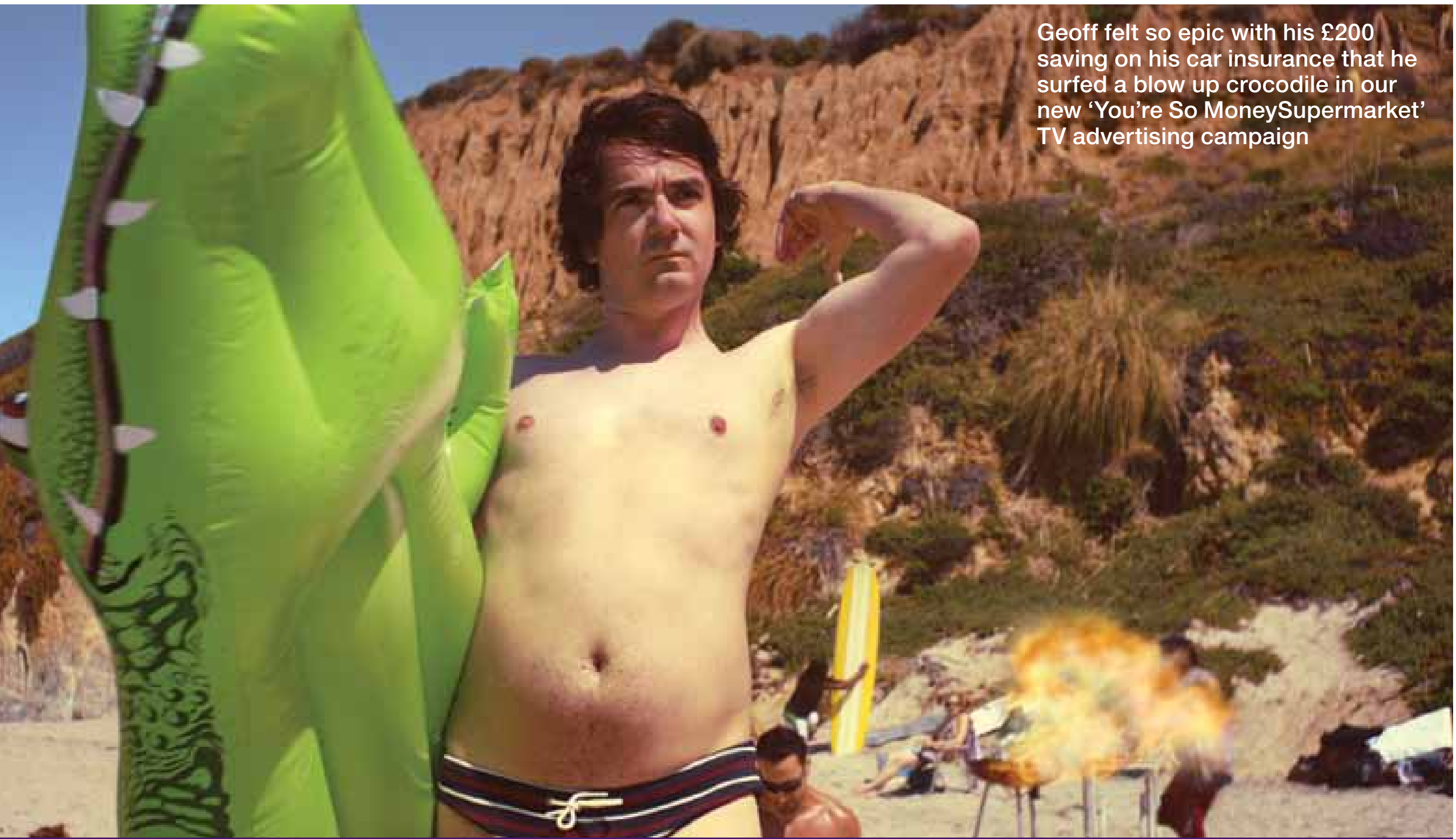
Moneysupermarket.com Group PLC
Annual Report 2011

We are delivering on our growth strategy and helping everyone in the UK feel epic

Our Financial Highlights

- > **Revenue increased by 22% from £148.9m to £181.0m**
- > **Adjusted EBITDA[1] increased by 21% from £41.0m to £49.5m**
- > **Gross margin increased from 71.3% to 72.3%**
- > **Final dividend increased by 20% to 3.03p per share**
- > **Total dividend for the year of 8.46p per share (including special dividend of 3.93p per share)**
- > **Cash balance of £35.0m at 31 December 2011**
- > **Profit after tax of £16.8m**

1. Certain share option charges relating to Directors, senior management and other employees of the Group arising from when the Group listed or when it was privately owned, costs relating to the acquisitions of Financial Services Net Limited and Local Daily Deals Limited, and amounts relating to the recovery of VAT have been added back to calculate adjusted EBITDA. A charge for awards made under the Group's Long Term Incentive Plan is included within the adjusted results.



Geoff felt so epic with his £200 saving on his car insurance that he surfed a blow up crocodile in our new 'You're So MoneySupermarket' TV advertising campaign

Our Operational Highlights

> Market leader in a growing market

> Continued investment in technology

> Marketing investment increased to £77.5m

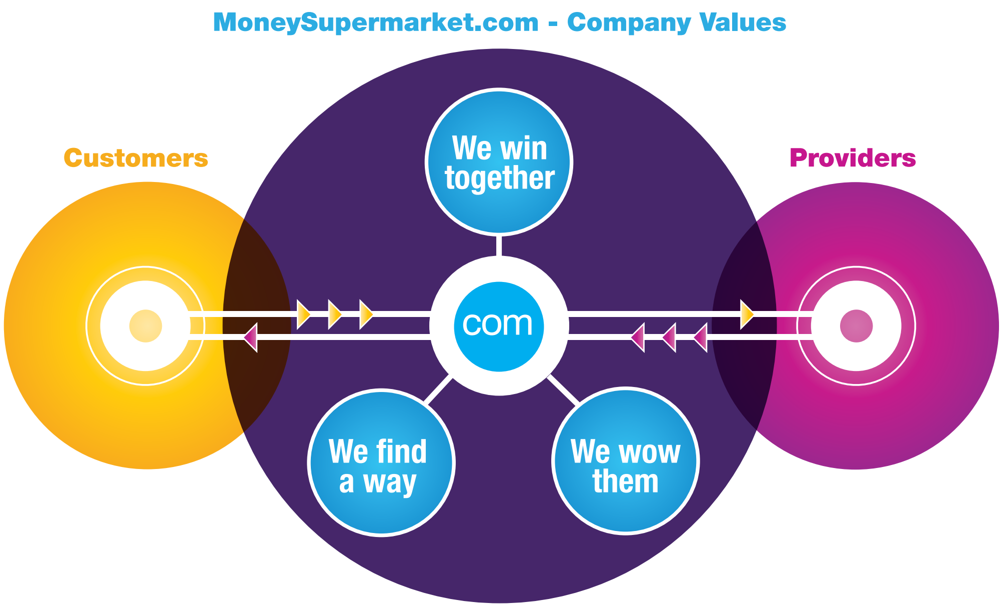
> Acquisition of Local Daily Deals and investment in HD Decisions

Use the contents to jump straight to the section you require.

Our business model is simple - help people to feel epic by saving money!

Our values drive the way we work.

They enable us to embrace our goals and work to achieve them with energy and enthusiasm, having as much fun as we can along the way.



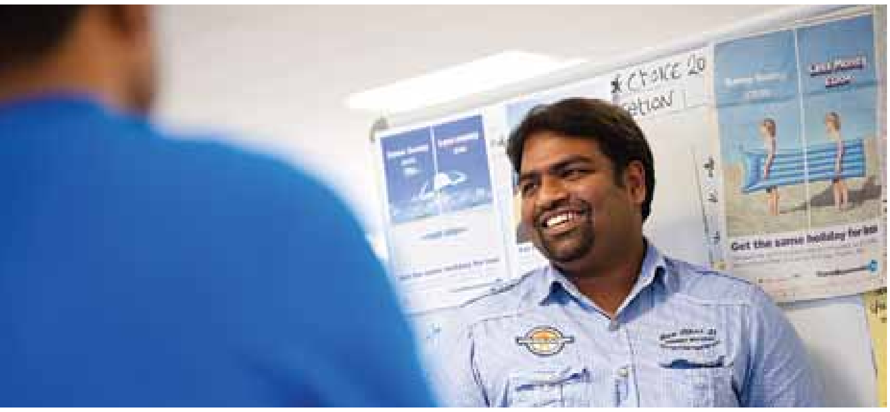
Our customers

We help our customers to save money on all of their household bills by providing a free, easy to use online service so they can compare a wide range of products in one place and find the product most suited to their needs. Our size means we are able to offer our customers exclusive, market-leading deals, including some they can't even get direct from providers.

Our providers

By having considerable volumes of informed customers actively looking for products and ready to purchase, we offer our providers an efficient and cost effective customer acquisition solution across all of our channels. This enables our providers to target their marketing spend in an effective and completely measurable way.

Our revenue comes predominantly from fees paid to us by product providers when a customer clicks through to their website and actually applies for or purchases a product. It is a success based marketing fee.



We find a way - by being innovative and pioneering, we always deliver a great solution

It's all about helping our customers find even more ways to make the most of their money so they can feel epic!

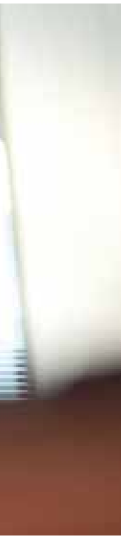
We added new features and services throughout 2011, aimed at making MoneySupermarket.com even easier for our customers to use and encouraging them to keep coming back to us day after day. The following examples are just a few of the many innovative features delivered in 2011.

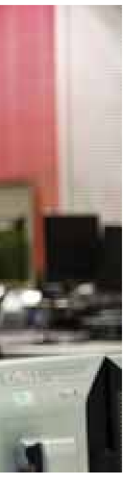
We launched our 'Smart Search' tool within our credit cards channel which enables customers to be more readily matched with products that are tailored to their particular circumstances. This enables customers to narrow down their relevant options and for providers to see only those customers who are relevant for their product.

We launched MoneySupermarket Deals which provides customers with significant discounts on products and services – whether that is enjoying a meal at a local restaurant, having a pampering spa day, going to the cinema or taking in a West End show!

In October, we became the first price comparison website to offer our services on mobile devices through the launch of a fully functional motor insurance iPhone App. We are now able to offer our motor insurance price comparison services to our customers whenever and wherever they want to access them.

For customers who need extra guidance in finding products to save them money, we are the only major price comparison website which offers customers a phone-based service so they can speak with one of our team to discuss the options available to them.





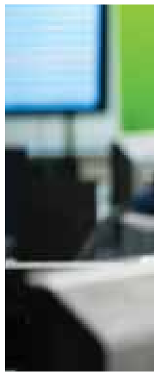
We win together - when our customers and providers are happy, so are we

We spend a lot of time with our providers to understand how we can help them succeed in their chosen markets. Strong relationships with our providers are crucial to the success of our business.

By working closely with our providers, and continuing to offer them an efficient, measurable and cost effective marketing tool, we are able to secure market-leading, exclusive products for our website.

We also spend a lot of time talking to our customers to understand what we can do to help them make the most of their money. This helps us to focus our innovation on things that will make a real difference to our customers.

And of course, by giving customers access to products and deals through MoneySupermarket.com which are not available anywhere else, we really do help our customers to save money on their household bills.



We wow them - marketing and PR are critical to building a household brand

In 2011, we took a fresh approach to our TV advertising to drive the category forward and build on our position as the leading price comparison website. The 'You're So MoneySupermarket' campaign focused on the emotional benefit of using our website and the fact that saving money makes you feel epic – it proved very popular with TV audiences.

In January 2012 we launched a new 'You're So MoneySupermarket' campaign showcasing the breadth of our service and how we can help our customers save money on their household bills.

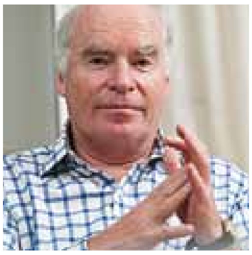
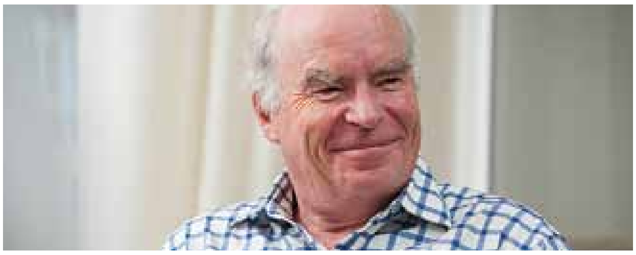
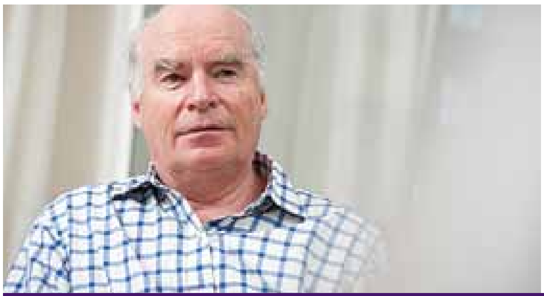
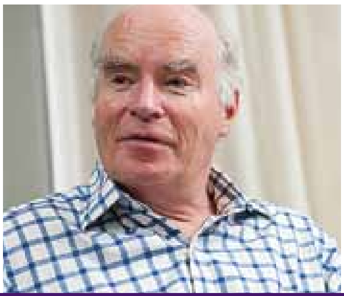
We supported our TV advertising with our PR campaigns which were aimed at engaging with and educating consumers on how they can save money with MoneySupermarket.com. We achieved widespread media coverage in all major national broadsheets and tabloid newspapers, a large cross-section of national and regional broadcast media and major online news sites.

We also communicated directly with our customers through our weekly More Money email newsletter. Our newsletters provide valuable information on products and services available through our website including market-leading exclusive products not available anywhere else.


£1000


YOU'RE SO
MONEY

Chairman's Statement

Gerald Corbett
Chairman

Results and strategic progress

The solid progress we have made since the credit crunch has continued. 2011 was a good year for the Group as adjusted revenue increased by 20% from £148.9m to £178.5m and adjusted EBITDA increased by 21% from £41.0m to £49.5m.

Our largest verticals, Money and Insurance, delivered significant growth during the year with revenue in the Money vertical increasing by 19% from £44.0m to £52.6m and revenue in the Insurance vertical increasing by 21% from £84.5m to £102.7m.

Together with the significant growth achieved in our Home Services vertical, these results demonstrate the continuing strength and diversity of our business model and helped to offset the decline experienced in our Travel vertical, which continued to suffer in line with the rest of the travel market.

The 2011 results reflect effective execution of the Group's strategy outlined in early 2010. Having realigned the cost base, the focus in 2011 has been on growing the business.

We made significant further investment in our marketing strategy through our sponsorship of 'Britain's Got Talent' and the launch of our new 'You're So MoneySupermarket' TV advertising campaign, both of which helped to drive visitor growth to the Group's websites. We have continued the 'You're So MoneySupermarket' theme in 2012 with the launch of our latest TV advertising campaign demonstrating the number of ways we can help our customers save money on their household bills.

Dividend

Having reviewed the cash required by the business and the performance of the Group, the Company paid an interim dividend of 1.5p per ordinary share on 16 September 2011. This represented an increase of 15% on the interim dividend paid in 2010 and is consistent with the Company's progressive dividend policy. In addition, the Company paid a special dividend on the same date of 3.93p per ordinary share reflecting the Board's confidence in the ability of the business to generate cash on an ongoing basis.

During the year, the business continued to generate cash, and we ended the year with cash balances of £35.0m. With the business growing, the Board is recommending a final dividend of 3.03p per ordinary share, representing an increase of 20% on the final dividend in 2010 and again consistent with the Company's progressive dividend policy. If approved by shareholders at the forthcoming Annual General Meeting, this will bring the total dividend for the year to 8.46p per ordinary share and will be paid on 27 April 2012 to all shareholders on the register at 30 March 2012.

Outlook

The new year has begun well and, whilst we remain alert to the continuing uncertainty in the wider economic environment, we are confident that we will continue to grow in 2012. Our great brands, strong market positions, experienced people and scale are the basis on which our business is built and will remain key strengths in the coming year.

Governance and the Board

Since the Group listed on the London Stock Exchange in 2007, our Board and executive governance structures have continually developed and improved. We believe that good governance reduces risk and adds value to the business.

The 2011 results reflect effective execution of the Group's strategy outlined in early 2010. Having realigned the cost base, the focus in 2011 has been on growing the business

As such, the Board is committed to high standards of corporate governance and supports the principles laid down in The UK Corporate Governance Code published in June 2010 by the Financial Reporting Council ('Code'). The Corporate Governance Report together with the Audit Committee Report, Nomination Committee Report and the Directors' Remuneration Report on pages 29 to 42 describe how the principles of the Code are applied by the Group and reports on the Group's compliance with the Code's provisions.

Following the appointment to the Board in April 2010 of Bruce Carnegie-Brown as an additional Non-Executive Director, the Board has remained stable and focused on growing the business. I am confident that the Board has the right mix of experience, skills, structure and balance required for its next phase of growth.

As with last year and in accordance with the Code, all of our Directors will retire at this year's Annual General Meeting, and being eligible, will offer themselves for re-election.

Employees

Our results this year demonstrate the quality of our people which continues to be a core strength of the Group. On behalf of the Board, I would like to thank Peter Plumb, his management team and all the employees for their skill and hard work during the year and for the results they have achieved.

Annual General Meeting

The Annual General Meeting will be held at 11.00am on Wednesday 18 April 2012 at Doubletree by Hilton Chester Hotel, Warrington Road, Hoole, Chester, CH2 3PD and I look forward to seeing you there.

Gerald Corbett
Chairman

Chief Executive's Report




Peter Plumb
Chief Executive Officer

Review of the year

2011 has proved to be a strong year for the Group, with internet revenue back to our pre-credit crunch peak in 2008, a result of the implementation of the Group's strategy and forensic marketing programmes over the past three years.

2011 was also a year of continued structural market growth. More and more customers turned to online aggregation as their preferred way to shop for financial products. There is no reason for this trend not to continue, driven by ease of use, whole of market view and of course a need to search out the best prices to save money during tough economic times.

Despite slowing motor insurance inflation, historical low interest rates and a tight credit market, our core channels all delivered double digit revenue growth. Revenues in our travel business however, despite investment in both our website and marketing campaign, declined on the back of a third year of torrid market conditions for the travel industry.

After concern over significant motor insurance premium inflation during 2010/11, in September, the Office of Fair Trading decided to take a closer look at the motor insurance industry. It is encouraging to see that the outcome of the study acknowledged that price comparison sites have intensified price competition between motor insurance providers and brought about greater price transparency which has helped prevent premiums from increasing further.

Our providers benefited from, and our customers enjoyed, a step change in our marketing activity during 2011. As an industry, offline advertising increased by 25% during the year whilst each of the four key players continued to consolidate their positions in this growing market.

Due to our strong online natural search positions and robust customer relationship management ('CRM') capabilities, we continued to spend the least amount of the four key industry players on offline advertising during 2011.

However our sponsorship of 'Britain's Got Talent' coupled with our new differentiated 'You're So MoneySupermarket' TV advertising campaign meant that once again we delivered the most efficient marketing campaign of the four key industry players in 2011.

Review of the Group's strategic progress during 2011

Turning to our strategic plan described in last year's Annual Report, I can confirm that it has worked well for us during 2011 as outlined below and will continue to be our road map for 2012 and beyond. Our strategy has ensured that the Group has remained completely focused as one team on building a successful long-term business.

Best shop

Our mission is for MoneySupermarket.com to be the best way for people to shop for products. Much of our investment programme of 2011 was focused on improving our IT systems and our core channels. Good progress has been made with our motor insurance, home insurance and credit cards channels again being voted by customers as market leading at the end of the year.

Our systems upgrade programme enabled us to pioneer the availability of price comparison services on mobile and tablet devices. In September our motor insurance renewal service became mobile optimised, followed in October by the launch of a fully functional motor insurance iPhone App: existing customers can now renew their motor insurance with just three taps of an iPhone screen. With industry observers predicting that over 50% of all internet searches will be performed on mobile devices by 2015 this is technology in which we will continue to invest.

