Moneysupermarket
Group

Investing in innovation, helping customers

Moneysupermarket.com Group PLC
Annual Report and Accounts 2016

Our vision:

To help every household make the most of their money.

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

2016 Highlights

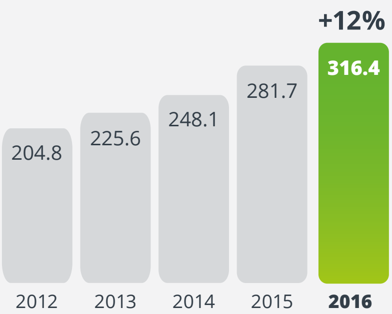
Financial

- Group revenue increased by 12% to £316.4m
- Group operating profit increased by 13% to £91.1m
- Group adjusted operating profit* increased by 8% to £107.8m
- Group profit after tax increased by 16% to £73.5m
- Final dividend up 8% to 7.1p per share
- Total dividend for the year up 8% to 9.85p per share
- In line with capital allocation policy, a share repurchase programme of up to £40m is proposed
- Basic earnings per share increased by 16% to 13.5p per share
- Adjusted earnings per share* increased by 8% to 15.7p per share

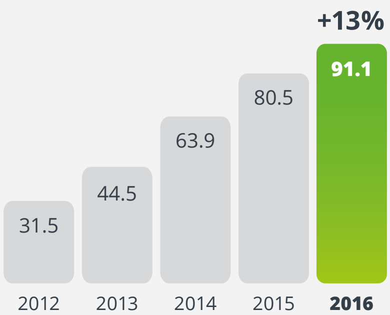
Operational

- Our customers saved over £1.8bn
- Capital investment of £22.6m in technology
- New mobile app, GO, launched by MoneySuperMarket
- Roll out of native journeys to mobile app
- Two collective energy switches were run by MoneySavingExpert
- Credit Club launched by MoneySavingExpert
- An additional 3.6m people opened accounts with MoneySuperMarket through ‘MyProfile’
- Transition to new Fusion technology platform due to complete in 2017

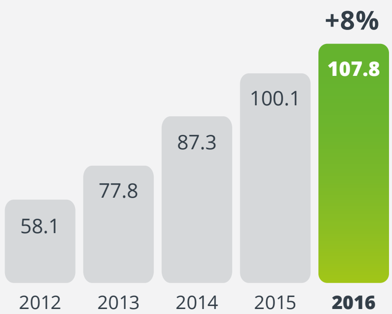
Revenue (£m)



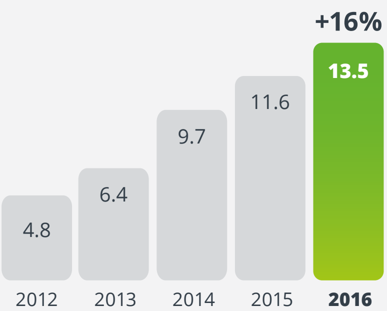
Operating profit (£m)



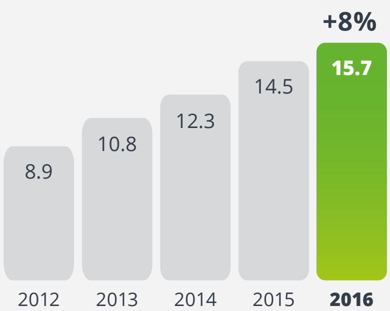
Adjusted operating profit* (£m)



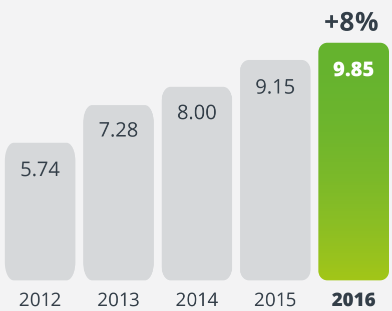
Basic earnings per share (p)



Adjusted earnings per share* (p)



Total dividend per share (p)



* as detailed in the Financial Review on page 22

Continuing strong performance

Bruce Carnegie-Brown
Chairman

Our three leading brands give us significant strength, breadth and diversity, generating growth and increasing the predictability of the business. All of our brands are consistent in their ambition 'to help every household make the most of their money'.

Our results

2016 was another year of growth with the Group's revenue increasing by 12% from £281.7m to £316.4m and adjusted operating profit increasing by 8% from £100.1m to £107.8m.

Growth was particularly strong in MoneySuperMarket's Insurance and Home Services channels. Revenue in MoneySavingExpert was 20% ahead of last year with growth driven by credit cards, current accounts and energy, which benefitted from attractive products and the success of the collective switches and Cheap Energy Club. TravelSupermarket's revenue fell by 9% for the full year although it returned to revenue growth in the final quarter of 2016.

We continue to maintain a strong financial position with good cash generation. Cash generated from operations during the year was £106.0m. After paying dividends, the Group ended the year with net cash of £44.6m.

New Chief Executive Officer

Mark Lewis joins the Group on 13 March 2017 and, following a period of handover, will become Chief Executive Officer on 10 April 2017.

Mark has a successful track record of leading fast growing digital businesses with strong customer satisfaction, trust and values. His experience and values are aligned with our goal of helping every household make the most of their money.

Peter Plumb will step down from the Board on conclusion of the Annual General Meeting on 4 May 2017. Peter was first appointed to the Board in January 2009 and became Chief Executive Officer in February 2009. Since then his contribution has been significant, with a focus on improving our technology and product offering to ensure we continue to help customers meet their financial needs. He was instrumental in the acquisition of MoneySavingExpert in 2012 and integrating it into the Group. I would like to thank him for his commitment and dedication to the Group's vision 'to help every household make the most of their money' and to recognise the shareholder value which the Group has created under his leadership over the last eight years.

Adjusted operating profit (£m)	Total dividend per share (p)
£107.8m	**9.85p**
+8%	+8%

Business model
2016 has again demonstrated the value of Moneysupermarket Group's business proposition. The Group has delivered its seventh year of revenue and earnings growth and has distributed nearly 7 million products during the year to customers across a broad range of financial and household services. More and more customers wish to engage digitally with their service providers across a wide range of devices and want to test the value of the services being provided to them by comparing prices on an increasing range of services. The continuing structural shift in consumers' engagement from offline to online and from desktop to mobile, and their continuing demand for a better customer experience and better execution from providers of these services all support the growth aspirations of Moneysupermarket Group's key brands.

Dividend and share repurchase
In line with our progressive dividend policy , the Board is recommending a final dividend of 7.1p per share (2015: 6.6p) representing an increase of 8% on the final dividend in 2015. If approved by shareholders at the forthcoming Annual General Meeting, this will bring the total dividend for the year to 9.85p (2015: 9.15p) per ordinary share, an increase of 8% year over year, and will be paid on 12 May 2017 to all shareholders on the register on 7 April 2017.

Details of our dividend policy can be found on page 25.

Whilst the Board continues to consider dividends to be the primary method of returning capital to shareholders, it will also undertake share repurchases when advantageous. In line with this policy, we are announcing our intention to initiate a share repurchase programme for up to £40 million to return surplus capital to shareholders, which will be conducted during 2017.

Strategic progress
Our three leading brands give us significant strength, breadth and diversity, generating growth and increasing the predictability of the business. All of our brands are consistent in their ambition 'to help every household make the most of their money'.

During the year, we have continued with our significant capital investment programme which commenced in 2014 to improve our technology, our data capabilities and our customer journeys. The investment allows for greater flexibility and scalability across our different channels and any future channels. The technology platform creates a base for launching innovative new products which, in 2016, included MoneySuperMarket's mobile app and MoneySavingExpert's Credit Club. Customers will find it easier to use our websites and will benefit from greater personalisation of our services and improved customer journeys on mobile and tablet devices, which is especially important for the growing number of customers who access our services using smartphones. This investment will help us to support additional growth from the business and will further differentiate our brands from those of our competitors. In parallel, we continued to invest significantly in our marketing strategy, including the strengthening of our digital marketing capability and the continuation of our 'You're So MoneySuperMarket' advertising campaign, both of which helped to attract visitors to the Group's websites.

While no acquisitions were made in 2016, the Group continues to review acquisition opportunities against a disciplined set of risk and return appetite metrics.

In recent years, the price comparison industry has attracted greater scrutiny from our regulators, in part due to the growing importance of the sector to consumers looking to make informed decisions about their choice of service providers. In particular, the Competition and Markets Authority launched a review of digital comparison tools (ranging from price comparison websites to smartphone apps) in September 2016. During 2016 we have continued to engage on a proactive basis with key regulators and we share the vision of regulators to make products more accessible and understandable to consumers.

Governance
The identification and management of risk has continued to be a focus for us and during the year we oversaw the introduction of a series of Group Risk Policies which underpin the Group's Risk Appetite Framework and define the Group's key risks and activities to mitigate those risks. We also carried out a detailed assessment of the risks associated with change management and our software development life-cycle and arranged for external consultants to conduct a review of our current risk management framework and control environment. Further information on risk management and the key risk focus areas during the year are set out on pages 27 to 31.

During the year we conducted formal competitive tenders for audit and tax services. We have also continued to enhance our approach to corporate governance, introducing new policies and procedures to meet requirements under the EU Market Abuse Regulation and building on areas for improvement identified during our 2015 Board evaluation. More information on our approach to governance is set out in my Introduction to Governance, the Corporate Governance Report and the reports of each of the Committees on pages 36 to 73. These reports describe how we have applied the main principles of the 2014 edition of the UK Corporate Governance Code (the Code) during 2016 and reports upon our compliance with the Code's provisions.

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

During 2016, following Peter Plumb's indication that he intended to step down as a Director, we conducted an extensive search for a new Chief Executive. Mark Lewis will join the Board on 13 March and will become Chief Executive Officer on 10 April 2017. Peter Plumb will step down as a Director on conclusion of the 2017 Annual General Meeting. In addition, Rob Rowley, our Senior Independent Non-Executive Director will step down as a Director on conclusion of the 2017 Annual General Meeting. Rob is our longest-serving Director, having joined the Board shortly after the flotation in 2007 and chaired the Audit Committee until the 2016 Annual General Meeting. I would like to thank Rob for his significant contribution to the Board over this time and his wise counsel will be missed.

Sally James will succeed Rob Rowley as Senior Independent Director. Following the publication of the Hampton-Alexander Review, we have now revised our diversity policy and are aiming for a minimum of 33% of women on the Board by 2020. We will continue to focus on broadening and strengthening the diversity of the Board and Group in the years to come.

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

Outlook
The new year has begun positively in our Insurance and core Money business and we remain confident about our prospects in 2017. We will continue to improve our data capabilities and customer journeys enabling customers to find it easier to use our websites, benefit from greater personalisation and save more money. Our brands give us strength, breadth and diversity and are consistent in their ambition to 'help every household make the most of their money', enabling us to continue to build our business for the future.

Bruce Carnegie-Brown
Chairman
27 February 2017

Strategic Framework

Set out below is a summary of our key strategic initiatives, our achievements during 2016, how we measure our progress and what risks could disrupt us from delivering on our strategic initiatives.

Strategic Initiatives	Business Model	What have we been doing in 2016	Our Future	Principal Risks & Uncertainties
Best site: Be the easiest way for people to find the right products for their needs	▶ Technology ▶ Scalability	• Continued our capital investment programme and rolled out new platform across some of our money channels • Launched MoneySuperMarket mobile app 'GO' • Our services helped customers and users save £1.8bn in the year	• Delivering increased levels of customer personalisation both through our CRM and to our customer journeys	▶ Competition ▶ Changing consumer behaviour
Earn customer loyalty: Trusted destination brands	▶ Technology ▶ Brand	• More than 22m customers keep data in MoneySuperMarket 'MyProfile' account • MoneySavingExpert continued innovations and launched Credit Club, a free credit and affordability check	• Continuing to focus on developing our brands and making it easier for customers to save across a range of products and services	▶ Brand strength ▶ Product offering ▶ Customer trust including cyber
Preferred partner: Be the best way for providers to acquire customers	▶ Technology ▶ Brand ▶ People	• Enhanced our data interaction with providers so that we can improve our mapping and introduce new products such as pre-approved credit cards • Attracted more customers by increasing our marketing spend, enabling our providers to engage with more customers	• Enhancing our understanding of customers so we can help providers deliver products that customers want	▶ Relevance to partners ▶ Data errors and inaccuracies
Our results				▶ Economic uncertainty ▶ Regulation

For Strategic Initiatives go to page: **10**
For Business Model go to page: **8**
For Principal Risks & Uncertainties go to page: **30**
For Financial Review go to page: **22**

Key Performance Indicators

Average monthly unique visitors

2016	**23.4m**
2015	23.6m
2014	22.5m

Investment in technology

2016	**£22.6m**
2015	£19.6m
2014	£16.1m

Net promoter score

2016	**43%**
2015	48%
2014	38%

Unique adults choosing to share data

2016	**22.2m**
2015	18.6m
2014	15.8m

Savings made by customers

2016	**£1.8bn**
2015	£1.6bn
2014	£1.4bn

Marketing margin

2016	**64%**
2015	68%
2014	65%

Number of providers

2016	**980**
2015	877
2014	723

For Key Performance Indicators go to page: **12**

Revenue

2016	**£316.4m**
2015	£281.7m
2014	£248.1m

Adjusted operating profit

2016	**£107.8m**
2015	£100.1m
2014	£87.3m

Operating cash flow

2016	**£106m**
2015	£97m
2014	£84m

We have saved UK families over £11bn since 2009

Peter Plumb
Chief Executive Officer

2016
£1.8bn
savings for UK families

I am confident that the investments we have made during my tenure in brands, data, technology, M&A and most of all people mean that as a business Moneysupermarket Group is well placed to capitalise on the opportunities ahead of us.

Overview

I finished last year's review with what has become my regular sign-off and mantra: 'the Group is well placed to help more people save more money in the year ahead', and once again that is exactly what we did.

In 2016, we saved nearly 7 million families an estimated £1.8bn for free. By doing this, we grew revenues by 12% to £316m and grew adjusted operating profit by 8% to £108m. The Group completed the bulk of our major technology transformation project and launched new innovative services.

For customers, it's been a challenging year for managing money. Switching products once again paid off, motor insurance prices rose 16% and energy costs fell, then increased again. It was the cheapest year for credit, with low loan rates and the longest balance transfer credit card deals we have ever seen. Our providers have given our customers access to great deals, many exclusively. Our customers are getting ever more comfortable managing their money online across all our channels.

Group

Our technology team finished the year with 24 comparison channels migrated to our new technology platform, leaving 7 to complete in early 2017. In parallel, the Group has been moving its estate of more than 600 separate databases on to an Enterprise Data Warehouse (EDW) and data lake infrastructure. Both initiatives will finally enable the Group to liberate itself once and for all from its legacy data centres and fully benefit from the new technology platform.

During the year the Group opened a new lab facility in Manchester staffed with around 40 engineers. This team has developed and launched a fourth branded service for the Group called GO. GO is a new app service, written in native and therefore able to offer new and innovative money management services specifically designed for mobile users, wrapped around our most popular offerings of motor insurance, energy, credit card and loan comparison. The team has the skills and resources to pioneer new tools and services for the emerging new generation of customers who only want to use a mobile and expect personalised, relevant functionality based on the deep insights we have on them. It's early days for the team, but they are already making great progress, having built a new wallet service and are looking at the potential to integrate our bank account aggregator and budgeting app service. With apps now being the preferred way for people to manage their bank accounts in the UK, this investment and facility is very much aligned with emerging customer behaviour whilst leveraging the benefits of our new platform.

Savings made by customers (£bn)

£1.8bn

+13%

Net Promoter Score (MoneySuperMarket)

49%

+2%

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MoneySuperMarket

MoneySuperMarket had a good year delivering revenue of £285m, 14% higher than 2015.

Insurance returned to strong growth in the second half of the year driven by pleasing performances from both life and motor. The motor team's focus on 'Best Site' and investment behind 'Best Price' came through strongly as the year unfolded, growing MoneySuperMarket's Net Promoter Score and market share.

Money had a good year, although falling interest rates post Brexit meant the attractiveness of switching current accounts and savings accounts diminished further for providers and customers. However, credit became even cheaper for borrowers resulting in strong performances from credit cards and loans.

Home Services had another successful year with energy switching becoming the second largest channel for the Group. MoneySuperMarket and MoneySavingExpert worked together to help nearly 800,000 people switch their energy tariff, an increase of 46% compared to 2015.

We await the decision from Ofgem in respect of the directive to list all energy providers on our site. The closure of GB Energy was a lesson to us all that some energy companies are not as robust as others. It does not seem appropriate that we are forced to list providers who do not want to do business with either ourselves or our customers.

The team's migration of 39 million customers' data to our EDW is already starting to pay dividends. Revenues from CRM rose 21% as email campaigns became more relevant and personalised, a strategy set to continue thanks to our data investments.

MoneySavingExpert

MoneySavingExpert had another great year growing revenues by 20% to £37m.

As the brand most trusted by UK families to 'save money and manage your finances', subscriptions to the weekly email, full of saving tips, have now grown beyond 12 million people.

The unique Cheap Energy Club service now monitors over 2.6m households for better energy tariffs, immediately alerting them when savings can be made through the Group's quick and simple switching process. Cheap Energy Club also allowed the team to conduct two collective energy switches during the year, with market leading deals taken up by over 300,000 people.

The team launched a new service this year called Credit Club, powered by Experian. Credit Club allows users to check their credit scores and credit files whenever they want. Experts at MoneySavingExpert add further information allowing users to manage their money and access the credit products that suit them, based on this combination of information. This development is the basis of the next generation of personalised money management services that follow the successful 'Smart Search' and 'Eligibility Checker' tools that have been so popular over the past five years.

TravelSupermarket

TravelSupermarket had a challenging year with revenue of £22m, 9% lower than last year.

We have learned that not all innovative services are as good as customers tell us through user testing. During the migration of TravelSupermarket to its new platform, with a focus on mobile customers, we lost sight of the true value TravelSupermarket brings through its services to customers: that of price comparison. However, after a year of relentless focus on getting back to our roots, the turnaround is well on track. The final quarter of 2016 was back in to double digit revenue growth, with lessons learned.

As we highlighted last year, we expect the online travel market to be very competitive in the years ahead. However, I am confident that we have a great team, working on the right things with a brand that is both trusted and highly recognised.

Summary

The financial results tell only half the story of what a tremendous job the team has done for approximately 39 million users and customers (that's 85% of all online UK adults).

In my first Annual Report of 2009, I laid out the strategy for the Group behind a vision of 'helping every household make the most of their money' by building great brands, engineering the best shop, stocked with the best products and using data to personalise and simplify our services for customers.

Eight years on, this strategy still serves the Group well. The words have become more refined but the meaning has remained my invaluable compass for everything we have done during my tenure as CEO.

The world of technology is speeding up. Our users have moved from being early adopters to everyday families. Price comparison is becoming a habit. This is a credit to everyone who has worked in the Group over the years.

However, we have already seen smartphone adoption overtake traditional computers and laptops. The average person spends around three hours a day using their phone with over 80% of that time using apps. The next generation of devices are likely to be voice activated, such as Amazon Echo, Google Home and Siri.

On the data front, we have a government who actively encourages customers to have access to their personal data with the ability to share it easily to check if they can find better deals. Midata and PSD2 (Open Banking) are just two of the exciting new developments for our industry.

I am confident that the investments we have made during my tenure in brands, data, technology, M&A, office locations (including our new Manchester lab and a new London office due to open later this year) and most of all people mean that as a business, Moneysupermarket Group is well placed to capitalise on the opportunities ahead of us.

As I prepare to hand over to Mark Lewis, I thank all our customers, providers, shareholders, employees and of course our Board for the support, guidance and friendship they have given me over the past eight years.

Since 2009 the Group has saved UK families over £11bn on their household bills. Along the way we have returned over £450 million to shareholders. I have no doubt that the Group will continue to prosper as it saves more people more money on more things in the years ahead.

