 for each CGU represent management's best estimate of future cash flows as at 31 December 2017, and are based upon the Group's approved three year strategic plan incorporating cost of sales, advertising and an allocation of overhead costs. The main assumptions underlying the plan relate to visitor volumes, source of visitors, revenue per transaction/visitor and marketing spend, which incorporate past experience. The forecast assumes continued growth during the course of the next three years, driven by new media campaigns, exploitation of the Group's data asset and further investments made during 2017 in the core technology underpinning the Group's key channels.
- Cash flows after three years assume no growth.
- Cash flows into perpetuity have been incorporated into the calculations.
- A pre-tax discount rate of 13.5% (2016: 13.5%) has been used in the forecast for the Insurance, Money, Travel and Home Services segments.

A different set of assumptions may be more appropriate in future years dependent on changes to the macro-economic environment.

The analysis performed calculates that the recoverable amount of the assets allocated to the Insurance, Money, Travel and Home Services segments exceeds their carrying value by in excess of 100% (2016: 100%), and as such, no impairment was identified. No reasonably possible change to a key assumption would result in an impairment.

As explained in note 4, whilst the Group is able to allocate revenue between the Insurance, Money, Travel and Home Services operating segments, its cost base is reviewed by the Group's Chief Operating Decision Maker at a Group rather than segmental level, and a number of the significant costs which the Group incurs cannot be allocated either directly or on a reasonable and consistent basis to the CGUs that are each operating segment. Therefore the cash flows estimated for these segments include all of the Group's forecast revenues and an allocation of the Group's forecast costs.

The Group has therefore also performed a further impairment test for the Group as a whole, in a manner consistent with previous years. In these calculations the Group is treated as one group of CGUs, and the test compared the carrying amount, including goodwill and other corporate assets, to the recoverable amount.

The recoverable amount has been estimated based on the present value of its future cash flows, which has been calculated with a set of assumptions consistent with those set out above in relation to the individual operating segment calculations.

The analysis performed calculates that the recoverable amount of the Group's assets exceeds their carrying value by in excess of 100% (2016: 100%), and as such, no impairment was identified.

With regard to the Group level impairment testing, no reasonably possible change to a key assumption would result in an impairment (2016: same).

Impairment review of MoneySavingExpert.com

The recoverable amount has been estimated based on the present value of its future cash flows using the following key assumptions:

- Cash flows for the first three years represent management's best estimate of future cash flows as at 31 December 2017, and are based upon the Group's approved three year strategic plan. The main assumptions underlying the plan relate to visitor numbers, the amount of revenue generated per visitor, and the staff resource required to run the business. The forecast assumes an improvement over the next three years, driven by investments in technology and search engine optimisation.
- Cash flows after three years assume no growth.
- Cash flows into perpetuity have been built into the model.
- A pre-tax discount rate of 16.2% (2016: 16.2%) has been used in the forecast.
- The carrying value of goodwill is £52.6m at 31 December 2017

12. Intangible assets continued

The analysis performed calculates that the recoverable amount of the assets exceeds their carrying value by in excess of 100% (2016: in excess of 100%), and as such, no impairment was identified. With regard to the impairment testing, no reasonably possible change to a key assumption would result in an impairment (2016: same).

Impairment testing of technology related intangible assets

Technology related intangible assets in use by the Group are tested for impairment if there is an indication that the asset may be impaired. The Group also conducts annual impairment testing of significant technology related intangible assets under development and not yet available for use.

Following a Strategic review conducted during 2017, the Group determined that a number of assets, or portions of assets, were no longer considered to be an integral part of the Group's operations and the decision was made to fully impair these assets. The impairments related to an element of the Enterprise Data Warehouse (£3.0m), the Reset Adobe Experience Manager project which is developing the front end of the website (£2.2m), early versions of Mobile Apps (£3.3m) and an element of work conducted on a back office system (£0.8m).

Enterprise Data Warehouse ('EDW') is a project to build a data repository and drive improvements in understanding the business and enriching customer experience. Although partially impaired in 2017, EDW had a remaining carrying value at 31 December 2017 of £5.6m. Management expect EDW to go live in 2018, therefore it still has 60 months remaining to amortise over.

Project Dawn is a project to re-platform the Energy channel and it's back end services to improve efficiencies for the Group and its providers. At 31 December 2017 Project Dawn had a carrying value of £4.5m. Management expect this to go live early in 2018, therefore it still has 36 months remaining to amortise over.