Our aim is to help the UK save £1bn on their household bills in 2012. This would be a major achievement for our business, but most importantly clarifies our business objective of being known by customers as a brand that can save them money on much more than just motor insurance

Early in 2011 we formalised our working partnership with HD Decisions. Their data analytics capability powers our credit cards 'Smart Search' service, allowing customers to select from a range of cards they are most likely to be accepted for based on their credit rating, rather than just seeing a list of market leading cards. This technology is in the process of being applied to unsecured loans, a channel that has experienced strong growth during 2011. MoneySupermarket.com will be the only player who offers customers the ability to search for personal loan deals they are likely to be offered based on their credit score.

Our IT investment programme will continue through 2012/13 in line with our strategic road map. The focus of this year's investment will be on sharing common technology between all of our channels, making searching for different products a more seamless experience for customers.

Best product

To be the preferred way to shop for customers, we recognise that MoneySupermarket.com must have all of the brands and products a customer expects to see and wants. During 2011 we continued to build our relationships with product providers which enabled us to develop and secure tailored products specifically for our customers.

This in turn increased the range of products available through our website reinforcing MoneySupermarket.com's position as the leading price comparison website. Most notably we were pleased to welcome both Tesco and Aviva (Quotemehappy) to our motor insurance channel, leaving Direct Line as the only major brand not available through our service.

Our customer research tells us that the biggest barriers to continued rapid adoption of price comparison services are that customers think it might be cheaper going direct and worry that only the highest commission products are pushed by price comparison players; something that is certainly not the case at MoneySupermarket.com. We have therefore launched our customer charter, which lays out clearly for our customers both what we as a business stand for and what we strive to be:

- We make it easy to find the brands you expect to see
- We strive to ensure a product cannot be found cheaper by going direct
- We let you remain in control of your personal data
- We are independent and impartial
- We make it easy to switch and save
- We strive to always show the most competitive product available

Data

As our business grows, so does the number of customers who open personal accounts with us to store their data, historical quotes and personalised product searches. We now manage data for more than 10 million individuals and talk on a regular basis to many of them through our weekly More Money email communication and personalised marketing campaigns. We continue to invest in making it ever easier for our customers to search for new products and services.

During 2011 we worked closely with a number of product providers to understand how we could get the best possible deals and product range available on the market, and in some cases deals that could not be found anywhere else. By working together with product providers we were able to design tailored and market leading products that could be made available to our customers through our website.

Chief Executive's Report continued

Brand

We started 2011 with Omid Djalili working with Jedward, David Soul and John Prescott in some of our most entertaining TV advertising ever as we concluded the 'haggle hero' campaign started in January 2010. The campaign had successfully grown our consumer awareness ratings and cemented our position as a major player in motor insurance price comparison.

However, as can be seen from our results, our ambitions are bigger than motor insurance. We therefore made the decision to launch a new TV advertising campaign from which we can build our brand beyond motor insurance. The 'You're So MoneySupermarket' TV advertising campaign launched in July 2011 with Geoff feeling so epic with his £200 saving that he surfed a blow up crocodile to the delight of a crowded Californian beach. This was followed by Dave who interrupted a quarrel between two gorillas and felt like the king of the jungle with his £200 saving.

In 2012 the campaign has started to demonstrate its breadth with Brian saving his family over £1,000 by switching his credit card, home insurance, loan, energy and motor insurance. This new creative will help to further raise consumer awareness of the broad range of financial services products available through MoneySupermarket.com.

During the year we continued to optimise our marketing spend and investment in paid search through our bid management systems.

2012 strategy

The Bank of England estimates that 2012 is going to be an even tougher year for British households with the average family being around £1,000 worse off than in 2011.

Our aim is to do our bit and help the UK save £1bn on their household bills in 2012. This would be a major achievement for our business, but most importantly clarifies our business objective of being known by customers as a brand that can save them money on much more than just motor insurance.

Therefore, for the year ahead I see no reason to change our strategic road map, but as our 'You're So MoneySupermarket' campaign demonstrates, we will step up our communications so that UK households know that they can save £1,000 on their household bills through MoneySupermarket.com.

Our IT investments will increase to support our best shop strategy. Our ambition is that customers will experience a more seamless journey when shopping on multiple channels, but it is likely to be our providers who will experience the biggest changes, with simpler product loading and maintenance capabilities.

Our team at MoneySupermarket.com are at the heart of driving growth in 2012 and beyond. Over the past three years we have invested significantly in building new skills across our business. The passion of our team continues to be a core strength of the business.

We will continue to build stronger and deeper relationships with our providers sharing our knowledge to ensure we deliver a valuable and cost effective service to them. In return we expect to develop innovative and market leading products for our customers.

Outlook

We start 2012 with a backdrop of market changes for our core businesses.

Motor insurance premium growth has slowed but for 2012 and 2013 the backdrop of increasing personal injury claims will continue to challenge the profitability of the industry.

In retail banking we see the launch of Virgin Bank who we expect to develop innovative products focused on challenging the industry and taking share from some of the more traditional players.

In energy, the government has been clear that it intends to challenge the costs now experienced by consumers for their gas and electricity.

During what is shaping up to be a really tough year for customers, we expect the opportunity for households to be able to save at least £1,000 to grow as competition for customers intensifies across our core channels.

For MoneySupermarket.com, our free to use service, our trusted brand and our talented team mean that we are well set to achieve our objective of saving UK households £1bn in 2012.

Peter Plumb
Chief Executive Officer

Financial and Business Review

The Group has presented below an extract of the Consolidated Statement of Comprehensive Income for the years ended 31 December 2011 and 31 December 2010 along with a reconciliation to adjusted EBITDA. Revenue in 2011 was £181.0m (2010: £148.9m) which generated a net profit after tax of £16.8m (2010: £7.7m). The Directors believe that the presentation of an adjusted EBITDA measure will allow users of the financial information to gain a better understanding of the underlying performance of the business.

Extract of Consolidated Statement of Comprehensive Income

for the year ended 31 December 2011

	2011 £000	2010 £000
Revenue	**181,048**	148,892
Cost of sales	**(50,156)**	(42,763)
Gross profit	**130,892**	106,129
Distribution expenses	**(29,766)**	(21,621)
Administrative expenses – excluding Directors' and senior managers' share-based compensation	**(74,883)**	(71,920)
Administrative expenses – Directors' and senior managers' share-based compensation and related costs	**(2,200)**	(1,851)
Administrative expenses	**(77,083)**	(73,771)
Profit from operating activities	**24,043**	10,737
Reconciliation to adjusted EBITDA:		
Profit from operating activities	**24,043**	10,737
VAT recovery relating to prior periods	**(3,078)**	–
Share-based compensation	**–**	554
Amortisation of intangible assets	**24,202**	24,194
(Credit)/costs relating to the acquisition of Financial Services Net Limited	**(2,222)**	668
Impairment of goodwill relating to Financial Services Net Limited	**2,199**	–
Costs relating to the acquisition of Local Daily Deals Limited	**493**	–
Depreciation	**3,819**	4,851
Adjusted EBITDA	**49,456**	41,004
Adjusted earnings per ordinary share:		
– basic (p)	**6.6**	5.2
– diluted (p)	**6.5**	5.0

Notes

1. Basis of preparation

The results show the trading results for the years ended 31 December 2011 and 31 December 2010. The following adjustments have been made to arrive at adjusted EBITDA:

- The acquisition of Moneysupermarket.com Financial Group Limited by the Company gave rise to £207.2m of intangible assets. These are being written off over a period of 3-10 years with a charge of £23.0m and £24.0m expensed in 2011 and 2010 respectively.
- The Group has reported £3.4m in refunds from HMRC after successfully challenging the VAT treatment of the supply of certain of its lead services. Following a ruling received in March 2008 from HMRC the Group had treated the supply of its lead services as a standard rated supply for VAT purposes rather than as an exempt supply that the Group believed to be correct. Consequently the Group has recorded additional revenues of £3.2m in the statutory results for the year together with a credit of £0.2m in administrative expenses. Of these amounts the Group has included a credit of £0.7m to revenue in the year (2010: nil) together with a charge of £0.4m to administrative costs (2010: nil) in adjusted EBITDA.
- Certain share option charges relating to Directors, senior management and other employees of the Group arising from the time the Group listed or when it was privately owned have been added back to calculate adjusted EBITDA in 2010. A charge for awards made under the Group's Long Term Incentive Plan is included within the adjusted results for 2010 and 2011.

Financial and Business Review continued

- On 14 October 2010 the Group acquired Financial Services Net Limited ('FSN'). The Group incurred costs of £0.7m in relation to the acquisition including settling both its own and the sellers' professional fees associated with the acquisition. The acquisition also gave rise to £6.1m of intangible assets which are to be written off over a period of 3-10 years, and which gave rise to an amortisation charge of £0.7m in the current period (2010: £0.4m), and £2.2m of goodwill. During the period, the Group has reassessed how much of the contingent consideration related to the acquisition of FSN it expects to become payable based on its most recent forecasts. As a result, the Group has recognised a credit in the Consolidated Statement of Comprehensive Income during the period for £2.2m. In light of this, the Group has also performed an impairment review of FSN's assets during the period, which resulted in an impairment charge of £2.2m relating to goodwill also being recognised in the Consolidated Statement of Comprehensive Income during the period.
- On 31 August 2011 the Company acquired a 51% shareholding in Local Daily Deals Limited. The Group incurred costs of £0.4m in relation to the acquisition, and a further £0.1m of contingent consideration relating to continued employment of certain individuals, which has been reported within administrative expenses. The acquisition gave rise to £0.6m of goodwill. Consequently there is no amortisation charge in the period.

Reference is made in the Overview section below to adjusted revenue, adjusted distribution and administrative expenses, and adjusted staff costs. These measures represent the revenue and costs reported in the Consolidated Statement of Comprehensive Income, less the intangible amortisation, pre-listing share option charges, net credit from the VAT recovery and costs and credits incurred in relation to the acquisitions of Financial Services Net Limited and Local Daily Deals Limited.

Overview

We present a strong set of financial results for the year ended 31 December 2011. Adjusted revenue for the year increased by 20% to £178.5m (2010: £148.9m), generating adjusted EBITDA which was 21% higher at £49.5m (2010: £41.0m).

During 2011 the Group continued to benefit from the investment it made in its websites during 2010 which helped improve site functionality and the usability of the websites. This helped improve conversion and consequently revenue per visitor ('RPV'). Investment in technology continued during the year with emphasis on improving and simplifying the underlying site architecture. This programme will continue into 2012. The Group invested £3.9m during the year in its technology which has been capitalised. This work is designed to allow the Group in the longer term to be able to more rapidly develop and deploy new products or services, make changes to its existing services more efficiently and reduce the overall cost of ownership of its websites.

Consistent with its strategy of driving higher margin, direct-to-site revenues, the Group has continued to increase its investment in offline marketing. This included, in the second quarter, the sponsorship of Britain's Got Talent, the ITV primetime entertainment show which has helped consolidate MoneySupermarket.com's position as a mainstream brand. In the second half of the year the Group launched a new television campaign "You're So MoneySupermarket" building upon the momentum of the first half. This helped increase revenues in the second half of the year by 16% with momentum building throughout the period as the campaign became established. Consequently, and as previously indicated, offline marketing expenditure in the year was 43% ahead of last year. Overall marketing expenditure including online costs increased by approximately 24%. The Group will continue to invest in its brand in 2012.

Financial performance

Adjusted revenue increased by 20% to £178.5m (2010: £148.9m) and adjusted EBITDA increased by 21% to £49.5m (2010: £41.0m). The Group saw solid revenue growth in its Insurance, Money and Home Services verticals, whilst Travel revenue declined in what remains a challenging economic environment for discretionary expenditure.

Group adjusted gross margin increased from 71.3% to 71.9%. The Group maintained its proportion of direct to site revenue at 67% (2010: 67%) whilst paid search represented 22% of adjusted revenue in the year (2010: 21%).

Adjusted administrative and distribution costs increased by 18% from £70.0m to £82.7m. Distribution expenses increased by £8.2m (38%) following higher spend on creative and media costs, and sponsorship of Britain's Got Talent. Adjusted administrative costs increased by £4.5m (9%) to £52.9m in 2011. The Group has continued to manage its cost base tightly. Adjusted staff costs (including contract resource) were 10% higher at £30.0m. Headcount increased from 420 to 439 from December 2010 to December 2011, principally as a result of the acquisition of Local Daily Deals Limited.

Other administrative costs, including irrecoverable VAT, increased by £2.6m. The VAT rate increased from 17.5% to 20% which, together with the higher marketing spend, increased the input tax incurred by the business and the amount that was irrecoverable.

There were no costs in 2011 for the German operation, which was closed in the first half of 2010, during which costs of £0.5m were incurred.

Adjusted EBITDA margins increased from 27.5% to 27.7% against the same period last year.

The Group operates its internet business across four vertical markets. These are discussed below:

	Adjusted Revenue[1]			
	31 December 2011		31 December 2010	
	£000	**%**	£000	%
Money	**52,586**	**30**	44,006	30
Insurance	**102,655**	**58**	84,520	57
Travel	**13,319**	**7**	13,926	9
Home Services	**9,181**	**5**	6,206	4
Other – UK	**719**	**0**	71	0
Total internet UK	**178,460**	**100**	148,729	100
Germany	**–**	**0**	130	0
Total internet	**178,460**	**100**	148,859	100
Intermediary	**69**	**0**	33	0
Total	**178,529**	**100**	148,892	100

1 The above table excludes the £2.5m of additional revenue which the Group has recorded in 2011 in relation to the settlement of the VAT treatment of its leads business and which relates to prior periods.

Internet business
The Directors use key performance indicators ('KPIs') to assess the performance of the internet business against the Group's strategy. These are reviewed on a regular basis. The principal KPIs for the internet business are as follows:

Visitors
The Group measures the number of visitors to its websites as the number of unique visitors per day per channel, measured on a cumulative basis using cookie-based tracking methodologies.

Transactions
The Group measures transactions at the point in time that the customer leaves the Group's websites having clicked through to a third party website, or in some cases having completed an application form hosted on the Group's websites.

Revenue per visitor ('RPV')
The Group measures the total revenue (including click and other internet revenue) divided by the number of visitors defined above.

Revenue per transaction ('RPT')
The Group measures the click based revenue divided by the total number of transactions defined above.

The relative performance of each of the internet verticals is discussed below:

Money
The Money vertical offers customers the ability to search for and compare products such as credit cards, current accounts, mortgages, loans, debt solutions, savings accounts and business finance, amongst other things. It also includes elements of the Group's lead business (PAA) and advisory business (SAS) together with advertising revenue that derives from financial products.

The KPIs for the Money vertical are shown below:

	31 December 2011	31 December 2010	Change
Visitors (000)	**35,220**	31,761	11%
Transactions (000)	**18,773**	13,585	38%
Revenue (£000) – click based	**48,254**	39,196	23%
Revenue (£000) – other	**4,332**	4,810	-10%
Revenue (£000) – total	**52,586**	44,006	19%
RPV	**£1.49**	£1.39	7%
RPT	**£2.57**	£2.89	-11%

Total revenue increased by 19% from £44.0m to £52.6m and click based revenue by 23% from £39.2m to £48.3m. Visitors to the Money vertical were 11% higher than last year.

The Group saw growth across its credit business and more generally from other banking products particularly savings which performed very strongly. Revenue from credit products defined as secured and unsecured loans, credit cards, pay day loans, debt solutions and mortgages excluding impression based advertising were 20% ahead of last year. Consistent with 2010 credit products accounted for around 70% of revenues in the Money vertical.

Click based revenue benefited generally from continued improvements in product availability together with ongoing site optimisation building on the work delivered in 2010. These both helped improve conversion and RPV.

Other revenue, which includes revenue from the sale of leads through PAA, commission based sales through SAS for mortgages and loans, and advertising revenue, declined by approximately £0.5m, or 10%, over the year. The Group has refocused its lead and telephony based selling activities in a number of core areas to improve the quality of service offered to its customers.

Insurance
The Insurance vertical offers customers the ability to search for and compare insurance products such as breakdown, dental, home, life, medical, motor, pet and travel insurance, amongst other things. It also includes elements of the Group's lead business (PAA) and advisory business (SAS) together with advertising revenue that derives from insurance products.

Financial and Business Review continued

The KPIs for the Insurance vertical are shown below:

	31 December 2011	31 December 2010	Change
Visitors (000)	**28,554**	25,492	12%
Transactions (000)	**15,687**	14,095	11%
Revenue (£000) – click based	**92,218**	79,040	17%
Revenue (£000) – other	**10,437**	5,480	90%
Revenue (£000) – total	**102,655**	84,520	21%
RPV	**£3.60**	£3.32	8%
RPT	**£5.88**	£5.61	5%

Revenue in the Insurance vertical increased by 21% from £84.5m to £102.7m. Click based revenue increased by 17% from £79.0m to £92.2m. Visitors increased by 12% to 28.6m, helped in part by the increased media spend and new media campaigns referred to previously.

Revenue increased in each of the major lines of business being motor, home and travel insurance. Motor and home insurance benefited from the full year impact of site improvements made in 2010. This has been reflected in improved provider conversion and RPV.

Other revenue increased by £4.9m or 90% as a result of the launch of a new telephone based non advised life insurance offering. It also included for the first time revenue from the sale of a number of data services to providers which were launched in 2011.

Travel

The Travel vertical offers customers the ability to search for and compare airport parking, car hire, flights, hotels and package holidays, amongst other things.

The KPIs for the Travel vertical are shown below:

	31 December 2011	31 December 2010	Change
Visitors (000)	**40,708**	37,949	7%
Transactions (000)	**21,928**	22,121	-1%
Revenue (£000) – click based	**12,171**	12,515	-3%
Revenue (£000) – other	**1,148**	1,411	-19%
Revenue (£000) – total	**13,319**	13,926	-4%
RPV	**£0.33**	£0.37	-11%
RPT	**£0.56**	£0.57	-2%

Revenue in the Travel vertical declined by 4% from £13.9m to £13.3m and click based revenue declined by 3% from £12.5m to £12.2m. Visitor levels increased by 7% compared to the same period last year.

Revenue in the Travel vertical continues to be impacted by low levels of discretionary expenditure as consumers face difficult economic conditions. Package holiday revenues held up relatively well and were flat year on year helped by a television advertising campaign screened during the first quarter.

Other revenue, representing impression based advertising, fell by 19% due to weaker demand from providers for advertising real estate.

Home Services

The Home Services vertical offers customers the ability to search for and compare products such as broadband, mobile telephones, vouchers, shopping and utilities.

The KPIs for the Home Services vertical are shown below:

	31 December 2011	31 December 2010	Change
Visitors (000)	**25,748**	24,036	7%
Transactions (000)	**8,482**	7,473	14%
Revenue (£000) – click based	**9,160**	5,994	53%
Revenue (£000) – other	**21**	212	–90%
Revenue (£000) – total	**9,181**	6,206	48%
RPV	**£0.36**	£0.26	38%
RPT	**£1.08**	£0.80	35%

Revenue in the Home Services vertical increased by 48% from £6.2m to £9.2m in the year. Visitors increased by 7%.

Revenue from utilities, which is the largest channel in the vertical, increased strongly throughout the year as interest and awareness of utility prices grew. The increase in utility revenue relative to other sources of revenue in the Home Services vertical increased RPV in the period.

Acquisition of Local Daily Deals Limited and Financial Services Net Limited

On 31 August 2011 the Group completed the acquisition of 51% of Local Daily Deals Limited ('LDD') for an initial consideration of £1m, rising to a total consideration of up to £11m payable on the third anniversary of its acquisition depending on the achievement of certain financial targets. The Group has also supplied a working capital facility of £0.5m repayable on demand.

LDD owns and operates a website and technology platform that features discounted retail offers from local and national companies. The website has been integrated into the MoneySupermarket.com website and will allow the Group to promote these services to its large customer database. The Group expects to be able to partner with national brands to offer customers exclusive deals not available through similar websites.

All consideration payments have been or will be paid in cash.

On 14 October 2010 the Group completed the acquisition of Financial Services Net Limited ('FSN') for an initial consideration of £4.4m, rising to a total consideration of up to £8.8m payable over 3 years depending on the achievement of certain financial targets and the conclusion of outstanding tax matters. Related costs of approximately £0.7m were expensed in 2010.

FSN owns and operates a number of website domains which will provide a platform for the Group to broaden its brand offering to a wider range of customer segments in the Money and Insurance verticals.