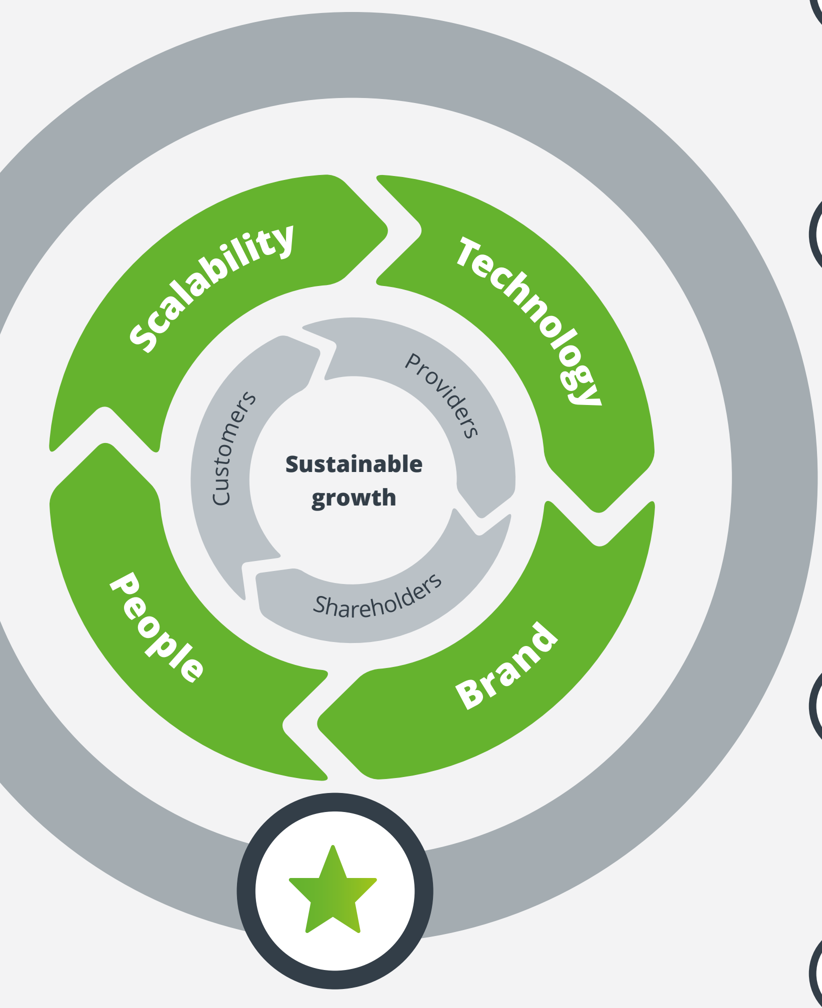
Peter Plumb
Chief Executive Officer
27 February 2017

Achieving savings for customers and product providers

We operate through three leading brands, MoneySuperMarket, MoneySavingExpert and TravelSupermarket, providing price and product comparison and editorial based websites. Whilst each business has a slightly different business model, we set out in this section the overarching business model for the Group.

We enable customers to compare a wide range of products and make an informed choice, helping them to make the most of their money through our brands and services. We offer a compelling proposition to both customers and product providers, underpinned by intuitive customer journeys, expert content and support, our comparison services, tools and guides. We deliver sustainable growth for our shareholders by focusing on our core differentiators: our scale, technology, brands and people. Whilst we do not work with every provider, we try to work with those providers who can help our customers make the most of their money.

The model – How we generate value



Underpinned by Core Values

For Core Values go to page: 11

– What sets us apart

Scalability
When creating, developing and maintaining our technology, we recognise the importance of scalability. We are in the third year of our technology investment programme, designed to ensure that our websites and apps are robust, flexible, secure and scalable across our different channels to adapt and meet the needs of our customers and product providers.

Technology
We are committed to technology development which provides benefits to both our customers and product providers. Three years ago we embarked on a major transformation project to migrate the Group's diverse range of services onto a single, modern, flexible and secure platform, focused on improving our customer experience and journeys and developing our data capabilities. Customers will find it easier to use our services and benefit from greater personalisation, especially important for customers on a smartphone, helping them to make informed choices about what products they wish to take out in a straightforward and convenient way. Product providers will benefit from increasing numbers of informed customers who have researched and are ready to take out a product and from efficiencies as a result of our improved back office systems and processes.

Brand
Customers have the reassurance of using a family of well-known and trusted brands and of receiving customer support either online or offline through our customer service centre. Providers benefit from our brand awareness by enabling them to target their marketing spend in a more efficient manner on increasing numbers of informed customers who have researched and are ready to take out a product.

People
Our people are integral to all that we do. We have hired the most talented people we can find across our Ewloe, London and Manchester offices. We have an outstanding team who are responsible for designing, implementing, maintaining, supporting and promoting our websites and apps. Our people are focused on our 'Customer First' programme which means making sure we do the right thing for our customers. Our core values underpin our 'Customer First' culture and help to ensure that we build trust and grow our business sustainably.

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The journey – How it works

We identify products and services which are relevant to customers and where they can make meaningful savings on their household expenditure

We attract customers and providers through our trusted brands and services and through increasingly personalised customer insights

Customers use our services to search for and compare products

Informed customers select product and take out that product with their chosen provider

Provider pays a targeted and cost effective fee

Customer insights and feedback help us improve our service and help providers improve their products

The results – Benefits we deliver

Customers

We provide our customers with a free, easy to use, online service so they can compare a wide range of products in one place and make an informed choice when taking out the product most suited to their needs. In a few simple steps, customers can use any of our trusted brands to help them save money on their household bills. Our services enable our customers to compare products by price, product features and service.

In addition to our comparison services, we help and support our customers to research the product they wish to take out and provide additional assistance through our contact centres. This includes expert content, innovative clubs, news and articles, tools, guides, video blogs, webchats and the ability to ask the views of other customers in our forums. We also send emails to our customers, enabling them to keep up to date with the latest deals, offers and best buys on a wide range of products.

We help customers to find us through TV and radio advertising, editorial comment in the press and on television programmes, and through search engines. We ensure that our customers can access our services wherever they are by using our mobile responsive websites and apps.

Providers

Partnering with the Group offers product providers access to large volumes of informed customers who, having researched and compared the market, are actively looking for a product. This means we are able to offer product providers a targeted, flexible, efficient and cost effective success-based marketing solution.

Shareholders

We have a simple, success-based revenue model which is highly scalable. For the majority of our services, we receive a marketing fee from the product provider for customers who take out a product through us. Revenue is driven by the number of products taken out through us and the fee rates payable to us by product providers for each product taken out. Therefore, an increase in either the number of products purchased or the fee rates will have a positive impact on revenue.

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

Our vision

To help every household make the most of their money.

Our mission

We aim to save 20m families money in 2020

Strategic priorities

The Group has three strategic priorities – to be the best site, earn customer loyalty and be the preferred partner for our providers. The Board has set KPIs to monitor the delivery of these strategic priorities.

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

Earn customer loyalty
Trusted destination brands

Preferred partner
Be the best way for providers to acquire customers

For Principal Risks & Uncertainties go to page: 30

Our strategy

Our strategy is to invest in the right technology, people and marketing behind our core brands of MoneySuperMarket, MoneySavingExpert and TravelSupermarket to ensure each help more people save more money year after year.

Strategy

Through the investment in technology, we will develop an enhanced understanding of our customers and deliver an improved and consistent customer experience. Ensuring our services work as well on a mobile and tablet device as they do on a desktop, our customers are able to access our services wherever and whenever they want to. This will allow us to build deeper relationships, delivering more value to our customers by helping them make the most of their money.

KPIs

As we continue our growth strategy and the investment in our technology programme, we need to measure our performance against our strategy.

Our key performance indicators are set out on pages 12 to 15.

Risk management

The management of risk has a key role to play in the achievement of our strategy. The relationship between our principal risks and our strategy is identified in the Principal Risks & Uncertainties section of this Report on pages 30 and 31.

See pages: 46 to 51 and 54 to 56 for details of how the Audit Committee and Risk Committee support the Board in oversight of internal controls and risk management

Remuneration

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

See page: 60 for details of how our Executive remuneration is linked to our strategy

Core values

- Do what you say
- Take pride in what you do
- Find the right way today
- Innovate for tomorrow
- Listen and understand
- Live the brand

To see more on Values, go to our Corporate Responsibility Report: page: 32

Average unique monthly users

23.4m

Best site

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

In 2016 we continued the investment in our technology programme, spending £22.6m, an increase of £3m compared to 2015. During 2016 our investment was focused on two areas – upgrading our customer experience and journey and developing our data capabilities.

This investment allows for greater flexibility and scalability across our different channels and any future channels. The technology platform creates a base for launching innovative new products which, in 2016, included the MoneySuperMarket mobile app and MoneySavingExpert's Credit Club.

The investment also improves data capabilities and customer journeys including the development of our Enterprise Data Warehouse which stores our customer data. Customers will find it easier to use our sites and benefit from greater personalisation of services and improved customer journeys on mobile and tablet devices, which is especially important for the growing number of people who use smartphones.

The average monthly unique users in 2016 remained broadly the same reflecting the benefits we are delivering to our customers as more choose to engage with our brands to make the most of their money.

2017 will see us continue to build out the capability and functionality of Credit Club and the MoneySuperMarket app. We will also increase the number of personalised and relevant pieces of communications we send to our customers.

MoneySuperMarket mobile app

We are delighted to introduce MoneySuperMarket GO, the latest innovation from the Moneysupermarket Group in our continuous drive to help every household make the most of their money. Our fantastic new app makes it easy for consumers to switch and save money, anytime, anywhere. During 2016 we built four native journeys, significantly improving the mobile experience from a mobile web experience, as well as building customer features such as to do lists and reminders.

As we develop the app we will build out the functionality and increase the number of native journeys, creating a single touch point for customers to switch and save across all their householder bills.

Key performance indicators

Average monthly unique visitors

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

2016	**23.4m**
2015	23.6m
2014	22.5m

Investment in technology

The amount we have invested in technology.

2016	**£22.6m**
2015	£19.6m
2014	£16.1m

Adults choosing to share data
22.2m

Earn customer loyalty

Trusted destination brands

We have continued to focus on ensuring that customers can use our services more easily across channels and through multiple devices, with mobile becoming increasingly prevalent. Our efforts to earn customer loyalty are reflected in our Net Promoter Score. In 2016 our Group Net Promoter Score fell 5%, reflecting the challenges we experienced with the TravelSupermarket.com website. Excluding TravelSupermarket.com, the Net Promoter Score remains broadly in line with 2015 at 49%.

An additional 3.6m customers set up a MoneySuperMarket 'MyProfile' customer account in 2016, adding to the existing 18.6m customers who keep their data with us. This enables us to understand our customers even better, to personalise our communications to them and make it easier for them to save money with us.

MoneySavingExpert continued their innovation by launching Credit Club which offers a free credit and affordability check and an eligibility calculator for credit cards and loans, together with advice on key factors affecting credit and affordability scores and tips for improving them. MoneySavingExpert also completed its biggest ever energy collective switch in October.

MoneySavingExpert offers cashback to its Cheap Energy Club members which helps build a direct relationship with club members. This cashback increased by 54% to £16.6m in 2016.

These innovative tools encourage more customers to use our services and share their data with us, allowing us to increasingly personalise services and make it easier for customers to save money with us. We estimate that the savings made by customers in 2016 were £1.8bn.

In 2017, we will complete our technology investment programme which will enable our customers to save even more money.

Credit Club

Credit Club offers free credit score services. We have partnered with Experian to provide access to Experian credit score, whenever users want it. We then calculate how much credit a user can reasonably afford for both credit cards and loans based on our joint data. To help understand these scores we introduced the 'MSE Credit Hit-Rate'. This is the percentage of top cards and loans users have a strong chance of getting if they applied. In summary, 'Smart Search' has allowed MoneySuperMarket and MoneySavingExpert to stand out as the most sophisticated tool for finding credit products and thanks to our partnership with Experian this takes our service to a completely new level as we help customers save money.

Key performance indicators

Net promoter score

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

2016	**43%**
2015	48%
2014	38%

Unique adults choosing to share data

The number of adults that have a valid customer account.

2016	**22.2m**
2015	18.6m
2014	15.8m

Savings made by customers

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

2016	**£1.8bn**
2015	£1.6bn
2014	£1.4bn

Marketing margin

64%

Preferred partner

Be the best way for providers to acquire customers

We are not tied to any particular product provider. Throughout 2016, our commercial teams have continued to focus on building stronger relationships with our providers, with the aim of being their partner of choice. We worked hard to understand our providers' objectives and to identify opportunities to help our customers, including market leading exclusive products and new products such as pre-approved credit cards.

Providers understand the value we bring them, which is why we continue to attract a strong panel of providers to our sites, with the number of providers in 2016 increasing by 12% to 980. These providers include all of the major brands in motor and home insurance.

During 2016, we have enhanced our data interaction with providers and our mapping to their systems. This has helped providers understand what our customers want and how they can improve their products, as well as to target their marketing spend and the customers they wish to acquire in a more efficient manner.

As planned, we have increased our online and offline marketing spend in 2016 as well as the cash back to MoneySavingExpert's Cheap Energy Club members, resulting in a reduction in our marketing margin of 4%. The increased marketing spend has enabled us to attract more customers to our sites, helping providers engage with those customers efficiently.

During 2017 we will continue to build our relationships with providers so that we can understand their strategic objectives and goals, and how we can help them to continue to target their marketing spend more efficiently.

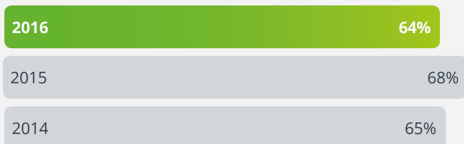
Pre-approved credit cards

In 2016 we launched five providers with pre-approved credit cards on our new technology platform which deep links to providers' systems and brings back live real offers. This improves the customers' visibility of deals available to them, reducing further their tendency to simply take the products which their banks offer them and thereby reducing the barriers to switching. It's a real step forward in our customer and provider proposition. We are seeing the investment driving much stronger customer satisfaction and it's a great fit with our data-driven strategy.

Key performance indicators

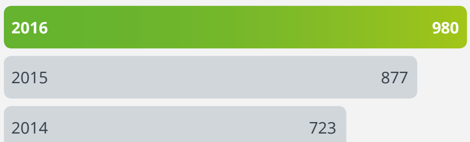
Marketing margin

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



Number of providers

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



Revenue
£316.4m

Our results

Underpinned by our core values

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

Our focus on our customers during 2016 was reflected in a number of initiatives including the launch of a revised Code of Conduct to sit alongside our 'Customer First' programme, both of which are about making sure we do the right thing, particularly for our customers. The continued investment in our technology improves customer journeys and makes it easier for our customers to make the most of their money. This focus on our customers will continue during 2017.

Customer First

Our 'Customer First' programme is about making sure we do the right thing for customers and users and puts them at the heart of everything we do every day.

Each employee undertakes a 'Customer First' e-learning module on joining the Group as well as refresher training. Our core values underpin our 'Customer First' culture and help to ensure that we build trust and grow our business sustainably.

Key performance indicators

Revenue

This is the annual revenue generated.

2016	**£316.4m**
2015	£281.7m
2014	£248.1m

Adjusted operating profit

As detailed in the Financial Review on page 22.

2016	**£107.8m**
2015	£100.1m
2014	£87.3m

Operating cash flow

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

2016	**£106m**
2015	£97m
2014	£84m

Money Super Market com

Our future

During 2017, we will:

- continue our technology investment programme to improve our customer journeys and ensure our services work seamlessly across mobile, tablet and desktop devices;
- offer more personalised services in a smartphone world;
- invest further in our CRM and organic search capability to help us develop and grow our customer relationships; and
- further strengthen our relationships with our providers to help offer our customers a wider choice of products and services.

To be the first place customers go to save money on their household bills

The UK economy is in unchartered waters – and that means consumers are feeling uncertain about their financial well-being.

Our purpose is to help customers save money on their household bills – often hundreds of pounds a year – by switching providers. As we empower our customers to take control of their finances and make informed choices about which products and services to buy, they will become more confident about managing their finances.

Good for them, and good for us – our business model means we are not rewarded unless our customers save money.

Winning on price
Our research consistently tells us that price is the most important consideration for consumers. So we intend to give our customers access to the most competitively priced products and services, with outstanding choice among the leading providers.

We will continue to use our data analytics and customer segmentation models as we work with providers to offer great prices to our customers.

We want customers to be confident that, if they come to MoneySuperMarket, they can be assured of getting a great price, and will not need to look elsewhere.

Personalising our offer
The internet is full of noise. Inboxes are bombarded around the clock with all manner of promotional emails, many of which are of little or no relevance to the recipient. Consumers are growing increasingly weary of wading through the clutter to find useful information.

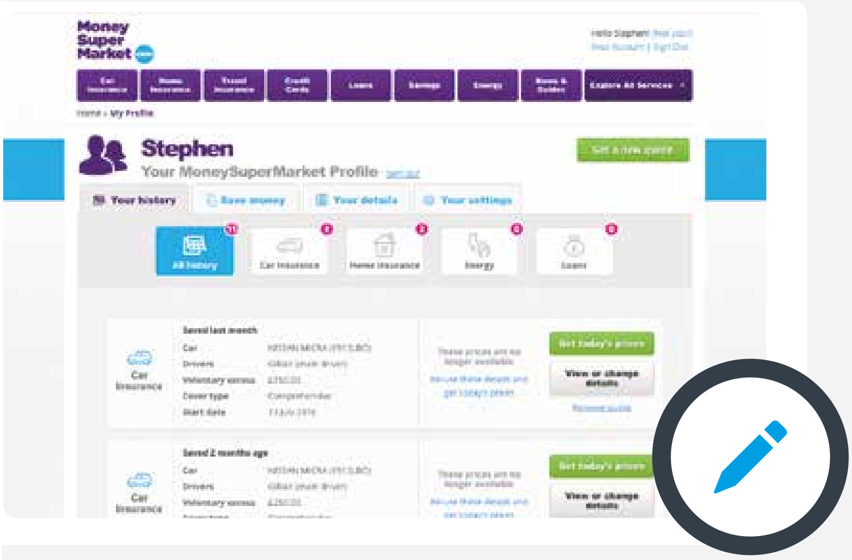
In recognition of this, we are re-engineering our relationship with customers and the way in which we communicate with them.

We will use what we know about customers to create relevant, precisely targeted emails and other communications. In this way, we will create enduring relationships grounded on trust.

Improving the customer journey
Customer expectations of the online shopping experience are rising all the time, and we need not just to keep pace, but to set the benchmark for excellence.

We will continue to invest heavily in our site and our app so that, in addition to having the best products on our shelves, we will offer the easiest and most convenient way for people to save money on their household bills.

That means the right product, accessible on whichever device the customer prefers to use.



Facing the future with confidence

Regardless of what happens in the wider economy, one thing is certain – UK consumers will continue to need access to financial products that offer great value and help them navigate the often choppy waters of running a household.

Market trends and opportunities

Our broad range of channels means that there are always many different ways that families can save money on their household bills. This year has been no exception, we have seen significant changes in the price of motor insurance, energy and borrowing. MoneySuperMarket is well placed to benefit from each of these trends as customers look to actively manage their household bills:

- Motor insurance premiums – These have continued to rise throughout 2016 due, in part, to the insurance premium tax rises introduced by the government earlier in the year. This implies an increase in the average saving available from switching and can encourage consumers to review and check their motor insurance and switch through a price comparison website.
- Credit cards – As borrowing costs have reduced throughout the year, particularly after the reduction in interest rates following the Brexit referendum, balance transfer credit cards have been particularly attractive, with some of the longest periods of 0% interest we have ever seen.
- Energy bills – The cost of wholesale energy declined during the first half of 2016, but we started to see increases in the last quarter of 2016. Significant savings are still available, typically for customers switching from a variable to fixed tariff. MoneySuperMarket is one of the leading energy comparison sites and works directly with suppliers to offer exclusive deals for our customers through collective switches, with market-leading tariffs sourced directly from providers.
- Political and regulatory focus – Regulators are increasingly looking to remove the advantages of being the incumbent supplier. Examples of this include both energy and current accounts. This trend facilitates competition and consumers' propensity to switch.

Motor insurance premium (mean price quoted)

Annual average insurance premium (£)

2016	**£993**
2015	£965
2014	£938
2013	£1,003
2012	£1,144

Source: MoneySuperMarket motor insurance enquiry data

Longest 0% balance transfer period for credit card

Headline balance transfer period (months)

Dec 2016	**43**
Dec 2015	40
Dec 2014	35
Dec 2013	39
Dec 2012	29

Source: MoneySuperMarket data

Average energy quote – MoneySuperMarket user

Average annual energy price (£)

2016	**£1,196**
2015	£1,316
2014	£1,087
2013	£941
2012	£1,028

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

MoneySavingExpert.com

Cutting users' costs, fighting their corner

MoneySavingExpert is one of the UK's biggest consumer finance websites and is dedicated to cutting users' costs and fighting their corner with journalistic research, cutting edge tools and a massive community all focused on finding deals, saving costs and campaigning for financial justice. It's the brand most trusted by UK families to 'save money and manage your finances'.

Putting the user first

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

Fighting consumers' corner

MoneySavingExpert has successfully helped millions of consumers to get redress for mis-sold payment protection insurance and bank charges, to tighten regulation of payday loans, to get financial education in schools and much more. We're proud of our campaigning stance – it's us 'fighting your corner'.

Improving the user proposition in 2016

More than 12 million people have signed up to receive our weekly email, which is packed full of deals, tips and money saving guides. In 2016, we built the revolutionary Credit Club which helps users manage and boost their credit chances - it includes a free Experian credit score and our unique Credit Hit Rate.

We also invested in our Cheap Energy Club – which shows if you are overpaying for your gas and electricity and monitors this position as the market changes. We continued to build upon the success of our collective energy switches, running our most successful collective energy switch during summer/autumn 2016, switching over 150,000 users to a market-leading tariff.

We also revamped our popular deals and vouchers section. We continue to show users the blockbuster deals as we have done for years, but in 2016 we added ways to save and top deals for 100+ large and medium-sized retailers, so users shopping at one of those always know the best ways to save.