Project Fusion is a project to migrate all remaining channels to the Adobe Experience Manager platform to drive back end efficiencies. At 31 December 2017 Project Fusion had a carrying value of £4.1m. Management expect this will go live early in 2018, therefore it still has 36 months remaining to amortise over.

13. Trade and other receivables

	31 December 2017 £m	31 December 2016 £m
Trade and other receivables	**37.4**	35.7

All receivables fall due within one year.

As a result of click based revenue being recognised in the period that the lead is generated, there is an element of subjectivity in calculating a revenue accrual as a result of estimating the number of successful applications on the provider's website in the period between the latest provider data available and the year end. This revenue accrual can typically represent approximately one month's revenue. The accrued revenue is estimated by considering the volume of clicks that have passed from the Group's websites through to provider websites in the period, the historic conversion of such clicks into completed product purchases, and contracted revenue per transaction. From historical experience and post year end confirmation, the Group expects any differences between the amounts accrued at year end and those amounts subsequently billed to be not materially different. A +/- 1% difference of the £23.5m revenue accrual (2016: £24.7m) would equate to approximately £0.2m (2016: £0.2m).

At 31 December 2017, trade receivables are shown net of a provision for doubtful debts of £0.6m (2016: £0.4m), which represents a judgement made by management of which receivables balances are unlikely to be recovered taking into consideration the ageing of the debt, evidence of poor payment history or financial position of a particular debtor.

13. Trade and other receivables continued

Movements in the provision for doubtful debts were as follows:

	31 December 2017 £m	31 December 2016 £
At 1 January	**0.4**	0.2
Charge for the year	**0.2**	0.2
At 31 December	**0.6**	0.4

As at 31 December, the analysis of trade and other receivables that were past due but not impaired is as follows:

			Past due not impaired				
	Total £m	Neither past due nor impaired £m	0–30 days £m	30–60 days £m	60–90 days £m	90–120 days £m	>120 days £'000
At 31 December 2016	35.7	24.7	6.0	3.5	0.6	0.9	–
At 31 December 2017	**37.4**	**23.5**	**13.2**	**0.2**	**0.1**	**0.4**	–

The Group's standard payment terms are typically 15 days.

14. Trade and other payables

Non-current

	31 December 2017 £m	31 December 2016 £m
Unsecured borrowings at amortised cost	**–**	–

In December 2015, the Group secured a new three-year revolving credit facility for an amount of £100m in committed funds provided in equal parts by Lloyds Bank Plc and Barclays Bank Plc plus an accordion option to apply to the banks for up to an additional £100m of funds. In November 2017, the Group exercised its option to extend the revolving credit facility by a further year to December 2020. The Group had no amounts drawn down from the facility at 31 December 2017. The balance of the up front arrangement fees, totalling £0.2m, is held within prepayments.

Current

	31 December 2017 £m	31 December 2016 £m
Trade payables	**34.2**	32.3
Non-trade payables and accrued expenses	**12.3**	14.4
Deferred income	**0.4**	0.1
	46.9	46.8

As a result of click based revenue being recognised in the period that the lead is generated, an accrual for the cost of sales, such as partner revenue share agreements, relating to the revenue accrued at the year end date (see note 13) is included within trade payables.

15. Deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 December 2017 £m	31 December 2016 £m
Intangible assets recognised under IFRS	**–**	1.1
Share schemes	**(0.7)**	(1.1)
Goodwill related to MoneySavingExpert.com	**10.4**	8.3
Accelerated capital allowances	**(0.2)**	–
Deferred tax liability at 31 December	**9.5**	8.3

The above deferred tax liability relating to the goodwill of MoneySavingExpert.com is due to the amortisation of this balance within the individual accounts of the Company which are prepared under a different accounting framework. The recognition of a deferred tax liability within these consolidated accounts is to reflect the tax benefit already claimed by the Group on the goodwill balance shown.

15. Deferred tax liabilities continued

The following table illustrates the movement in the deferred tax liabilities during the year:

	31 December 2017 £m	31 December 2016 £m
At 1 January	**8.3**	7.6
Temporary differences on:		
Intangible assets	**1.0**	0.3
Property, plant and equipment	**(1.0)**	(0.3)
Revaluation of LTIP equity-settled share awards	**0.5**	0.6
Issue of LTIP equity-settled share awards	**(0.1)**	(0.1)
Impact of changes in tax rate	**–**	–
Adjustment in relation to prior period	**0.8**	0.2
At 31 December	**9.5**	8.3

Deferred tax liabilities arose from the creation of the intangible assets upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, and the acquisition of MoneySavingExpert.com. Deferred tax assets arise on share option schemes based on the expected tax deduction on vesting. Deferred tax assets and liabilities have been calculated at the applicable tax rate enacted at the balance sheet date of either 19%, 18% or 17% depending on when the temporary timing difference is expected to reverse.