All consideration payments have been or will be settled in cash.

The trading of the FSN business has been below management expectations. Consequently, during the year the Group performed a review of the value of contingent consideration held on its balance sheet that may become payable to the vendors of the business during the earnout period. As a result of this excercise the Group has lowered its estimate of the fair value of contingent consideration that will be payable from £2.4m to £0.2m. Consequently, a credit of £2.2m has been included in the Consolidated Statement of Comprehensive Income in the period.

In light of the trading performance referred to above, the Group has separately performed a review of the carrying value of goodwill and other intangible assets identified upon the acquisition of FSN. As a result of this review, the Group has recognised an impairment loss of £2.2m in the Consolidated Statement of Comprehensive Income in the period.

Cash balance and dividend

As at 31 December 2011 the Group had a cash balance of £35.0m. The Group continued to strengthen its cash position throughout the year after payment of dividends.

Having reviewed the cash required by the business, the Board is recommending a final dividend, subject to shareholder approval, in respect of the year ended 31 December 2011 of 3.03p per ordinary share.

Together with the interim dividend of 1.5p per ordinary share and special dividend of 3.93p per ordinary share paid on 16 September 2011, this gives a total dividend for the year of 8.46p per ordinary share, reflecting the Board's confidence in the ability of the business to generate cash on an ongoing basis.

The Board is committed to a progressive dividend policy, with ongoing monitoring of the appropriate capital structure.

The ex-dividend date for the final dividend is 28 March 2012, with a record date of 30 March 2012 and a payment date of 27 April 2012. Shareholders have the opportunity to elect to reinvest their cash dividend and purchase existing shares in the Company through a Dividend Reinvestment Plan.

Tax

The Group tax charge of £7.5m in the Consolidated Statement of Comprehensive Income represents an effective tax rate of 31% (2010: 30%). This is higher than the prevailing rate of 26.5% due to the tax effect of share-based payments, prior year adjustments to current and deferred tax, and other permanent differences mainly arising from professional fees and non-qualifying depreciation. In addition, the current year has been impacted by tax losses from its German operation of £0.2m for which a deferred tax asset has not been recognised. In the future, the Group expects the underlying effective rate of tax to be close to the standard UK corporation tax rate.

Earnings per ordinary share

Basic statutory earnings per ordinary share for the year to 31 December 2011 was 3.3p (2010: 1.5p). Adjusted basic earnings per ordinary share increased from 5.2p to 6.6p per share. The adjusted earnings per ordinary share is based on profit before tax after adding back intangible amortisation and goodwill impairment, share-based payment charges arising from pre-listing share options, costs incurred in relation to the acquisition of Local Daily Deals Limited, the credit relating to the reassessment of contingent consideration for Financial Services Net Limited and the VAT recovery relating to prior periods. A tax rate of 26.5% (2010: 28%) has been applied to calculate adjusted profit after tax.

Key contractual arrangements

Moneysupermarket.com Limited, a subsidiary of the Company, is party to contracts and other arrangements which the Directors judge are essential to the Group's business.

As with any internet business the Group is dependent upon its ability to attract customers to its website either directly or through paid search or portal partners, and revenue generated from commercial arrangements with its providers.

The Group uses television advertising to attract customers to its website directly. The Group incurred costs of £27.0m (2010: £18.9m) relating to television and other offline advertising in 2011. The Group has contracts with a number of media agencies to acquire advertising inventory from commercial television companies. The Group typically has a commitment of between 6 and 10 weeks expenditure at any one time. Television and other offline advertising costs represent 90% (2010: 87%) of distribution costs.

The Group uses search engines to acquire traffic via paid search. The Group spent £35.6m (2010: £31.3m) on paid search in 2011. Although there are a number of search engines that operate in the UK, Google is the dominant search engine and accounts for the majority of the Group's spend in this area. The Group has no forward commitment to search engines and manages its spend on a real time basis.

The Group has a number of contracts with portal partners which are not considered to be material with the exception of one portal partner which accounted for 8% (2010: 7%) of Group internet revenue in 2011.

The Group has a number of contracts with providers which are based either on a cost per click basis or a cost per action basis or a hybrid of the two. It also has a number of commercial arrangements based on the number of page impressions served in the case of banner advertising. The Group does not consider it has any material contracts with providers in any one channel. The Group does however frequently deal with providers across a range of different channels managed under different contracts, often to different parts of the same organisation, and occasionally through third party media agencies. At this consolidated channel level, the largest individual provider represented approximately 6% (2010: 5%) of Group internet revenue in 2011.

Principal Risks and Uncertainties

The tables below summarise the material financial and operational risks to the Group and how the Group seeks to mitigate them in the day-to-day running of the business.

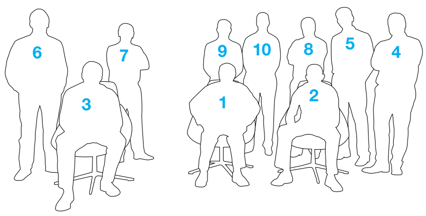
Financial risks

Risk area	Potential impact	Mitigation
Significant worsening in credit markets	Financial institutions may reduce the quantum of lending and tighten their acceptance criteria for customers seeking to obtain credit. This may reduce Group revenue. Providers may increase their focus on customer retention rather than acquisition. This may reduce commissions available to price comparison websites.	The Group continues to focus on building strong relationships with providers to ensure the Group is able to provide solutions to the needs of providers and to maximise the opportunities for providers to acquire customers in a cost effective manner.
Reduction of providers	Providers may consolidate, withdraw their products from price comparison websites or reduce their customer acquisition activity via price comparison websites. This may reduce competition for business, customer choice, Group revenue and the customer proposition of price comparison websites.	The Group continues to focus on building strong relationships with providers to ensure the Group is able to provide solutions to the needs of providers and to maximise the opportunities for providers to acquire customers in a cost effective manner.
Investment in new areas	Significant investments in new products and services or new geographies fails to make a return.	Investments in new areas typically leverage existing expertise and experience built up over many years. Capital requirements are relatively low and investment is managed in stages such that it is not finally committed until there is good visibility of a return.
Financial services and other markets regulation	The business model in financial services or other lines of business may be compromised by changes to existing regulation or the introduction of new regulation.	The Group has a team of regulatory specialists who work with the business to ensure that it remains compliant with existing regulation and informed of impending regulation. The Group has embraced regulation to date and shares the vision of the regulators generally to make the market more transparent to the end customer.
Economic environment	Reduction in visitors and revenue from a recession as customers seek to reduce levels of discretionary expenditure.	The Group continues to focus on building a wide range of market leading services to meet customers needs. Customers seeking to reduce levels of discretionary expenditure will also be looking to obtain ‘best’ value from compulsory products and services. The diversification of the Group both in the number of verticals that it operates in and the range of products and services it provides in each vertical should lessen the impact of a recession upon the Group although it cannot entirely mitigate against it.

Operational risks

Risk area	Potential impact	Mitigation
Competitive environment	Loss of market share and erosion of margins from increased competition.	The Group continues to focus on building market leading products to improve its proposition to customers. This includes investment in customer retention tools and technology including CRM initiatives which deliver additional features and functionality to customers.
Brand perception and reputation	Reduction in customer loyalty with existing customers and an inability to attract new customers if the business fails to maintain its position as a leading price comparison website or if its reputation is negatively impacted by any event, such as the loss or misuse of customer personal data.	Continued investment in television advertising reinforced through press activity will maintain the Group in customers' minds. Rigorous checking of the website through audit and review will maintain the accuracy of the information displayed. Rigorous use of internal controls and testing of the Group's systems will ensure the integrity and robustness of the Group's systems. Additional investment in initiatives increases transparency to the customer helping to protect brand values.
Business continuity, capacity and functionality of IT and systems	Failure to provide adequate service levels to customers or maintain revenue generating services.	The Group maintains two separate data centres with n + 1 redundancy in relation to its core infrastructure to ensure that service is maintained in the event of a disaster at the primary data centre. Developed software is rigorously tested and the Group operates a robust release process which mitigates the likelihood of software being released into a live environment without being fully tested.
Loss of key management	Loss of key management resulting in a lack of necessary expertise or continuity to execute strategy.	Existing key management and new hires are tied in through attractive equity incentive packages and rewarding career structures. In addition, succession plans have been developed for key members of the management team which are regularly reviewed.
Reliance on search engine natural listings	Reduction in gross margin through reduction in revenue derived from search engine optimisation activities.	The Group will continue to invest in sustainable search engine optimisation activities which adhere to search engine guidelines.

Board of Directors and Company Secretary



▲ Member of the Audit Committee
■ Member of the Remuneration Committee
● Member of the Nomination Committee

1 Gerald Corbett ▲ ■ ●
Chairman of the Board and Chairman of the Nomination Committee

Gerald was appointed Chairman of the Board in June 2007. He has been chairman of Britvic plc since November 2005 and deputy chairman of Betfair Group plc since January 2012 where he becomes chairman in March. He is a non-executive director of Towry Holdings Limited, a non-executive director of Numis Corporation Plc and is chairman of the board of trustees of the Royal National Institute for the Deaf. Gerald was chairman of SSL International plc from 2005 to 2010 and prior to that was chairman, chief executive or finance director of a number of major companies.

2 Simon Nixon
Deputy Chairman

Simon co-founded the Group's business in 1993 and since then has been involved in the management and development of the business including the launch of MoneySupermarket.com in 1999 and TravelSupermarket.com in 2004. Simon was appointed to the Board as Chief Executive Officer in April 2007 and became Deputy Chairman in February 2009.

3 Peter Plumb
Chief Executive Officer

Peter was appointed an Executive Director in January 2009 and became Chief Executive Officer of the Group in February 2009. Prior to joining the Group, Peter was the UK managing director of dunnhumby Limited between 2006 and 2008 and was previously general manager of Europe Disney Consumer Products, international director of Dyson Appliances Limited and held senior commercial roles at PepsiCo International. Peter has an MBA from IMD in Switzerland.

4 Paul Doughty
Chief Financial Officer

Paul joined the Group in 2004 as Chief Financial Officer. He previously had commercial finance roles at Motorola Limited, National Power plc and Morse plc. He is a qualified Chartered Accountant having trained and qualified at Price Waterhouse. Paul was appointed to the Board in April 2007.

5 David Osborne
Marketing Director

David was appointed an Executive Director in February 2009. Between 2005 and 2009, David was UK regional general manager at easyJet. He previously worked in senior marketing roles at ING Direct, Orange, Amazon.co.uk and Diageo.

6 Graham Donoghue
Managing Director, Financial Services

Graham joined the Group in 2008 as Managing Director, Travel and was appointed an Executive Director in February 2009. He was appointed Managing Director, Financial Services in January 2011. Prior to joining the Group, Graham was new media director of TUI Travel plc between 2006 and 2008.

7 Michael Wemms ▲ ■ ●
Senior Independent Non-Executive Director and Chairman of the Remuneration Committee

Michael was appointed a Non-Executive Director in July 2007. Michael has been a non-executive director of Howden Joinery Group plc since 2006. He was formerly a non-executive director of Inchcape plc between 2004 and 2011, chairman of the British Retail Consortium between 2004 and 2006, chairman of House of Fraser plc between 2001 and 2006 and a non-executive director of A&D Pharma Holdings N.V. between 2006 and 2008. Michael was previously an executive director of Tesco plc between 1989 and 2000.

8 Rob Rowley ▲ ■ ●
Independent Non-Executive Director and Chairman of the Audit Committee

Rob was appointed a Non-Executive Director in September 2007. Rob has been a non-executive director of Capital Shopping Centres Group PLC since 2004 where he is the senior independent director and chairs its audit committee. Rob was appointed a non-executive director of Taylor Wimpey plc in January 2010. He was formerly deputy chairman of Cable & Wireless plc between 2003 and 2006 and a non-executive director of Prudential plc between 1999 and 2006 where he chaired its audit committee. Rob was previously at Reuters plc from 1978 to 2001 where he was a director between 1990 and 2001.

9 Bruce Carnegie-Brown ▲ ■ ●
Independent Non-Executive Director

Bruce was appointed a Non-Executive Director in April 2010. Bruce has been a non-executive director of Close Brothers Group plc since 2006 where he is the senior independent director and chairs its remuneration committee. Bruce was appointed a non-executive director of Catlin Group Limited in August 2010 where he is the senior independent director and chairs its remuneration committee. He was previously managing partner of 3i Quoted Private Equity and a member of the 3i Group plc's executive committee, chief executive officer of Marsh Limited between 2003 and 2006 and prior to that was a managing director at JP Morgan.

10 Darren Drabble
Company Secretary and General Counsel

Darren joined the Group as Company Secretary and General Counsel in May 2007. 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.

Corporate Responsibility Report

The Group operates with an underlying awareness of its wider responsibilities to society.

Communities and charities

The Group's Community initiative was launched in 2008 and has continued to develop during 2011. The initiative is focused on providing support to charities located within a few miles of the Group's offices in Ewloe and so support is targeted primarily in Flintshire and Cheshire.

A volunteer group of employees meet each month to review requests for donations from charities 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 in which it operates.

In 2011 the Group made £2,000 per month 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 43 charities including:

Relate North Wales
Marie Curie Cancer Care
Flintshire Disability Forum
North Wales Super Kids
Age UK Cheshire
Flintshire Deaf Children's Society

In addition to the .Community initiative, the Group and its employees continue to select and support a charity on an annual basis.

The 2011 Charity of the Year was Wales Air Ambulance. The charity provides emergency air cover for individuals who face life threatening illness or injury via the operation of three helicopters. Over the course of the year the Group's employees raised £13,454 for Wales Air Ambulance with the Group donating £13,454, bringing the total donated to Wales Air Ambulance during the year to £26,908.

Employees have selected the Alzheimer's Society as its 2012 Charity of the Year. The charity provides help and support to people affected by dementia.

The Group launched in October 2011 a volunteering scheme through which the Group is supporting 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.

Environment

The Group has established a team called the 'Green Team' which comprises a volunteer group of employees who meet regularly and whose aim is to reduce energy and raw material usage throughout the Group to support environmental and financial performance.

The 'Green Team' have implemented a number of initiatives in 2011 to support this aim including the education of employees during a 'Green Week' which highlighted the effects people have on the environment; ensuring that non-business critical equipment (for example lighting) is switched off at night; the installation of energy efficient lighting throughout the Group's main office; the replacement of PCs and printers with more energy efficient models; and the installation of recycling facilities within the Group's main office. The Group estimates that during 2011 it recycled on average over 50% of its commercial waste.

Employees

The Group actively encourages employee involvement and consultation and places considerable emphasis on keeping its employees informed of the Group's activities via formal half yearly business performance updates, regular update briefings, 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 relevant information including corporate announcements. This also helps to achieve a common awareness amongst employees of the financial and economic factors affecting the performance of the Group.

The Group has an established employee forum through which nominated representatives ensure that employees' views are taken into account regarding issues that are likely to affect them. 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.

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.

The Group recognises 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, the Group strives to make work placements positive, challenging and relevant to participants' current studies and their future job prospects.

In 2011, the Group implemented a formal graduate recruitment programme, through which the Group employed 5 graduates into its IT and marketing teams. The Group intends to continue this programme in 2012 and beyond.

Directors' Report

The Directors present their report and the Group and Company Financial Statements of Moneysupermarket.com Group PLC (the 'Company') and its subsidiaries (together the 'Group') for the financial year ended 31 December 2011.

Principal activities

The Company is a public limited company incorporated in England, registered number 6160943, with its registered office at Moneysupermarket House, St David's Park, Ewloe, Chester, CH5 3UZ.

The principal activity of the Group is the introduction of business to financial, insurance, travel, home services and other product or service providers through its websites. The principal activity of the Company is that of a holding company.

A fuller description of business activities is contained within the Financial and Business Review on pages 15 to 19.

Business review

The Chairman's Statement on pages 10 and 11, the Chief Executive's Report on pages 12 to 14, the Financial and Business Review on pages 15 to 19 and the Principal Risks and Uncertainties on pages 20 and 21 provide a detailed review of the Group's activities, likely future developments and principal risks and uncertainties. All the information detailed in those pages is incorporated by reference into this report and is deemed to form part of this report.

As at the date of this report, there have been no important events affecting the business of the Group which have occurred since 31 December 2011.

Corporate governance

The Corporate Governance Report, the Audit Committee Report, the Nomination Committee Report and the Directors' Remuneration Report on pages 29 to 42 are incorporated by reference into this report and are deemed to form part of this report.

Results and dividends

The Group's and Company's audited Financial Statements for the financial year ended 31 December 2011 are set out on pages 44 to 72.

An interim dividend of 1.5p (2010: 1.3p) per ordinary share and a special dividend of 3.93p per ordinary share were paid to shareholders on 16 September 2011.

The Directors recommend a final dividend of 3.03p (2010: 2.53p) per ordinary share. If approved by shareholders at the forthcoming Annual General Meeting, this will be paid on Friday 27 April 2012 to shareholders on the register at the close of business on Friday 30 March 2012.

The final dividend, together with the interim and special dividends paid on 16 September 2011, gives a total dividend for the year of 8.46p (2010: 3.83p) per ordinary share.

Major shareholders

As at the date of this report, the Company had been notified of the following significant holdings of voting rights in its ordinary shares in accordance with the Financial Services Authority's Disclosure and Transparency Rules:

Shareholder	Number of ordinary shares/voting rights notified	Percentage of ordinary share capital notified
Simon Nixon	267,257,021	52.76
BlackRock Inc	25,454,379	4.998
FIL Limited	24,758,460	4.86
Capital Research & Management Company	24,480,000	4.93
State Street Nominees Limited	20,581,165	4.14

Share capital and control

The issued share capital of the Company comprises a single class of shares referred to as ordinary shares of 0.02p each. As at 31 December 2011, the issued share capital of the Company was £101,857 comprising 509,288,007 ordinary shares of 0.02p each. Full details of the share capital of the Company and changes to the share capital during the year are set out in note 16 to the Group Financial Statements on page 64. All the information detailed in note 16 on page 64 is incorporated by reference into this report and is deemed to form part of this report.

At the Annual General Meeting of the Company held on 4 May 2011, shareholders authorised the Directors to allot up to 339,180,000 ordinary shares in the capital of the Company. Directors will seek authority from shareholders at the forthcoming Annual General Meeting to allot up to 339,180,000 ordinary shares.

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, shall have one vote and, on a poll, every holder of ordinary shares present in person or by proxy, and entitled to vote, shall have one vote for every ordinary share held. There are no issued shares in the Company with special rights with regard to control of the Company.

The notice of the Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the Annual General Meeting and published on the Company's website after the meeting.

There are no restrictions on the transfer of ordinary shares in the Company other than:

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

Directors' Report continued

Under the rules of the Moneysupermarket.com Group PLC Share Incentive Plan ('Plan'), eligible employees were provided with the opportunity to receive 'free' shares on the listing of the Company ('Listing') with a value as at the date of Listing of £3,000, and all employees are entitled to purchase ordinary shares in the Company using money deducted from their pre-tax salary. Plan shares are held in trust for participants by Capita IRG Trustees Limited ('Trustees'). Voting rights are exercised by the Trustees on receipt of participants' instructions. If a participant does not submit an instruction to the Trustees, no vote is registered. In addition, the Trustees do not vote on any unawarded or forfeit shares held under the Plan as surplus assets. As at the date of this report, the Trustees held 0.14% of the issued ordinary share capital 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.

The Company and Simon Nixon entered into a relationship agreement on 11 July 2007 to regulate the ongoing relationship between them ('Relationship Agreement'). The Company and Simon Nixon have agreed in the Relationship Agreement that Simon Nixon is entitled to appoint (such number including himself) one Non-Executive Director for as long as he holds the beneficial interest in at least 15% of the ordinary shares of the Company, two Non-Executive Directors for as long as he holds the beneficial interest in at least 30% of the ordinary shares of the Company and three Non-Executive Directors for as long as he holds the beneficial interest in at least 50% of the ordinary shares of the Company. The Relationship Agreement will terminate if Simon Nixon holds less than 15% of the ordinary shares of the Company. As at the date of this report, Simon Nixon had not appointed any Non-Executive Directors pursuant to his rights in the Relationship Agreement.

Save in respect of Peter Plumb's service agreement (details of which are set out on page 39) and provisions of the Company's share schemes which may cause options and awards granted to employees under such schemes to vest on a takeover, there are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Save in respect of the Company's share schemes, there are no significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid.