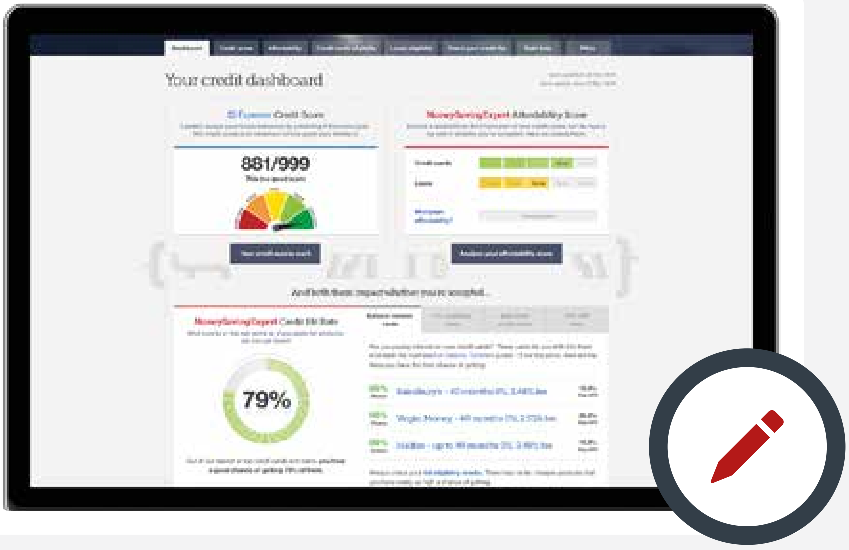
Easy to use

We have invested considerable technological and editorial resources to start our journey to becoming a fully responsive, multiplatform publishing site. Accessible, unique and easy to understand editorial content is at the heart of what MoneySavingExpert does, so ensuring our content and tools

Our future

During 2017, we will:

- continue our strategy of educating and fighting for the consumer. Campaigning will continue to be at the heart of what MoneySavingExpert does;
- increase our presence on multiple channels to attract new audiences - with greater resources devoted to social media and video production;
- develop and enhance our clubs and tools including our Credit Club and Cheap Energy Club to help consumers cut their bills and understand their financial history; and
- invest in technology to enhance our site, tools and guides so they are easier to use on a mobile or tablet.



are responsive and optimised for a mobile or tablet device is key. This has significantly improved user engagement. We will continue to develop our user experience by enhancing our site navigation and empowering users through our content and tools.

We have a massive forum community. With 1.6 million users and almost 3.1 million threads, our forum is an active and passionate community that helps one another to get out of debt, find better deals and find ways to make the most of their money.

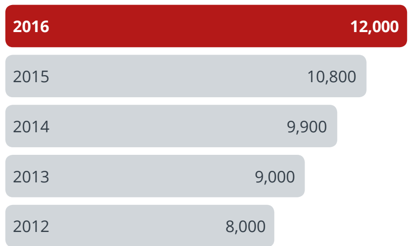
Market trends and opportunities

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

- Financial services – There is increasing competition among financial services providers for consumers who want credit products such as loans and credit cards. Balance transfer periods for credit cards have continued to rise and cards with low fees have become more prevalent as providers compete to acquire consumers. This increase in the quality of products enables MoneySavingExpert to provide expert editorial comment and engage with consumers on the best loans and credit cards available in the market.
- Energy – The wholesale cost of fuel continued to decline through 2016, but this trend reversed in the last quarter of 2016. This saving is still commonly only given to consumers who take out new ‘fixed’ tariffs, at the expense of those who stay on standard deals. MoneySavingExpert provides collective energy switches for consumers, enabling them to switch to market-leading tariffs. MoneySavingExpert’s Cheap Energy Club, which alerts consumers if energy tariffs change and savings can be made, helps to ensure it is well placed to benefit from consumers seeking to reduce their energy costs.
- Political and regulatory focus – Regulators are increasingly looking to remove the advantages of being the incumbent supplier. Examples of this include both energy and current accounts. This trend facilitates competition and consumers’ propensity to switch and MoneySavingExpert is well placed to benefit from this.

Subscribers

Number ‘000s to weekly email



Source: MoneySavingExpert data

Two-thirds of British holidaymakers say a trip away is their largest item of discretionary spend – TravelSupermarket exists to make sure none of them pay over the odds for their holiday

Booking a holiday should be fun, but the enormous range of deals and destinations on offer can sometimes turn this exciting experience into a stressful chore. That's where TravelSupermarket comes in – we compare prices from over 85 holiday, car hire, flight and hotel providers all in one place, along with travel extras such as insurance and airport parking, to save our customers the hassle of trawling through multiple websites and ensure they get the best possible deal for their money.

Simply compare to save money

TravelSupermarket users just need to enter their requirements, then hit search; the range of results that is returned can then be compared and fine-tuned until the customer has found the right holiday, car, flight or hotel room for their needs, whether they want the cheapest deal or a high-end luxury option. Once a decision is made, the user is transferred to one of our partners' websites, where they can check everything over and finalise their booking.

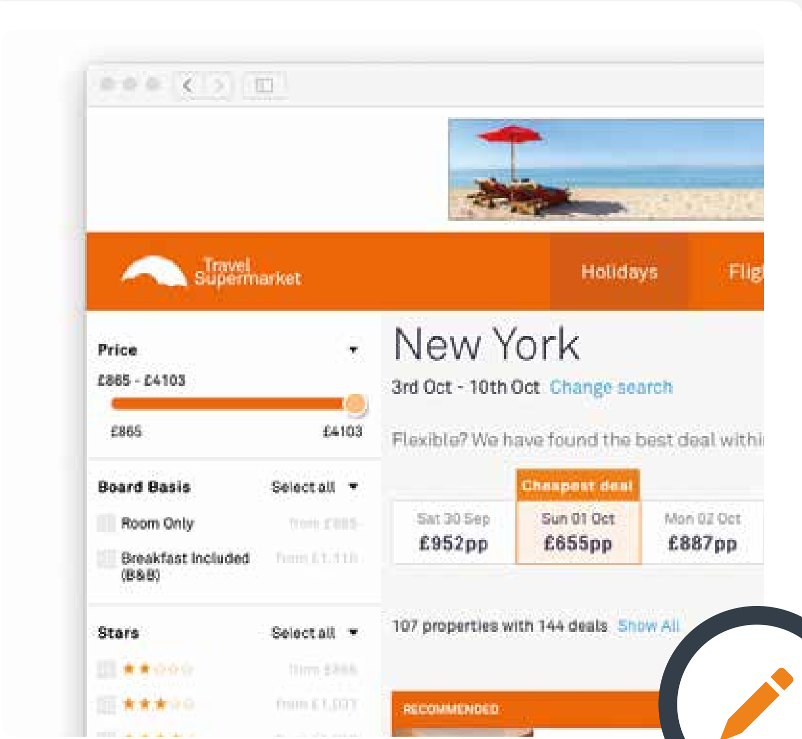
Holidays

For package holidays, we are building on our heritage as one of the UK's leading price comparison sites in the sector by investing in technology to make the whole process as easy and clear as possible, reducing the time it takes to search and compare deals so customers can focus more on planning what they're going to do on their trip than spending hours sourcing the best deal. What's more, we work with many of the industry's most reputable brands which all provide consumer protection, offering peace of mind for customers making one of their biggest purchases of the year.

Our future

During 2017, we will:

- continue our technology investment programme to make sure we offer the best tools and services for comparing and booking holidays so that we can help our customers get more holiday for their money;
- focus on helping UK families by focusing on package holidays; and
- bring easy to use comparison services to the millions of families who plan and book their family holidays online every year.



Market trends and opportunities

Consumers with tight household budgets are looking for the best deal for their holiday. They are looking to compare the costs of the individual holiday components (including flights, hotels and car hire) to find the best deal for them. TravelSupermarket continues to focus on building leading comparison services for consumers to help them find the best deal for their holiday and to benefit from this increasing consumer demand to get more holiday for their money.

Holidays (packaged and independent)

Total Value (£m)

2016 (forecast)	**26,738**
2015 (estimate)	25,933
2014	24,407
2013	23,366
2012	21,804

Source: Package vs Independent Holidays – UK – May 2016 - Market Size and Forecast, Mintel

Financial Review

2016 was a year of continued growth and investment, building our technology capability and creating options for the future.

Matthew Price
Chief Financial Officer

Extract of Consolidated Statement of Comprehensive Income

for the year ended 31 December 2016

	Note	2016 £m	2015 £m
Revenue		**316.4**	281.7
Cost of sales		**(79.6)**	(56.3)
Gross profit		**236.8**	225.4
Distribution expenses		**(34.3)**	(34.2)
Administrative expenses		**(109.2)**	(110.8)
Impairment of intangible assets		**(2.2)**	–
Operating profit		**91.1**	80.5
Reconciliation to adjusted operating profit:			
Operating profit		**91.1**	80.5
Amortisation of acquisition related intangible assets	1	**14.5**	14.9
Contingent payable in relation to the acquisition of MoneySavingExpert.com	2	**–**	4.8
Impairment of intangible assets	3	**2.2**	–
Adjusted operating profit		**107.8**	100.1
Adjusted earnings per ordinary share:			
– basic (p)		**15.7**	14.5
– diluted (p)		**15.6**	14.5

Full Consolidated Statement of Comprehensive Income see page: 82

Notes
The results show the trading results for the years ended 31 December 2016 and 2015 respectively. The following adjustments have been made in arriving at adjusted operating profit:

1 **Amortisation of acquisition related intangible assets**
The acquisition of Moneysupermarket.com Financial Group Limited by the Company prior to Listing gave rise to £207.2m of intangible assets. These are being written off over a period of 3–10 years with a charge of £13.2m expensed in 2016 (2015: £13.2m). The acquisition of the trade and certain assets of MoneySavingExpert.com and a sole trader business from Martin Lewis (together MSE) on 21 September 2012 by the Group gave rise to £12.9m of intangible assets. These are being written off over a period of 3–10 years with a charge of £1.3m included within 2016 (2015: £1.6m). We expect amortisation of acquisition intangible assets to be in the region of £7 million for 2017.

2 **Contingent payable in relation to the acquisition of MoneySavingExpert**
In 2015, the Group recognised an administrative expense relating to deferred remuneration which was linked to continued employment in the Consolidated Statement of Comprehensive Income of £4.8m.

3 **Goodwill and intangible asset write downs**
Goodwill of £1.5m in relation to the acquisition of OnTrees in March 2014 has been written off during the year as management now consider that the app is unlikely to generate revenues in the short term. In addition, the Group has written off the residual book value of MySuitcase within TravelSupermarket, as this feature has not performed as anticipated.

4 **Alternative performance measures**
The Group uses a number of alternative (non-Generally Accepted Accounting Practice ("non-GAAP")) financial measures which are not defined within IFRS. The Directors use these measures when reviewing performance of the Group, evidenced by executive management bonus performance targets being measured in relation to AOP and Long Term Incentive Schemes being measured in relation to Adjusted EPS. As such, these measures are important and should be considered alongside the IFRS measures. The adjustments are separately disclosed and are usually items that are significant in size or non-recurring in nature. For example, amortisation of acquisition intangibles is a non-cash item which fluctuates significantly in line with acquisition activity and the impairment of OnTrees goodwill and MySuitcase technology related intangibles are considered a one-off. Alternative performance measures used within these statements are accompanied with a reference to the relevant GAAP measure and the adjustments made.

Revenue (£m)	Adjusted earnings per share (p)	Cash (£m)
£316.4m	**15.7p**	**£44.6m**
+12%	**+8%**	**+167%**

The Group traded strongly in the year with revenue increasing 12% to £316.4m (2015: £281.7m) and net profit after tax of £73.5m (2015: £63.4m), up 16%. The Group invested further in its technology with £22.6m spent during the year.

When reviewing performance, the Directors use a number of adjusted measures, including adjusted operating profit which increased by 8% to £107.8m (£2015: £100.1m). This is reconciled on the opposite page.

Through our strong and diversified range of products to enable consumers to save money, the Group delivered revenue growth of 12%. Growth was particularly good in the Insurance and Home Services businesses, with Insurance recovering through the year supported by our new platform which allows more responsive changes to be made.

Revenue in MoneySavingExpert.com rose 20% before eliminating intra-group revenues. Growth came mainly from credit cards, current accounts and also utilities, which continued to benefit from the success of Cheap Energy Club and a number of collective switches. Credit Club also launched during the year, providing a platform for growth.

MoneySavingExpert.com contributed £26.2m to Group adjusted operating profit (2015: £21.4m).

TravelSupermarket.com revenues fell 9% following planned changes to the customer offer at the end of 2015. The business worked to improve the customer journey through 2016 and returned to revenue growth in the final quarter.

The Group invested further in technology, with £22.6m spent in 2016 (2015: £19.6m). This investment was in developing our data capability, and improving the customer experience, including the launch of MoneySavingExpert Credit Club and our smartphone app, MoneySuperMarket GO. The investment gives the capability for greater flexibility, personalisation and scalability. Customers see better connectivity across channels and are increasingly able to use different devices to conduct the same transaction. The total technology spend, defined as technology operating costs excluding amortisation plus technology capital investment, for 2016 is £46m (2015: £43m). During 2017 we expect technology costs to be a little lower and with a planned capital investment of up to £17m. In 2017 technology amortisation is expected to be in the region of £17m. Our investment allows us to deliver improved personalisation and better experience on mobile devices.

Group gross margins were lower at 75% (2015: 80%), with an increase in planned marketing spend and the ongoing success of MoneySavingExpert's collective energy switch cashback offers. We plan on continuing this strategy. In the second half the Group gross margin was 73%, and we anticipate the margin will be similar going forward. Paid search generated 22% of revenue in the year (2015: 15%).

Distribution costs were similar to last year, with the Group continuing the 'You're So MoneySuperMarket' campaign on television, supported by radio and print.

Adjusted administrative costs increased by 4% from £91.1m to £94.9m in 2016. Staff costs (including contract resource) were 1% lower at £50.6m. Other administrative costs increased by £4m, mainly as a result of increased technology amortisation costs.

Adjusted operating profit margins remained broadly stable at 34.1% (2015: 35.5%).

Group KPIs

The Directors use key performance indicators (KPIs) to assess the performance of the business against the Group's strategy. Our strategy is to build on our core business of helping customers to find the right product by investing in our technology, customer data and tools. This enables us to build deeper relationships, and deliver more value to both customers and providers. The three strategic priorities are: be the best site; earn customer loyalty; and be the preferred partner for our providers. The KPI's measure our progress against these priorities.

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

	31 December 2016	31 December 2015	Change
Average monthly unique visitors	**23.4m**	23.6m	(1)%
Investment in technology	**£22.6m**	£19.6m	15%

During the year we invested £22.6m (2015: £19.6m) in our technology and delivered improvements to the customer journey. We rolled out our new platform across channels and developed the MoneySuperMarket GO app. MoneySavingExpert built on its successful Cheap Energy Club by launching its Credit Club, allowing users to view both their credit score and the amount of credit they can potentially afford, and understand what these mean for the credit products available to them.

Earn customer loyalty: Trusted destination brands

	31 December 2016	31 December 2015	Change
Unique adults choosing to share data	**22.2m**	18.6m	19%
Net promoter score	**43%**	48%	(5)%
Savings made by customers	**£1.8bn**	£1.6bn	13%

We estimate that in 2016 customer savings increased 13% to £1.8bn. We added 3.6 million more customers to 'MyProfile' which allows users to keep their details up to date. This helps us personalise services more and to improve customer experience on smartphones.

As more and more customers want to use our services on multiple devices, we continue to develop our mobile and tablet journeys. Customers can now access the same platform and pick up their transaction and details where they left off across their various devices. Our Net Promoter Score fell 5%, reflecting the challenges we experienced with the TravelSupermarket.com website. Excluding TravelSupermarket.com, the Net Promoter Score remained flat at 49%.

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

	31 December 2016	31 December 2015	Change
Number of providers	**980**	877	12%
Marketing margin	**64%**	68%	(4)%

Our business' success is built on providing value to customers, which can only be achieved by adding value to our providers. We do this by making improvements to our CRM capability and other marketing to help providers reach the right customers effectively. We use our data tools, analytics and position as a major independent price comparison website to develop relationships with providers and secure market leading exclusive products for customers. Providers understand the value we bring and we continue to attract a strong panel of providers on our sites.

Planned increases in marketing and increased cashback to customers as we successfully grew MoneySavingExpert's Cheap Energy Club meant our marketing margin was lower in 2016.

Trading performance

The Group operates across a number of businesses and markets. These are discussed below:

	Revenue[1]			
	31 December 2016		31 December 2015	
	£m	%	£m	%
Insurance	**155.2**	**49**	140.2	50
Money	**78.9**	**25**	72.4	26
Home Services	**51.0**	**16**	37.5	13
MoneySuperMarket.com	**285.1**	**90**	250.1	89
TravelSupermarket.com	**22.3**	**7**	24.5	9
MoneySavingExpert.com	**36.8**	**12**	30.7	11
Other[2]	**0.7**	**–**	0.1	–
Intercompany revenue[1]	**(28.5)**	**(9)**	(23.7)	(9)
Total	**316.4**	**100**	281.7	100

Notes
(1) In the above table revenues in MoneySuperMarket.com arising from traffic from MoneySavingExpert.com have been shown in both MoneySuperMarket.com and MoneySavingExpert.com to present the revenues from MoneySuperMarket.com on a consistent basis and to show the contribution of the MoneySavingExpert.com business to the Group. Intercompany revenues are then eliminated as shown above.
(2) Other revenues represent revenues from the shopping and vouchers channels £0.1m (2015: £0.1m) plus significant, one-off recoveries relating to prior years of £0.6m (2015: £nil) arising from revenue assurance activity.

Insurance

The Insurance vertical offers customers the ability to search for and compare insurance products including breakdown, home, life, motor, pet and travel insurance. Revenue in the Insurance vertical increased 11% from £140.2m to £155.2m.

After a weak end to 2015 the insurance business recovered strongly in 2016 with revenues rising by 2% in the first half and 20% in the second half, benefiting from additional planned marketing and our new technology platform.

Money

The Money vertical offers customers the ability to search for and compare products including credit cards, current accounts, mortgages, loans, debt solutions, savings accounts and business finance. Revenue in the money vertical increased by 9% from £72.4m to £78.9m.

Revenue growth was driven primarily by cards, loans and current accounts, whilst savings revenues reduced due to the reduction in interest rates in August.

Home Services
The Home Services vertical offers customers the ability to search for and compare products such as broadband, mobile phones, vouchers, shopping and utilities. Revenue in the Home Services vertical increased by 36% from £37.5m to £51.0m.

Utility switching makes up the majority of revenues in Home Services and this continued to benefit from collective switches, allowing customers to apply for market-leading tariffs available exclusively through the Group, together with the ongoing success of the MoneySavingExpert.com Cheap Energy Club, which allows householders to register for alerts when savings available against their current tariff exceed a predetermined amount set by the consumer.

TravelSupermarket.com
TravelSupermarket.com offers customers the ability to search for and compare car hire, flights, hotels and package holidays, amongst other things. Revenue fell by 9% from £24.5m to £22.3m.

Following the re-platforming of the business at the end of 2015, TravelSupermarket's customer journey has been improved during 2016 and the business returned to revenue growth in the final quarter of the year.

MoneySavingExpert.com (MSE)
MoneySavingExpert is one of the UK's biggest consumer finance websites and is dedicated to cutting consumers' costs and fighting their corner by means of journalism, great tools and a large community.

MoneySavingExpert.com generated revenue of £36.8m (2015: £30.7m), of which £28.5m (2015: £23.7m) related to revenues also recognised within MoneySuperMarket.com, generated from traffic referred to it by MoneySavingExpert. It contributed £26.2m (2015: £21.4m) to Group adjusted operating profit.

Good revenue growth was delivered from credit products and utility switching. Utilities revenue benefitted from Cheap Energy Club and collective switches which continue to be popular with users.

Cash
As at 31 December 2016 the Group had cash of £44.6m (2015: £16.7m).

In November 2016, the Group exercised its option to extend by a further year to December 2019, the three-year revolving credit facility of £100m in committed funds provided in equal parts by Lloyds Bank PLC and Barclays Bank PLC. The Group also has an option to apply to the banks for up to an additional £100m of committed funds during the first two years of the facility. The facility was unused at the year end.

Dividends
The Group has a progressive dividend policy which aims to increase the ordinary dividend each year broadly in line with the growth in underlying earnings per share. In addition, the Group expects to generate significant surplus cash over time. Available surpluses, after taking into account the matters set out below will be distributed to shareholders over time, and historically this has been done by way of special dividend payments. Whilst the Board continues to consider dividends to be the primary method of returning capital to shareholders, it will also undertake share repurchases when advantageous.

In determining the level of dividend in any year in accordance with the policy, the Board also considers a number of other factors that influence the proposed dividend, which include but are not limited to:
- the level of available distributable reserves in the parent company;
- future cash commitments and investment needs (including for technology investment) to sustain the long-term growth prospects of the business;
- potential strategic opportunities;
- prudent buffer; and
- the level of dividend cover.