16. Capital

The nominal value of ordinary shares is 0.02p. The following rights attached to the shares in issue during the year:

Ordinary shares

The holders of ordinary shares were entitled to returns of capital, receive a dividend and vote.

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2017	547,682,254
Issued on exercising of SAYE options	438,960
Shares repurchased and cancelled	(11,941,410)
At 31 December 2017	**536,179,804**

	Ordinary shares nominal value £
At 1 January 2017	109,536
Issued on exercising of SAYE options	88
Shares repurchased and cancelled	(2,388)
At 31 December 2017	**107,236**

The Group operates a Long Term Incentive Plan under which conditional nil cost awards of ordinary shares in the Company have been made to certain Directors and employees of the Group, and an HMRC approved Save As You Earn scheme ('Sharesave') eligible to all employees (see note 18).

17. Financial instruments

Interest rate risk

The Group invests its cash in a range of cash deposit accounts with UK banks. Interest earned therefore closely follows movements in Bank of England base rates. A movement of 1% in this rate would result in a difference in annual pre-tax profit of £0.4m (2016: £0.5m) based on Group cash, cash equivalents and financial instruments at 31 December 2017. At the balance sheet date, £18.4m was invested with Lloyds Banking Group, this being the most invested with any one bank.

Effective interest rates

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the year end date:

	31 December 2017		31 December 2016	
	Effective interest rate	£m	Effective interest rate	£m
Cash and cash equivalents	**0.24%**	**35.1**	0.45%	44.6

17. Financial instruments continued

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating risk of financial loss from default. The Group's exposure is continuously monitored by the credit control team and finance management.

Of the top 75% of the Group's providers by revenue, approximately 43% (2016: 41%) of these are UK quoted companies with the remainder being a mixture of larger UK independent companies and overseas owned or quoted companies. At the balance sheet date, the five largest trade receivables, by provider, accounted for 19% (2016: 15%) of the total trade receivables balance of £37.4m (2016: £35.7m) and the largest individual balance was £1,815,382 (2016: £1,982,343).

The Group does not consider it has any material contracts with providers in any one channel.

Fair values

The Group's financial assets and liabilities are principally short-term in nature, and therefore their fair value is not materially different from their carrying value. The valuation method for the Group's financial assets and liabilities can be defined as follows:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets and liabilities are valued at amortised cost. There have been no transfers between levels in the year.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risks, are set out below:

	31 December 2017 £m	31 December 2016 £m
Unsecured bank loan facilities with a maturity date of 7 December 2019		
– amount used	**–**	–
– amount unused	**–**	100
Unsecured bank loan facilities with a maturity date of 7 December 2020		
– amount used	**–**	–
– amount unused	**100**	–

In December 2015, the Group secured a new three-year revolving credit facility for an amount of £100m in committed funds provided in equal parts by Lloyds Bank Plc and Barclays Bank Plc. In November 2017, the Group exercised its option to extend the three-year revolving credit facility by a further year to December 2020.

Interest would be payable on the new facility at a rate of LIBOR plus an applicable margin rate based on the adjusted leverage of the Group. The Group also has an accordian option to apply to the banks for up to an additional £100m of committed funds.

18. Share-based payments

Share Incentive Plan scheme ('SIP')

Upon listing, the Company granted £3,000 of ordinary shares at the price of £1.70 per ordinary share to each eligible employee free of charge. If an employee left within one year of listing, all of these ordinary shares were forfeit; between one and two years of listing, 50% were forfeit; between two and three years of listing, 20% were forfeit; and after three years of listing, none were forfeit. 948,184 shares were issued under the Share Incentive Plan scheme in 2007. On 31 July 2010 eligible employees became entitled to receive their allocation of free shares. 2,638 (2016: 13,552) shares have been withdrawn from the trust by employees during the period and a further 28,847 remain held in trust (2016: 31,485).

18. Share-based payments continued

Long-Term Incentive Plan scheme ('LTIP')

During 2014, conditional awards were made over 2,393,584 ordinary shares under the Moneysupermarket.com Group PLC Long-Term Incentive Plan scheme to senior employees ('2014 LTIPs'). Under this scheme, up to 70% of the award vests at the end of a three-year period dependent upon the achievement of a specified average growth rate in adjusted EBITDA from 31 December 2013 to 31 December 2016, and up to 30% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies. On 3 April 2017 the awards vested at 81% of the maximum following full achievement of the TSR performance criteria and 72% achievement of the adjusted EBITDA performance criteria.