The Company's 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 Annual General Meeting.

Authority to purchase own shares

At the Annual General Meeting of the Company held on 4 May 2011, shareholders authorised the Company to purchase, in the market, up to 50,928,800 of its own ordinary shares either to be cancelled or retained as treasury shares. As at the date of this report, the Company had not purchased any of its own ordinary shares in the market.

Directors will seek authority from shareholders at the forthcoming Annual General Meeting for the Company to purchase, in the market, up to 50,928,800 of its own ordinary shares either to be cancelled or retained as treasury shares. 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.

Research and 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 internet operations.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Financial Statements have been prepared on a going concern basis.

Directors

The following persons were Directors of the Company during the financial year ended 31 December 2011: Gerald Corbett, Simon Nixon, Peter Plumb, Paul Doughty, David Osborne, Graham Donoghue, Michael Wemms, Rob Rowley and Bruce Carnegie-Brown. Their biographical details are set out on pages 22 and 23.

Subject to law and the Company's Articles of Association, the Directors may exercise all of the powers of the Company and may delegate their power and discretion to committees.

The Company's Articles of Association give the Directors power to appoint and replace Directors. Under the terms of reference of the Nomination Committee, any appointment to the Board of the Company must be recommended by the Nomination Committee for approval by the Board. The Articles of Association also require Directors to retire and submit themselves for election at the first Annual General Meeting following their appointment and to stand for re-election at least every three years following their election or last re-election.

In accordance with the Company's Articles of Association and the UK Corporate Governance Code, all of the Directors will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for election or re-election.

Directors' remuneration

The Remuneration Committee, on behalf of the Board, has adopted a policy that aims to attract and retain the Directors needed to run the Group successfully. Details of the Directors' remuneration is set out in the Directors' Remuneration Report on pages 35 to 42.

Directors' interests

Details of the Directors' and their connected persons' interests in the ordinary shares of the Company are set out in the Directors' Remuneration Report on pages 35 to 42. No Director has any other interest in any shares or loan stock of any Group company.

The details of transactions with Directors of the Company and related party transactions in the financial year ended 31 December 2011 are set out in note 22 to the Group Financial Statements on page 68. During the year, no Director had any material interest in any contract of significance to the Group's business.

Directors' and officers' insurance and indemnities

During the financial year ended 31 December 2011 and up to the date of this report, the Company has maintained 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. Qualifying third party indemnity provisions and qualifying pension scheme indemnity provisions were in force throughout 2011 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.

Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and 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 and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.
- 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 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 Directors' Report, Directors' Remuneration Report and Corporate Governance Report that complies with that law and those regulations.

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

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rules 4.1.12

Each of the Directors whose names and functions are set out on pages 22 and 23 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.
- The business review 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.

Internal control

The Corporate Governance Report and Audit Committee Report on pages 29 to 33 includes the Board's assessment of the Group's system of internal controls and consideration of the guidance issued by the Turnbull Committee of the Institute of Chartered Accountants of England and Wales.

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 half yearly business performance updates by members of the executive management team 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.

Directors' Report continued

The Group has an established employee forum through which nominated representatives ensure that employees' views are taken into account regarding issues that are likely to affect them. 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

The Group did not have any borrowings during the financial year ended 31 December 2011 (2010: £nil).

Financial risk management

It is the Group's objective to manage its financial risk so as to minimise the adverse fluctuations in the financial markets on the Group's profitability and cash flow. The specific policies for managing each of the Group's main financial risk areas are set out in note 17 to the Group Financial Statements on pages 64 and 65.

Political and charitable donations

During the financial year ended 31 December 2011, the Group did not make any political donations (2010: £nil) and made charitable donations of £37,454 (2010: £29,729).

Creditor payment policy

It is Group policy to agree terms and conditions for its business transactions with suppliers. Payment is made in accordance with these terms provided the supplier meets its obligations. The average number of trade creditor days outstanding for the Group at 31 December 2011 was 48.8 days (2010: 50.8). The Company is a holding company and therefore had no trade creditors at 31 December 2011 (2010: nil).

Disclosure of information to auditors

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 auditors are unaware; and each such Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

Auditors

KPMG Audit Plc have indicated their willingness to accept re-appointment as auditors of the Company. A resolution proposing their re-appointment is contained in the notice of the forthcoming Annual General Meeting and will be proposed to shareholders at that meeting.

Annual General Meeting

The forthcoming Annual General Meeting of the Company will be held at Doubletree by Hilton Chester Hotel, Warrington Road, Hoole, Chester, CH2 3PD on Wednesday 18 April 2012 at 11.00am.

The notice convening the forthcoming Annual General Meeting of the Company, with details of the business to be transacted at the meeting and explanatory notes, is set out in a separate circular which has been sent to all shareholders at the same time as this report.

By order of the Board

Darren Drabble
Company Secretary
27 February 2012

Corporate Governance Report

The Board of Directors ('Board') of Moneysupermarket.com Group PLC ('Company') is committed to high standards of corporate governance and supports the principles laid down in The UK Corporate Governance Code published in June 2010 by the Financial Reporting Council ('Code'). This Corporate Governance Report describes how the principles of the Code are applied by the Company and reports on the Company's compliance with the Code's provisions.

Compliance

The Board considers that the Company has complied with the provisions of the Code throughout the year ended 31 December 2011 and to the date of this report except as set out below.

Board of Directors

The Board currently has nine members, comprising the Non-Executive Chairman, Gerald Corbett, three Independent Non-Executive Directors, Michael Wemms, Rob Rowley and Bruce Carnegie-Brown, and five Executive Directors, Simon Nixon, Paul Doughty, Peter Plumb, Graham Donoghue and David Osborne. Michael Wemms has been designated as the Senior Independent Non-Executive Director.

The Board normally meets on at least eight occasions in each financial year including a two day strategy conference. To enable the Non-Executive Directors to more freely discuss the performance of the Group's management, the Chairman meets with the Non-Executive Directors at least once each year without the Executive Directors present.

The Board considers that all the Directors are able to devote sufficient time to their duties as Directors. Biographies of the Board are set out on pages 22 and 23 including details of the significant commitments of the Chairman. The Board is satisfied that these appointments do not conflict with the Chairman's ability to carry out his duties and responsibilities effectively for the Group.

The Board has reviewed the recommendations of the Davies Report as part of a wider diversity discussion and has recently endorsed a Group wide Diversity Policy. The Board supports the aims, objectives and recommendations of the Davies Report and in line with the Code will continue to make Board appointments on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

Independence/Non-Executive Directors

The Chairman and the Non-Executive Directors bring wide and varied commercial experience to Board and Committee deliberations. The practice of the Company is to appoint Non-Executive Directors for specified terms of three years, subject to a maximum of up to 12 months' notice within that period and also subject to re-election and to Companies Act provisions relating to the removal of a Director. Each of the Non-Executive Directors, including the Chairman, currently holds a letter of appointment reflecting this.

The Board considers that Gerald Corbett was independent on appointment as Chairman and considers Michael Wemms, Rob Rowley and Bruce Carnegie-Brown 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

The Company's Articles of Association were amended at the 2008 Annual General Meeting, in line with the Companies Act 2006, to allow the Board to authorise potential conflicts of interest that may arise and to impose limits or conditions, as appropriate, when giving any authorisation. Any decision of the Board to authorise a conflict of interest is only effective if it is agreed without the conflicted Directors voting or without their votes being counted and in making such a decision, the Directors must act in a way they consider in good faith will be most likely to promote the success of the Company.

The Company has established a procedure for the appropriate authorisation to be sought prior to appointment of any new Director or prior to a new conflict arising and for the regular review of actual or potential conflicts of interest. During the year, this procedure was adhered to and operated effectively.

Relationship Agreement

The majority shareholder of the Company is Simon Nixon. The Company and Simon Nixon entered into a relationship agreement on 11 July 2007 to regulate the ongoing relationship between them ('Relationship Agreement'). The principal purpose of the Relationship Agreement is to ensure that the Company is capable of carrying on its business independently of Simon Nixon, and that transactions and relationships with Simon Nixon are at arm's length and on normal commercial terms.

The Company and Simon Nixon have agreed in the Relationship Agreement that Simon Nixon is entitled to appoint (such number including himself as a Director) one Non-Executive Director for as long as he holds the beneficial interest in at least 15% of the ordinary shares of the Company, two Non-Executive Directors for as long as he holds the beneficial interest in at least 30% of the ordinary shares of the Company and three Non-Executive Directors for as long as he holds the beneficial interest in at least 50% of the ordinary shares of the Company. The Relationship Agreement will terminate if Simon Nixon holds less than 15% of the ordinary shares of the Company.

The Relationship Agreement also includes a protocol to be observed in relation to any Non-Executive Director appointed by Simon Nixon to deal with potential conflicts of interest and the provision of confidential information.

As at the date of this report, Simon Nixon had not appointed any Non-Executive Directors pursuant to his rights in the Relationship Agreement.

Division of responsibilities

The positions of Chairman and Chief Executive Officer are not combined, ensuring a clear division of responsibility at the head of the Company. The division of roles and responsibilities between the Chairman and Chief Executive Officer is clearly established, set out in writing and has been approved by the Board.

The Chairman is responsible for leadership of the Board, setting its agenda and monitoring its effectiveness. He ensures effective communication with shareholders and that the Board is aware of the views of major shareholders. He facilitates both the contribution of the Non-Executive Directors and constructive relations between the Executive and Non-Executive Directors.

The Chief Executive Officer is responsible for the day to day running of the Group, carrying out agreed strategy and implementing specific Board decisions.

Corporate Governance Report continued

Role of the Board

The Board is collectively responsible for the Group's performance and meets regularly to review the operation and performance of the Group. The Board has a formal schedule of matters reserved to it for decision making and matters delegated to Committees of the Board which are available on the investor relations section of the Group's website at www.moneysupermarket.com. These include the Group's strategy; business plan and annual budget; acquisitions and disposals; and other major investments and capital projects.

There is an established procedure for the preparation and approval each year by the Board of business plans and the annual budget. The Board receives reports on performance against the business plan and budget and reviews any significant variances each time it meets. This information enables business performance to be monitored, evaluated, discussed and challenged where necessary and enables informed, sound decisions to be made. At least one of the Board's regular meetings each year is devoted to reviewing and agreeing the Group's strategic direction.

Board Committees

The Board has three principal Committees (Audit, Nomination and Remuneration) to which various matters are delegated. The Committees all have formal written terms of reference that have been approved by the Board and are published on the investor relations section of the Group's website at www.moneysupermarket.com. They are also available in hard copy form on application to the Company Secretary.

Details of the work of the Audit, Nomination and Remuneration Committees are given in the reports of those Committees on pages 33 to 42.

The Directors who served on each of the Committees during the year are set out below:

Committee	Chairman	Member	Member	Member
Audit	Rob Rowley	Gerald Corbett	Michael Wemms	Bruce Carnegie-Brown
Nomination	Gerald Corbett	Michael Wemms	Rob Rowley	Bruce Carnegie-Brown
Remuneration	Michael Wemms	Gerald Corbett	Rob Rowley	Bruce Carnegie-Brown

Board and Committee attendance

The attendance record of the Directors at scheduled Board and Committee meetings during the year is set out in the following table. The Board scheduled nine meetings during the year and ad hoc conference calls were also convened to deal with specific matters which required attention between scheduled meetings.

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Executive Directors				
Simon Nixon	7	–	–	–
Peter Plumb	9	–	–	–
Paul Doughty	9	–	–	–
Graham Donoghue	9	–	–	–
David Osborne	9	–	–	–
Non-Executive Directors				
Gerald Corbett	9	3	2	6
Michael Wemms	8	3	2	6
Rob Rowley	9	3	2	6
Bruce Carnegie-Brown	9	3	2	6
Total number of scheduled meetings held	**9**	**3**	**2**	**6**

The Executive Directors of the Company may attend meetings of the Committees at the invitation of the Chairman of the respective Committee.

Directors

The Company's Articles of Association require that new Directors appointed by the Board must retire and submit themselves for election by shareholders at the next Annual General Meeting following their appointment. The Company's Articles of Association further require that all Directors must retire and submit themselves for re-election at least every three years. In accordance with the Code, all of the Directors will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election.

The Company provides Directors' and officers' insurance cover for the benefit of Directors in respect of claims arising in the performance of their duties. The Company has also granted indemnities to each of its Directors and the Company Secretary to the extent permitted by law and its Articles of Association.

Board evaluation

The formal annual evaluation of the performance of the Board, its Committees and individual Directors was undertaken during the year. This consisted of an internally run exercise led by the Chairman with the assistance of the Company Secretary. The appraisal questionnaire used in connection with the process was wide-ranging and based on questions outlined in the Code, covering both Board and Committee performance. The Board considered that an internally run exercise was most appropriate in the current year but agreed annually to give consideration to whether an externally facilitated evaluation may be appropriate.

The appraisal output is used to identify strengths and development areas and confirmed that the Board and its Committees were operating effectively. Individual performance was also appraised, based on one-to-one interviews with the Chairman, or in the case of the Chairman, with the Senior Independent Non-Executive Director following consultation with each of the other Directors.

Development

The Chairman and Company Secretary are responsible for preparing and co-ordinating an induction programme for newly appointed Directors, including business related presentations by senior management below Board level, as well as guidance on their duties, responsibilities and liabilities as a Director of the Company. Every Director has access to appropriate training as required following their appointment and is encouraged to develop their understanding of the Group.

Information

Board members are given appropriate documentation in a timely manner in advance of each Board or Committee meeting. This normally includes a detailed report on current trading and comprehensive papers on matters where the Board or Committee will be required to make a decision or give its approval. Specific business related presentations are given by senior management below Board level when appropriate.

The Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are followed and providing advice to the Board on corporate governance. Both the appointment and removal of the Company Secretary are matters for the Board as a whole.

Directors can, where they judge it necessary to discharge their responsibilities as Directors, obtain independent professional advice at the Company's expense. No such advice was sought by any Director during the year. Directors have the right to require that any concerns they may have are recorded in the appropriate Board or Committee minutes.

Shareholder relations

The Board is committed to establishing and maintaining good communications with shareholders. 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. 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 the various bodies which monitor the Company's governance policies and procedures. The Company Secretary generally deals with questions from individual 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 www.moneysupermarket.com to be viewed and accessed by all shareholders.

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

All shareholders will have the opportunity to ask questions at the forthcoming Annual General Meeting. The Chairmen of the Audit, Nomination and Remuneration Committees will be available to answer questions at that meeting. Shareholders may also contact the Chairman, 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 will prepare separate resolutions on each substantially separate issue at the forthcoming Annual General Meeting. The result of the vote on each resolution will be published on the Group's website after the Annual General Meeting and will be announced via the regulatory information service.

Corporate Governance Report continued

Internal control and risk management

The Board is responsible for the Group's system of internal control and risk management and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key features of the Group's system of internal control and risk management are:

- A comprehensive annual business planning and budgeting process, requiring Board approval, against which the Group's actual performance and any significant variances are regularly reviewed by the Board.
- A schedule of matters reserved for the Board's approval to ensure it maintains control over appropriate strategic, financial, organisational, compliance and capital investment issues.
- An organisation structure with clearly defined lines of responsibility and delegation of authority.
- Regular reviews of the key risks facing the Group to ensure key risks are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity. The management of risk is undertaken by the Group Risk Committee, chaired by the Chief Executive Officer, which reviews the Group risk register on a quarterly basis, and reports to the Audit Committee at least twice a year.
- An annual two day strategy conference to discuss and approve the Group's strategic direction, plans and objectives and the risks to achieving them.

In addition, the Audit Committee receives:

- Reports from the external auditors in relation to the Financial Statements and the material financial reporting judgements contained in them.
- Reports from the external auditors in relation to the system of internal control and the reviews by the external auditors of that system.

The Audit Committee has reviewed the effectiveness of the Group's system of internal control and risk management during the year. The Board considers that in the context of the control environment described above, the Group's system of internal control and risk management is effective and satisfactory.

Share capital

Details of the Company's share capital are set out in the Directors' Report on pages 25 and 26.

Compliance with the Code

The Directors consider that during the financial year ended 31 December 2011 and to the date of this report, the Company complied with the Code except as follows:

B.1.2 – During the year at least half the Board, excluding the Chairman, did not comprise Independent Non-Executive Directors. The Directors consider that the Board is of sufficient size and diversity that the balance of skills and experience is considered to be appropriate for the requirements of the Group at the current time.

E.1.1 – As a result of regular feedback provided to the Board by the Chief Executive Officer and Chief Financial Officer following their dialogue with major shareholders, the Senior Independent Non-Executive Director believes he is aware of the views of major shareholders. Unless requested by major shareholders, the Senior Independent Non-Executive Director does not attend meetings with them.

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

Darren Drabble
Company Secretary
27 February 2012

Audit Committee Report

The Audit Committee presents a separate report in relation to the financial year ended 31 December 2011.

Composition of the Audit Committee

The Audit Committee comprises the four Non-Executive Directors, Rob Rowley (Chairman of the Audit Committee), Gerald Corbett, Michael Wemms and Bruce Carnegie-Brown. Rob Rowley, Michael Wemms and Bruce Carnegie-Brown are considered by the Board to be independent. Gerald Corbett was considered by the Board to be independent on appointment. Biographies of the members of the Audit Committee are set out on pages 22 and 23. Rob Rowley is a qualified accountant and was formerly finance director of Reuters plc and chairman of the audit committee at Prudential plc. He is currently chairman of the audit committee at Capital Shopping Centres Group PLC. The Board is satisfied that Rob Rowley has recent and relevant financial experience.

Operation of the Audit Committee

The Audit Committee met on three occasions during the year. Details of the attendance at Audit Committee meetings are set out in the Corporate Governance Report on page 30.

The Chief Executive Officer and Chief Financial Officer, together with the external auditors, will normally attend meetings at the invitation of the Chairman of the Audit Committee. The external auditors are regularly invited by the Audit Committee to advise them of any matters which they consider should be brought to the Audit Committee's attention without the Executive Directors present. The external auditors may also request a meeting with the Audit Committee if they consider it necessary.

The Company Secretary acts as secretary to the Audit Committee. 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.

The Audit Committee's duties include:
- Monitoring the financial reporting process.
- Monitoring the statutory audit of the Group's Financial Statements.
- Reviewing the Group's Financial Statements and the material financial reporting judgements contained in them.
- Monitoring the effectiveness of the Group's internal control and risk management systems.
- Reviewing and monitoring the independence of the external auditors and the provision of additional services to the Group.
- Advising the Board on the appointment and removal of the external auditors and the remuneration and terms of engagement of the external auditors.
- Reviewing the Group's whistle blowing procedures.

The Audit Committee undertakes its activities in line with an annual work plan. The Audit Committee agrees the scope of the audit work and discusses the results of the full year audit and half year review each year.

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

During the year, the Audit Committee reviewed the Group's whistle blowing procedures to ensure arrangements are in place to enable employees to raise concerns about possible malpractice or wrongdoing by the Group or any of its employees on a confidential basis. This includes arrangements to proportionately and independently investigate such matters and for appropriate follow-up action.

Internal control and risk management

The Board is responsible for the Group's system of internal control and risk management and for reviewing its effectiveness. The Audit Committee monitors and reviews each year the effectiveness of, and the framework for, the Group's system of internal control and risk management. This includes annual consideration as to whether there is a need to establish an internal audit function.

The Audit Committee undertook a review of the effectiveness of, and the framework for, the Group's system of internal control and risk management, including financial, operational and compliance controls during the year. In addition to this review, the external auditors provided the Audit Committee with comprehensive reports of the results of their controls testing as part of the external audit. On a half yearly basis, the Audit Committee also reviewed the key risks facing the Group and the actions being taken by management to mitigate and manage them.

During the year the Audit Committee considered the need to establish an internal audit function and concluded that the control systems are sufficient for the size and complexity of the Group such that an internal audit function is not required at this time. This will be reviewed in 2012.

Review of the work of the external auditors

Subject to the annual appointment of the external auditors by shareholders, the Audit Committee regularly reviews the relationship between the Group and the external auditors. This review includes an assessment of their performance, cost-effectiveness, objectivity and independence.