Moneysupermarket.com Group PLC, the parent company of the Group, is a non-trading investment holding company which derives its distributable reserves from dividends paid by subsidiary companies. The Board reviews the level of distributable reserves in the parent company bi-annually, to align with the proposed interim and final dividend payment dates, and aims to maintain distributable reserves that provide adequate cover for dividend payments. The distributable reserves of the parent company approximate to the balance on the profit and loss account reserve, which at 31 December 2016 amounted to £160.5 million (as disclosed in the Company balance sheet on page 105).

The Group is well positioned to continue to fund its dividend which continues to be well covered by cash generated by the business. Details on the Group's continuing viability and going concern can be found on pages 25 to 26.

The ability of the Board to maintain future dividend policy will be influenced by a number of the principal risks identified on pages 30 to 31 that could adversely impact the performance of the Group. The risks that could specifically have an adverse impact on the dividend policy are competition, changing consumer behaviour, brand strength, product offering, customer trust including cyber, relevance to partners and economic uncertainty, although we believe we have the ability to mitigate those risks as outlined on pages 30 to 31.

For 2016, the Board has recommended a final dividend of 7.1 pence per share, making the proposed full-year dividend 9.85 pence per share (2015: 9.15 pence per share). The 8 per cent increase in the 2016 proposed full-year dividend is broadly in line with the 8 per cent increase in adjusted diluted earnings per share, with underlying dividend cover maintained at 1.6 times (2015: 1.6 times). The final dividend of 7.1 pence per share will be paid on 12 May 2017 to shareholders on the register on 7 April 2017, subject to approval by shareholders at the Annual General Meeting to be held on 4 May 2017.

In line with our capital allocation policy, we are announcing our intention to initiate a share repurchase programme for up to £40 million which will be conducted during 2017.

Tax
The Group tax charge of £17.8m in the Consolidated Statement of Comprehensive Income represents an effective tax rate of 19.5% (2015: 20.5%). This is broadly in line with the prevailing rate of 20% (2015: 20.25%) and the Group expects the underlying effective rate of tax to continue to approximate to the standard UK corporation tax rate.

Earnings per ordinary share
Basic statutory earnings per ordinary share for the year ended 31 December 2016 was 13.5p (2015:11.6p). Adjusted basic earnings per ordinary share increased from 14.5p to 15.7p per share.

The adjusted earnings per ordinary share is based on profit before tax after adjusting for intangible amortisation related to acquisitions, goodwill and intangible asset impairments and the profit on disposal of HD Decisions (2015: after adjusting for intangible amortisation related to acquisitions and costs related to the contingent payable for MoneySavingExpert.com). The tax rate of 20% (2015: 20.25%) has been applied to calculate adjusted profit after tax.

Viability statement
As required by Provision C.2.2 of the 2014 revision of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a three-year period to December 2019. In making this assessment the Directors took account of the Business Model and Principal Risks set out on pages 8 to 9 and 30 to 31 of the Strategic Report.

Business Model

The Group has a simple business model – matching customers to the right providers. It uses online services to help customers to compare a wide range of products in one place and make an informed choice when taking out the product most suited to their needs. For our providers, it offers an efficient and cost-effective way to reach a large volume of informed customers who are actively looking for a product. For the majority of our services, we receive a success-based marketing fee from the providers. This business model operates through the following key principles:

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

The Group has three strategic priorities – to be the best site, earn customer loyalty and be the preferred partner for our providers. The Board has set KPIs to monitor the delivery of these strategic priorities.

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

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

Risk Management

The Board has identified the Group's Principal Risks around delivering these strategic priorities, which represent a risk or combination of risks in severe but reasonable scenarios that can seriously affect the future prospects or reputation of the Group through threatening its business model, future performance, solvency or liquidity. For best site, the Principal Risks are competition and changes in consumer behaviour; for earning customer loyalty, they are brand strength, product offering and consumer trust; and for being the preferred partner, the Principal Risks are ongoing relevance to partners and data errors and inaccuracies.

In addition, the Directors believe that the Group faces risks around regulation and economic uncertainty (including, in particular, the impact of the EU referendum decision) especially as that may influence the availability of attractive products for customers.

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

- competition taking significant market share;
- changes in customer habits through use of different access methods and payment methodologies impacting particular channels;
- increased reliance on SEM as a means of attracting customers;
- loss of a significant product category;
- loss of trust in data, for example due to a data breach or data errors, leading to a fall in visitor volumes;
- significant slowdown in growth rates across insurance and money channels;
- regulatory changes impacting a number of channels; and
- significant slowdown over the 3 year time horizon arising from the EU referendum decision.

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

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

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

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

Viability assessment

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

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

Going concern

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

Investment Proposition

The Group is a pure online business model that makes money by providing customers with free, easy to use, online services so they can search for a wide range of products and save money. It is well established, with well-known and recognised brands and a rich customer data asset. The Group operates in a diversified set of markets, each with significant headroom and growth opportunities. The organic growth is supported by the investment strategy to differentiate our customer proposition through technology, customer data and tools. Investors benefit from investing in a highly cash generative business with a progressive ordinary dividend policy.

Risk Management

Strategic Report
Governance
Financial Statements

How we mitigate risk

Risk management approach

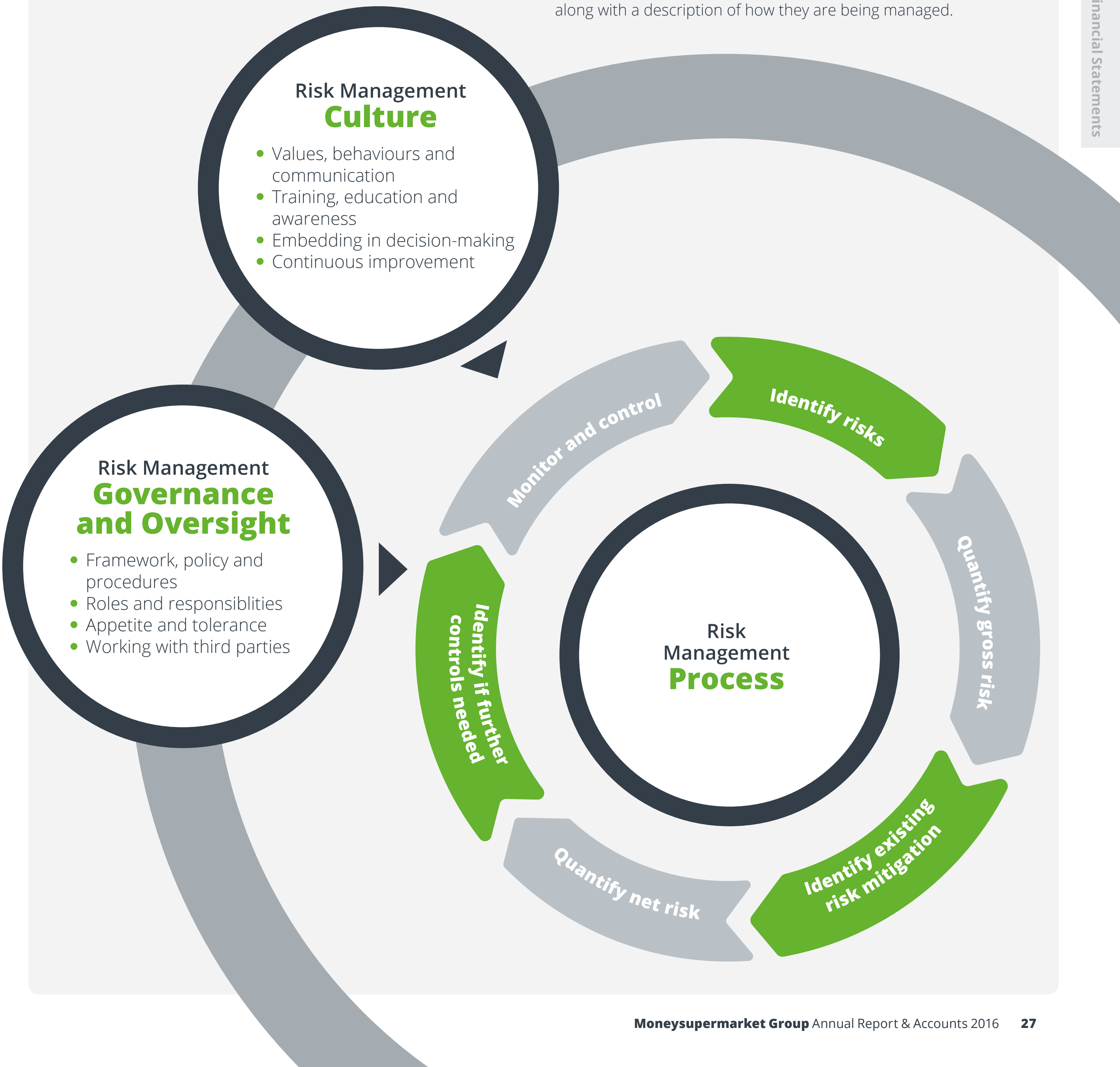
In common with many businesses, the Group faces risk in all areas of its activity. The Group seeks to understand its risks and manage them appropriately. Effective risk management is vital in enabling the Group to achieve its strategic objectives and to secure the business for the long term, whilst ensuring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

Governance and oversight

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

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

The Board has carried out a robust assessment of the Principal Risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Our principal risks and uncertainties are outlined on pages 30 and 31, along with a description of how they are being managed.



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

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

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

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

Risk management framework

During 2016, to support the risk management framework, we have enhanced our suite of risk management policies, setting requirements and standards for all areas of risk, in line with risk appetite and which inform the processes and procedures that the Group is measured against.

Risk appetite

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

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

Risk identification and assessment

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

Management reporting

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

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

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

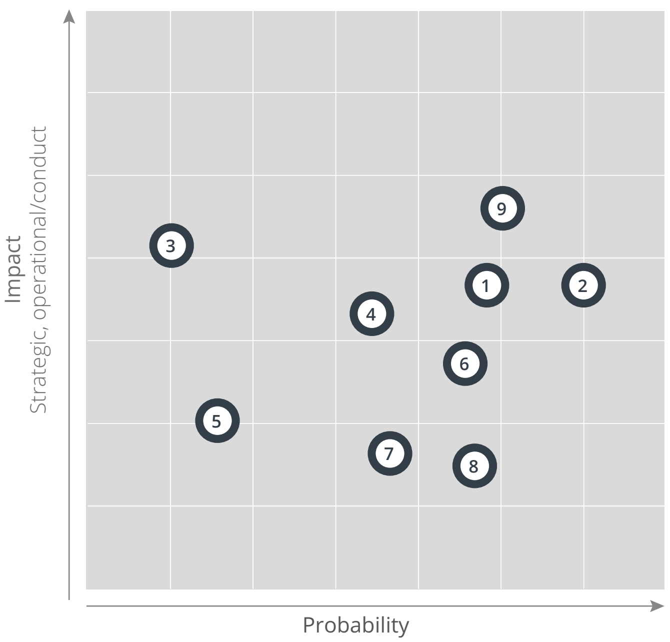
Future developments

We continue to embed a risk culture where risk management is part of everyday business decision making and is understood by our wider business, to ensure that all personnel understand the risks faced by the business, how risk is managed, and the part they play.

We will continue to develop management information, risk metrics and assurance processes over internal controls building on the work done to date. We will ensure that specialist risk knowledge is readily available to each of our brands to enable them to take and be fully accountable for risk-based decisions, whilst providing an effective level of risk and compliance oversight for the Group.

Our principal risks (as of 31 December 2016)

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



Best site	1	Competition
	2	Changing consumer behaviour
Earn customer loyalty	3	Brand strength
	4	Product offering
	5	Customer trust including cyber
Preferred partners	6	Relevance to partners
	7	Data errors and inaccuracies
Our results	8	Economic uncertainty
	9	Regulation

Principal Risks & Uncertainties

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

Strategic aim: Best site

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

Risk area and trend	Description	Risk type	Mitigating activities	Developments in 2016
Competition	Loss of market share or reduction in margins as a result of channels and platforms not delivering expected benefits to customers and the Group.	SR	Evolution of existing platforms to improve customer experience and make comparing products easier.	We continued our capital investment programme and migrated 24 channels to our new technology at MoneySuperMarket and launched MoneySuperMarket GO app. We have seen strong growth across our Insurance and Home Services businesses with a turnaround in Travel.
Changing consumer behaviour	Reduction in customers if the Group fails to adapt to changing consumer behaviours in using new technologies and increasing use of mobile devices to access the internet or social media.	SR	Regular engagement with customers to understand changes in how they utilise the Group's services.	We have continued to develop new products and services which reflect how consumers want to engage with us including MoneySuperMarket GO app, MoneySavingExpert Credit Club and MoneySavingExpert Cheap Energy Club.

Strategic aim: Earn customer loyalty

Trusted destination brands

Risk area and trend	Description	Risk type	Mitigating activities	Developments in 2016
Brand strength	Loss of confidence by customers in the brands operated by the Group resulting in reduced engagement and loyalty from customers.	SR	Innovation and development of brands and services which help customers make the most of their money. Investment in advertising across a range of media to maintain the Group's brands in customers' minds.	MoneySuperMarket focus on 'Best Site' and investment behind 'Best Price' has further strengthened the brand. MoneySavingExpert remains the brand most trusted by UK families to 'save money and manage your finances'. The Group maintained marketing spend to deliver visitors direct to the Group's websites.
Product offering	Reduction in customer loyalty with existing customers and an inability to attract new customers if the business fails to maintain a competitive price and product offering.	OR	The Group seeks to build strong relationships with providers and operates rigorous checking of its websites through audit and review to maintain the accuracy of information displayed.	We have worked with providers to give our customers access to best in market offers and products and expanded services such as pre-approval within credit cards. Cheap Energy Club operated two successful collective energy switches with market leading deals being taken up by over 300,000 users.
Customer trust including cyber	Negative impact on reputation and loss of customer trust through the impact of an operational event such as a cyber attack or misuse of customer personal data or errors in implementation of new technology.	OR	Rigorous controls and regular testing of the Group's systems and infrastructure. We continue to build and enhance our cyber programme to protect our customers' data.	Our technology investments improved robustness as well as putting customers in control of how their personal data is held and used.

Strategic aim: Preferred partner

Be the best way for providers to acquire customers

Risk area and trend	Description	Risk type	Mitigating activities	Developments in 2016
Relevance to partners ◀▶	Providers may increase their focus on customer retention rather than acquisition or seek alternative sources of customer acquisition.	SR	The Group seeks to innovate in the solutions and benefits it can offer to providers and maximise the opportunities for providers to acquire customers in a cost effective manner.	We have strengthened our relationships and worked closely with providers in the development of new tools and exclusive offers for our customers. We continue to share with providers our improved customer insights to help them understand what our customers want and how they can improve their products.
Data errors and inaccuracies ◀▶	As an intermediary, the Group risks claims from providers if errors in operating procedures or technology results in incorrect or incomplete product or customer data being transferred to or from providers.	OR	Rigorous controls and monitoring of internal processes. Continuous quality assurance procedures. The Group maintains professional indemnity insurance to recover costs from such claims.	The Group has invested in quality assurance and testing within technology release processes. It has enhanced its incident management process including detection and escalation procedures.

Our results

One team always making things better for customers, providers and our business

Risk area and trend	Description	Risk type	Mitigating activities	Developments in 2016
Economic uncertainty ◀▶	Weaknesses in the economic environment including as a result of Brexit may cause providers to reduce product range or tighten acceptance criteria for customers seeking to obtain credit. This may reduce competition between providers and choice for consumers.	SR	Building strong relationships with providers to ensure that the Group is able to provide solutions to the needs of providers. Focusing on maintaining control of the cost base in order that the business is an efficient customer acquisition route for providers.	The diversity of the Group across a portfolio of brands and channels offers the Group protection from cyclical economic changes. Our commercial teams focused on building stronger relationships with our providers.
Regulation ▲	Changes to existing regulation or the introduction of new regulatory requirements which requires changes to the core business model in order to comply.	SR	The Group Risk and Compliance function works across the business to ensure it remains compliant with existing regulation and is able to highlight where changes may impact business processes.	The Group monitors new and emerging regulatory developments. We have proactively engaged with regulators including FCA, Ofgem (particularly in respect of potential changes to list all energy suppliers on our site) and CMA (in respect of its Digital Comparison Tools market study).

Risk type:

Strategic risk SR
Operational/conduct risk OR

Risk trend:

▲ Increasing ▼ Decreasing ◀▶ Static

Corporate Responsibility Report

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

Employees

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

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

The Group actively encourages employee involvement and consultation. It places considerable emphasis on keeping its employees informed of the Group's activities via formal 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 helps to achieve a common awareness amongst employees of the financial and economic factors affecting the performance of the Group.

A robust employee engagement survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback. During 2016 we shortened the survey and asked more qualitative questions to provide a deeper understanding of 'why' employees feel or indicate a specific rating.

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 offers a range of benefits which help employees share in the success of the Group. These include both an employee Share Incentive Plan and a Sharesave Scheme. The Group's full range of benefits reflects the differing needs and interests of its employees. Particular focus is given to contributing towards employees'

Snowdon Challenge: employees took part in the '2016 Snowdon Challenge' to raise funds for The National Autistic Society

Investment in employee training

£410,000

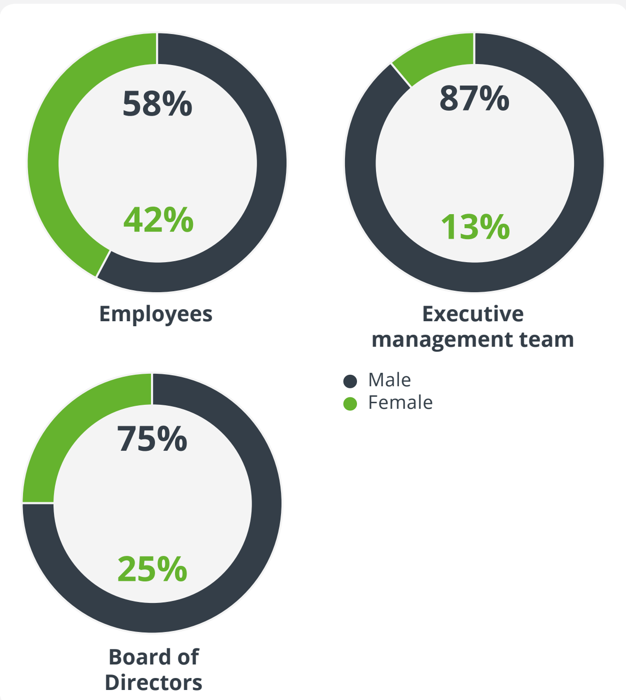
well-being. Employees have the opportunity to buy additional holidays, medical cover, gym memberships, as well as benefitting from discounts on products and services for the home and family life. Recognising that employees can require advice and support for a range of personal and professional reasons, a free comprehensive employee assistance programme is also available. The Group also has a wide variety of flexible working arrangements in place.

The Group has invested £410,000 in employee training programmes in 2016. During the year we launched online training modules covering our revised Code of Conduct, our 'Customer First' programme and data protection. Every employee is required to complete the online training and these also form part of the induction process for new employees.

The Group has a wide-ranging performance management system, designed to ensure that all employees are able to fulfil their potential and contribute as much as possible to the achievement of the Group's goals whilst applying the Group's values.

Gender diversity

338 of our employees are male and 244 female. In our executive management team, seven members are male and one is female whilst on our Board, six of the Directors are male and two female.



Health and safety

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.

Business ethics

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

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

In addition, we introduced an Anti-Slavery and Human Trafficking Policy for suppliers and a separate one for employees and provided training to all employees on issues of modern slavery in conjunction with the Code of Conduct e-learning module.

We also have anti-bribery, competition law and whistleblowing policies which incorporate the Group's key principles and standards governing business conduct towards our key stakeholder groups. We believe we should treat all of these groups with honesty and integrity.

Total donated

£100,834

to The National Autistic Society by the Group and its employees in 2015 & 2016

Communities and charities

The Group seeks to make a positive difference by being an active contributor to the communities that it operates within. The Group's .Community initiative was launched in 2008 and has continued to develop during 2016. The initiative is focused on providing support to charities and community groups located within a few miles of the Group's office in Ewloe, so support is targeted primarily in Flintshire and Cheshire.

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

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

Over the course of the year the Group has supported over 30 charities and community groups including:

- Clwyd Alyn Housing ReFest
- Wepre School Ewloe
- Golftyn CP School
- Hawarden - Friends of Penarlag School
- Empowering Youth Foundation
- Penyffordd & Penymynydd Toddlers group
- Frodsham Community Association
- Domestic Abuse Safety Unit
- RDA Riding School Wrexham
- Friends of 1ST Enable
- Merseyside Autistic Children Society
- Disability Skiing Wales
- Parkinsons UK Chester & District Groups
- Banardos Flintshire Young Carers

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

The 2015 and 2016 Charity of the Year was the National Autistic Society. The charity provides help and support to those affected by autism. Over the course of the year the Group's employees raised £21,522 for The National Autistic Society with the Group also donating £21,522 bringing the total donated to the National Autistic Society during the two year period to £100,834.