During 2015, conditional awards were made over 1,934,670 ordinary shares under the Moneysupermarket.com Group PLC Long-Term Incentive Plan scheme to senior employees ('2015 LTIPs'). Under this scheme, up to 70% of the award vests at the end of a three-year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2014 to 31 December 2017, and up to 30% of the award vests at the end of a three-year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2016, conditional awards were made over 1,190,535 ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan scheme to senior employees ('2016 LTIPs'). Under this scheme, up to 70% of the award vests at the end of a three year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2015 to 31 December 2018, and up to 30% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2017, conditional awards were made over 1,304,728 ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan and the Moneysupermarket.com Group PLC 2017 Long Term Incentive Plan scheme to senior employees (2017 LTIPs). Under this scheme, up to 80% of the award vests at the end of a three year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2016 to 31 December 2019, and up to 20% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

1. The figure for the award made in 2014 is the maximum available if the performance targets are met in full, representing 150% of the actual awards made. The figures for the 2015, 2016 and 2017 awards are equal to the awards made as the options vest at a maximum of 100%.

Sharesave scheme

During 2014, the Group granted options under the existing HMRC approved Moneysupermarket.com Group PLC Sharesave Scheme available to all employees. The scheme allows employees to save an amount of their net pay into a savings account each month and, at the end of the three-year period, choose to either receive back their savings or use them to buy ordinary shares in the Company at a discounted exercise price. The exercise price for the 2014 Sharesave options was fixed at 149.5p per share. On 1 November 2017 the options became exercisable, enabling participants to buy shares at the exercise price of 149.5p. The market price of a share on 1 November 2017 was 329.10p.

During 2015, the Group granted further options under the existing HMRC approved sharesave scheme available to all employees, on the same basis as the grant in 2014. The exercise price for the 2015 Sharesave options was fixed at 264.0p per share.

During 2016, the Group granted further options under the existing HMRC approved sharesave scheme available to all employees, on the same basis as the grants in 2014 and 2015. The exercise price for the 2016 Sharesave options was fixed at 240.0p per share.

During 2017, the Group granted further options under the existing HMRC approved sharesave scheme available to all employees, on the same basis as the grants in 2014, 2015 and 2016. The exercise price for the 2017 Sharesave options was fixed at 256.0p per share.

Movements in the year

The following table illustrates the number and weighted average exercise price ('WAEP') of, and movements in, share options during the year. The number of awards in the table represents the number awarded, of which, in respect of awards granted in 2014 and prior to that, up to 150% could vest:

	Number	WAEP
Outstanding at 1 January 2016	3,555,924	£0.00
LTIP awards made during the year	1,190,535	£0.00
LTIP awards vested and exercised during the year	(824,471)	£0.00
LTIP awards forfeit during the year	(188,850)	£0.00
Outstanding at 31 December 2016	3,733,138	£0.00
LTIP awards made during the year	1,304,728	£0.00
LTIP awards vested and exercised during the year	(1,199,869)	£0.00
LTIP awards forfeit during the year	(364,394)	£0.00
Outstanding at 31 December 2017	**3,473,603**	**£0.00**

18. Share-based payments continued

The following table lists the inputs to the Black-Scholes models and Monte Carlo simulations used for the schemes for the year ended 31 December 2017:

	2017 Sharesave	2016 Sharesave	2015 Sharesave	2017 LTIP I/II	2016 LTIP I/II	2015 LTIP II	2015 LTIP
Fair value at grant date (£)	1.53	1.46	1.46	3.39	3.25	3.26	2.80
Share price (£)	3.18	3.01	3.34	3.39	3.25	3.26	2.80
Exercise price (£)	2.56	2.40	2.64	0.0	0.0	0.0	0.0
Expected volatility (%)	77.2	77.2	63.6	84.5	84.5	60.0	58.0
Expected life of option/ award (years)	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Weighted average remaining contractual life (years)	2.8	1.8	0.8	2.3/2.4	1.3/1.7	0.7	0.4
Expected dividend yield (%)	3.1	3.1	2.5	0.0	0.0	0.0	0.0
Risk-free interest rate (%)	0.1	0.5	0.9	0.2	0.5	0.8	1.8

Expected volatility has been estimated by considering historic average share price volatility for the Company or similar companies. Staff attrition has been assessed based on historic retention rates.