The Audit Committee is responsible for ensuring that an appropriate relationship is maintained between the Group and the external auditors. The Group has implemented a policy of controlling the provision of non-audit services by the external auditors in order to ensure that their objectivity and independence is safeguarded. This control is exercised by ensuring that all non-audit services are subject to the prior approval of the Audit Committee. During the year, the Company continued to engage its external auditors to provide non-audit services, including the provision of advice in connection with the reimbursement of VAT, and other acquisition activities reflecting their knowledge and understanding of the Group. The Audit Committee also continued with the appointment of other accountancy firms to provide certain non-audit services to the Group and anticipates that this will continue in 2012.

The Audit Committee, having considered the external auditors' performance during their period in office, recommends their re-appointment. A full breakdown of the audit and non-audit related fees is set out in note 5 to the Group Financial Statements on page 56. The Audit Committee discussed the level of fees and considered them appropriate given the current size of the Group. The Audit Committee is satisfied that the level and scope of non-audit services undertaken by the external auditors does not impair their independence and objectivity.

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

Rob Rowley
Chairman of the Audit Committee
27 February 2012

Nomination Committee Report

The Nomination Committee presents a separate report in relation to the financial year ended 31 December 2011.

Composition of the Nomination Committee

The Nomination Committee comprises the four Non-Executive Directors, Gerald Corbett (Chairman of the Nomination Committee), Michael Wemms, Rob Rowley and Bruce Carnegie-Brown. Rob Rowley, Michael Wemms and Bruce Carnegie-Brown are considered by the Board to be independent. Gerald Corbett was considered by the Board to be independent on appointment. Biographies of the members of the Nomination Committee are set out on pages 22 and 23.

Operation of the Nomination Committee

The Nomination Committee met on two occasions during the year. Details of the attendance at Nomination Committee meetings are set out in the Corporate Governance Report on page 30.

The Nomination Committee's duties include:

- Evaluating the balance of skills, knowledge and experience of the Board.
- Considering the size, structure and composition of the Board.
- Where necessary, considering and recommending to the Board persons who are appropriate for appointment as Directors.
- Ensuring that succession planning for the Board is in place.

The Nomination Committee has a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The process involves the Nomination Committee interviewing suitable candidates who are proposed by either existing Board members or by an external search firm. Careful consideration is given to ensure proposed appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the Board is maintained. When the Nomination Committee has identified a suitable candidate, the Chairman of the Nomination Committee will make a recommendation to the Board with the Board making the final decision.

When dealing with the appointment of a successor to the Chairman, the Senior Independent Non-Executive Director will chair the Nomination Committee instead of the Chairman.

During the year, the Nomination Committee reviewed the balance of skills, independence, knowledge and experience of the Board together with the size, diversity, structure and composition of the Board, and reviewed the succession plans for the Board.

At the invitation of the Chairman of the Nomination Committee, the Chief Executive Officer and Human Resources Director may attend meetings of the Nomination Committee. The Company Secretary acts as secretary to the Nomination Committee. 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.

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

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

Gerald Corbett
Chairman of the Nomination Committee
27 February 2012

Directors' Remuneration Report

Michael Wemms
Chairman of the Remuneration Committee

Dear Shareholders,

Fundamental to the strategy of the Remuneration Committee is achieving an appropriate balance between the needs of the business, the executives and shareholders. The Remuneration Committee stays close to the views of our major shareholders and other stakeholders, taking governance guidelines into account and keeping abreast of emerging Government thinking.

We continue to look for ways in which reward supports behaviour that enhances the culture and values which are fundamental to the success of our Company. We are a young business and the Remuneration Committee believes the executive team are fairly rewarded, but we continue to test performance targets to ensure they are challenging and relevant and we are prepared to be flexible in our response to emerging opportunities.

Against this background, it is pleasing that it has been another strong year for the Group with adjusted revenue increasing by 20% to £178.5m and adjusted EBITDA increasing by 21% to £49.5m. This has been achieved through the effective execution of the Group's strategy outlined in early 2010 and the focus during the year on growing the business.

The following report gives further details the remuneration principles, policy and actual remuneration of the Group's Executive Directors during 2011. The performance related pay elements reflect the good year for the Group with performance against the adjusted EBITDA/revenue financial targets exceeding maximum performance and the individual objectives being partially met.

We have some exciting business opportunities in 2012 and to take account of these within our Executive Director remuneration policy we are proposing some changes to provide even greater alignment with shareholders' interests and to incentivise management to generate long term sustainable returns for shareholders.

The Remuneration Committee will continue to monitor proposals being formulated in relation to executive pay as well as best practice developments in this area to ensure the Group's policy remains consistent with best remuneration practice.

A resolution to approve this report will be proposed at the Annual General Meeting on 18 April 2012 and we look forward to your continued support.

Yours sincerely,

Michael Wemms
Chairman of the Remuneration Committee
27 February 2012

This Directors' Remuneration Report has been prepared by the Remuneration Committee and approved by the Board for the financial year ended 31 December 2011. It has been prepared in accordance with the Companies Act 2006. This report provides the Company's statement of how it has applied the principles of good governance relating to Directors' remuneration and is intended to communicate the Company's policies and practices on executive remuneration.

This report will be subject to an advisory shareholder vote at the forthcoming Annual General Meeting. KPMG Audit Plc have audited the content of the report described as 'Audited Information' to the extent required by law.

Remuneration Committee

The Remuneration Committee comprises the four Non-Executive Directors, Michael Wemms (Chairman of the Remuneration Committee), Gerald Corbett, Rob Rowley and Bruce Carnegie-Brown. Michael Wemms, Rob Rowley and Bruce Carnegie-Brown are considered by the Board to be independent. Gerald Corbett was considered by the Board to be independent on appointment. Biographies of the members of the Remuneration Committee are set out on pages 22 and 23.

At the invitation of the Chairman of the Remuneration Committee, the Chief Executive Officer and Human Resources Director 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 and agreeing with the Board the framework and policy for the remuneration of the Chairman, Executive Directors, Company Secretary and executive management team.
- Determining the remuneration package of the Chairman, Executive Directors, Company Secretary and executive management team, including, where appropriate, bonuses, incentive payments and pension arrangements within the terms of the agreed framework and policy.
- Determining awards under the Company's long term incentive schemes.

The Remuneration Committee met on six occasions during the year. Details of the attendance at Remuneration Committee meetings are set out in the Corporate Governance Report on page 30.

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

Advisors

During the year, the Remuneration Committee received advice from Towers Watson, who are independent remuneration consultants, in connection with remuneration matters including the Group's performance related remuneration policy. Towers Watson 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. Towers Watson has no other connection or relationship with the Group and has not provided any other services to the Group during the financial year ended 31 December 2011.

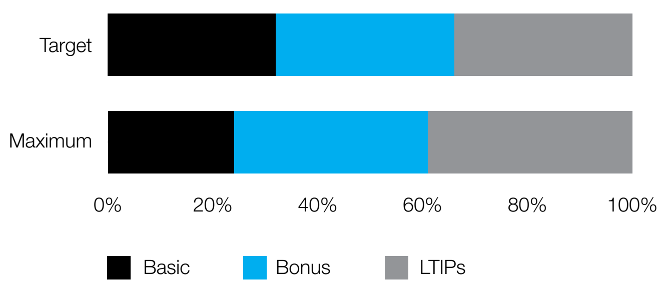
Directors' Remuneration Report continued

Remuneration policy and objectives

The principal objective of the remuneration policy is to attract, retain and motivate Executive Directors of appropriate calibre and experience who are focused and adequately incentivised to successfully execute the Group's short-term and long-term strategy. The Remuneration Committee believes that this requires:

- The provision of mid-market base salaries with appropriate leverage to reward sustained exceptional performance provided stretching and demanding performance conditions are met.
- A reward structure that balances short-term and long-term performance.
- Competitive incentive arrangements that are underpinned by a balance of financial and operational performance metrics to provide both a focus on business performance and alignment with the interests of shareholders.

The Remuneration Committee believes that the remuneration of Executive Directors should provide an appropriate balance between fixed and variable (performance related) pay elements with a significant proportion of potential total remuneration being performance related elements. The chart below illustrates the average mix between the fixed and variable elements of remuneration of the Executive Directors for target and maximum performance.



The Remuneration Committee will continue to review the remuneration policy to ensure it remains consistent with best remuneration practice and is aligned to shareholders' interests. The Remuneration Committee believes the policy described above, which applied in 2011, remains appropriate and that it will continue in 2012.

Components of remuneration

The main components of the remuneration packages of the Executive Directors in 2011 consisted of the following elements.

	Purpose	Performance measure
Base salary	• Positions the role and the individual fairly within a competitive market range aligned with a peer group of similar sized UK-listed companies.	• Individual contribution. • Sustained value in the business.
Performance related bonus	• Provides focus on the delivery of the financial targets set out in the annual budget and certain Group, personal and strategic goals.	• Adjusted EBITDA/revenue (80%). • Personal goals (20%).
Long Term Incentive Plan	• Provides focus on sustained growth and long term returns to shareholders. • Provides alignment to shareholders interests. • Retention.	• Relative total shareholder return ('TSR') positioning against FTSE 250 (excluding investment trusts) (50%). • Absolute TSR growth (50%).
Benefits	• Provides competitive benefits. • Retention.	
Pension	• Provides competitive post retirement benefits.	

Base salary

Base salaries are reviewed annually by the Remuneration Committee to take account of:

- The individual performance and contribution of each Executive Director.
- The annual salary review budget for the Group which was 4% in 2012 (2011: 3%).
- Business performance.

When determining Executive Directors' remuneration, the Remuneration Committee also considers market data provided by Towers Watson.

Taking into account the above factors, the Remuneration Committee has determined that base salaries will increase as shown in the table below:

	Base salary as at 1 January 2011	Base salary as at 1 January 2012	Percentage increase
Chief Executive Officer	£375,000	£390,000	4%
Chief Financial Officer	£260,000	£270,400	4%
Managing Director, Financial Services	£226,600	£235,664	4%
Marketing Director	£200,000	£208,000	4%
Deputy Chairman	£105,000	£105,000	0%

Incentive Plans

The Remuneration Committee seeks to ensure that variable pay is determined by relevant and stretching measures of performance that are consistent with the strategic objectives of the Group, in order to appropriately align Executive Directors' interests with those of shareholders.

Performance related bonus

In 2011, targets were approved by the Remuneration Committee at the beginning of the year and were aligned to internal targets and strategic business objectives. In setting bonus targets, the Remuneration Committee seeks to link individual targets to areas of the business in which the Executive Directors have particular influence and responsibility, while also seeking to maintain a keen team ethos.

	Target	Maximum	Performance conditions for 2011 bonus
Chief Executive Officer	125%	175%	Target bonus is payable for achievement of: • Target adjusted EBITDA/revenue (80%). • Individual objectives including increases in visitor numbers, the implementation of certain strategic IT projects, improvements to the customer journey on the Group's websites and building of brand awareness with consumers (20%). Maximum bonus is payable for the achievement of exceptional performance targets.
Chief Financial Officer	110%	165%	
Managing Director, Financial Services	100%	150%	
Marketing Director	100%	150%	
Deputy Chairman[1]	0%	0%	

1 The Deputy Chairman does not participate in the Group's performance related bonus scheme.

In 2011, performance against the adjusted EBITDA/revenue financial targets exceeded maximum performance and the individual objectives were partially met. Accordingly, performance related bonuses were payable to the Executive Directors in accordance with the table below:

	Performance related bonus	Percentage of base salary
Chief Executive Officer	£597,656	159%
Chief Financial Officer	£334,650	129%
Managing Director, Financial Services	£305,910	135%
Marketing Director	£240,000	120%
Deputy Chairman	£0	–

The Remuneration Committee has reviewed the bonus structure for the Executive Directors for 2012. The Remuneration Committee has decided to increase the bonus potential for the Chief Executive Officer from 125% to 135% of base salary for target performance and from 175% to 185% of base salary for the maximum potential bonus in order to better reflect the Chief Executive Officer's contribution to the Group's key strategic objectives. The individual objectives will also be different to reflect the key strategic objectives of the Group in 2012.

Long Term Incentive Plan

Annual grants of conditional nil cost share awards are made at the discretion of the Remuneration Committee to senior executives and managers. The awards normally vest at the end of the three year performance period, subject to the achievement of the performance conditions and continued employment. Awards lapse to the extent that the performance conditions are not achieved.

Directors' Remuneration Report continued

Long Term Incentive Plan continued

The maximum award that can be made to an employee in any financial year is the equivalent of 200% of an employee's annual base salary, calculated on the basis of the market price of the Company's shares at the date of grant.

The following table provides further detail on the awards made in 2011 which relate to performance in the three year period 2011 to 2013 (inclusive):

<table>
<tr><th></th><th>Face value[1]</th><th>Performance conditions for 2011 awards</th></tr>
<tr><td>Chief Executive Officer</td><td>200%</td><td rowspan="5">Comparative TSR
50% of the award was subject to a comparative TSR performance condition relative to the FTSE 250 (excluding investment trusts).
Threshold vesting
30% of the comparative TSR element of the award vests at median performance.
Maximum vesting
150% of the comparative TSR element of the award vests at upper quartile performance.
Vesting is on a straight line between threshold and maximum.
Absolute TSR
50% of the award was subject to an absolute TSR performance condition.
Threshold vesting
50% of the absolute TSR element of the award vests at threshold performance of annual compound TSR of 10%.
Maximum vesting
150% of the absolute TSR element of the award vests at stretch performance of annual compound TSR of 20%.
Vesting is on a straight line between threshold and maximum.</td></tr>
<tr><td>Chief Financial Officer</td><td>150%</td></tr>
<tr><td>Managing Director, Financial Services</td><td>150%</td></tr>
<tr><td>Marketing Director</td><td>150%</td></tr>
<tr><td>Deputy Chairman[2]</td><td>0%</td></tr>
</table>

1 Based on market price at date of grant. These figures relate to the maximum available if the performance targets are met in full, representing 150% of the actual awards made.
2 The Deputy Chairman does not participate in the Group's Long Term Incentive Plan.

In order for the annual grants to vest, the Remuneration Committee must be satisfied that such vesting is justified when taking into account the underlying financial performance of the Group.

The Remuneration Committee chose the combination of absolute TSR and comparative TSR as the performance targets for the 2011 award under the Long Term Incentive Plan to maintain close alignment of management with shareholder interests and to incentivise management to generate long-term sustainable returns for shareholders.

For 2012, the Remuneration Committee has decided to amend the performance conditions so that 70% of the award will be based on an absolute EBITDA CAGR performance condition set at an appropriately stretching level and 30% of the award will be based on a comparative TSR performance condition. The Remuneration Committee has amended the performance condition to focus the Executive Directors on EBITDA growth which is a measure that further aligns the Executive Directors with the Company's emerging strategic priorities, whilst retaining an element of the award aligned to comparative TSR.

The Remuneration Committee will meet once the results for the three year plan period are available to determine whether, and the extent to which, the performance conditions have been met.

Dividends will accrue on any shares that vest in the form either of additional shares or a cash payment and will be made at the time of vesting.

Other share plans

Executive Directors have the opportunity to participate in the Company's HMRC approved all employee Share Incentive Plan which provides employees with the opportunity to purchase shares in the Company on a monthly basis using money deducted from their pre-tax salary.

Executive Directors also have the opportunity to participate in the Company's HMRC approved all employee Save As You Earn Scheme which provides employees with the opportunity to purchase shares in the Company at the end of a three year period using money deducted monthly from their salary at up to a 20% discount to the price of the Company's shares at the date employees are invited to join the scheme.

Pension

The Company operates a contributory money purchase pension scheme for the benefit of the Executive Directors. In all cases, base salary only is pensionable. During the year, the Company provided pension contributions of up to 10% of base salary for the benefit of the Executive Directors.

Benefits
The Company provides a car allowance of £14,000 per annum for each of the Executive Directors. The amount of the car allowance is reviewed annually.

Service agreements
The current policy is for Executive Directors' service agreement notice periods to be normally no longer than 12 months. The service agreements of the current Executive Directors include the following terms:

	Effective date of service agreement	Unexpired term (approximate months from 31 December 2011)[1]	Notice period from Director (months)	Notice period from Company (months)
Executive Directors				
Simon Nixon	25 February 2009	12	12	12
Peter Plumb	25 February 2009	12	12	12
Paul Doughty	31 July 2007	12	12	12
Graham Donoghue	23 February 2009	12	12	12
David Osborne	23 February 2009	12	12	12

1 Executive Directors are appointed on 12 month rolling contracts.

Peter Plumb's service agreement contained a temporary provision which stated that, if his employment was terminated by the Company as a result of a change in control, wrongful dismissal or redundancy before 1 November 2011, he would be entitled to the sum of £225,000 less the market value of any shares received or receivable by him pursuant to his participation in the Group's Long Term Incentive Plan and less any tax payable on such sum, in addition to his 12 month notice period. This temporary provision has now ended and Peter Plumb's notice period has reverted to the normal 12 months which reflects the Company's general policy on such matters.

There are no special provisions for Executive Directors or Non-Executive Directors with regard to compensation in the event of loss of office. In the event of the employment of an Executive Director being terminated, the Remuneration Committee would, having regard to the individual's circumstances, pay due regard to best practice and take account of the individual's duty to mitigate their loss.

The service agreements and letters of appointment are available for inspection by shareholders at the forthcoming Annual General Meeting and during normal business hours at the Company's registered office address.

Other appointments
Executive Directors may only accept outside appointments on external boards or committees with the prior approval of the Board. In addition to his directorship of companies in the Group, Simon Nixon is a director of Simonseeks.com Limited in which Simon Nixon is, directly or indirectly, the majority shareholder. No other Executive Director holds any directorship of any other company outside the Group.

Non-Executive Directors
The Non-Executive Directors do not have service agreements but instead have letters of appointment for a three year term. The current policy is for Non-Executive Directors' letters of appointment notice periods to be normally no longer than 12 months. Each of the Non-Executive Directors currently has a letter of appointment reflecting this.

	Effective date of letter of appointment	Unexpired term (approximate months from 31 December 2011)	Notice period from Director (months)	Notice period from Company (months)
Non-Executive Directors				
Gerald Corbett	31 July 2010	19	12	12
Michael Wemms	31 July 2010	19	12	12
Rob Rowley	19 September 2010	21	0	12
Bruce Carnegie-Brown	15 April 2010	16	12	12

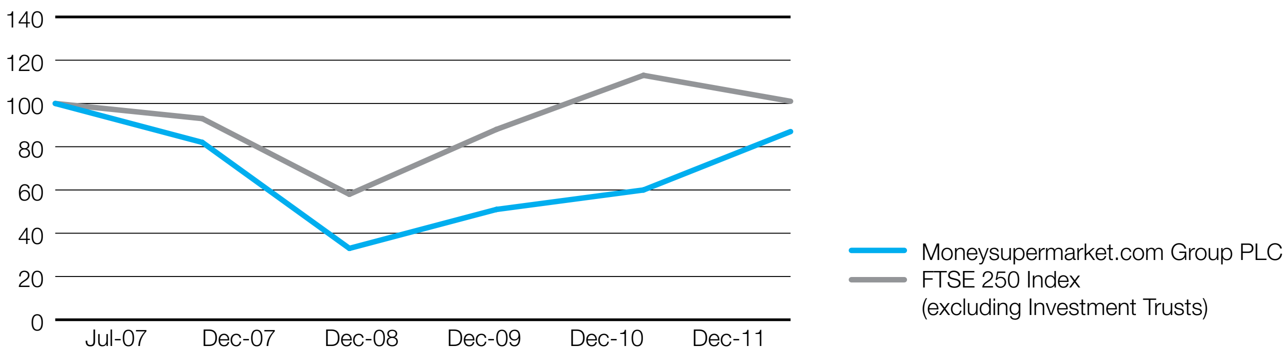
The remuneration of Non-Executive Directors consists solely of fees. The remuneration of the Chairman is determined by the Remuneration Committee and the remuneration of the other Non-Executive Directors is determined by the Executive Directors. The Non-Executive Directors do not participate in any of the Group's bonus, pension, share option or other performance related incentive schemes.

The basic fees for the Non-Executive Directors were not increased from 1 January 2012 and therefore remained unchanged at £200,000 for the Chairman and £55,000 for the other Non-Executive Directors. In addition, the Chairman receives an annual allowance of £25,000 for a motor vehicle and associated costs. The additional fees of £15,000 per annum payable to the Senior Independent Non-Executive Director and £10,000 per annum payable to the Chairmen of the Audit and Remuneration Committees also remain unchanged for 2012.