Employees raced in the Chester Dragon Boat Races to raise money for The National Autistic Society

Towards the end of 2016, employees were asked to submit nominations for the Charity of the Year in 2017. The nominations were shortlisted to three charities, with 'Shelter' winning the highest number of votes. Shelter provides support and advice to people who are struggling with bad housing or homelessness.

The Group launched a volunteering scheme in October 2011 through which the Group supports a total of 60 volunteering days per year to help those who are less fortunate, and thereby make a valuable contribution to our local community. During the year employees volunteered in a diverse range of activities and also took part in the sponsored 'Snowdon Charity Challenge 2016'.

MoneySavingExpert has also continued to donate to The MoneySavingExpert Charity, which is a grant giving charity dedicated to improving information and education about debt, money and consumer issues with £60,000 donated in 2016. In addition to this, MoneySavingExpert supported a number of charities including ShelterBox, CAP UK and the Samaritans with donations totalling a further £30,000.

Environment

The Group is committed to reducing energy and raw material usage to support environmental and financial performance and has implemented the following initiatives to support this aim:

- the installation of solar panels at the Group's Ewloe office resulting in energy savings of approximately 23,763 kwh during 2016;
- the continued replacement of energy efficient bulbs with higher efficiency LEDs;
- the replacement of all external lighting with higher efficiency LEDs; and
- the recycling, via one of our suppliers, of waste oil from our on-site catering into useful products such as biofuels.

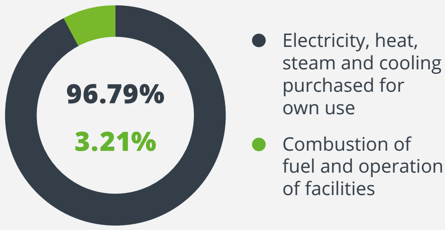
The Group estimates that during 2016 it recycled on average over 97.7% of its commercial waste.

Greenhouse gas (GHG) emissions

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

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

Total CO_2e by emission type in 2016



Greenhouse gas (GHG) emissions

	Tonnes of CO_2e 2016	Tonnes of CO_2e 2015
Emissions from:		
Combustion of fuel and operation of facilities	24.4	72.0
Electricity, heat, steam and cooling purchased for own use	734.7	867.6
Company's chosen intensity measurement: tonnes of CO_2e per £m revenue	2.39	3.33

Chairman's Introduction to Governance

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

Bruce Carnegie-Brown
Chairman

Key areas of focus in 2016:

- **We continued to devote more time to planning and reviewing the content of the Annual Report, ensuring it is fair, balanced and understandable and in line with best governance practice;**
- **We held 'deep-dives' to cover a specific strategic priority at each meeting. This included deep-dives into each of MoneySuperMarket, MoneySavingExpert and TravelSupermarket, key risks and controls, cyber security, data strategy, MoneySavingExpert's Credit Club and innovation in mobile and apps, including the MoneySuperMarket 'GO' app;**
- **We continued to enhance our effectiveness by:**
  - ***enhancing our suite of risk management policies;***
  - ***consulting with shareholders on our new Remuneration Policy; and***
  - ***carrying out separate effectiveness reviews of each Committee to identify how to improve the effectiveness of each of our Committees.***

Our governance

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

In our Corporate Governance Report on pages 40 to 45, we aim to provide a clear and meaningful explanation of how we as a Board lead the Group and discharge our governance duties, including how we apply the provisions of the UK Corporate Governance Code. It also outlines the governance initiatives we have undertaken during the year. Our statement of compliance with the UK Corporate Governance Code is set out on page 45.

Leadership

The composition of the Board continues to be appropriate to the Group's requirements with the right diversity of experience and technical expertise to support the strategic and operational direction of the Group. In October 2016 we announced the appointment of our new Chief Executive Officer, Mark Lewis, who joins the Group as an Executive Director on 13 March 2017. There will be a period of handover before Mark is appointed as Chief Executive Officer on 10 April 2017. Peter Plumb leaves the Group at the conclusion of the 2017 Annual General Meeting. Mark has a successful track record of leading fast growing digital businesses with strong customer satisfaction, trust and values scores. His experience and values are aligned with our goal of helping our customers save money on their household bills.

On conclusion of the 2017 Annual General Meeting, Rob Rowley, our Senior Independent Director, will step down from the Board as a Non-Executive Director and will be succeeded as Senior Independent Director by Sally James. Sally will remain Chairman of the Risk Committee and a member of the Audit, Remuneration and Nomination Committees. We intend to appoint an additional Non-Executive Director during 2017 to replace Rob Rowley.

The membership of the Board Committees was reviewed during 2016 to ensure the Committees continue to operate effectively and have the skills required to support the increasing complexity of the Group. The current membership of each of the Committees is set out in each of the Committee reports on pages 46, 52, 54 and 72. Sally James, Chairman of the Risk Committee, is a member of each of the Committees to ensure that risk is appropriately considered in each Committee.

Succession planning and diversity

We recognise that in order to maintain an effective and diverse Board, it is essential to plan for the future and to ensure the right individuals are appointed to the Board from a diverse pool of talent. We consider our Board to be diverse in terms of the background, skills and experience which each individual brings to the Board.

All future appointments will continue to be based on merit. More detail on the work of the Nomination Committee and on our diversity policy can be found in our Nomination Committee Report on pages 52 to 53. Details of the proportion of women on the Board, in senior leadership positions and within the whole organisation can be found on page 33 of the Corporate Responsibility Report.

Board effectiveness

During 2016 we conducted an internal evaluation of the Board, the Committees and each of the Directors. The evaluation process involved the completion of questionnaires and interviews by the Chairman and the Senior Independent Director, followed by a round table Board discussion, including a review of progress against actions from the 2015 evaluation. More information on the process and the key action areas can be found on page 43. We will conduct an external evaluation in 2017 and have appointed SCT Consultants to undertake that evaluation.

Ethics and governance

There is a strong relationship between ethics and good governance. We remain committed to operating ethically, demonstrating integrity and acting responsibly in our undertakings with our customers, our shareholders and our wider stakeholders. During 2016 we revised our Code of Conduct, incorporating additional guidance for employees and ensuring each employee completed an e-learning module on the revised Code of Conduct. Further information on ethics and social responsibility is contained in our Corporate Responsibility Report on pages 32 to 35.

Board operation

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

During 2017 and beyond, I will ensure that the Board continues to operate in a constructive and open manner, with honesty and integrity as its core principles.

Bruce Carnegie-Brown
Chairman
27 February 2017

Committee Chairs

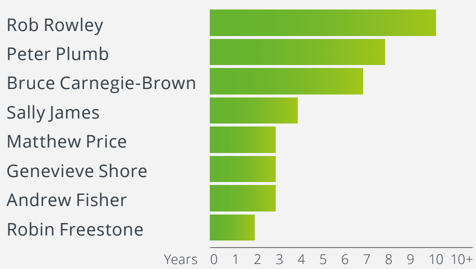
Robin Freestone
Audit Committee

Bruce Carnegie-Brown
Nomination Committee

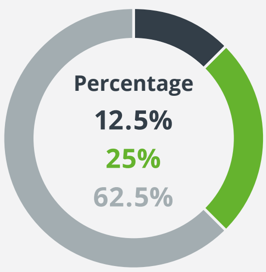
Sally James
Risk Committee

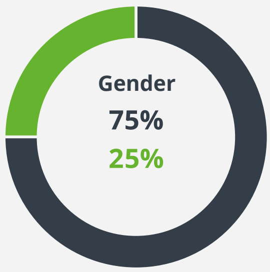
Andrew Fisher
Remuneration Committee

Board tenure



Board composition





- Chair
- Executive Directors
- Non-Executive Directors

- Male
- Female

Board of Directors

Bruce Carnegie-Brown

Chairman of the Board and Chairman of the Nomination Committee

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

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

Independent: On appointment.

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

External Appointments: Bruce is vice chairman and lead independent director of Banco Santander SA and a non-executive director of Santander UK plc and of Jardine Lloyd Thompson Group plc.

Peter Plumb

Chief Executive Officer

Term of Office: Peter was appointed to the Board in January 2009 and became Chief Executive Officer in February 2009. Peter will step down from the Board at the conclusion of the AGM in May.

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

Independent: Not applicable.

Skills and Experience: Peter has experience in commercial strategy and leading international consumer facing businesses. He was previously UK managing director of dunnhumby Limited. Before that, he was 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 and a BSc Civil Engineering from the University of Birmingham.

External Appointments: Peter is a non-executive director of The Co-operative Group Limited.

Rob Rowley

Independent Non-Executive Director and Senior Independent Director

Term of Office: Rob was appointed to the Board as a Non-Executive Director in September 2007 and became Senior Independent Director in April 2015. Rob will step down from the Board at the conclusion of the AGM in May.

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

Independent: Yes.

Skills and Experience: Rob has experience in finance and international businesses having been finance director at Reuters plc (1990 to 2001) and having held senior management positions at Reuters prior to that. He has been a non-executive director of Taylor Wimpey plc since 2010 where he is the senior independent non-executive director and chairs its audit committee. He has been a non-executive director of Morgan Advanced Materials plc since 2014 where he chairs its audit committee and a non-executive director of Greene King plc since 2014 where he is the senior independent non-executive director.

External Appointments: Rob is a non-executive director of Taylor Wimpey plc, Morgan Advanced Materials plc, Greene King plc and Camelot UK Lotteries Limited.

Matthew Price

Chief Financial Officer

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

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

Independent: Not applicable.

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

External Appointments: None.

Sally James

Independent Non-Executive Director and Chairman of the Risk Committee

Term of Office: Sally was appointed to the Board as a Non-Executive Director in April 2013.

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

Independent: Yes.

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

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

Andrew Fisher

Independent Non-Executive Director and Chairman of the Remuneration Committee

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

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

Independent: Yes.

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

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

Genevieve Shore

Independent Non-Executive Director

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

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

Independent: Yes.

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

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

Robin Freestone

Independent Non-Executive Director and Chairman of the Audit Committee

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

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

Independent: Yes.

Skills and Experience: Robin has experience of leading global and digital businesses, having been chief financial officer of Pearson PLC from 2006 to 2015. Previously he was deputy chief financial officer at Pearson and prior to that, he held a number of senior financial positions at Amersham plc (2000 to 2004), Henkel Ltd (1995 to 2000) and ICI plc (1984 to 1995). Robin has been a non-executive director of Smith & Nephew plc since September 2015 and will become chair of their audit committee on 1 March 2017. He is also a non-executive director of Michael Kors Holdings Limited.

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

Darren Drabble

Company Secretary and Group General Counsel

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

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

Corporate Governance Report

Governance framework

Leadership

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

The role of the Board

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

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

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

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

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

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

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

Chairman

I am responsible for:

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

Chief Executive Officer

The Chief Executive Officer is responsible for:

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

The Non-Executive Directors

Each Non-Executive Director is responsible for:

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

The Senior Independent Director

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

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

Rob Rowley is our Senior Independent Director. He will step down from the Board on conclusion of the 2017 AGM and will be succeeded as Senior Independent Director by Sally James.

The Company Secretary

The Company Secretary is responsible for:

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

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

Board meetings

I set the Board agendas following consultation with the Chief Executive Officer and with the assistance of the Company Secretary. This year we reviewed and revised the annual programme of items for discussion to ensure that all key issues are considered at the appropriate time and the Board is able to respond to any emerging matters that require Board consideration. In 2016 we held nine Board meetings. At each meeting we hold a 'deep-dive' into specific aspects of the business. The principal areas of focus for the Board in 2016 are listed in the section on the right.

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

	Scheduled meetings in 2016	
Board members	Eligible to attend	Attended
Bruce Carnegie-Brown	9	9
Andrew Fisher	9	9
Robin Freestone	9	9
Sally James	9	9
Peter Plumb	9	9
Matthew Price	9	9
Rob Rowley	9	9
Genevieve Shore	9	7*

* Genevieve Shore was unable to attend two Board meetings for personal reasons

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

In 2016, we:

Strategy

- **held a two-day off-site strategy meeting to:**
  - **test and review the corporate strategy;**
  - **review the markets in which we operate;**
  - **review the regulatory and risk environment in which we operate, with a focus on price comparison websites; and**
  - **review customer feedback and experience to test progress on customer loyalty.**
- **reviewed the Group's plans against the Board's risk appetite to ensure that our ambitions for the business are aligned with our ability to manage risk;**
- **scrutinised progress on the investment programme to ensure we remain on track to be 'best site';**
- **reviewed a number of potential acquisitions;**
- **approved the annual budget;**
- **held 'deep-dives' at our Board meetings into various aspects of the business including new business opportunities, internal control and risk management, cyber security, data strategy, MoneySavingExpert's Credit Club, change management and innovation in mobile and apps, including the MoneySuperMarket 'GO' app; and**
- **reviewed our Group KPIs to ensure they remain aligned to our key strategic priorities.**

Governance

- **reviewed and revised our annual programme of items for the Board and each of the Committees to consider;**
- **reviewed the outcome of the Board evaluation process, which this year was conducted internally;**
- **oversaw the implementation of upgraded testing programmes for new technology releases;**
- **adopted new policies and procedures to meet requirements under the Modern Slavery Act and the EU Market Abuse Regulation; and**
- **considered and discussed the principal risks and uncertainties which could impact the Group.**

Leadership and employees

- **held a 'deep-dive' into the Group's people and culture, diversity and talent management and engagement.**

Performance

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

Board Committees

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

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

Detailed reports on the activities of the Audit Committee, Nomination Committee and Risk Committee are set out in this Report on pages 46 to 51, 52 to 53 and 54 to 56 respectively. Details of the work of the Remuneration Committee together with the Annual Statement from the Remuneration Committee chairman, the Remuneration Policy and the Annual Report on Remuneration are set out in the Director's Remuneration Report on pages 57 to 73.

Effectiveness

The composition of our Board is kept under review by the Nomination Committee to ensure that it retains the necessary skills, knowledge and experience to meet the needs of the business. Details of the skills and experience of individual Directors are set out on pages 38 to 39.

Rob Rowley stepped down as chairman of the Audit Committee on conclusion of the Annual General Meeting on 20 April 2016 and was succeeded by Robin Freestone. Rob Rowley will step down from the Board as a Non-Executive Director on conclusion of the 2017 Annual General Meeting and will be succeeded as Senior Independent Director by Sally James. During 2017, we will appoint an Independent Non-Executive Director to replace Rob Rowley.

In October 2016 we announced the appointment of Mark Lewis as Chief Executive Officer. Mark joins the Board as an Executive Director on 13 March 2017 and will succeed Peter Plumb as Chief Executive Officer on 10 April 2017.

The Nomination Committee reviewed the composition of the Board in 2016 and recommended that the Board currently had the right balance of skills, knowledge and experience to meet the needs of the business but is mindful of the need for refreshing of the Board.

Induction of a new Director

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

- an induction pack including details of Board meetings and procedures, recent analyst and broker reports, recent Board and Committee minutes, matters reserved to the Board, a briefing on director's duties and responsibilities in addition to other key policies and procedures in support of the Company's business practice;
- training from external advisers on director's duties and responsibilities, including in relation to FCA regulated businesses;
- individual meetings with the Chairman, Executive Directors, senior management and the Company Secretary;
- individual meetings with our corporate brokers and other key advisers;
- business-related presentations from senior management; and
- strategy packs from the strategy sessions held in 2016 which will help him gain an understanding of the Group's strategy, its management team and its services.

Training and information

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

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

Directors received briefings from the Company Secretary during 2016 on governance and compliance areas including the EU Market Abuse Regulation, Modern Slavery and Gender Pay Gap reporting requirements.

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

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

Independence of Non-Executive Directors

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

Conflicts of interest

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

Performance evaluation

Board evaluation

We undertake a performance evaluation of the Board each year. An external evaluation is carried out every three years.

Board evaluation process

Following the external evaluation conducted in 2014 by SCT Consultants Ltd, we undertook an internal evaluation in 2015 followed by another internal evaluation in 2016. This involved the completion of questionnaires by individual Directors and interviews by me and the Senior Independent Director respectively with the results being analysed and presented for discussion at a Board meeting. The Board then agreed the key actions. The Board also reviewed its progress against actions identified in the external 2015 Board evaluation:

2015 evaluation actions update

The following actions were identified following the evaluation conducted in 2015:

- Talent strategy – we have continued to focus both in Nomination Committee meetings and Board meetings on developing an effective talent strategy for managing the pipeline of top talent to run the business.
- Strategy – we have received regular updates on the competitive environment, considered provider needs and reviewed new opportunities for growth.
- Customers – we have continued to focus on how we can help to meet customer needs.

2016 evaluation actions

The Directors' many positive responses indicated their widely held view that ongoing improvements have been made since the evaluation in 2015. In particular, members considered there was open and transparent debate with constructive challenge and active engagement from all members of the Board. The Board receives comprehensive reports to enable it to monitor performance, consider risks and controls, and take key decisions. Some of the development areas that will be actioned in 2017 are a continuing focus on:

- Talent strategy - ensuring there is an effective talent strategy for managing the pipeline of top talent to run the business;
- Diversity - ensuring there is an effective diversity strategy for managing the pipeline of diverse talent to run the business and reflect our customers; and
- Organisational culture – ensuring there is an effective strategy to enhance organisational culture and engagement of employees.

In 2017 we will undertake an external evalution of the Board and its Committees. SCT Consultants have been appointed to undertake the 2017 evaluation.

Director evaluation

I appraise each of the Directors individually in the form of interviews, taking account of feedback received as part of the Board evaluation process. I can confirm that each Director continues to make a valuable contribution to the Board and devotes sufficient time to the role. My evaluation was undertaken by the Senior Independent Director, taking into account the views of the other Directors. Biographies of the Board are set out on pages 38 and 39 which includes my significant commitments. The Board is satisfied that these appointments do not conflict with my ability to carry out my duties and responsibilities effectively for the Group.

Committee evaluation

As in 2015, we conducted formal evaluations of each of the Committees. This involved completion of questionnaires by members of each Committee, senior management who interact with each Committee, and, where relevant, professional advisers to each Committee, followed by discussion at a Committee meeting. Summaries of these evaluations can be found in the relevant Committee report.

Accountability

Financial and business reporting

The Board's aim is to present an Annual Report to shareholders, which, taken as a whole, is a fair, balanced and understandable assessment of the Group's position and performance, business model and strategy. The Board has ensured that processes are in place to achieve this and more information on the processes can be found in the Audit Committee Report on pages 46 to 51. A statement of Directors' responsibilities and the auditor's responsibilities in relation to the Annual Report are set out on pages 77 and 81 respectively. The Directors' opinion that the Company's business is a going concern is set out on page 26.

Risk management and internal control

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

We regularly review and update our internal control and risk management processes. In particular, in 2016, we oversaw the implementation of an upgraded quality assurance and testing process for new technology releases and enhanced incident management process. A summary of actions we have taken in 2016 is set out in the Risk Committee Report on pages 54 to 56.

Risk management

A description of the process for managing risk together with a description of the Principal Risks and strategies to mitigate those risks, is provided on pages 27 to 31.

Internal control

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

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

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

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

Our internal control effectiveness is assessed through the performance of regular checks, which in 2016 included the following areas:

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

Risk review and assessment

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

The Group's risk register is a key element in our risk management framework and is used in the assessment and reporting of risks being managed by the Group. Senior management continue to work alongside the Risk and Compliance function to ensure the risk register incorporates any new risks and movements in risks. The risk register is managed by the Risk and Compliance function and is reviewed on a regular basis by the Risk Committee.

Each risk is owned by a member of executive management who is responsible for the ongoing assessment of risk and the delivery of mitigating actions. Robust risk and control assessments are carried out at least quarterly across all areas of the business, in order to understand the strength and performance of the controls in place, and potential gaps and weaknesses. Internal Audit and Risk and Compliance monitoring findings are also taken into account when assessing risks.

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

During the year there were two incidents which impacted customers. These incidents arose from data transfer errors following scheduled technology releases. In response to these incidents, the Board prioritised minimising customer detriment and is overseeing the programme to further reduce these risks, including an upgraded testing programme.

Process for review of effectiveness

The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems. The steps it takes in relation to the review are set out on pages 28 and 29. The Audit Committee makes a recommendation to the Board on effectiveness which the Board considers, together with reports from the Risk Committee, in forming its own view on the effectiveness of the risk management and internal control systems.

During 2016, the Board reviewed the effectiveness of the Group's risk management and internal control systems. We confirm that the processes outlined above and on pages 27 to 29 and 50 have been in place for the year under review and up to the date of approval of this Annual Report and that these processes accord with the UK Corporate Governance Code and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014 version). We also confirm that no significant failings or weaknesses were identified in relation to the review. The Board has carried out a robust assessment of the Principal Risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity and these, together with how they are managed or mitigated, are set out on pages 30 to 31.

Shareholder engagement

Major shareholders

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

Andrew Fisher, in his capacity as Remuneration Committee chairman, also engages in discussion with shareholders on significant matters relating to executive remuneration and has held one-to-one meetings with key shareholders during the year in relation to the proposed new Remuneration Policy.