The share option charge in the Consolidated Statement of Comprehensive Income can be attributed to the following types of share option and share award:

	31 December 2017 £m	31 December 2016 £m
Long Term Incentive Plan scheme	**1.6**	1.6
Sharesave scheme	**0.4**	0.3
	2.0	1.9

19. Operating lease commitments

The future minimum lease commitments under non-cancellable operating leases are as follows:

	Plant and equipment 31 December 2017 £m	Plant and equipment 31 December 2016 £m	Land and buildings 31 December 2017 £m	Land and buildings 31 December 2016 £m
Operating lease commitment payments: Within one year	**–**	–	**3.3**	2.5
Between two and five years	**–**	0.1	**10.4**	13.6
Over five years	**–**	–	**24.2**	26.8
	–	0.1	**37.9**	42.9

In December 2017 a further one year lease agreement was signed for the Group's office space in Manchester which is used as a lab facility.

20. Pensions and other post-employment benefit plans

The Group operates a defined contribution pension scheme based on base salary. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amounts charged to the Consolidated Statement of Comprehensive Income represent the contributions payable to the scheme in respect of the accounting period. In the year ended 31 December 2017 £1.6m of contributions were charged to the Consolidated Statement of Comprehensive Income (2016: £1.6m). As at 31 December 2017 £nil (2016: £nil) of contributions were outstanding on the balance sheet.

21. Commitments and contingencies

The Group is committed to incur capital expenditure during 2018 on office fixture and fittings, and property, plant and equipment of £1.6m (2016: £nil).

Along with most companies of our size, the Group is a defendant in a small number of disputes incidental to its operations and from time to time is under regulatory scrutiny.

As a leading website operator, the Group occasionally experiences operational issues due to errors in operating procedures or technology which result in incorrect or incomplete product or customer data being transferred to or from providers. These issues can in some instances lead to customer detriment, dispute and potentially cash outflows. During 2017, there have been two such issues but the Group does not expect either of them to have a significant impact. The Group has a Professional Indemnity Insurance Policy in order to mitigate liabilities arising out of events such as this.

In aggregate, the commitments and contingencies outlined above are not expected to have a material adverse effect on the Group.

22. Related party transactions

The Group has the following investments in all of its subsidiaries:

	Country of incorporation	Ownership interest %	Principal activity
Moneysupermarket.com Financial Group Limited	UK	100	Holding company
Moneysupermarket.com Limited	UK	100	Internet price comparison
Moneysupermarket.com Financial Group Holdings Limited	UK	100	Holding company
MoneySavingExpert.com Limited	UK	100	Personal finance website
Travelsupermarket.com Limited	UK	100	Dormant
Insuresupermarket.com Limited	UK	100	Dormant
Mortgage 2000 Limited	UK	100	Financial intermediary services
Moneysupermarket Limited	UK	100	Dormant

The Company is the ultimate parent entity of the Group. Intercompany transactions with wholly-owned subsidiaries have been excluded from this note, as per the exemption offered in IAS 24. The list above represents all companies within the Group. All companies within the Group are registered at the addresses shown below. All shareholdings with all subsidiaries are ordinary shares.

	Aggregate capital reserves £m	Profit / (loss) for the year	Registered office address	Class of shares held	Ownership 31 December 2017	Ownership 31 December 2016
Moneysupermarket.com Financial Group Limited	57.7	1.1	19-22 Rathbone Place, London, UK, WIT 1HY	Ordinary	100%	100%
Moneysupermarket.com Limited	146.1	57.2	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	100%	100%
Moneysupermarket Financial Group Holdings Limited	87.0	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	100%	100%
Moneysavingexpert.com Limited	26.1	20.4	19-22 Rathbone Place, London, UK, WIT 1HY	Ordinary	100%	100%
Travelsupermarket.com Limited	–	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	100%	100%
Insuresupermarket.com Limited	–	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	100%	100%
Mortgage 2000 Limited	0.2	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	100%	100%
Moneysupermarket Limited	–	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	100%	100%

The Company is the ultimate parent entity of the Group. Intercompany transactions with wholly-owned subsidiaries have been excluded from this note, as per the exemption offered in IAS 24. The list above represents all companies within the Group. All companies within the Group are registered at the addresses shown above. The Company's registered office is disclosed on page 77. All shareholdings with all subsidiaries are ordinary shares.

22. Related party transactions continued

Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to Directors and Executive Officers. Directors and Executive Officers also participate in the Group's Long-Term Incentive Plan.

Bruce Carnegie-Brown, Peter Plumb (final 2016 dividend only, prior to resigning as a Director), Matthew Price, Robin Freestone and Sally James received dividends from the Group totaling £71,909 (2016: £114,117).