Directors' Remuneration Report continued

Performance graph

The following graph shows the total shareholder return of the Company in comparison to an appropriate index for the period since Listing.



Total shareholder return: Moneysupermarket.com Group PLC and FTSE 250 Index (excluding Investment Trusts).

Value of a hypothetical £100 holding since Listing.

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.

Directors' interests in shares

The beneficial interests of the Directors and their connected persons in the shares of the Company are shown below:

	31 December 2011	31 December 2010
Executive Directors		
Simon Nixon	267,257,021	267,257,021
Peter Plumb	–	–
Paul Doughty	1,826,364	2,905,724
Graham Donoghue	–	–
David Osborne	–	–
Non-Executive Directors		
Gerald Corbett	237,246	237,246
Michael Wemms	7,268	6,791
Rob Rowley	–	–
Bruce Carnegie-Brown	20,000	20,000

The Directors' shareholdings shown above are all beneficial interests and include the interests of their spouses, civil partners and infant children or step-children together with the interests in shares held on behalf of the Executive Directors by the trustee of the Company's Share Incentive Plan. No Director held a non-beneficial interest in any shares.

In the period 31 December 2011 to the date of this report, there has been no change in the Directors' interests in shares in the Company other than through the monthly purchases in January and February 2012 of ordinary shares under the Company's Share Incentive Plan by Paul Doughty. This has resulted in an increase in the interests held by Paul Doughty of 226 ordinary shares during this period.

Shareholding guideline

The Remuneration Committee has discussed with Executive Directors and encourages each of them to invest in the Company's shares to further align their interests with those of shareholders. The Remuneration Committee will review investments made by Executive Directors on a regular basis.

Audited information

The following information has been audited by the Company's auditors, as required by the Companies Act 2006.

Directors' remuneration

Details of individual Directors' remuneration received during the year are as follows:

	Basic salary/ fees £000	Taxable benefits £000[1]	Performance related bonus £000[2]	Pension contributions £000	Total 2011 £000	Total 2010 £000
Executive Directors						
Simon Nixon	105	–	–	–	105	100
Peter Plumb	375	14	598	39	1,026	868
Paul Doughty	260	14	335	26	635	552
Graham Donoghue	227	14	306	23	570	482
David Osborne	200	14	240	20	474	408
Non-Executive Directors						
Gerald Corbett	200	25	–	–	225	215
Michael Wemms	80	–	–	–	80	75
Rob Rowley	65	–	–	–	65	60
Bruce Carnegie-Brown	55	–	–	–	55	36
Total	**1,567**	**81**	**1,479**	**108**	**3,235**	**2,796**

1. Benefits for the Executive Directors incorporate all benefits and expense allowances arising from employment which relate to the provision of a car allowance. Benefits for Gerald Corbett relate to an annual allowance of £25,000 for a motor vehicle and associated costs.
2. Includes performance related bonuses earned in the period under review but paid following the end of the financial year.

Directors' Remuneration Report continued

Directors' interests in the Long Term Incentive Plan and Save As You Earn Scheme

Full details of the Executive Directors' interests in the Long Term Incentive Plan and Save As You Earn Scheme are shown below:

	Date of award	At start of year/date of appointment	Granted during year	Vested/ exercised during year	Lapsed during year	At end of year/date of cessation	Market price of shares at date of option/award (p)	Vesting/exercise date
Peter Plumb								
2009 LTIP	8 Apr 2009	1,145,288	–	–	–	1,145,288	53.5	8 Apr 2012
2010 LTIP	7 Apr 2010	1,035,519	–	–	–	1,035,519	75.0	7 Apr 2013
2011 LTIP	9 Mar 2011	–	838,424	–	–	838,424	94.4	9 Mar 2014
2011 SAYE	28 Sep 2011	–	10,044	–	–	10,044	108.9	Nov 2014 – Apr 2015
Total		**2,180,807**	**848,468**	**–**	**–**	**3,029,275**		
Paul Doughty								
2009 LTIP	8 Apr 2009	1,308,901	–	–	–	1,308,901	53.5	8 Apr 2012
2010 LTIP	7 Apr 2010	556,133	–	–	–	556,133	75.0	7 Apr 2013
2011 LTIP	9 Mar 2011	–	437,073	–	–	437,073	94.4	9 Mar 2014
2011 SAYE	28 Sep 2011	–	10,044	–	–	10,044	108.9	Nov 2014 – Apr 2015
Total		**1,865,034**	**447,117**	**–**	**–**	**2,312,151**		
Graham Donoghue								
2009 LTIP	8 Apr 2009	863,874	–	–	–	863,874	53.5	8 Apr 2012
2010 LTIP	7 Apr 2010	489,396	–	–	–	489,396	75.0	7 Apr 2013
2011 LTIP	9 Mar 2011	–	380,925	–	–	380,925	94.4	9 Mar 2014
2011 SAYE	28 Sep 2011	–	10,044	–	–	10,044	108.9	Nov 2014 – Apr 2015
Total		**1,353,270**	**390,969**	**–**	**–**	**1,744,239**		
David Osborne								
2009 LTIP	8 Apr 2009	484,293	–	–	–	484,293	53.5	8 Apr 2012
2010 LTIP	7 Apr 2010	422,661	–	–	–	422,661	75.0	7 Apr 2013
2011 LTIP	9 Mar 2011	–	336,210	–	–	336,210	94.4	9 Mar 2014
2011 SAYE	28 Sep 2011	–	10,044	–	–	10,044	108.9	Nov 2014 – Apr 2015
Total		**906,954**	**346,254**	**–**	**–**	**1,253,208**		

1. Awards of nil cost options made in 2009 vest 30% at threshold performance and 100% at maximum performance (with 70% of the award subject to an annual adjusted EDITDA performance condition and 30% of the award subject to a comparative TSR performance condition).
2. Awards of nil cost options made in 2010 vest 30% at median performance and 150% at upper quartile performance in relation to the comparative TSR performance condition and 50% at threshold performance and 150% at stretch performance in relation to the absolute TSR performance condition (with 70% of the award subject to the absolute TSR performance condition and 30% of the award subject to the comparative TSR performance condition).
3. Details of the performance conditions relating to the awards of nil cost options made in 2011 are set out on pages 37 and 38.
4. The figures for the Long Term Incentive Plan awards made in 2010 and 2011 are the maximum available if the performance targets are met in full, representing 150% of the actual awards made.

In the period from 1 January 2011 to 31 December 2011, the highest mid-market price of the Company's share was 120.4p and the lowest mid-market price was 75.7p, and at 31 December 2011 it was 105.0p.

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

Michael Wemms
Chairman of the Remuneration Committee
27 February 2012

Independent Auditor's Report
to the Members of Moneysupermarket.com Group PLC

We have audited the Group and Company Financial Statements (the 'Financial Statements') of Moneysupermarket.com Group PLC (the 'Company') for the year ended 31 December 2011 set out on pages 44 to 72. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the EU. The financial reporting framework that has been applied in the preparation of the Company Financial Statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 27, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Opinion on Financial Statements
In our opinion:
- the Financial Statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2011 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the Company Financial Statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the information given in the Corporate Governance Report set out on pages 29 to 32 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- a Corporate Governance Report has not been prepared by the Company.

Under the Listing Rules we are required to review:
- the Directors' statement, set out on page 26, in relation to going concern;
- the part of the Corporate Governance Report on pages 29 to 32 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code June 2010 specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Stuart Burdass (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants, St James' Square, Manchester, M2 6DS

27 February 2012

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Revenue		**181,048**	148,892
Cost of sales		**(50,156)**	(42,763)
Gross profit		**130,892**	106,129
Distribution expenses		**(29,766)**	(21,621)
Administrative expenses		**(77,083)**	(73,771)
Results from operating activities	5	**24,043**	10,737
Net finance income	7	**239**	287
Profit before income tax		**24,282**	11,024
Income tax charge	8	**(7,494)**	(3,323)
Profit for the year		**16,788**	7,701
Other comprehensive income:			
Foreign currency translation		**–**	17
Deferred tax on share-based payments		**471**	165
Other comprehensive income for the year		**471**	182
Total comprehensive income for the year		**17,259**	7,883

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

	Note	2011	2010
Earnings per share:			
Basic earnings per ordinary share (p)	9	**3.3**	1.5
Diluted earnings per ordinary share (p)	9	**3.2**	1.5

Consolidated Statement of Financial Position

at 31 December 2011

	Note	31 December 2011 £000	31 December 2010 £000
Assets			
Non-current assets			
Property, plant and equipment	11	**10,952**	10,701
Intangible assets	12	**160,634**	182,541
Investments in associates		**1,000**	–
Total non-current assets		**172,586**	193,242
Current assets			
Trade and other receivables	13	**15,974**	16,320
Prepayments		**1,896**	2,320
Cash and cash equivalents	17	**35,005**	36,593
Total current assets		**52,875**	55,233
Total assets		**225,461**	248,475
Liabilities			
Non-current liabilities			
Deferred tax liability	15	**23,251**	32,212
Current liabilities			
Trade and other payables	14	**28,898**	25,235
Current tax liabilities		**6,750**	3,387
Total current liabilities		**35,648**	28,622
Total liabilities		**58,899**	60,834
Equity			
Share capital	16	**102**	102
Share premium		**171,297**	171,297
Retained earnings		**(78,970)**	(68,239)
Other reserves		**74,133**	84,481
Total equity		**166,562**	187,641
Total equity and liabilities		**225,461**	248,475

The Financial Statements were approved by the Board of Directors and authorised for issue on 27 February 2012. They were signed on its behalf by:

Peter Plumb

Paul Doughty

Consolidated Statement of Changes in Equity

for the year ended 31 December 2011

	Note	Issued share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Reserve for own shares £000	Foreign currency translation reserve £000	Total £000
At 1 January 2010		**102**	**171,207**	**95,397**	**(45,920)**	**–**	**(118)**	**220,668**
Foreign currency translation[1]		–	–	–	–	–	17	17
Deferred tax recognised on share-based payments[1]		–	–	–	165	–	–	165
Profit for the year		–	–	–	7,701	–	–	7,701
Total income and expense for the year		–	–	–	7,866	–	17	7,883
Share options exercised		–	90	–	–	–	–	90
Equity dividends	10	–	–	–	(42,851)	–	–	(42,851)
Share-based payment	18	–	–	–	1,851	–	–	1,851
Reserves transfer		–	–	(10,815)	10,815	–	–	–
At 31 December 2010		**102**	**171,297**	**84,582**	**(68,239)**	**–**	**(101)**	**187,641**
Deferred tax recognised on share-based payments[1]		–	–	–	471	–	–	471
Profit for the year		–	–	–	16,788	–	–	16,788
Total income and expense for the year		–	–	–	17,259	–	–	17,259
Equity dividends	10	–	–	–	(40,538)	–	–	(40,538)
Share-based payment	18	–	–	–	2,200	–	–	2,200
Reserves transfer		–	–	(10,348)	10,348	–	–	–
At 31 December 2011		**102**	**171,297**	**74,234**	**(78,970)**	**–**	**(101)**	**166,562**

1 Foreign currency translation and deferred tax recognised on share-based payments represent the only income or expense for the current or prior year recognised directly in equity.

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 are transferred from these reserves to retained earnings as the goodwill and other intangibles balances are impaired and amortised.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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. At 31 December 2011, the Group held 723,685 ordinary shares at a cost of 0.02p per share through a trust for the benefit of the Group's employees.

Consolidated Statement of Cash Flows

for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Operating activities			
Profit for the year		**16,788**	7,701
Adjustments to reconcile Group net profit to net cash flows:			
Depreciation	11	**3,819**	4,851
Amortisation of intangible assets	12	**24,202**	24,194
Impairment of goodwill	12	**2,199**	–
Change in contingent consideration	3	**(2,222)**	–
Loss on disposal of property, plant and equipment		**28**	31
Finance income	7	**(239)**	(287)
Equity-settled share-based payment transactions	18	**2,200**	1,851
Effects of foreign exchange differences		**1**	22
Income tax charge	8	**7,494**	3,323
Change in trade and other receivables		**708**	(2,398)
Change in trade and other payables		**5,751**	3,530
Income tax paid		**(12,621)**	(9,841)
Net cash flow from operating activities		**48,108**	32,977
Investing activities			
Interest received		**304**	282
Acquisition of subsidiary, net of cash acquired	3	**(508)**	(4,262)
Acquisition of non-controlling interest		**(1,000)**	–
Acquisition of property, plant and equipment	11	**(4,054)**	(3,448)
Acquisition of intangible assets	12	**(3,900)**	–
Net cash flow from investing activities		**(9,158)**	(7,428)
Financing activities			
Proceeds from share issue		**–**	90
Dividends paid	10	**(40,538)**	(42,851)
Net cash flow from financing activities		**(40,538)**	(42,761)
Net decrease in cash and cash equivalents		**(1,588)**	(17,212)
Cash and cash equivalents at start of year		**36,593**	53,805
Cash and cash equivalents at end of year	17	**35,005**	36,593

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 2011 were authorised for issue in accordance with a resolution of the Directors on 27 February 2012. 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 UK GAAP; these are presented on pages 69 to 72.

2 Summary of significant accounting policies

Basis of preparation

The Financial Statements are prepared on the historical cost basis. Comparative figures presented in the Financial Statements represent the year ended 31 December 2010. The Financial Statements are prepared on a going concern basis, which the Directors deem appropriate, given the Group's positive cash position and lack of debt.

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 3 acquisitions
- Note 12 goodwill and other intangibles, including their amortisation and impairment
- Note 13 revenue recognition
- Note 13 provision for doubtful debts
- Note 14 accruals
- Note 18 share-based payments
- Note 21 commitments and contingencies

Basis of consolidation

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

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

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investments in associates are accounted for using the equity method and are recognised initially at cost. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Changes in accounting policies

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. The impact on earnings per share is disclosed in note 3.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

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.

2 Summary of significant accounting policies continued

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 consideration payable is recognised at fair value at the acquisition date. If the contingent consideration 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 consideration are recognised in profit or loss. Where the contigent consideration is dependent on future employment, it shall be treated as a cost of continuing employment, and therefore is recognised as an expense over the relevant period.

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.

Foreign currency

The Consolidated Financial Statements are presented in sterling, which is the Company's functional and presentation currency. The functional currency of the foreign operation icero GmbH is the euro. The income and expenses of the foreign operation are translated into sterling at an average exchange rate for the period in which the activity occurred. The assets and liabilities of the foreign operation are translated into sterling using exchange rates ruling as at the balance sheet date. The exchange difference arising upon translation is taken directly to a separate component of equity.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised as a profit or loss.

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.

Property, plant and equipment

Property, plant and equipment are 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.

Notes to the Consolidated Financial Statements continued

2 Summary of significant accounting policies continued

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.

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
Customer lists	3 years
Technology	3 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 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.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining technical knowledge and understanding, is charged to the 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 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 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 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 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 profit sharing plans 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.

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 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 Statement of Comprehensive Income as it accrues using the effective interest method.

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 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 enacted or substantively enacted at the balance sheet date, 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.

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

In the year ended 31 December 2010 a deferred tax liability was recognised at the expected future tax rate of the value of the intangible assets with finite lives which were acquired with Financial Services Net Limited, representing the tax effect of the amortisation of these assets in future periods.

A deferred tax liability was recognised in the year ended 31 December 2007 as 30% of the value of the intangible assets with finite lives which were generated upon the acquisition of Moneysupermarket.com Financial Group Limited, representing the tax effect of the amortisation of these assets in future periods. This liability has since been revalued to 25% of the value of the intangible assets.

Notes to the Consolidated Financial Statements continued

2 Summary of significant accounting policies continued

Both 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.

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 depositing them with a number of financial institutions to reduce credit risk. The Group had no debt as at 31 December 2011 and is not subject to externally imposed capital requirements; management of capital therefore focuses around its 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. During the year the shareholders authorised the Company to purchase up to 50,928,800 of its own shares for cancellation or to be held as treasury shares. 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 amendments and interpretations which have not had a significant impact on the Group's results:

- Revised IAS 24 Related Party Disclosures (2009)
- Amendments to IAS 32 Financial Instruments: Presentation

Standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations have been issued during the year ended 31 December 2011 but are not yet effective, and therefore have not yet been adopted by the Group. These are not expected to have a material impact on the Group's accounts when adopted, except where stated.

IFRS 13 'Fair value measurement (2011)' – this standard's objective is to give clearer guidance on how to measure fair value assets, liabilities and equity instruments held by a company by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This standard has not yet been endorsed by the EU.

Amended IAS 1 'Presentation of financial statements (2010)' – the objective of this amendment is to improve the presentation of certain items of other comprehensive income, requiring separate subtotals for those elements which may be 'recycled'. This standard has not yet been endorsed by the EU.

IFRS 9 'Financial Instruments: Classification and Measurement (2010)' – this standard's objective is to gradually phase out IAS 39 Financial Instruments: Recognition and Measurement. Phase one of this process specifically requires financial assets to be classified at amortised cost or at fair value. Further development phases for IFRS 9 are scheduled to cover key areas such as impairment, hedge accounting and the offsetting of assets and liabilities. Early adoption is permitted, once endorsed by the EU.

3 Acquisitions

Financial Services Net Limited

On 14 October 2010, the Group acquired all of the shares in Financial Services Net Limited ('FSN') for £4.4 million, satisfied in cash with a further £400,000 payable pending the outcome of certain matters, and a contingent payment of up to £4 million payable up to the third anniversary of handover upon the achievement of specified financial targets by FSN. The company operates a range of websites in the financial services sector aimed at putting consumers in touch with brokers or product providers who will provide them with the product they are looking for.

3 Acquisitions continued

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Pre-acquisition carrying amounts £000	Fair value adjustments £000	Recognised values on acquisition £000
FSN's net assets at the acquisition date:			
Property, plant and equipment	7	(7)	–
Intangible assets (see note 12)	–	6,083	6,083
Trade and other receivables	74	–	74
Cash and cash equivalents	68	–	68
Trade and other payables	(59)	(200)	(259)
Deferred tax liabilities	–	(1,145)	(1,145)
Net identifiable assets and liabilities	90	4,731	4,821
Goodwill on acquisition			2,199
Total consideration			7,020

A detailed description of the different intangible assets which were identified within the acquired business, and the methods used to value them, are provided within note 12. The deferred tax liability represents the tax effect which was expected to result from the amortisation of the intangible assets, estimated using the anticipated future tax rate and the fair value of the different classes of asset.

	£000
Consideration:	
Initial consideration, paid in cash	4,412
Contingent consideration	2,608
Total consideration	7,020

The initial consideration included a payment of £4,330,000 which was made during the prior period, and a balancing payment of £82,000 which was expected to be made after 31 December 2010.

The contingent consideration included two elements:

- Up to £400,000 which may become due dependent upon the outcome of ongoing discussions around the indirect tax treatment of certain income streams. Management estimated that there was a 50% probability of this amount becoming due and recognised £200,000 of contingent consideration, which represented its fair value at the acquisition date. This matter was still ongoing at the balance sheet date, and therefore no adjustment has been made to this estimate.
- Up to £4 million which may become due upon the achievement of financial performance measures specified in the purchase agreement. Up to one third of this amount will be payable on each of the first three anniversaries of the handover date. Management estimated the amount of this element which will become payable by attributing different probabilities to a range of possible outcomes derived from the most recent forecasts of the business' performance. The Group included £2,408,000 as contingent consideration related to this additional consideration, which represented its fair value at the acquisition date. In line with IFRS 3, during the year the Group updated its estimations of the amount of contingent consideration which will become payable, based on the business' performance since acquisition, and its most recent forecasts. Management now estimate that only £186,000 of the contingent consideration will become payable, and as such have recognised a credit of £2,222,000 in the Consolidated Statement of Comprehensive Income in the period within administrative expenses.