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

Communications with shareholders

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

During the year I have kept major institutional shareholders updated on the progress of recruitment of the new Chief Executive Officer.

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

Annual General Meeting

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

The Company prepares separate resolutions on each substantially separate issue to be voted upon at Annual General Meetings. The result of the vote on each resolution is published on the Group's website after the Annual General Meeting and will be announced via the regulatory information service. At the 2016 AGM, shareholders representing 79.09% of the Company's issued share capital returned their proxy votes.

Compliance statement

This Corporate Governance Report, together with the Audit Committee Report on pages 46 to 51, the Nomination Committee Report on pages 52 to 53, the Risk Committee Report on pages 54 to 56 and the Directors' Remuneration Report on pages 57 to 73 provides a description of how the main principles of the 2014 edition of the UK Corporate Governance Code (the Code) have been applied by the Company during 2016. The Code is published by the Financial Reporting Council and is available on its website at www.frc.org.uk. The Directors consider that during the financial year ended 31 December 2016 and to the date of this Report, the Company complied with the Code except as follows:

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 but is available for shareholders as required.

Audit Committee Report

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

Robin Freestone
Chairman of the Audit Committee

In 2016, we:

- **conducted separate tender processes for each of taxation advice, external audit and internal audit/risk;**
- **monitored progress on the standardisation of controls;**
- **monitored progress on the back office programme;**
- **focused on financial reporting, including the processes to make this Annual Report & Accounts "fair, balanced and understandable";**
- **reviewed the effectiveness of external and internal audit processes and the effectiveness and appropriateness of our system of internal controls; and**
- **reviewed the FRC's Guidance on Audit Committees issued in 2016.**

Committee membership

I succeeded Rob Rowley as chair of the Audit Committee in April 2016 and would like to thank him for overseeing the improvements since flotation in 2007 to ensure we have the good control environment we now have in place. The other members of the Audit Committee are detailed in the table below. All the members are Independent Non-Executive Directors in accordance with provision C.3.1 of the UK Corporate Governance Code (Code) and the Board has determined that both Rob Rowley and I have recent and relevant financial experience as required by the Code. I am a qualified accountant and was formerly chief financial officer of Pearson PLC. I am a non-executive director and member of the audit committee of Smith & Nephew plc and am a member of the advisory board to the ICAEW's Financial Reporting Committee. Rob Rowley is a qualified accountant and was formerly finance director of Reuters plc. As a whole the Committee has competence relevant to the sector in which the Company operates through Genevieve Shore's and my digital experience and the financial services experience of Sally James.

Biographies of the members of the Committee are set out on pages 38 to 39.

	Committee members	
Committee members	Eligible to attend	Attended
Robin Freestone (Chairman)	4	4
Sally James	4	4
Rob Rowley	4	4
Genevieve Shore	4	3*

* Genevieve Shore was unable to attend one meeting for personal reasons

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

Role

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

- monitoring the integrity of the Financial Statements of the Company, any formal announcements relating to the Company's financial performance and any significant issues and judgements contained in them;
- reviewing the Group's Financial Statements and the material financial reporting judgements contained in them;
- advising the Board on whether the Committee believes this Annual Report and the Financial Statements contained within it, when taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's strategy, business activities and financial performance;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional regulatory requirements;

- developing and implementing a policy on the level and amount of external auditor non-audit services;
- advising the Board on the appointment, re-appointment and removal of the external auditor and the remuneration and terms of engagement of the external auditor;
- monitoring the effectiveness of the Group's internal control and risk management systems, including whistleblowing and fraud prevention procedures;
- reviewing the scope, activities and results of the Group's Internal Audit function;
- reviewing the Audit Committee's terms of reference, carrying out an annual performance evaluation exercise and noting the satisfactory operation of the Committee; and
- reporting to the Board how it has discharged its responsibilities.

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

Committee meetings

We met four times in 2016 and the attendance of our members is shown in the table on page 46. In order to maintain effective communication between all relevant parties, we invited the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Company Secretary, together with appropriate members of the management team with responsibility for risk and internal control, and the external auditor, to meetings as necessary. We set time aside periodically to seek the views of the external auditor, in the absence of management. The external auditor has direct access to me to raise any concerns outside formal Committee meetings. The Committee also meets separately with the Head of Internal Audit during the year. In between meetings, I keep in touch with the Chief Financial Officer and external audit partner as well as other members of the management team.

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

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

Financial Statements and reports

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

In 2016, we:

- **reviewed the 31 December 2015 Annual Report and Financial Statements and the half-year statement to 30 June 2016, together with reports from the external auditors;**
- **reviewed the trading updates issued in April 2016 and November 2016;**
- **examined key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Financial Statements; and**
- **reviewed documentation prepared to support the enhanced going concern and viability statements given on pages 25 to 26.**

Significant issues

We identified the issues on page 48 as significant in the context of the 2016 Financial Statements. We consider these areas to be significant taking into account the level of materiality and degree of judgement exercised by management. We discussed the issues in detail to ensure that the approaches taken were appropriate. This included reviewing presentations and reports from both management and the external auditor.

Issue	Committee review
Revenue As more fully described on pages 87 and 99 the majority of the Group's revenue is derived from success-based commercial deals which compensate the Group for each product sold by a provider to a customer referred to it by the Group. The Group recognises this revenue at the point at which a customer leaves one of the Group's websites, based on the number expected to click through and purchase a product from a provider site.	We reviewed and assessed management's key controls in relation to the recording of revenue which include: (a) a completeness check which is performed by reconciling all 'click' activity on the website and ensuring that an invoice has been raised, or revenue has been accrued, where appropriate; (b) a review to compare accrued revenue at the end of the previous month and actual revenue invoiced during the following month, with significant differences investigated to provide evidence that revenues are correctly stated; and (c) a programme of revenue assurance by the Group's Internal Audit function. This helps provide us with assurance that revenues are correctly stated by reviewing provider systems and controls to ensure that sales made by providers resulting from referrals made by the Group have been correctly identified and allocated in the provider systems. In addition management regularly reviews the quantum and ageing of any accrued revenue balances. The assessment of the Group's information system which records the clicks, together with the reconciliation of revenue to cash receipts, therefore form a key part of the audit. The results of KPMG's testing are included in their first half and full-year reports prepared for the Committee and reviewed in detail and discussed with KPMG.
Capitalisation of software and development costs As more fully described on pages 96 to 98 of the Group's Financial Statements the Group holds intangible asset balances arising from the capitalisation of certain software and development costs principally relating to developments in the Group's front end platforms and back office data warehouse.	The judgements in relation to software and development assets largely relate to the future economic benefits associated with the assets and that capitalisation is in accordance with the relevant accounting standards. We addressed these matters through examining investment appraisals on key IT projects received from management outlining the basis for the key assumptions used and were comfortable with management's justification. We gain comfort that business plans in relation to the capitalised assets have received Board approval. This is also a significant risk area for the audit, and therefore KPMG provide to the Committee their comments on the approach taken by management. During the year ended 31 December 2016 the Committee critically reviewed the analysis performed on the capitalisation of software and development costs and agreed that the projected future cash flows from these assets supports their carrying values.

We also reviewed and considered the following areas due to their materiality and the application of judgement. However, we considered them to be stable in nature and therefore did not classify them as significant issues in the context of the 2016 Financial Statements.

Issue	Committee review
Intangible assets impairment testing	We reviewed the judgements, assumptions and estimates made by management in preparing the impairment review to ensure that they were appropriate including the decision to impair OnTrees goodwill and MySuitcase within TravelSupermarket. We also obtained the external auditors' views on the appropriateness of the approach and conclusions. The results of this review were that we were satisfied with the conclusions reached.
Share-based payment charges	We reviewed the judgements, assumptions and estimates made by management to ensure that they were appropriate. We also obtained the external auditors' assessment of the calculations. The results of this review were that we were satisfied with the conclusions reached.
Enhanced going concern and viability statements	In assessing the validity of the statements detailed on pages 25 to 26, we reviewed the work undertaken by management to assess the Group's resilience to the Principal Risks under various scenarios and gained appropriate assurance that sufficient rigour was built into the process.
Potential claims from providers	We reviewed the work undertaken by management and external advisers in assessing potential claims from providers against the Group in relation to data transfer errors occurring following technology releases and in assessing costs associated with minimising impact on customers. We also reviewed the level of insurance cover in place and additional controls introduced during the year and were satisfied with the conclusions reached by management.

Fair, balanced and understandable Report and Accounts

One of the key governance requirements is for the Annual Report and the Financial Statements, taken as a whole, to be fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Ensuring this standard is met requires continuous assessment of the financial reporting issues affecting the Group in addition to the focused exercises which take place during the production of the Annual Report and Financial Statements. These focused exercises can be summarised as follows:

- *a qualitative review of disclosures and a review of internal consistency throughout the Annual Report and Financial Statements;*
- *a review by the Committee of all material matters, as reported elsewhere in this Annual Report and Financial Statements;*
- *a risk comparison review, which assesses the consistency of the presentation of risks and significant judgements throughout the main areas of risk disclosure in this Annual Report and Financial Statements;*

- *a review of the balance of good and bad news; and*
- *ensuring it correctly reflects:*
  - *the Group's position and performance as described on pages 22 to 25;*
  - *the Group's business model, as described on pages 8 to 9;*
  - *the Group's strategy, as described on pages 10 to 15.*

The Directors' statement on a fair, balanced and understandable Annual Report and Financial Statements is set out on page 77.

External auditor

The Committee is responsible for making recommendations to the Board in relation to the appointment of the external auditor. We also approve the terms of engagement and fees of the external auditor, ensuring they have appropriate audit plans in place and that an appropriate relationship is maintained between the Group and the external auditor.

In 2016, we:

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

Independence and non-audit services

We have policies and procedures in place in relation to the provision of non-audit services by the external auditor which are reviewed regularly and have been updated during the year to reflect the new audit tendering requirements. This ensures that the Group benefits in a cost-effective manner from the cumulative knowledge and experience of its auditor whilst also ensuring that the auditor maintains the necessary degree of independence and objectivity. The external auditor is not permitted to perform any work which they may later be required to audit or which might affect their objectivity and independence or create a conflict of interest. Key points from our internal procedure for approval of work given to the external auditor are:

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

During the year the value of non-audit services provided by the external auditor amounted to £0.06m (2015: £0.18m). Non-audit services amounted to 34% of the value of the audit. New EU legislation on permitted non-audit services came into effect from 17 June 2016 which introduced a permitted non-audit services fee cap of 70% of the average audit fee over a consecutive three-year period. This cap will come into effect for the Group in the financial year ending 31 December 2020. A significant proportion of non-audit services during 2016 relates to the following:

- *reviewing the Group's half-year reporting;*
- *the provision of tax compliance services in relation to direct taxation; and*
- *the provision of advice in relation to the preparation and submission of claims for research and development (R&D) relief.*

The assurance provided by the external auditor on the items above is considered by the Group as strictly necessary in the interests of the Group. The level of non-audit services offered reflects the auditor's knowledge and understanding of the Group. The Group has also continued with the appointment of other accountancy firms to provide certain non-audit services to the Group in connection with tax, systems and regulatory advice and anticipates that this will continue in 2017.

During the year, the provision of tax advisory services, due diligence and regulatory advice was permitted with the Committee's prior approval in line with the approval limits set out above. The external auditor was not engaged during the year to provide any services which may have given rise to a conflict of interest. The Committee is satisfied that the overall levels of audit and non-audit fees are not material relative to the income of the external auditor as a whole and therefore that the objectivity and independence of the external auditor was not compromised. During 2016, we conducted a tender process for tax advisory services, appointing Deloitte LLP to provide these services to the Group with effect from 1 October 2016.

Effectiveness and re-appointment

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

We reviewed the report of the FRC's Audit Quality Review team relating to KPMG as a firm and discussed the actions taken by KPMG in light of the recommendations, including the requirement to improve the audit procedures performed to test controls, including IT controls and the testing of reports relied upon. We worked with KPMG to understand their judgements about materiality. We looked at the way they communicated key accounting and audit judgements. This approach was supplemented by members of the Committee and senior members of the Finance team who regularly interact with the external auditor completing a detailed questionnaire (which included consideration of the audit partner, the approach, communication, independence, objectivity, and reporting). The results of the questionnaire were then reported to and discussed by the Committee, with the Committee gaining an understanding from respondents of why respondents considered the audit team exhibited the qualities included in the responses. We also assessed the cost effectiveness and value for money aspect of the audit. We reported our findings to the Board as part of our recommendation.

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

KPMG have acted as the auditor to the Group since 2004 and were appointed as the auditor to the Company on its flotation in 2007. The lead audit partner rotates every five years to ensure independence. The KPMG audit partner was rotated on 30 April 2015 in accordance with the FRC's Ethics Standard 3 (Revised). Mindful of the increasing regulatory focus on audit tendering in the UK and EU, we conducted a formal competitive tender exercise during 2016, in relation to the audit for the Group for the year ending 31 December 2017. The tender process was conducted in line with the Companies Act 2006 (as amended) and EU legislation and involved:

- *identifying firms with appropriate experience and skills to tender;*
- *issuing a request to tender to firms identified together with an information pack;*
- *meetings between management and each firm taking part in the tender process to enable the firms to understand the Group;*
- *submission of tender proposals followed by presentations from each firm attended by management, the Risk Committee Chairman and me;*
- *consideration of proposals by the Audit Committee resulting in a recommendation to the Board identifying the first and second choice candidate firms with justifications for those choices; and*
- *the Board approving the Audit Committee's recommendation to put a resolution to shareholders recommending the re-appointment of KPMG LLP as the external auditor together with their terms of engagement and remuneration at the Annual General Meeting of the Company.*

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

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

Internal control

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

In 2016, we:

- **reviewed the framework and effectiveness of the Group's system of internal control and risk management, including financial, operational and compliance controls;**
- **set targets for the standardisation of controls, with 90% of controls to be standardised by the end of 2016;**
- **received regular updates from management on internal control improvements and requested that KPMG reported on progress as part of their half-year review work, ensuring the target of 90% of standardisation of controls was met by the end of the year;**
- **monitored and reviewed management's progress on improvements to back office systems and processes;**
- **reviewed comprehensive reports from the external auditor, KPMG, of the results of their controls testing as part of the external audit; and**
- **reported to the Board on our evaluation of the operation of the Group's internal control and risk management system, informed by reports from Internal Audit and KPMG.**

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

The Board's statement on internal control and risk management can be found on pages 43 to 44.

Internal Audit

The Group has an Internal Audit function which reviews financial, operational and regulatory matters.

In 2016, we:

- **continued to oversee investment in the Internal Audit function, recognising that regulation in particular, as price comparison continues to become a more significant part of the distribution chain of financial services, will become more important;**
- **reviewed the rolling twelve-month Internal Audit plan which defines the scope of work the Internal Audit function will undertake ensuring it is aligned to key risks of the business;**
- **reviewed results from audits performed including any unsatisfactory audit findings and related action plans;**
- **reviewed open audit actions, together with monitoring progress against the actions;**
- **reviewed the assurance map to ensure there is clear, comprehensive risk and assurance coverage;**
- **tendered part of internal audit services with the appointment of PricewaterhouseCoopers who will now work alongside our internal team to provide additional support on internal audit services relating to IT and technology;**
- **met with the head of Internal Audit without management present; and**
- **conducted an assessment of the Internal Audit function.**

Whistleblowing

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

In 2016, we:

- **reviewed the controls in place to mitigate against fraud risks; and**
- **reviewed reports at each meeting from the Company Secretary and Group General Counsel on: (a) socialisation of the external confidential reporting hotline, email and internet arrangements; and (b) whistleblowing incidents and their outcomes.**

Risk Committee

The Group established a separate Risk and Compliance function in 2014 headed by the Chief Risk Officer. A separate Risk Committee was also established in 2014 which is chaired by Sally James. The Risk Committee operates separately but alongside the Audit Committee. A separate report of the work and responsibilities of the Risk Committee is set out on pages 54 to 56.

Audit Committee effectiveness

In 2016 we carried out our evaluation of Audit Committee effectiveness with Directors serving on the Committee and members of the finance and executive management teams completing a questionnaire. The questionnaire focused on areas such as composition, how the committee operates, professional development of members, oversight of financial reporting, oversight of risk management and internal control and oversight of internal and external audit. The responses were then discussed at a Committee meeting. We also reviewed its progress against actions identified in the 2015 evaluation:

2015 evaluation actions update

The following actions were identified during the 2015 evaluation:

- *a continued focus on the automation of controls – we have monitored this as part of the progress on the back office systems;*
- *a continued focus on the effectiveness of risk mitigation controls – we have received regular updates from Internal Audit on their testing of controls; and*
- *further enhancements to our internal control and internal audit capability – as part of the tender processes in 2016, we invited a number of firms to tender for parts of the internal audit services. This was awarded to PricewaterhouseCoopers.*

2016 evaluation actions

Some of the development areas that will be actioned in 2017 include:

- *continued focus on internal controls over technology developments following appointment of PricewaterhouseCoopers to co-source the Internal Audit function;*
- *monitor and ensure appropriate resources are available to the Internal Audit function; and*
- *continued focus on automation of controls.*

Training

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

In 2016, we:

- **received updates from our external auditor, KPMG, on financial reporting developments;**
- **reviewed Companies Act 2006 and EU requirements in relation to conducting tenders for audit services; and**
- **reviewed the latest FRC Guidance on Audit Committees.**

Overview of Committee activities for 2017

Internal control will continue to be our priority for 2017, moving standarised controls to automation of controls. The Board approved a new ERP system in 2016 and, once this has been implemented, will provide an opportunity for automation of controls. We will also continue our focus on the back office programme and further development of our assurance and internal audit processes.

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

Robin Freestone
Chairman of the Audit Committee
27 February 2017

Nomination Committee Report

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

Bruce Carnegie-Brown
Chairman of the Nomination Committee

In 2016, we:

- **conducted an executive search for a new Chief Executive Officer;**
- **continued to review the composition of the Board;**
- **reviewed and updated the Board's Statement on Diversity; and**
- **continued to review talent in the Group including the succession and development plans for the Board and executive management.**

Committee membership

I chair the Nomination Committee and the other members, all of whom are Independent Non-Executive Directors, are detailed in the table below. Biographies of the members of the Nomination Committee are set out on pages 38 and 39.

	Committee members	
Committee members	Eligible to attend	Attended
Bruce Carnegie-Brown (Chairman)	5	5
Andrew Fisher	5	5
Robin Freestone	5	5
Sally James	5	5
Rob Rowley	5	5
Genevieve Shore	5	4*

* Genevieve Shore was unable to attend one meeting due to personal reasons

Role

The role of the Nomination Committee is to:

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

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

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

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

Committee meetings

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

We invited the Chief Executive Officer, the Chief People Officer and the Company Secretary to attend meetings of the Nomination Committee. The Company Secretary acts as secretary to the Nomination Committee.

In 2016, we:

- **reviewed the composition of the Board, including the balance of skills, knowledge and experience;**
- **reviewed succession plans for the Board and executive management;**
- **conducted an executive search for, considered and recommended to the Board the appointment of a new Chief Executive Officer;**
- **considered and recommended to the Board the re-election of all Directors at the 2017 Annual General Meeting other than Rob Rowley and Peter Plumb who are stepping down from the Board on that date; and**
- **reviewed the register of Directors' conflicts of interest.**

We followed the procedure outlined above for the search for the new Chief Executive Officer who is due to join on 13 March 2017. We engaged Russell Reynolds as the external executive search consultants. Russell Reynolds has no other connection with the Company. We considered and interviewed a wide and diverse range of candidates and the Board was unanimous in its decision to appoint Mark Lewis.

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

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

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

Boardroom diversity

Having met our previous target of 25% minimum female representation on the Board by 2016 and in light of the Hampton-Alexander Review, we have revised the Board's Statement on Diversity, which is as follows:

'The Board of Moneysupermarket.com Group PLC welcomed the publication in November 2016 of the Hampton-Alexander Review on FTSE Women Leaders. Moneysupermarket.com Group PLC is committed to ensuring that any Board vacancies arising are filled by the most qualified candidates and recognises the value and importance of diversity in the composition of the Board. When Board positions become available, the Company will remain focused on ensuring that a diverse range of candidates are considered whilst ensuring that appointments continue to be based on merit, measured against objective criteria and the skills and experience the individual offers. The Board has targeted a minimum female representation on the Board of 33% by 2020.'

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

Nomination Committee effectiveness

In 2016 we carried out a separate evaluation of Nomination Committee effectiveness by questionnaire. The questionnaire focused on areas such as composition, how the Committee operates, its responsibilities, knowledge and experience of members. The responses were discussed at a Committee meeting. We also reviewed our progress against actions identified in the 2015 evaluation.

2015 evaluation actions update

The following actions were identified during the 2015 evaluation:

- *further enhancements to the forward rolling agenda on succession planning and talent management – succession planning and talent management have been discussed in three out of five meetings this year; and*
- *greater focus in meetings on diversity – we have had two meetings in which this has been discussed in greater detail.*

2016 evaluation actions update

Some of the development areas that will be actioned in 2017 include:

- *greater focus on managing pipeline of top talent to run the business particularly at the level below executive management; and*
- *continued focus in meetings on diversity.*

The Board, based on the evaluation exercise, concluded that the Committee was considered to be effective in fulfilling its role throughout 2016.