There were no amounts outstanding to the Company or any future commitments of the Company as at 31 December 2017 (2016: nil).

Key management personnel compensation

Key management, defined as the executive management team, received the following compensation during the year:

	31 December 2017 £m	31 December 2016 £m
Short-term employee benefits	**2.8**	2.4
Short-term contractor payments	**–**	0.2
Share-based payments	**1.1**	1.2
Post-employment benefits	**0.5**	0.4
	4.4	4.2

In addition to the above, the executive management team received a bonus of £2.1m (2016: £2.2m) in relation to the reporting period.

23. Disposal of associate and investment

On 7 May 2014, Moneysupermarket.com Financial Group Limited, sold its investment in HD Decisions Limited to a third party. The investment was sold for a maximum consideration of up to £7.1m, including a deferred element payable of up to £1.9m. A further contingent profit on disposal of £0.8m was received in 2016 and a final amount of £0.9m in June 2017. No further amounts are due.

In January 2017, the investment in Social Significance Limited was disposed of for a total consideration of £1.5m, resulting in a profit on disposal of £1.1m.

24. Post balance sheet events

There are no significant post balance sheet events.

Company Balance Sheet
at 31 December 2017

	Note	31 December 2017 £'000	31 December 2016 £'000
Fixed assets			
Investments	4	**181.7**	181.7
Total fixed assets		**181.7**	181.7
Current assets			
Debtors (including amounts falling due in more than one year £267,900, 2016: £301,270)	5, 8	**268.6**	304.2
Cash at bank and in hand		**0.3**	1.0
Total current assets		**268.9**	305.2
Creditors: amounts falling due within one year	6	**(170.4)**	(110.4)
Net current assets		**98.5**	194.8
Creditors: amounts falling due after one year	7	**–**	–
Net assets		**280.2**	376.5
Capital and reserves			
Share capital	10	**0.1**	0.1
Share premium		**203.3**	202.7
Other reserves		**16.9**	16.9
Profit and loss account		**63.4**	160.5
Reserve for own shares		**(3.5)**	(3.7)
Shareholders' funds		**280.2**	376.5

The Financial Statements were approved by the Board of Directors and authorised for issue on 21 February 2018. They were signed on its behalf by:

Mark Lewis
Chief Executive Officer

Matthew Price
Chief Financial Officer

Registered number: 6160943

Statement of Changes in Equity
for the year ended 31 December 2017

	Issued share capital £m	Share premium £m	Other reserves £m	Profit and loss account £m	Reserve for own shares £m	Total £m
At 1 January 2016	0.1	202.4	16.9	212.3	(3.8)	427.9
Profit for the year	–	–	–	1.9	–	1.9
Total comprehensive income	–	–	–	1.9	–	1.9
New shares issued	–	0.3	–	–	–	0.3
Purchase of shares by employee trusts	–	–	–	–	(3.9)	(3.9)
Exercise of LTIP awards	–	–	–	(4.0)	4.0	–
Distribution in relation to LTIP	–	–	–	(0.5)	–	(0.5)
Equity dividends	–	–	–	(51.1)	–	(51.1)
Share-based payments	–	–	–	1.9	–	1.9
At 31 December 2016	0.1	202.7	16.9	160.5	(3.7)	376.5
Loss for the year	–	–	–	(1.8)	–	(1.8)
Total comprehensive income	–	–	–	(1.8)	–	(1.8)
New shares issued	–	0.6	–	–	–	0.6
Purchase of shares by employee trusts	–	–	–	–	(2.7)	(2.7)
Purchase of own shares	–	–	–	(40.0)	–	(40.0)
Exercise of LTIP awards	–	–	–	(2.9)	2.9	–
Distribution in relation to LTIP	–	–	–	(0.3)	–	(0.3)
Equity dividends	–	–	–	(54.1)	–	(54.1)
Share-based payments	–	–	–	2.0	–	2.0
At 31 December 2017	**0.1**	**203.3**	**16.9**	**63.4**	**(3.5)**	**280.2**

Other reserves
The other reserves balance represents the merger reserve of £16.9m generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed below, and a capital redemption reserve for £19,000 arising from the acquisition of 95,294,118 deferred shares of 0.02p by the Company from Simon Nixon.

Upon the acquisition of Moneysupermarket.com Financial Group Limited, a merger reserve of £16.9m for 45% of the book value transferred from a company under common control was recognised.

Reserve for own shares
The reserve for the Company's own ordinary shares comprises the cost of the Company's ordinary shares held by the Group through employee trusts. At 31 December 2017, the Group held 365,116 ordinary shares at a cost of 0.02p per share through a Share Incentive Plan trust for the benefit of the Group's employees.