Notes to the Consolidated Financial Statements continued

3 Acquisitions continued

Local Daily Deals Limited

On 31 August 2011, the Group acquired 51% of the issued share capital of Local Daily Deals Limited ('LDD') for £1.0 million, satisfied in cash, with £0.5 million paid to the existing shareholders for existing shares, and subsequently a further £0.5 million paid to LDD for the issue of new shares. In addition, the Group has a call option over the remaining share capital which it has the right to exercise on the third anniversary of the acquisition date, the consideration for which will be determined by the achievement of specified financial targets by LDD. Should the Group not exercise its call option, the existing shareholders of LDD have the right to exercise a put option on the same terms. The company operates a website which features discounted retail offers, with the aim of introducing businesses to new customers who are looking for a good deal. In the four months to 31 December 2011 the subsidiary contributed revenue of £304,000 and a net loss of £310,000 to the consolidated profit for the year. If the acquisition had occurred on 1 January 2011, Group revenue would have been an estimated £181.2 million and profit would have been an estimated £16.7 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on the first day of the accounting period.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Pre-acquisition carrying amounts £000	Fair value adjustments £000	Recognised values on acquisition £000
LDD's net assets at the acquisition date:			
Property, plant and equipment	45	–	45
Trade and other receivables	3	–	3
Cash and cash equivalents	493	–	493
Trade and other payables	(156)	–	(156)
Net identifiable assets and liabilities	385	–	385
Goodwill on acquisition			615
Total consideration			1,000

A detailed description of the different intangible assets which have been identified within the acquired business, and the methods used to value them, are provided within note 12.

	£000
Consideration:	
Initial consideration, paid in cash	1,000

The initial consideration includes a payment of £500,000 which was made to the existing shareholders for the purchase of existing shares, and the subsequent payment of £500,000 to LDD for the issue of new shares in the company.

Additional consideration of up to £10 million may become due on the third anniversary of the acquisition date upon the achievement of financial performance measures specified in the purchase agreement, and either the exercise by the Group of its call option, or the exercise by the existing shareholders of their put option. Management have estimated the amount of this element which will become payable by attributing different probabilities to a range of possible outcomes derived from the most recent forecasts of the business' performance. Since this element of consideration is dependent upon the continued employment of the individuals concerned, the fair value of the amount of contingent consideration that management expect to become payable will be charged to the Consolidated Statement of Comprehensive Income over the combined life of the earnout period and the related call and put options. At the balance sheet date the fair value of the contingent consideration was £1,029,000, and £96,000 has been charged to the Consolidated Statement of Comprehensive Income during the period, included within administrative expenses.

The Group incurred acquisition-related costs of £0.5m relating to legal and advisory fees, and costs related to the integration of the business into the Group, which have been expensed in administrative expenses. The impact on both basic and diluted earnings per share is a decrease of 0.06p per share.

The Group has accounted for the acquisition using the anticipated acquisition method, whereby 100% of LDD's results since acquisition have been consolidated into the results of the Group, as a result of the call and put options which exist over the non-controlling interest.

4 Segmental information

Business segments

In applying IFRS 8 – Operating Segments, the Group has disclosed four reportable segments, being Money, Insurance, Travel and Home. Money, Insurance and Home operate under the brand name MoneySupermarket.com, and Travel under the brand name TravelSupermarket.com, however, all four segments are reported separately. Revenue generated by FSN and LDD are 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, and therefore have not been allocated between segments in the analysis below. All of the Group revenue of £181.0m (2010: £148.9m) reported in 2011, was generated in the UK (2010: £148.8m). The Group took the decision to wind down its German operation in the prior period.

	Money £000	Insurance £000	Travel £000	Home £000	Reportable Segments Total £000	Other £000	**Total £000**
Year ended 31 December 2011							
Revenue							
Segment revenue	53,435	104,394	13,319	9,181	180,329	719	**181,048**
Results							
Operating expenses							**(157,005)**
Profit from operating activities							**24,043**
Net finance income							**239**
Profit before tax							**24,282**
Income tax charge							**(7,494)**
Profit for the year							**16,788**
At 31 December 2011							
Assets and liabilities							
Intangible assets							**105,054**
Goodwill							**55,580**
Other unallocated assets							**64,827**
Total assets							**225,461**
Deferred tax liability							**23,251**
Other unallocated liabilities							**35,648**
Total liabilities							**58,899**
Other segment information							
Capital expenditure							
Property, plant and equipment							**4,054**
Intangible fixed assets							**4,515**
Total capital expenditure							**8,569**
Depreciation							**3,819**
Amortisation							**24,202**
Impairment of goodwill							**2,199**

Notes to the Consolidated Financial Statements continued

4 Segmental information continued

	Money £000	Insurance £000	Travel £000	Home £000	Reportable Segments Total £000	Other £000	Total £000
Year ended 31 December 2010							
Revenue							
Segment revenue	44,006	84,520	13,926	6,206	148,658	234	148,892
Results							
Operating expenses							(138,155)
Profit from operating activities							10,737
Net finance income							287
Profit before tax							11,024
Income tax charge							(3,323)
Profit for the year							7,701
At 31 December 2010							
Assets and liabilities							
Intangible assets							125,377
Goodwill							57,164
Other unallocated assets							65,934
Total assets							248,475
Deferred tax liability							32,212
Other unallocated liabilities							28,622
Total liabilities							60,834
Other segment information							
Capital expenditure							
Property, plant and equipment							3,448
Intangible fixed assets							8,282
Total capital expenditure							11,730
Depreciation							4,851
Amortisation							24,194

5 Results from operating activities

	31 December 2011 £000	31 December 2010 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation	**3,819**	4,851
Amortisation of intangible assets	**24,202**	24,194
Impairment of goodwill	**2,199**	–
Auditors' remuneration:		
Audit of these Financial Statements	**85**	81
Audit of subsidiaries' Financial Statements	**68**	52
Review of interim Financial Statements	**27**	27
Services relating to direct and indirect taxation	**68**	129
Other services pursuant to legislation	**410**	–
Services relating to corporate finance	**88**	–
Other services	**–**	56

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 2011	Number of employees 31 December 2010
IT operations	**146**	162
Administration	**284**	271
	430	433

The aggregate payroll costs of these persons were as follows:

	31 December 2011 £000	31 December 2010 £000
Wages and salaries	**20,885**	19,653
Compulsory social security contributions	**3,291**	2,167
Contributions to defined contribution plans	**507**	468
Equity-settled share-based payment transactions	**2,200**	1,851
	26,883	24,139

In addition to the above, £96,000 has been charged to the Statement of Comprehensive Income during the period in relation to the contingent consideration expected to become payable in relation to the acquisition of LDD (see note 3).

7 Net finance income

	31 December 2011 £000	31 December 2010 £000
Finance income		
Interest received on bank deposits	**239**	287

8 Income tax

Income tax charged in the Statement of Comprehensive Income

	31 December 2011 £000	31 December 2010 £000
Current tax		
Current tax on income for the year	**13,938**	11,104
Adjustment in relation to prior periods	**2,040**	–
	15,978	11,104
Deferred tax		
Origination and reversal of temporary differences	**(6,414)**	(7,239)
Deferred tax on unapproved equity-settled share awards	**(391)**	280
Adjustments due to change in corporation tax rate	**(1,999)**	(1,172)
Adjustment in relation to prior period	**320**	350
	(8,484)	(7,781)
Tax on profit on ordinary activities	**7,494**	3,323

Reconciliation of the effective tax rate

The tax charge for the year is higher (2010: higher) than the effective standard rate of corporation tax in the UK in 2011 of 26.5% (2010: 28%). The differences are explained below.

	31 December 2011 £000	31 December 2010 £000
Profit for the year	**24,282**	11,024
Standard rate of tax at 26.5% (2010: 28%)	**6,435**	3,087
Effects of:		
Expenses not deductible for tax purposes	**405**	941
Deferred tax not recognised at 25% (2010: 27%)	**65**	163
Movement on deferred tax asset related to share-based payments	**192**	(46)
Impact on deferred tax of reduction in corporation tax rate to 25% (2010: 27%)	**(1,963)**	(1,172)
Adjustment in relation to prior period	**2,360**	350
Tax on profit on ordinary activities (see above)	**7,494**	3,323

Notes to the Consolidated Financial Statements continued

8 Income tax continued

From 1 April 2011 the corporation tax rate payable by the Group reduced to 26% with a further 1% reduction each year until tax year 2014/15 (when the rate will stabilise at 23%). The Group expects that the result of this will be a reduction in the effective tax rate in future periods.

Unrecognised tax losses

The Group has tax losses arising from the results of a foreign subsidiary of £240,000 (2010: £584,000). A deferred tax asset has not been recognised in respect of these losses as it is uncertain as to whether they may be used to offset taxable profits elsewhere in the Group and they have arisen in a foreign subsidiary that is not expected to make a profit in the future.

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.

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:

	2011	2010
Profit after taxation attributable to ordinary equity holders (£000)	**16,788**	7,701
Basic weighted average ordinary shares in issue (millions)	**509.3**	509.0
Dilutive effect of share-based instruments (millions)	**11.9**	12.5
Diluted weighted average ordinary shares in issue (millions)	**521.2**	521.5
Basic earnings per ordinary share (p)	**3.3**	1.5
Diluted earnings per ordinary share (p)	**3.2**	1.5

10 Dividends

	2011 £000	2010 £000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2009: 2.2p per share		11,201
Special dividend for 2009: 4.91p per share		25,000
Interim dividend for 2010: 1.3p per share		6,621
Final dividend for 2010: 2.53p per share	**12,884**	–
Interim dividend for 2011: 1.5p per share	**7,654**	–
Special dividend for 2011: 3.93p per share	**20,000**	–
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2011: 3.03p per share	**15,431**	–

11 Property, plant and equipment

	Land and buildings £000	Under construction £000	Plant and equipment £000	Office equipment £000	Fixtures and fittings £000	Total £000
Cost:						
At 1 January 2010	6,335	4	13,733	300	371	20,743
Additions	–	96	2,982	43	327	3,448
Transfers	–	–	–	–	–	–
Disposals	–	(4)	(484)	(25)	(10)	(523)
Foreign exchange adjustments	–	–	(9)	(4)	(4)	(17)
At 31 December 2010	6,335	96	16,222	314	684	23,651
Arising upon acquisition of Local Daily Deals Limited	–	–	45	–	–	45
Additions	–	3	3,459	339	253	4,054
Transfers	–	(96)	96	–	–	–
Disposals	–	–	(41)	(33)	(31)	(105)
Foreign exchange adjustments	–	–	(5)	(2)	(1)	(8)
At 31 December 2011	**6,335**	**3**	**19,776**	**618**	**905**	**27,637**
Depreciation:						
At 1 January 2010	276	–	8,019	155	158	8,608
Depreciation for the year	123	–	4,595	53	80	4,851
Disposals	–	–	(482)	(9)	(8)	(499)
Foreign exchange adjustments	–	–	(7)	(2)	(1)	(10)
At 31 December 2010	399	–	12,125	197	229	12,950
Depreciation for the year	123	–	3,443	85	168	3,819
Disposals	–	–	(29)	(26)	(22)	(77)
Foreign exchange adjustments	–	–	(5)	(1)	(1)	(7)
At 31 December 2011	**522**	**–**	**15,534**	**255**	**374**	**16,685**
Carrying amounts:						
At 31 December 2009	6,059	4	5,714	145	213	12,135
At 31 December 2010	5,936	96	4,097	117	455	10,701
At 31 December 2011	**5,813**	**3**	**4,242**	**363**	**531**	**10,952**

12 Intangible assets

	Market related £000	Customer relationship £000	Customer list £000	Technology related £000	Goodwill £000	Total £000
Cost:						
At 1 January 2010	132,100	68,500	713	5,900	124,965	332,178
Additions	4,843	791	449	–	2,199	8,282
At 31 December 2010	136,943	69,291	1,162	5,900	127,164	340,460
Additions	–	–	–	3,900	615	4,515
Revaluation	(16)	(3)	(2)	–	–	(21)
At 31 December 2011	**136,927**	**69,288**	**1,160**	**9,800**	**127,779**	**344,954**
Amortisation:						
At 1 January 2010	33,405	24,746	602	4,972	70,000	133,725
Charged during the year	13,312	9,810	144	928	–	24,194
At 31 December 2010	46,717	34,556	746	5,900	70,000	157,919
Charged during the year	13,694	9,899	150	459	–	24,202
Impairment	–	–	–	–	2,199	2,199
At 31 December 2011	**60,411**	**44,455**	**896**	**6,359**	**72,199**	**184,320**
Carrying amounts:						
At 31 December 2009	98,695	43,754	111	928	54,965	198,453
At 31 December 2010	90,226	34,735	416	–	57,164	182,541
At 31 December 2011	**76,516**	**24,833**	**264**	**3,441**	**55,580**	**160,634**

Notes to the Consolidated Financial Statements continued

12 Intangible assets continued

On an annual basis, or where an indication exists, the Group is required to assess its goodwill and intangible assets for impairment.

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 provision 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 2011 the market capitalisation exceeded the carrying value of the goodwill, intangible and other non-current assets, and net current assets by more than 100% (2010: more than 100%).

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 four operating segments Insurance, Money, Travel and Home Services. In addition, the two recently acquired businesses, FSN and LDD, are separate CGUs for the purposes of monitoring goodwill. The Group has performed impairment testing at a CGU level. 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 2011 are in line with those at 1 January 2009. Goodwill impairment for FSN and LDD has been considered separately from the four verticals 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 year 1 for each CGU represent management's best estimate of future cash flows as at 31 December 2011, and are based upon the Group's approved budget for 2012 incorporating where possible an allocation of cost of sales and advertising costs. The main assumptions underlying the 2012 budget relate to visitor numbers, source of visitors, revenue per transaction/visitor and marketing spend which incorporate past experience. The forecast assumes continued improvement during the course of 2012 driven by new media campaigns, utilisation of the Group's data asset and investments made in the core technology for the Group's key channels. The Insurance and Money segments have been assumed to have similar rates of growth, and the Travel and Home Services segments have been assumed to return to close to the revenue levels achieved in 2008.
- Cash flows for subsequent years for all segments are consistent with those in year 1 and assume no further growth.
- No reliable third party estimates of long-term growth rates exist for the price comparison industry.
- Cash flows into perpetuity have been incorporated into the calculations.
- A pre-tax discount rate of 13.5% (2010: 13.5%) has been used in the forecast for all segments. The same discount rate has been used compared with the rate used to test the Internet segment last year to reflect the current stagnation in the wider UK economy, despite the growth which the Group has reported.

When there are clear indications that the economy has fully emerged from recession a different set of assumptions may be more appropriate.

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%, 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 four 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 above include all of the Group's forecast revenues, but only approximately 60% of the Group's cost base.

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 £264m (2010: £152m), and as such, no impairment was identified.

With regard to the Group level impairment testing, the level of the increase in the discount rate, with all the other assumptions held constant, required to give a value in use for the Group's assets equal to their carrying value, would be in excess of what can reasonably be expected to happen (2010: 10% increase). Similarly, a decrease in the annual cash flows of £35.0m (2010: £20.0m) with all other assumptions held constant, would also give a value in use for the Group's assets equal to their carrying value.

12 Intangible assets continued

At an asset category level, management believe that the assumptions relating to each intangible asset remain applicable, and that no adjustment is required to their valuation, nor their useful economic lives.

Acquisition of Financial Services Net Limited

The fair value of the intangible assets recognised upon the acquisition of Financial Services Net Limited ('FSN') was calculated as set out below:

- ***Market related***
  Within FSN, the main market related intangible assets are the domain names which FSN owns. These assets were valued using an income-based approach, namely, the royalty savings method, which estimates the royalty which the Group would have to pay a third party to use the domain names if it did not own them, typically as a percentage of the revenue earned from the domain names during their useful economic life of 10 years. The Group estimated revenue based on the most recent 3 year forecasts, and for later periods assumed inflationary increases of 5%. A royalty rate of 15% was applied based on available industry data. A discount rate of 15.8% was used to calculate the present value of the future royalty savings.

- ***Customer relationships***
  This asset represented the value present within the existing relationships which FSN had with product providers and brokers. The valuation was based on the cash flows which were expected to result from these relationships during the 7 year useful economic life of the asset, adjusted for estimated future attrition of the providers and relationships following the date of acquisition. Again, the Group based the estimate on the most recent 3 year forecasts, and for later periods assumed inflationary increases of 5%, with an assumed attrition rate of the provider relationships of 50% per annum, based on management's expectations. A discount rate of 15.8% was used to calculate the present value of the future benefit resulting from the relationships.

- ***Customer lists***
  This asset represented the value of the customer data held by FSN at the date of acquisition, and was valued based on the cost of recreating such a database in the open market, using in-house estimates of the cost of each data element.

The goodwill balance recognised upon the acquisition of FSN represented the anticipated incremental value which the Group expected to generate by applying the existing skills and expertise within the Group's workforce to the acquired business and assets.

During the period, the Group reassessed the amount of contigent consideration that it expected to become payable with reference to FSN's actual performance since acquisition, and its most recent forecasts. This exercise resulted in a reduction in the amount of contingent consideration expected to become payable from £2,408,000 to £186,000, which acts as an indicator of impairment, and in light of this, the Group performed a thorough review of the intangible assets and goodwill relating to FSN.

The recoverable amount of the assets was taken to be their value in use, and was calculated by reference to FSN's forecast cash flows. For the purposes of IFRS 8, FSN is taken to be one CGU.

The present value of the forecast cash flows was calculated with the following key assumptions:

- Cash flows for year 1 represent management's best estimate of future cash flows as at 31 December 2011, and are based upon the Group's approved budget for 2012. The main assumptions underlying the budget 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 2011, driven by investments in technology and search engine optimisation.
- Cash flows for the first five years assume an average 9% per annum increase in the number of visitors, and an average 8% per annum increase in the revenue generated per visitor, whilst payroll costs have been forecast to increase by 5% per annum, with all other costs expected to grow at 3% per annum. Cash flows after five years assume only market growth.
- Cash flows into perpetuity have been built into the model.
- A pre-tax discount rate of 16.5% has been used in the forecast.

The analysis performed calculates the value in use of FSN as £5.2m, which corresponds with the carrying value of the business' identified intangible assets. Therefore, an impairment loss of £2.2m has been recognised in the year within adminstrative expenses against a brought forward goodwill balance of £2.2m. As a result, there is no difference between the carrying value and the recoverable amount of the business' intangible assets as at the balance sheet date. An increase in the discount rate of 1% with all other assumptions held constant would give rise to an additional impairment charge of £0.4m, whilst a decrease in the annual cash flows of 10%, with all other assumptions held constant, would give rise to an additional impairment charge of £0.5m.

Notes to the Consolidated Financial Statements continued

12 Intangible assets continued

Acquisition of Local Daily Deals Limited ("LDD")

The Group recognises its intangible assets in the following asset classes. No intangible assets were recognised upon the acquisition of LDD for the following reasons:

- ***Market related***
  At acquisition the main market related intangible asset was the domain name which LDD owned. Assets such as this are typically valued using an income-based approach, based on estimated revenue in the company's most recent forecasts, and the savings which the Group or an equivalent third party would expect to make by now owning the domain name. Prior to acquisition the company's website attracted low volumes of visitors, and since acquisition the website has been relocated within the Group's main website. In light of this, the Group have not assigned any value to the domain name or any other market related intangible assets.

- ***Customer relationships***
  This asset class represents the value within the existing relationships which LDD has with its business partners. Given the nature of LDD's business and the short life-time of the relationships, the Group has not identified any value within this asset.

- ***Customer lists***
  This asset class represents the value of the customer data held by LDD at the date of acquisition. The volume of customer data held by the business has been assessed by management as immaterial. As such no value has been identified within this asset.

- ***Technology***
  This asset class relates to technical innovations and advances such as databases, software and trade secrets. Whilst the business did own the website on which its business operates, the cost of replicating such a website has been estimated by management as immaterial to the Group's operations.

The goodwill balance recognised upon the acquisition of LDD represents the anticipated incremental value which the Group expects to generate by applying its existing customer database and expertise to the LDD business. The Group does not expect any of the goodwill to be deductible for tax purposes.

Given the proximity of the acquisition of the above assets to the year end date no impairment review has been completed to date, and no indication of impairment has been identified.

13 Trade and other receivables

	31 December 2011 £000	31 December 2010 £000
Trade receivables	**15,974**	16,320

All receivables fall due within one year.

As a result of click based revenue being recognised in the period that the lead is generated, a revenue accrual for approximately one month's revenue is recognised at the year end date.

At 31 December 2011, trade receivables are shown net of a provision for doubtful debts of £53,000 (2010: £85,000), which represents a judgement made by management of which receivable 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.