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

Bruce Carnegie-Brown
Chairman of the Nomination Committee
27 February 2017

Risk Committee Report

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

Sally James
Chairman of the Risk Committee

In 2016, we:

- **focused on technology and data security risks and management which included a security review of the new technology platform;**
- **oversaw the implementation of an upgraded testing programme for new technology releases;**
- **reviewed progress on implementation of an overarching framework for management of suppliers; and**
- **focused on risks and controls relating to change management and incident management.**

Committee membership

I chair the Risk Committee and the other members, all of whom are Independent Non-Executive Directors are detailed in the table below. Biographies of the members of the Committee are set out on pages 38 to 39.

Committee members	Committee members	
	Eligible to attend	Attended
Sally James (Chairman)	5	5
Andrew Fisher	5	5
Robin Freestone	5	5
Rob Rowley	5	5
Genevieve Shore	5	4*

* Genevieve Shore was unable to attend one meeting due to personal reasons

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

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

Role

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

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

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

Committee meetings

We met five times in 2016 and the attendance of our members is shown in the table on the previous page. We invited the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Company Secretary, together with appropriate members of the management team with responsibility for management of key risks, and the external auditor, to meetings as necessary. The Committee also meets separately with the Chief Risk Officer at least once a year.

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

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

Principal activities in 2016

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

In 2016, we:

- **enhanced and approved the Group Risk Appetite Framework and Statement following scenario analysis and consideration by executive management;**
- **approved revisions to our detailed risk register to reflect changes in classification of risks and inclusion of new risks;**
- **oversaw the introduction of a suite of Group risk policies which (1) underpin the Group's Risk Appetite Framework and Statement and (2) define the Group's key risks and activities to mitigate those risks;**
- **reviewed progress on the implementation of a framework for management of suppliers;**
- **received presentations on risks from each of the brands;**
- **introduced a conduct scorecard for MoneySavingExpert;**
- **reviewed the conduct scorecards at each meeting to ensure we are putting customers at the heart of the business through our 'Customer First' programme;**
- **enhanced reporting of legal matters and regulatory developments;**
- **assessed the identification and management of risks connected to change management;**
- **oversaw the compliance with evolving regulation and interactions with our regulators including the FCA and the CMA, in particular in relation to the digital comparison tools review;**
- **assessed the identification and management of technology risks across the Group, which included a cyber security review of the new technology platform; and**
- **oversaw the enhancement of incident management processes including detection and escalation procedures.**

Risk and Compliance

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

In 2016, we:

- **reviewed and approved the Risk and Compliance plan which defines the scope of the work that the function will undertake with regard to compliance monitoring and assurance activities across the Group;**
- **commissioned an external assessment of the Group's risk management framework, reviewed the recommendations and ensured plans were in place to address those recommendations, to the extent not already in progress;**
- **considered the updates against the Risk and Compliance plan and the results of the work performed since the previous meeting and management's response; and**
- **reviewed the resources of the Risk and Compliance function.**

Risk Committee effectiveness

In 2016, we carried out our annual evaluation of Risk Committee effectiveness by questionnaire. The questionnaire focused on areas such as composition, how the Committee operates, professional development of members and oversight of risk management. The responses were then discussed at a Committee meeting. We also reviewed our progress against actions identified in the 2015 evaluation.

2015 evaluation actions update

The following actions were identified during the 2015 evaluation:

- further enhancements to management information relating to the reporting of key risks - management information and content of reports has been enhanced;
- succession planning within the Risk and Compliance function - this is ongoing, with successors each having personal development plans; and
- further enhancements to the forward rolling agenda on key risks - meetings this year have included detailed sessions on technology and data security risks.

2016 evaluation actions update

Some of the development areas that will be actioned in 2017 include:

- greater interaction between the Risk Committee and senior management within the first line, in addition to executive management;
- continue to focus on putting customers at the heart of the business; and
- continue to enhance management information relating to the reporting of risks.

The Board, based on the evaluation exercise, concluded that the Committee was considered to be effective in fulfilling its role throughout 2016.

Overview of Committee activities for 2017

The management of operational and conduct risks will continue to be our priority for 2017. We will focus on those areas identified in the external consultant's assessment of the Group's risk management framework and compliance processes, in particular the embedding of risk management processes into key business activities. We will continue to improve the management of technology risks (including the delivery of the cyber security programme) and will oversee the implementation of systems, processes and procedures to meet the requirements of the General Data Protection Regulation (GDPR).

The Group recognises that regulation in general, and in particular the activities of the FCA, Ofgem and CMA will continue to be a feature of the price comparison market. The Group has invested, and will continue to invest, in additional skills and resources in this area in 2017.

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

Sally James
Chairman of the Risk Committee
27 February 2017

Directors' Remuneration Report

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

Strategic Report

Governance

Financial Statements

Andrew Fisher
Chairman of the Remuneration Committee

In 2016, we:

- **undertook a comprehensive review of the executive remuneration framework;**
- **consulted with shareholders on the proposed changes to the Remuneration Policy; and**
- **determined remuneration arrangements for the Chief Executive Officer succession.**

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2016.

This was a year of significant activity for the Committee. We undertook a comprehensive review of the executive remuneration framework to ensure it continues to align with the strategy of the business and best practice. As a result, we will be seeking shareholder approval for a new Remuneration Policy (as well as the renewed LTIP and a new deferred bonus plan) at the 2017 AGM. We consulted widely with our shareholders on the proposed changes and took account of the feedback we received in refining the proposals. The Committee also supported the Chief Executive Officer succession and transition process by determining the remuneration arrangements for Peter Plumb and Mark Lewis, within the context of our policy framework. Finally, the Committee determined the incentive outcomes in respect of 2016, and set the parameters of the packages for 2017.

This letter provides key highlights of each of those key areas of activity. The Remuneration Policy is then set out on pages 60 to 64. Pages 65 to 73 constitutes the Annual Remuneration Report, summarising the 2016 outcomes and how we intend to operate the Policy in 2017.

Remuneration Policy 2017 - highlights of the Committee's review

As indicated in my letter in last year's report, the Committee has, during the year, conducted a comprehensive review of the overall remuneration framework. In the time since the Committee previously conducted a widespread review, the business has seen significant changes in financial size, scope of operations and strategic direction. We also continue to see unprecedented levels of competition in digital talent markets.

The existing framework has supported the delivery of sustained earnings growth (over 17% annualised adjusted earnings per share growth from 2011 to 2016) which has translated into exceptional returns for shareholders (total shareholder value of over £1bn created since 2011). Consequently, the Committee did not consider that significant changes are required to the framework. However, it was appropriate to conduct a review, principally in order to ensure continued alignment of our remuneration framework with the Group's strategy and to reflect changes in investor best practice.

Following the review, the key proposed changes to the Remuneration Policy effective from 2017 are as follows:

- introduction of bonus deferral – to align the interests of our Executive Directors with shareholders, any bonus earned above 'target' will be deferred into Moneysupermarket.com Group PLC shares for an additional two year period;
- introduction of an LTIP holding period – in line with best practice, any shares which vest based on performance over the initial three-year period will then be subject to an additional two-year holding period;
- increase to shareholding guidelines – again reflecting emerging best practice, the level of shareholding which the Executive Directors will be expected to build up will be increased from 100% to 200% of base salary;
- improve strategic alignment of performance measures – following an extensive review, the Committee concluded that the overall incentive framework was well aligned to the strategy and KPIs. In particular, adjusted operating profit and revenue in the bonus and adjusted EPS in the LTIP represent the most appropriate measures of our performance. However, to improve the link between our strategy / KPIs and our incentive targets, we will introduce a 'customer centric' measure into the annual bonus for 2017.
- aligning key terms of new service agreements to best practice – introduction of a requirement for new service agreements (including that of Mark Lewis) that payments in lieu of notice are phased and subject to mitigation;
- de-leveraging the package – finally, the Committee reviewed the balance of the package in light of the business strategy, risk impact, and market data. The Committee concluded that we should remain committed to the principle of delivering a market competitive package which is substantially performance-related and appropriately balanced to ensure we are able to attract and retain the very best leadership on behalf of our shareholders. In this context, the Committee determined that the current package did not have an appropriate balance – salaries were too low and incentive opportunities too high against the Committee's market reference points. To address this, the Committee has decided to "de-leverage" the packages by significantly reducing incentive opportunities, and a one-off re-positioning of base salaries from 2017 onwards. Salaries and incentive opportunities for 2017 are set out on pages 65 and 66 of the Annual Remuneration Report. The net effect of these changes is a "re-balancing" of the mix of the package, whilst keeping total compensation broadly unchanged at both "target" and "maximum" levels. While the base salary increases are higher than the Committee's normal annual policy that increases will ordinarily be in line with the broader employee population, it should be noted that these are one-off salary adjustments to re-balance the package, in the context of the significant reduction in incentive opportunities. The Committee anticipates that the normal policy on salary increases will apply in future years.

Chief Executive Officer Succession

Mark Lewis

As explained on page 2, Mark will join the Group as an Executive Director on 13 March 2017 and take up his role as Chief Executive Officer on 10 April 2017. During the search and appointment process we continued to see unprecedented levels of competition for talent in the digital space. We offered a package which was required in order to secure a candidate of this calibre in the context of the highly competitive talent markets we are currently operating in. We were robust in our negotiations and offered no more than we believed was necessary in the circumstances. Consequently, the Committee determined that Mark would be appointed on a salary of £530,000, a maximum annual bonus of 150% of salary and an annual LTIP award of 175% of salary, reflecting the new "de-leveraged" framework. The Committee anticipates that the normal policy will apply to base salary increases (that they will ordinarily be in line with the broader employee population) in future years.

For 2017 only, Mark will receive an additional one-off 25% of base salary LTIP award to take account of compensation relinquished from his previous employer. This award will have the same structure and performance conditions as the normal annual LTIP award. His aggregate LTIP award in 2017 will therefore be 200% of salary. From 2018, his LTIP award will revert back to 175% of salary.

Peter Plumb

Peter Plumb will step down from the Board at the conclusion of the 2017 AGM. For his period in office during 2017, Peter will remain on the current package and will not be transitioned onto the new framework. As a result, he will remain on his current annual salary of £469,000. He will be eligible for a maximum bonus opportunity of 185% of salary, pro-rated for his period of office. His bonus will be paid in cash at the normal time in early 2018, subject to the achievement of the performance targets. He will not receive a 2017 LTIP award.

Details of his termination package will be posted on the Company's website upon him stepping down and will also be included in the 2017 Directors' Remuneration Report. The package will be in line with the Remuneration Policy and he will receive 'good leaver' status for his unvested 2015 and 2016 LTIPs which will be reduced pro-rata and be measured against the existing targets on the normal timescale.

Pay for performance in 2016

During 2016, the variable elements of executive remuneration were focused on simple and transparent measures of revenue growth, adjusted operating profit growth, adjusted earnings per share (EPS) growth, total shareholder return and key strategic objectives. The awards were based on challenging targets, as disclosed on pages 68 to 69.

2016 has been another strong year for the Group with revenue increasing by 12% to £316.4m and adjusted operating profit increasing by 8% to £107.8m. Our executive team has continued to focus on the execution of our growth strategies, performing well against their stretching individual performance targets (aligned to some of the key achievements referred to in the strategic review on pages 6 to 15). As a result, the Committee determined that they would receive a bonus for their performance of between 109% and 134% of their basic salary (which represents between 66% and 72% of the maximum).

Our 2014 LTIP award, which was based on a combination of compound annual growth in adjusted EBITDA and comparative total shareholder return, will vest at 120.9% (81% of the maximum) in April 2017, reflecting the achievements of the executives over the three years since the award was made. Our growth in total shareholder return of 71% was above upper quartile against the FTSE 250 comparator group and we achieved 12.8% compound annual growth in adjusted EBITDA over the performance period.

Shareholder resolutions at the 2017 AGM

At our forthcoming AGM, there will be a number of remuneration-related resolutions.

We will seek approval under a binding vote for our new Remuneration Policy, which is necessary to implement the changes arising from the review as described above. The new Policy will be effective following the AGM, and we would anticipate it remaining in place for the next three years in line with the normal cycle set out in the regulations. We will also seek an advisory vote on the Annual Remuneration Report section.

Our current LTIP is due to expire in 2017 and therefore we will also be seeking shareholder approval for a new LTIP at the 2017 AGM. This will essentially be a "renewal" of the existing LTIP (i.e. broadly maintaining the existing award structure but updating to reflect the new features discussed above and other best practice / regulatory changes). We will also be seeking approval for a deferred bonus plan (DBP) to facilitate the granting of deferred bonus awards. The terms of the LTIP and DBP are summarised in the Remuneration Policy (and in more detail in the AGM circular) and are in line with best practice in key areas.

Finally, we will be seeking approval at the AGM to continue to operate our Share Incentive Plan, which is an HMRC approved scheme allowing employees to buy Moneysupermarket.com Group PLC shares on the market using deductions from their gross salary, which was put in place on flotation and is due to expire in 2017.

We remain committed to an open and ongoing dialogue with our shareholders on the issue of executive remuneration. During the year, I undertook an extensive consultation with our shareholders and investor bodies in respect of the proposals above. Overall, investors were supportive of the approach we had taken and the proposals being made. I would like to thank those consulted for their engagement in the process and can confirm that the feedback we received during the process was taken into account by the Committee in refining and finalizing the proposals.

With the changes proposed, the Committee believes we have the right remuneration framework in place to support continued delivery of our strategy, financial performance and long-term shareholder value. We look forward to receiving your continued support at the forthcoming AGM.

Andrew Fisher
Chairman of the Remuneration Committee
27 February 2017

Directors' Remuneration Policy

Set out below is the Company's Directors' Remuneration Policy, which will be put to a binding shareholder vote and become formally effective at the 2017 Annual General Meeting.

Changes from the previous Policy

The main changes to this Remuneration Policy, from the previous policy approved by shareholders at the 2015 AGM, and as described in the Chairman's introductory statement, are as follows:

- reduction in the annual bonus opportunity and LTIP award levels;
- introduction of bonus deferral, and incorporation of the terms of the 2017 Deferred Bonus Plan;
- incorporation of the terms of the new 2017 Long Term Incentive Plan including a post vesting holding period;
- increase to the minimum shareholding requirement from 100% to 200% of base salary; and
- changes to the terms of new service agreements to include a discretion to make payments in lieu of notice (of base salary and contractual benefits) on a phased basis subject to mitigation.

Remuneration Policy Table

The table below summarises the Remuneration Policy for 2017 onwards:

Base salary

Purpose and link to strategy	To provide competitive fixed remuneration to attract and retain Executive Directors of the calibre required to deliver the business strategy for shareholders.
Operation	The base salary for Executive Directors may be reviewed annually by the Committee. Individual salary adjustments may take into account each Executive Director's performance and experience in role, changes in role or responsibility, the Group's financial performance, as well external market data.
Maximum	There is no prescribed maximum base salary. Salary increases are ordinarily in line with the broader employee population but on occasions may need to recognise, for example, an increase in the scale, scope or responsibility of the role and developments in the wider competitive market. Current base salary levels are set out on pages 65 and 66.
Performance targets	No specific targets although the Committee will take into account individual performance when considering salary increases.

Pension

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

Benefits

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

Annual bonus

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

Annual bonus	
Maximum	The Committee intends that annual bonus opportunities in respect of a financial year will be: • CEO: target of 100% of base salary and maximum of 150% of base salary. • CFO: target of 90% of base salary and maximum of 135% of base salary. Where considered appropriate in exceptional circumstances, the Committee may determine that the maximum annual bonus opportunity in respect of a particular financial year is up to 200% of base salary.
Performance targets	Payment is determined by reference to performance assessed over one financial year based on financial and strategic performance measures which the Committee considers to be aligned to the strategy and the creation of shareholder value. Such measures may include: • Adjusted operating profit (or other measure of profitability). • Revenue. • Non-financial measures aligned to the strategy or KPIs. • Personal objectives. The performance measures and weightings for the 2017 financial year are shown on page 65. The Committee determines the weightings of the performance measures each year. The overall framework will normally be weighted towards financial measures of performance. Targets are set each year by the Committee by reference to factors such as the budget and strategic objectives for the year, progress against the prior year and market expectations. The Committee retains discretion to use different or additional measures, weightings or payout schedules to ensure that the bonus framework appropriately supports the business strategy and objectives for the relevant year. The Committee has the discretion to adjust targets for any exceptional events that may occur during the year. The Committee will consider the Group's overall performance before determining final bonus payment levels.

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

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

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

Non-Executive Director fees	
Purpose and link to strategy	To provide market competitive fees which reflect the time commitment and responsibilities of each role.
Operation	The fees for the Non-Executive Directors (excluding the Chairman) are determined by the Board and comprise a base fee with additional fees payable for additional responsibilities. The fees for the Chairman are determined by the Committee and are structured as a single fee. Fees may be reviewed on an annual basis. The Non-Executive Directors do not participate in any Company pension arrangements, nor do they currently receive any benefits. Non-Executive Directors may be reimbursed for business expenses (and any associated tax liabilities) incurred when travelling in performance of duties.
Maximum	There is no prescribed maximum annual increase. The Board is guided by the general increase in the non-executive director market and for the broader employee population but on occasions may need to recognise, for example, an increase in the scale, scope or responsibility of the role. Current fee levels are set out on page 66 and will not exceed the aggregate maximum levels set out in the Company's Articles of Association.
Performance targets	Not applicable. Non-Executive Directors do not participate in variable pay arrangements.

Notes

(1) Differences from remuneration policy for other employees. The remuneration policy framework for other employees is based on broadly consistent principles as described above. All executives and senior managers are generally eligible to participate in an annual bonus plan, based on consistent performance measures and targets. Participation in the LTIP, or in other share-based plans, is extended to executives and certain senior managers, with LTIP performance conditions generally consistent across all levels. Individual salary levels and percentage levels of awards in the annual bonus and LTIP vary according to employees' level of responsibility. All UK-based employees are eligible to participate in the Company's HMRC approved Sharesave plan on similar terms.

(2) Awards under any of the Company's share plans referred to in this Report may:
- a) be granted as conditional share awards or nil-cost options or in such other form that the Committee determines has the same economic effect;
- b) incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis;
- c) be settled in cash at the Committee's discretion; and
- d) be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

(3) The choice of the performance measures applicable to the annual bonus reflects the Committee's belief that any incentive compensation should be appropriately challenging and aligned to the Group's financial and strategic objectives, and the creation of shareholder value. The adjusted earnings per share and comparative total shareholder return performance conditions applicable to the LTIP were selected by the Committee on the basis that they reward the delivery of long-term growth and returns to shareholders and the creation of shareholder value.

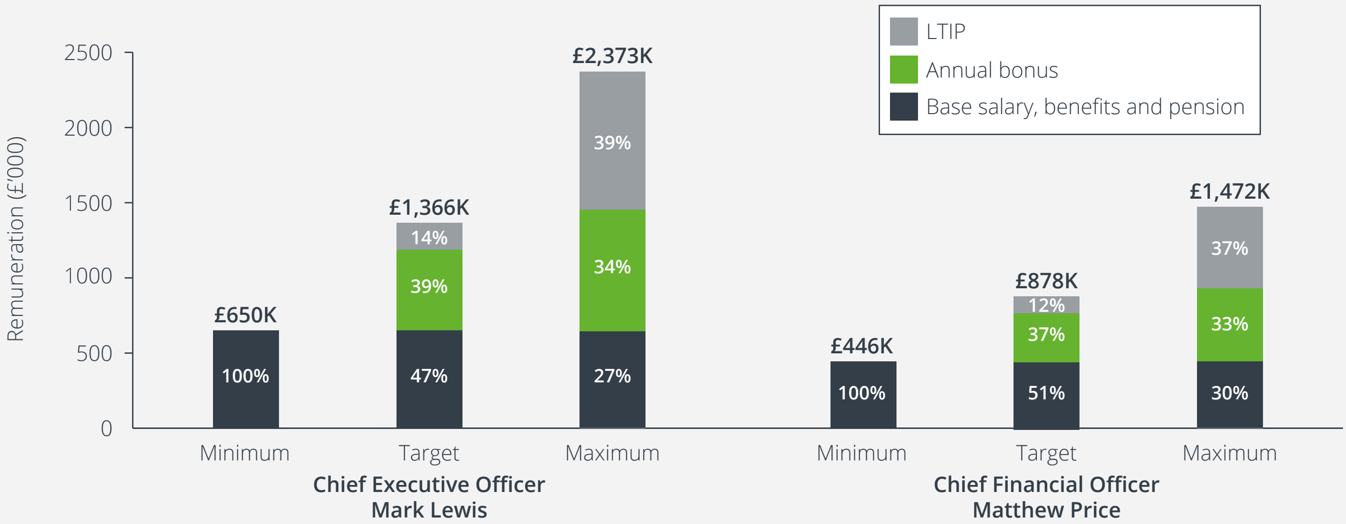
(4) Clawback provisions exist on all variable components of the package. The Committee has discretion to reduce the vesting of a DBP or LTIP award prior to vesting and / or require the participant to return the value of the cash bonus, DBP or LTIP award which has been received (within the timescales shown in the table) in certain circumstances. These circumstances include: a material misstatement of financial results; an error in the assessment of a performance condition; a significant breach of regulatory obligations' or gross misconduct justifying summary dismissal.