The Group also held 821,573 shares through an Employee Benefit Trust at a cost of 309.19p per share for the benefit of employees participating in the various Long Term Incentive Plan schemes.

Notes to the Company Financial Statements

1. Accounting policies
Basis of preparation
Moneysupermarket.com Group PLC (the 'Company') is a company limited by shares and incorporated and domiciled in England, UK. The registered office is disclosed on page 77.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000,000. These Financial Statements are prepared on the historical cost basis.

No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The loss after tax for the Company was £1.8m (2016: profit of £1.9m) which included dividends received of £nil (2016: £nil).

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102, and the following exemptions were taken in the 2015 Financial Statements:
- Business combinations – Business combinations that took place prior to transition date have not been restated.

The Company is the ultimate parent undertaking of the Group and also prepares Consolidated Financial Statements. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from MoneySuperMarket House, St. David's Park, Ewloe, Chester, CH5 3UZ. In these Financial Statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the Consolidated Financial Statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Use of estimates and judgements
The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 affected.

Investments
Investments are shown at cost less provision for impairment.

Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Intangible assets
Goodwill
Goodwill is recognised on the acquisition of trade and assets, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. The amounts are capitalised and written off on a straight-line basis over their useful economic life, which is five years. Provision is made for any impairment.

Own shares held by Employee Benefit Trust
Transactions of the Company-sponsored Employee Benefit Trust are treated as being those of the Company and are therefore reflected in the Company Financial Statements. In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity.

1. Accounting policies continued

Share-based payment transactions

The Group's share schemes allow certain Group employees to acquire ordinary shares in the Company. The fair value of share awards made is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at award date and spread over the period during which the employees become unconditionally entitled to the awards. The fair value of the awards made is measured using an option valuation model, taking into account the terms and conditions upon which the awards were made. The amount recognised as an expense is adjusted to reflect the number of share awards expected to vest. Subsidiaries are recharged for the amount recognised as share-based payments relating to awards to their employees. The fair value of the recharge is recognised over the vesting period.

Dividends

Dividends receivable are recognised when the Company's right to receive payment is established. Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account 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 year, using tax rates in force for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Share-based payments

The analysis and disclosures in relation to share-based payments are given in the Consolidated Financial Statements in note 18.

3. Staff numbers and cost

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

	Number of employees 31 December 2017	Number of employees 31 December 2016
Administration	**2**	2

The aggregate payroll costs of these persons were as follows:

	31 December 2017 £m	31 December 2016 £m
Wages and salaries	**1.0**	0.8
Social security costs	**0.1**	0.1
Other pension costs	**0.2**	0.2
Share-based payments	**1.1**	0.7
	2.4	1.8

In addition to the above, bonuses of £0.8m (2016: £1.0m) were payable in relation to the reporting period.

4. Investments

	Shares in subsidiary undertakings £m
Cost and net book value:	
At 31 December 2016 and 31 December 2017	**181.7**

The investment represents the Company's holding in Moneysupermarket.com Financial Group Holdings Limited, which was obtained via a share for share exchange during 2012 in which the Company exchanged its existing shareholding in Moneysupermarket.com Financial Group Limited for the entire share capital of Moneysupermarket.com Financial Group Holdings Limited.

5. Debtors

	31 December 2017 £m	31 December 2016 £m
Amount due from subsidiary undertakings	**267.9**	302.7
Other debtors	**0.4**	1.2
Deferred tax asset (note 8)	**0.3**	0.3
	268.6	304.2

6. Creditors: amounts falling due within one year

	31 December 2017 £m	31 December 2016 £m
Amount owed to subsidiary undertakings	**167.7**	109.1
Accruals	**2.7**	1.3
	170.4	110.4

7. Creditors: amounts falling due after one year

	31 December 2017 £m	31 December 2016 £m
Borrowings	–	–

8. Deferred tax

	31 December 2017 £m	31 December 2016 £m
At beginning of year	**0.3**	0.3
Profit and loss account credit	**–**	–
Deferred tax asset at end of year	**0.3**	0.3
The elements of deferred taxation are as follows: Short-term timing differences	**0.3**	0.3
Total deferred tax asset	**0.3**	0.3

9. Dividends

	31 December 2017 £m	31 December 2016 £m
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2015: 6.60p per share	–	36.1
Interim dividend for 2016: 2.75p per share	–	15.0
Final dividend for 2016: 7.10p per share	**38.7**	–
Interim dividend for 2017: 2.84p per share	**15.4**	–
	54.1	51.1
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2017: 7.60p per share (2016: 7.10p per share)	**40.7**	–

10. Share capital

The following rights attached to the shares in issue during the year:

Ordinary shares

The holders of ordinary shares were entitled to returns of capital, receive a dividend and vote.