Movements in the provision for doubtful debts were as follows:

	2011 £000	2010 £000
At 1 January	**85**	156
Charge for the year	**62**	83
Amounts written off	**(94)**	(154)
At 31 December	**53**	85

As at 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

			Past due not impaired				
	Total £000	Neither past due nor impaired £000	0-30 days £000	30-60 days £000	60-90 days £000	90-120 days £000	>120 days £000
At 31 December 2010	16,320	15,001	1,006	109	79	66	59
At 31 December 2011	**15,974**	**15,008**	**957**	**61**	**4**	**(8)**	**(48)**

The Group's standard payment terms are 15 days.

14 Trade and other payables

	31 December 2011 £000	31 December 2010 £000
Trade payables	**16,210**	12,514
Non-trade payables and accrued expenses	**12,165**	9,894
Deferred income	**42**	219
Contingent consideration in relation to the acquisition of Financial Services Net Limited	**385**	2,608
Contingent remuneration in relation to the acquisition of Local Daily Deals Limited	**96**	–
	28,898	25,235

As a result of click based revenue being recognised in the period that the lead is generated, an accrual for the cost of sales relating to the revenue accrued at the year end date (see note 13) is included within trade payables.

As at 31 December, the analysis of financial liabilities within trade payables, non-trade payables and accrued expenses is as follows:

	Total £000	Current £000	0-30 days £000	30-60 days £000	60-90 days £000	90-120 days £000	> 120 days £000
At 31 December 2010	22,408	16,735	1,101	1,713	127	63	2,669
At 31 December 2011	**28,375**	**19,166**	**5,225**	**1,476**	**180**	**99**	**2,229**

As at 31 December 2011, the Group did not hold any other financial liabilities requiring disclosure under IAS 32.

Notes to the Consolidated Financial Statements continued

15 Deferred tax liabilities
Deferred tax assets and liabilities are attributable to the following:

	2011 £000	2010 £000
At 1 January	**32,212**	39,011
Deferred tax liability arising upon the acquisition of Financial Services Net Limited	**–**	1,145
Temporary differences	**(6,421)**	(7,239)
Revaluation of LTIP equity-settled share awards	**(827)**	(166)
Revaluation of Chairman's share award	**–**	48
Revaluation of unapproved share options at the balance sheet date	**–**	291
Issue of LTIP equity-settled share awards	**(34)**	(56)
Reduction in corporation tax rate to 25% (2010: 27%)	**(1,999)**	(1,172)
Adjustment in relation to prior period	**320**	350
At 31 December	**23,251**	32,212

Deferred tax liabilities arise from the creation of the intangible assets upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, and the acquisition of Financial Services Net Limited by Moneysupermarket.com Financial Group Limited. 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 tax rate enacted at the balance sheet date of 25%.

16 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.

In the prior period the Company issued 1,506,671 ordinary shares upon the exercising of unapproved share options by a number of senior management and 248,612 ordinary shares to the Chairman of the Company under the terms of the Chairman's share award (see note 18).

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2010	507,532,724
Issued on exercising of unapproved share options	1,506,671
Issued on exercising of Chairman's share award	248,612
At 31 December 2010 and 31 December 2011	**509,288,007**

£	Ordinary shares
At 1 January 2010	101,506
Issued on exercising of unapproved share options	301
Issued on exercising of Chairman's share award	50
At 31 December 2010 and 31 December 2011	**101,857**

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 (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 £350,000 based on Group cash, cash equivalents and financial instruments at 31 December 2011. At the balance sheet date, £28,470,000 was invested with Lloyds Banking Group, this being the most invested with any one bank.

17 Financial instruments continued

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 2011		31 December 2010	
	Effective interest rate	**£000**	Effective interest rate	£000
Cash and cash equivalents	**0.68%**	**35,005**	0.72%	36,593

Credit risk

Credit risk with respect to trade receivables is monitored on an ongoing basis by the credit control team and finance management. By value, over 90% (2010: 90%) of the Group's revenue comes from blue chip companies. Most of the remaining provider base is subject to payment terms of one week collected by direct debits. At the balance sheet date, the five largest trade receivables, by provider, accounted for 22% (2010: 18%) of the total trade receivables balance of £15,974,000 (2010: £16,320,000) and the largest individual balance was £1,080,637 (2010: £985,636).

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).

The contingent liabilities held at 31 December 2011 are valued using a level 3 valuation method, being their fair value with any change in fair value taken to the Statement of Comprehensive Income. All other financial assets and liabilities are valued at amortised cost. There have been no transfers between levels in the year.

18 Share-based payments

Unapproved share option scheme

Grant 1

On 22 May 2007 the holders of unapproved share options in Moneysupermarket.com Financial Group Limited agreed to have their unapproved share options replaced with share options in the Company on similar terms to those that operated under the original scheme. Options over 1,460 shares were originally exchanged. Following the share sub-division on 9 July 2007 where each ordinary share was converted to 5,000 ordinary shares, the shares under option were subject to a similar sub-division. Following this, there were therefore 7,300,000 share options in issue that related to the share options in Moneysupermarket.com Financial Group Limited, exchanged for share options in the Company.

These share options were originally granted by Moneysupermarket.com Financial Group Limited on 9 May 2005 and vested on the earlier of a trade sale or a flotation provided that in the event of a flotation the options had been held for three years from the date of grant. The exercise price was 6p per share.

Grant 2

On 18 and 22 June 2007 the Company granted further unapproved share options that entitled key management personnel and senior employees to acquire ordinary shares in the Company. Options were originally granted over 1,243 shares, which following the sub-division referred to above, became 6,215,000 shares. Options vested on the earlier of a trade sale or, subject to a flotation, equally over a three year period on subsequent anniversaries from the date of grant. The exercise price was 6p per share.

Grant 3

Post the sub-division of shares referred to above, on 10 and 21 July 2007 the Company granted further unapproved share options that entitled key management personnel and senior employees to acquire shares in the Company. Options were originally granted over 105,000 shares. Options vested on the earlier of a trade sale or, subject to a flotation, equally over a three year period on subsequent anniversaries from the date of grant. The exercise price was 6p per share.

All remaining unapproved share options vested and were exercised by the participants during the financial year ended 31 December 2010.

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. 54,365 (2010: 171,145) shares have been withdrawn from the trust by employees during the period and a further 482,085 remain held in trust (2010: 536,592).

Notes to the Consolidated Financial Statements continued

18 Share-based payments continued

Long Term Incentive Plan scheme ('LTIP')

On 8 April 2009, conditional awards were made over 8,256,530 ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan scheme to senior employees ('2009 LTIPs'). Under this scheme, up to 70% of the shares vest at the end of a three year period dependent upon the achievement of an adjusted EBITDA figure for each of the three financial years from 2009 to 2011, and up to 30% of the shares vest 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 7 April 2010, conditional awards were made over 6,473,309[1] ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan scheme to senior employees ('2010 LTIPs'). Under this scheme, up to 70% of the shares vest at the end of a three year period dependent upon the absolute total shareholder return of the Company set at the start of the period, and up to 30% of the shares vest at the end of a three year period dependent upon the total shareholder return of the Company relative to a comparator group of defined companies. These awards are therefore subject to market-based performance conditions.

During the year, conditional awards were made over 3,945,803[1] ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan scheme to senior employees ('2011 LTIPs'). Under this scheme, up to 50% of the shares vest at the end of a three year period dependent upon the absolute total shareholder return of the Company set at the start of the period, and up to 50% of the shares vest at the end of a three year period dependent upon the total shareholder return of the Company relative to a comparator group of defined companies. These awards are therefore subject to market-based performance conditions.

1 The figures for the awards made in 2010 and 2011 are the maximum available if the performance targets are met in full, representing 150% of the actual awards made.

Chairman's share award

Gerald Corbett, the Chairman of the Company, purchased 117,647 ordinary shares on the listing of the Company at the initial offer price of £1.70. Subject to him retaining these shares for three years and provided that he completed three years' service as Chairman he was entitled to subscribe at nominal value for a total of 235,294 ordinary shares in the Company.

Following the payment of the special dividend of 4.93p per ordinary share on 16 October 2009, the Remuneration Committee approved, in February 2010, an adjustment to the Chairman's share award in accordance with the rules of the scheme. As a result of that adjustment, Gerald Corbett became entitled to subscribe at nominal value for a total of 248,612 ordinary shares in the Company reflecting the reduction in the value of the Chairman's share award arising from the payment of that special dividend.

In February 2010, the Remuneration Committee approved, in accordance with the rules of the Chairman's share award, the early subscription by Gerald Corbett for the shares comprising the Chairman's share award. Gerald Corbett subscribed for all of the shares comprising the Chairman's share award in 2010. As at 31 December 2010, all options granted under the Chairman's share award had vested and been exercised.

Sharesave scheme

During 2011, the Group established an HMRC-approved savings 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 2011 Sharesave scheme has been fixed at 89.6p 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:

	Number	WAEP
Outstanding at 1 January 2010	9,774,670	£0.01
LTIP awards made during the year	4,315,539	£0.00
LTIP awards forfeit during the year	(1,369,930)	£0.00
Unapproved options exercised during the year (with a WAEP of £0.06)	(1,506,671)	£0.06
Chairman's share award made during the year	13,318	£0.00
Chairman's share award exercised during the year	(248,612)	£0.00
Outstanding at 31 December 2010	10,978,314	£0.00
LTIP awards made during the year	2,630,535	£0.00
LTIP awards forfeit during the year	(1,038,400)	£0.00
LTIP awards lapsed during the period	(649,601)	£0.00
Outstanding at 31 December 2011	**11,920,848**	**£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 2011:

	2011 Sharesave	2011 LTIP	2010 LTIP	2009 LTIP
Fair value at grant date (£)	0.37	0.83	0.49	0.53
Share price (£)	1.10	0.90	0.75	0.53
Exercise price (£)	0.90	0.00	0.00	0.00
Expected volatility (%)	50.0	50.0	53.2	n/a
Expected life of option/award (years)	3.0	3.0	3.0	3.0
Weighted average remaining contractual life (years)	2.7	2.3	1.3	0.3
Expected dividend yield (%)	4.3	0.0	0.0	0.0
Risk-free interest rate (%)	1.9	1.9	2.0	4.5

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 Statement of Comprehensive Income can be attributed to the following types of share option and share award:

	2011 £000	2010 £000
Unapproved share option scheme	**–**	250
Share Incentive Plan ('SIP') scheme	**–**	256
Chairman's share award	**–**	48
Long Term Incentive Plan ('LTIP') scheme	**2,185**	1,297
Sharesave scheme	**15**	–
	2,200	1,851

19 Operating lease commitments

The future minimum lease commitments under non-cancellable operating leases in respect of land and buildings are as follows:

	31 December 2011	31 December 2010
Operating lease commitment payments:		
Within one year	**135**	–
Between two and five years	**70**	–
Over five years	**–**	–
	205	–

20 Pensions and other post-employment benefit plans

The Group operates a defined contribution pension scheme based on basic salary. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amounts charged to the Statement of Comprehensive Income represent the contributions payable to the scheme in respect of the accounting period. In the year ended 31 December 2011 £506,890 of contributions were charged to the Statement of Comprehensive Income (2010: £467,872). As at 31 December 2011 £62,338 (2010: £83,965) of contributions were outstanding on the balance sheet.

21 Commitments and contingencies

The Group is a defendant in a small number of disputes incidental to its operations which, in aggregate, are not expected to have a material adverse effect on the Group. Provision has been made for the expected settlement where the Group believes a payment will be made to settle the dispute.

The Group is currently in the process of finalising a new VAT recovery method with HM Revenue & Customs. At the balance sheet date, formal approval of the new method had not yet been received, however management are of the opinion that based on discussions to date, there is a strong likelihood that the proposed new method will be accepted, and will result in a retrospective claim for overpaid tax. It is not practicable to reliably estimate the amount at this time.

Notes to the Consolidated Financial Statements continued

22 Related party transactions

The Group has the following investments in subsidiaries and associates:

	Country of incorporation	Ownership interest %	Principal activity
Moneysupermarket.com Financial Group Limited	UK	100	Holding company
Moneysupermarket.com Limited	UK	100	Internet price comparison
Travelsupermarket.com Limited	UK	100	Dormant
Insuresupermarket.com Limited	UK	100	Dormant
Mortgage 2000 Limited	UK	100	Financial intermediary services
Making Millionaires Limited	UK	100	Holding company
Moneysupermarket Limited	UK	100	Dormant
icero GmbH	Germany	100	Dormant
Betcompare.com Limited	UK	100	Dormant
Financial Services Net Limited	UK	100	Financial intermediary services
Local Daily Deals Limited	UK	51	Discounted deals website
HD Decisions Limited	UK	25	Credit scoring technology

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 aggregate value of transactions and outstanding balances relating to entities which were not wholly-owned subsidiaries at the balance sheet date were as follows:

Company	**Transaction value Year ended 31 December 2011 £000**	Transaction value Year ended 31 December 2010 £000	**Balance outstanding as at 31 December 2011 £000**	Balance outstanding as at 31 December 2010 £000
Local Daily Deals Limited	**99**	–	**(99)**	–
HD Decisions Limited	**–**	–	**–**	–

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 scheme, see note 18.

Gerald Corbett, Michael Wemms, Bruce Carnegie-Brown, Simon Nixon and Paul Doughty received dividends from the Group totalling £22,714,964 in 2010 and £21,440,050 in 2011.

During the year, short-term funding was made to Paul Doughty, a Director of the Company. The amount advanced was £800,000 for a period of 5 days. Fixed interest of 7% per annum was charged along with an arrangement fee of 1% of the value of the advance. There were no amounts outstanding to the Company or any future commitments of the Company as at 31 December 2011.

At 31 December 2011, an amount of £21,971 was payable to the Directors of Local Daily Deals Limited, consistent with the amount payable at acquisition.

Key management personnel compensation

Key management, defined as the executive management team, received the following compensation during the year:

	31 December 2011 £000	31 December 2010 £000
Short-term employee benefits	**2,465**	1,764
Share-based payments	**1,581**	1,111
Post employment benefits	**162**	162
	4,208	3,037

In addition to the above, the executive management team received a bonus of £1,815,000 (2010: £1,745,000) in relation to the reporting period.

23 Post balance sheet events

There have been no significant post balance sheet events requiring disclosure.

Company Balance Sheet
at 31 December 2011

	Note	31 December 2011 £000	31 December 2010 £000
Fixed assets			
Investments	4	**181,688**	181,688
Current assets			
Debtors	5	**83,840**	43,642
Cash at bank and in hand		**40**	526
Total current assets		**83,880**	44,168
Creditors: amounts due within one year	6	**(59,544)**	(30,340)
Net current assets		**24,336**	13,828
Net assets		**206,024**	195,516
Capital and reserves			
Share capital	8	**102**	102
Share premium	8	**171,297**	171,297
Other reserves	8	**16,942**	16,942
Profit and loss	8	**17,683**	7,175
		206,024	195,516

The Financial Statements were approved by the Board of Directors and authorised for issue on 27 February 2012. They were signed on its behalf by:

Peter Plumb

Paul Doughty

Registered number: 6160943

Notes to the Company Financial Statements

1 Accounting policies

Basis of preparation

The Financial Statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The profit after tax for the Company was £48,846,000 (2010: loss of £1,429,000), which included dividends received of £52 million.

The Company has taken the exemption in FRS 1 5(a) and consequently no cash flow statement is presented for the Company.

Investments

Investments are shown at cost less provision for impairment.

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 enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

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 2011	Number of employees 31 December 2010
Administration	**5**	5

The aggregate payroll costs of these persons were as follows:

	31 December 2011 £000	31 December 2010 £000
Wages and salaries	**1,223**	1,170
Social security costs	**819**	229
Other pension costs	**108**	99
Share-based payments	**1,254**	847
	3,404	2,345

In addition to the above, these persons received a bonus of £1,479,000 (2010: £1,139,000) in relation to the reporting period.

4 Investments

	Shares in subsidiary undertakings £000
Cost and net book value:	
At 31 December 2010 and 31 December 2011	181,688

The investment comprises £162,000,000 of cash consideration, £2,765,000 of costs and £16,923,000 arising from the transfer of net assets at book value from a company under common control, representing the acquisition of Moneysupermarket.com Financial Group Limited by the Company.

5 Debtors

	31 December 2011 £000	31 December 2010 £000
Amount due from subsidiary undertakings	**83,280**	43,096
Other debtors	**14**	–
Corporation tax	**546**	546
	83,840	43,642

6 Creditors: amounts falling due within one year

	31 December 2011 £000	31 December 2010 £000
Amount owed to subsidiary undertaking	**59,315**	30,129
Accruals	**229**	211
	59,544	30,340

7 Dividends

	31 December 2011 £000	31 December 2010 £000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2009: 2.2p per share		11,201
Special dividend for 2009: 4.91p per share		25,000
Interim dividend for 2010: 1.3p per share		6,621
Final dividend for 2010: 2.53p per share	**12,884**	
Interim dividend for 2011: 1.5p per share	**7,654**	–
Special dividend for 2011: 3.93p per share	**20,000**	–
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2011: 3.03p per share	**15,431**	

8 Capital and reserves

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.

In the prior period the Company issued 1,506,671 ordinary shares upon the exercising of unapproved share options by a number of senior management, and 248,612 ordinary shares to the Chairman of the Company under the terms of the Chairman's share award (see note 18 of the Consolidated Financial Statements).

Notes to the Company Financial Statements continued

8 Capital and reserves continued

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2010	507,532,724
Issued on exercising of unapproved share options	1,506,671
Issued on exercising of Chairman's share award	248,612
At 31 December 2010 and 31 December 2011	**509,288,007**

£	Ordinary shares
At 1 January 2010	101,506
Issued on exercising of unapproved share options	301
Issued on exercising of Chairman's share award	50
At 31 December 2010 and 31 December 2011	**101,857**

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 (see note 18 of the Consolidated Financial Statements).

Other reserves

	Share premium £000	Other reserves £000	Profit and loss £000
At 1 January 2010	171,207	16,942	49,604
Shares issued	90	–	–
Total recognised loss in year	–	–	(1,429)
Equity dividends	–	–	(42,851)
Share-based payment	–	–	1,851
At 31 December 2010	171,297	16,942	7,175
Total recognised profit in year	–	–	48,846
Equity dividends	–	–	(40,538)
Share-based payment	–	–	2,200
At 31 December 2011	**171,297**	**16,942**	**17,683**

Other reserves represents the merger reserve for £16,923,000 generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed in the Consolidated Statement of Changes in Equity, 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.

9 Related party transactions

The Company has taken the exemption in FRS 8.3 not to disclose transactions with other Group companies.

Shareholder Information

Registered office and registered number
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Darren Drabble

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The Registry
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Telephone: 0871 200 1536 (UK)
(Calls cost 10p per minute plus network extras. Lines are open 8.30am-5.30pm Monday-Friday)
+44 (0)20 3008 2245 (overseas)

E-mail: moneysupermarket@capitaregistrars.com

Enquiring about your shareholding
If you want to ask, or need any information, about your shareholding, please contact our registrar (see contact details on the left). Alternatively, if you have internet access, you can access the Group's shareholder portal at www.moneysupermarket-shares.com where you can, amongst other things, view details of your shareholding, set up or amend a dividend mandate and update your address details.

Investor relations website
The investor relations section of our website, www.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 on the left) 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 on the left).

Share dealing service
You can buy or sell the Company's shares in a simple and convenient way via the Capita share dealing service either online (www.capitadeal.com) or by telephone (0871 664 0445). Calls cost 10p per minute plus network extras. 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 advisor authorised by the Financial Services and Markets Act 2000.

Electronic communications
You can elect to receive shareholder communications electronically by writing to our registrar, Capita Registrars, Freepost RLYX-GZTU-KRRG, SAS, The Registry, 34 Beckenham Road, Beckenham, BR3 9ZA. 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 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

Declaration date of 2011 final dividend	28 February 2012
Announcement of 2011 full year results	28 February 2012
Ex-dividend date of 2011 final dividend	28 March 2012
Record date of 2011 final dividend	30 March 2012
Interim management statement	18 April 2012
Annual General Meeting	18 April 2012
Payment date of 2011 final dividend	27 April 2012
Half year end	30 June 2012
Announcement of 2011 half year results	*July 2012
Interim management statement	*November 2012
Full year end	31 December 2012
Announcement of 2012 full year results	*February 2013

*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 www.moneysupermarket.com.

Shareholder Notes

Shareholder Notes

MoneySupermarket.com™

TravelSupermarket.com™

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