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2017	547,682,254
Issued on exercising of SAYE options	438,960
Shares repurchased and cancelled	(11,941,410)
At 31 December 2017	**536,179,804**

£	Ordinary shares
At 1 January 2017	0.1
Issued on exercising of SAYE options	–
At 31 December 2017	**0.1**

The Group has a Long Term Incentive Plan under which conditional nil cost awards of ordinary shares in the Company have been made to certain Directors and employees of the Group, and an HMRC approved Save As You Earn scheme (Sharesave) eligible to all employees (see note 18 of the Consolidated Financial Statements).

11. Related party transactions

The Company has taken the exemption in FRS 102.33.1A not to disclose transactions with other Group companies.

Shareholder Information

Registered office

Moneysupermarket House
St David's Park
Ewloe
Chester CH5 3UZ
Telephone: +44 (0)1244 665700
Website: http://corporate.moneysupermarket.com

Registered number

No. 6160943

Company Secretary

Darren Drabble

Financial advisers/stockbrokers

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ

Barclays Bank PLC
5 North Colonnade
London E14 4BB

Auditor

KPMG LLP
15 Canada Square
London E14 5GL

Solicitors

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

Addleshaw Goddard LLP
One St Peter's Square
Manchester M2 3DE

Principal bankers

Lloyds Banking Group plc
City Office
PO Box 1000, BX1 1LT

Barclays Bank PLC
3 Hardman Street
Manchester M3 3AX

Financial PR

The Maitland Consultancy Limited
13 King's Boulevard
London N1C 4BU

Registrar

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

Enquiring about your shareholding

If you want to ask, or need any information, about your shareholding, please contact our registrar, Link Asset Services, by:

Telephone: 0371 200 1536 (UK) (Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.30am – 5.30pm Monday – Friday)
+44 (0) 371 664 0300 (overseas)
E-mail: moneysupermarket@linkgroup.co.uk

Alternatively, if you have internet access, you can access the Group's shareholder portal at www.moneysupermarket-shares.com where you can view and manage all aspects of your shareholding securely.

Investor relations website and share price information

The investor relations section of our website, http://corporate.moneysupermarket.com, provides further information for anyone interested in the Group. In addition to the Annual Report and share price, Company announcements including the half-year and full-year results announcements and associated presentations are also published there.

Dividend mandates

If you wish to have dividends paid directly into a bank or building society account, you should contact our registrar (see contact details above) or visit the Group's shareholder portal at www.moneysupermarket-shares.com where you can set up or amend a dividend mandate. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Dividend reinvestment plan ('DRIP')

You can choose to reinvest dividends received to purchase further shares in the Company through a DRIP. A DRIP application form is available from our registrar (see contact details above).

Share dealing service

You can buy or sell the Company's shares in a simple and convenient way via the Link share dealing service either online (www.linksharedeal.com) or by telephone (0371 664 0445). Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.00am – 4.30pm Monday – Friday.

Please note that the Directors of the Company are not seeking to encourage shareholders to either buy or sell shares in the Company. Shareholders in any doubt about what action to take are recommended to seek financial advice from an independent financial adviser authorised by the Financial Services and Markets Act 2000.

Electronic communications

You can elect to receive shareholder communications electronically by contacting our registrar (see contact details above). This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Cautionary note regarding forward-looking statements

This Annual Report includes statements that are forward looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, Disclosure Guidance and Transparency Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date of this Annual Report.

Financial Calendar

Overview	
Declaration date of 2017 final dividend	22 February 2018
Announcement of 2017 full-year results	22 February 2018
Ex-dividend date of 2017 final dividend	5 April 2018
Record date of 2017 final dividend	6 April 2018
Trading update	*April 2018
Annual General Meeting	3 May 2018
Payment date of 2018 final dividend	15 May 2018
Half-year end	30 June 2018
Announcement of 2018 half-year results	*July 2018
Trading update	*November 2018
Full-year end	31 December 2018
Announcement of 2018 full-year results	*February 2019

* Exact dates to be confirmed.

Further copies of this Annual Report are available from the Company's registered office, or may be accessed on the investor relations section of the Group's website at http://corporate.moneysupermarket.com.

Moneysupermarket.com Group PLC
Telephone: 01244 665700
Web: http://corporate.moneysupermarket.com
Registered in England No. 6160943

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