(5) The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the policy set out above where the terms of the payment were agreed (i) before 30 April 2015 (the date the Company's previous directors' remuneration policy approved by shareholders in accordance with section 439A of the Companies Act came into effect); (ii) before the policy set out above came into effect or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

(6) The Committee may make minor amendments to the policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval.

Illustrations of application of remuneration policy

The chart below illustrates how the composition of the Executive Directors' remuneration packages varies at different levels of performance under the annual remuneration framework in the 2017 Policy, both as a percentage of total remuneration opportunity and as a total value.



Notes
(1) Minimum includes the value of fixed pay components – annual base salary effective in 2017, pension (20% of base salary), and benefits (based on 2016 actual).
(2) Target includes fixed pay and "target" annual bonus (CEO: 100% of salary, CFO 90% of salary) and threshold vesting of the maximum LTIP awards.
(3) Maximum includes fixed pay and maximum annual bonus (CEO: 150% of salary, CFO 135% of salary) and LTIP awards (CEO: 175% of salary, CFO: 150% of salary).
(4) In accordance with the regulations, no share price appreciation or depreciation has been assumed in calculating the values shown.
(5) The buyout award for Mark Lewis is not included in the above

Service agreements for Executive Directors

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

Approach to leavers

In calculating the amount payable to a Director on termination of employment, the Board would consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms, the circumstances of the termination, any applicable duty to mitigate and the commercial interests of the Company. Incidental expenses may also be payable where appropriate.

Annual bonus may be payable with respect to performance in the financial year of cessation (pro-rated for time, unless the Committee determines otherwise). The Committee retains discretion to deliver any such bonus solely in cash and to pay it at the normal date.

The treatment of any share awards held by an Executive Director under the Company's share plans will be determined based on the relevant plan rules:

Share plan	Summary of leaver provisions
DBP	Awards will continue to vest on the original vesting date, subject to the clawback provisions (unless the individual is summarily dismissed in which case DBP awards will lapse).
LTIP	The default treatment is that any unvested awards lapse on cessation of employment. However, in certain circumstances, such as death, ill health, injury, disability, the sale of the participant's employing company out of the Group, or in any other circumstances at the discretion of the Committee, 'good leaver' status may be applied. For good leavers, awards will vest on their normal vesting date, to the extent the Committee determines taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, the proportion of the performance period served. For LTIP awards which have vested but not yet been released, the vested awards will continue and be released on the original release date.

For both DBP and LTIP, the Committee retains discretion to vest / release awards before the end of the original vesting / performance period where appropriate (e.g. in circumstances of death).

On a change of control of the Company, awards under the DBP would vest. Awards under the LTIP would normally vest, taking into account the extent to which any performance conditions have been satisfied at that time and, unless the Committee determines otherwise, the proportion of the performance period which has elapsed.

The Committee reserves the right to make any other payments in connection with a Directors' cessation of office or employment where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and for the Directors' legal and/or professional advice fees in connection with his cessation of office or employment.

Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's Remuneration Policy Table above. Salaries would be set at an appropriately competitive level to reflect the skills and experience of the individual.

Where an individual forfeits remuneration with a previous employer as a result of appointment to the Company, the Committee may offer compensatory payments or awards to facilitate recruitment. Any such payments or awards would be in such form as the Committee considers appropriate to be in the best interests of the Company and would, where appropriate, reflect the nature, time horizons and performance requirements attaching to that remuneration. There is no limit on the value of such compensatory awards, but the Committee's intention is that broadly the value awarded would be no higher than the value forfeited.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Other appointments

The Executive Directors may accept outside appointments, with prior Board approval, provided these opportunities do not negatively impact on the individual's ability to perform his duties at the Company. Whether any related fees are retained by the individual or are remitted to the Company will be considered on a case by case basis.

Non-Executive Directors

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

The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the Remuneration Policy Table.

Consideration of shareholder views

The Committee undertook an extensive consultation with major shareholders in respect of the changes to the Remuneration Policy and introduction of the renewed LTIP and DBP, and the feedback received was taken into account in finalising the proposals.

During each year, the Committee considers shareholder feedback received in relation to the Annual General Meeting, plus any additional feedback received during any meetings from time to time. The Committee also regularly reviews the policy in the context of published shareholder guidelines.

Consideration of employment conditions elsewhere in the Group

The Committee does not formally consult employees in relation to the Remuneration Policy for Executive Directors. However, the Company regularly carries out engagement surveys which enable employees to share their views with management. To the extent that employees are shareholders, they can vote on Directors' remuneration at the Annual General Meeting.

Annual Report on Remuneration

Implementation of the Remuneration Policy for the year ending 31 December 2017

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2017 is set out below.

The packages for Mark Lewis and Matthew Price reflect the de-leveraging principle from the Committee's review (discussed in more detail in the Remuneration Committee Chairman's letter). That is, a substantial reduction in annual bonus and LTIP award levels and a repositioning of base salary levels to leave total compensation broadly unchanged and retain a significantly performance-related, but more appropriately balanced, overall package. The remuneration arrangements for Peter Plumb are summarized in a separate section below.

Base salary

The Remuneration Committee has determined that base salaries for the Executive Directors will increase as follows with effect from 1 January 2017:

	2017 £	2016 £	% increase
Mark Lewis	**530,000**	N/A	N/A
Matthew Price	**360,000**	316,750	14%

The Group's employees are, in general, receiving salary increases averaging approximately 3%.

Pension arrangements

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

Annual bonus

For the year ending 31 December 2017, the target and maximum annual bonus opportunities will be significantly reduced as part of the de-leveraging exercise, as shown in the following table:

	Target bonus			Maximum bonus		
	2017 % of salary	2016 % of salary	% of salary decrease	**2017 % of salary**	2016 % of salary	% of salary decrease
Mark Lewis	**100%**	135%	-35%	**150%**	185%	-35%
Matthew Price	**90%**	110%	-20%	**135%**	165%	-30%

The bonus opportunity for Mark Lewis will be reduced pro-rata to reflect the period of the year worked.

Awards will be determined based on a balanced combination of Group financial and operational performance and individual performance, directly aligned to our KPIs and strategic objectives, as shown below. For 2017, a new measure (net promoter score) will be introduced to more closely align to the strategic objectives of customer centricity. The weighting on personal measures has been reduced accordingly.

Metric	Weighting (% of Bonus)
Revenue growth	20%
Adjusted operating profit	50%
Net promoter score (MoneySuperMarket.com)	15%
Personal objectives	15%

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

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

Long-term incentives

For the year ending 31 December 2017, annual LTIP awards will be significantly reduced as part of the de-leveraging exercise, as shown in the following table:

	2017 % of salary	2016 % of salary	% decrease
Mark Lewis	**175%**	200%	-25%
Matthew Price	**150%**	165%	-15%

The extent to which 2017 LTIP awards will vest will be dependent on two independent performance conditions as follows:

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

Vesting is on a straight-line basis between threshold and maximum. Upon vesting, the 2017 LTIP awards will be subject to an additional holding period which expires on the fifth anniversary of the date of grant.

The 2017 LTIP awards will be granted under the renewed 2017 LTIP following, and subject to, shareholder approval at the 2017 AGM.

Long-term incentives - additional LTIP as buy-out award

To facilitate his recruitment, Mark Lewis will be granted an additional one-off LTIP award in 2017 of 25% of base salary to take account of compensation relinquished from Mr Lewis' previous employer as a result of commencing employment with the Company. This award will have the same structure and performance conditions as the normal annual LTIP award referred to above. The aggregate size of Mark Lewis' LTIP award to be made in 2017 is therefore 200% of base salary. This award is in line with the recruitment provision of the Remuneration Policy. From 2018, his normal LTIP award will be 175% of base salary.

Peter Plumb

For his period in office during 2017, Peter will remain on the current package and will not be transitioned onto the new framework. As a result, he will remain on his current annual salary of £469,000. He will be eligible for a maximum bonus opportunity of 185% of salary, pro-rated for his period of office. His bonus will be paid in cash at the normal time in early 2018, subject to the achievement of the performance targets. He will not receive a 2017 LTIP award.

Peter Plumb will step down from the Board at the conclusion of the 2017 AGM. Details of his termination package will be posted on the Company's website upon him stepping down and will also be included in the 2017 Directors' Remuneration Report. The package will be in line with the Remuneration Policy and he will receive 'good leaver' status for his unvested 2015 and 2016 LTIPs which will be reduced pro-rata and be measured against the existing targets on the normal timescale.

Non-Executive Directors

The fees for the Non-Executive Directors with effect from 1 January 2017 are:

	2017 £	2016 £	Increase %
Chairman	**246,800**	242,000	2%
Base fee	**59,600**	58,350	2%
Additional fees:			
Senior Independent Director	**15,000**	15,000	0%
Committee Chair fee	**10,000**	10,000	0%
Committee membership fee per Committee	**1,500**	1,500	0%

Remuneration received by Directors for the year ended 31 December 2016 (audited)

Directors' remuneration for the year ended 31 December 2016 was as follows:

	Salary/fees	Taxable bens	Pension	Bonus	LTIPs	Total
Peter Plumb						
2016	**469,000**	**14,000**	**93,800**	**627,599**	**1,187,228**	**2,391,627**
2015	459,000	14,000	91,800	802,837	1,332,863	2,700,500
Matthew Price						
2016	**316,750**	**14,000**	**63,350**	**345,548**	**654,612**	**1,394,260**
2015	306,000	14,000	61,200	435,762	–	816,962
Bruce Carnegie-Brown						
2016	**242,000**	**–**	**–**	**–**	**–**	**242,000**
2015	237,000	–	–	–	–	237,000
Andrew Fisher						
2016	**71,350**	**–**	**–**	**–**	**–**	**71,350**
2015	71,350	–	–	–	–	71,350
Robin Freestone (Appointed on 1 August 2015)						
2016	**70,219**	**–**	**–**	**–**	**–**	**70,219**
2015	26,813	–	–	–	–	26,813
Sally James						
2016	**72,850**	**–**	**–**	**–**	**–**	**72,850**
2015	72,850	–	–	–	–	72,850
Rob Rowley						
2016	**80,683**	**–**	**–**	**–**	**–**	**80,683**
2015	81,350	–	–	–	–	81,350
Genevieve Shore						
2016	**64,350**	**–**	**–**	**–**	**–**	**64,350**
2015	64,350	–	–	–	–	64,350
Graham Donoghue (resigned on 8 October 2015)						
2016	**–**	**–**	**–**	**–**	**–**	**–**
2015	219,873	10,778	43,975	232,808	559,820	1,067,254
Simon Nixon (resigned on 31 December 2015)						
2016	**–**	**–**	**–**	**–**	**–**	**–**
2015	111,250	–	–	–	–	111,250
Michael Wemms (resigned on 30 April 2015)						
2016	**–**	**–**	**–**	**–**	**–**	**–**
2015	26,450	–	–	–	–	26,450
Robin Klein (resigned 30 April 2015)						
2016	**–**	**–**	**–**	**–**	**–**	**–**
2015	20,450	–	–	–	–	20,450
Total						
2016	**1,387,202**	**28,000**	**157,150**	**973,147**	**1,841,840**	**4,387,339**
2015	1,696,736	38,778	196,975	1,471,407	1,892,683	5,296,579

Notes

(1) Taxable benefits

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

(2) Pension

Pension payments reflect defined contributions and/or salary supplement arrangements. The Company provided pension contributions for two Executive Directors during 2016.

(3) Annual bonus payments

Maximum bonus entitlements for the year ended 31 December 2016 as a percentage of base salary were 185% for Peter Plumb and 165% for Matthew Price for the achievement of stretching targets for growth in revenue and adjusted operating profit as well as specific personal objectives. The performance targets, weightings, and actual performance against those targets, are set out below:

	Performance targets			Peter Plumb	Matthew Price
Group revenue	Threshold	£306.1m	Weighting (% of salary)	31.25%	26.25%
	Maximum	£332.9m			
	Actual	£316.4m	Payout (% of salary)	21.57%	16.55%
Group adjusted operating profit	Threshold	£103.2m	Weighting (% of salary)	93.75%	78.75%
	Maximum	£115.2m			
	Actual	£107.8m	Payout (% of salary)	68.47%	52.54%
Personal	The personal targets were set individually for each Executive Director based on the key objectives for the year in their area of responsibility – see below		Weighting (% of salary)	60%	60%
			Payout (% of salary)	43.78%	40%
Total			**Payout (% of maximum)**	**72%**	**66%**
			Payout (% of salary)	**134%**	**109%**

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

Peter Plumb

Objective	Maximum opportunity (% of salary)	Performance outcome and key achievements
Strategic: Innovate new services for the next generation of Moneysupermarket Group customers	25%	• Built new organisational capability including an Innovation Lab in Manchester and an improved internal development process; as explained in more detail on page 13, launched MoneySavingExpert Credit Club through a strategic partnership with Experian; and as detailed on page 6, built and launched the new MoneySuperMarket 'GO' app including a pioneering wallet functionality.
Strategic: Leverage new Fusion platform to grow MoneySuperMarket share in motor and home insurance	15%	• Fusion platform leveraged to enable personalisation of MoneySuperMarket's motor and home insurance services and to enable customer insights, data analysis and commercial partnerships to focus on delivering leading prices to MoneySuperMarket's customers. MoneySuperMarket market share in both motor insurance and home insurance grew during 2016.
Operational: Build a strong organisation focused on doing the right thing for our customers	10%	• A number of initiatives were implemented in 2016 focused on doing the right thing for customers including a revised Code of Conduct, improvements to our 'Customer First' programme and as explained in more detail on pages 43 and 54, significant enhancements to our change management and incident management processes. During the year, the Group was strengthened with a number of key strategic hires and the HR team worked with business heads to increase the focus on employee engagement.
Operational: Return TravelSuperMarket to healthy growth	10%	• Operational review undertaken of the Travel business. New leadership team recruited and business re-oriented back to its core purpose of helping families plan and compare their annual holiday. Improvements to the customer journey and proposition ensured TravelSupermarket returned to strong revenue growth in the final quarter of 2016 with further enhancements planned for 2017.
	60%	

Matthew Price Objective	Maximum opportunity (% of salary)	Performance Outcome and key achievements
Strategic: Evaluate International and UK acquisition opportunities and lead the three year group planning process	15%	• Led a mapping and review process of the UK and International financial comparison players and market, including the creation of a detailed structure and evaluation process for acquisition opportunities. Consolidated the three year growth plans for each of the Group brands and steered the Board through the executional priorities and resulting financial envelope for the Group.
Strategic: Build a wallet service for 'GO' app capable of incentivisation and improved switching capabilities	15%	• Led the strategic review of wallet service options including the vendor selection process. Audited vendor capabilities to ensure they met required Group security standards and recommended preferred solution which was implemented and went live in October 2016.
Operational: Step change the quality and rigour of services delivered by Finance to the Group	15%	• During the year, the Finance team was strengthened with a number of hires. Led dedicated teams across management accounts, risk and legal, aligned with each of the brands and support functions, enhancing the quality and rigour of services by the Finance function to the Group.
Operational: Step change the level of controls across the business in line with the company risk appetite statement	15%	• Led the review of framework and effectiveness of the Group's system of internal control including the framework for the standardisation of controls during 2016. By the end of 2016, 92% of controls were standardised, as confirmed by the external auditor. Led the Group's back office system review including recommendation on improvements and strategic plan. Led the back office vendor selection process and appointment of vendor with plan for implementation during 2017 to further enhance the level of key controls with the aim to automate certain key controls during 2017.
	60%	

4) Vesting of LTIP awards

The LTIP award made on 3 April 2014 was based on performance to the year ended 31 December 2016. The performance targets for this award, and actual performance against those targets, was as follows:

Metric	Weighting	Performance condition	Threshold	Maximum	Actual	Vesting %
Vesting			30%	150%		
Compound annual growth in adjusted EBITDA	70%	Compound annual growth in adjusted EBITDA from 31 December 2013 to 31 December 2016.	6%	17%	12.8%	108%
Comparative total shareholder return	30%	Comparative total shareholder return against the constituents of the FTSE 250 index from 31 December 2014 to 31 December 2016. Comparative total shareholder return measured over three financial years with a one month average at the start and end of the performance period.	Median	Upper quartile	Above upper quartile	150%
					Total vesting	121%

Vesting is determined by a set formula between threshold and maximum for the adjusted EBITDA element and on a straight-line basis between threshold and maximum for the comparative total shareholder return element. The award made in 2014 was calibrated as a number of shares with a maximum vesting of 150% of that number.

The value attributed to vested shares under long-term incentives in the remuneration table for 2016 includes amounts relating to dividend equivalents payable on vested LTIP awards over the three-year period ended 3 April 2017.

The value attributed to vested shares under long-term incentives in the remuneration table for 2016 is an estimate based on the average share price during the three months ended 31 December 2016 (£2.81). The 2015 value of the vested shares in the remuneration table has been updated from last year's value to represent the actual value received on the date of vesting.

5) Additional disclosure on previous bonus targets

In 2015, the bonus calculation for Graham Donoghue (who left the Board on 8 October 2015) included a 60% (of salary) element based on MoneySuperMarket revenue and operating profit targets. At the time of publication of the 2015 Annual Report, the Board considered that the targets were commercially sensitive. The Board now considers that the performance targets, weightings, and actual performance against the revenue growth targets for Graham Donoghue can be disclosed. The operating profit for MoneySuperMarket does not form part of our segmental reporting in our Financial Statements and therefore cannot be separately disclosed.

	Performance targets	(FY15)		Graham Donoghue
MoneySuperMarket revenue	Threshold	£225.0m	Weighting (% of salary)	15%
	Maximum	£252.4m		
	Actual	£250.1m	Payout (% of salary)	14.26%

Long-term incentives granted during the year (audited)

On 21 March 2016, the following LTIP awards were made to the Executive Directors:

Executive Director	Type of award	Basis of award granted	Face value of award £	% of maximum that would vest at threshold performance	Vesting determined by performance over
Peter Plumb	Conditional award	200% of salary	938,000	20%	Three financial years to 31 December 2018
Matthew Price	Conditional award	165% of salary	522,638	20%	

Face value determined using the average share price over the preceding five trading days prior to the date of grant (21 March 2016) of £3.31.

The performance targets for this award are as follows:

Metric	Weighting (% of award)	Performance condition	Threshold	Maximum
Vesting (% of maximum)			20%	100%
Compound annual growth in adjusted earnings per share	70%	Compound annual growth in adjusted earnings per share over the three-year performance period	7%	17%
Comparative total shareholder return	30%	Comparative total shareholder return against the constituents of the FTSE 250 Index (excluding investment trusts) over the three-year performance period. Three-month averaging is applied at the start and end of the performance period	Median	Upper quartile

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

Outstanding share awards

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

Executive Director	Scheme	Grant date	Exercise Price	No. of shares at 1 January 2016	Granted during the year	Vested during the year	Lapsed during the year	No. of shares at 31 December 2016	End of performance period	Vesting/ exercise date
Peter Plumb	LTIP	20/03/2013	Nil	432,192	–	366,886	65,306	–	31/12/2015	20/03/2016
	LTIP	03/04/2014	Nil	478,239	–	–	–	478,239	31/12/2016	03/04/2017
	SAYE	02/10/2014	£1.495	12,040	–	–	–	12,040	n/a	01/11/2017–30/04/2018
	LTIP	30/04/2015	Nil	336,436	–	–	–	336,436	31/12/2017	30/04/2018
	LTIP	21/03/2016	Nil	–	283,384	–	–	283,384	31/12/2018	21/03/2019
Matthew Price	LTIP	03/04/2014	Nil	263,691	–	–	–	263,691	31/12/2016	03/04/2017
	SAYE	02/10/2014	£1.495	7,224	–	–	–	7,224	n/a	01/11/2017–30/04/2018
	LTIP	30/04/2015	Nil	185,040	–	–	–	185,040	31/12/2017	30/04/2018
	SAYE	01/10/2015	£2.64	2,727	–	–	–	2,727	n/a	01/11/2018–30/04/2019
	LTIP	21/03/2016	Nil	–	157,897	–	–	157,897	31/12/2018	21/03/2019

(1) Awards of LTIPs made in 2013 and 2014 vest by reference to an EBITDA performance condition (70% of the award) and a comparative TSR performance condition (30% of the award). The awards made in 2013 and 2014 were calibrated as a number of shares with a maximum vesting of 150% of that number. The figures shown in the above represent the maximum available if the performance targets are met in full. 20% of the maximum vests for threshold performance.
(2) Awards of LTIPs made in 2015 and 2016 vest by reference to an EPS performance condition (70% of the award) and a comparative TSR performance condition (30% of the award). 20% of the maximum vests for threshold performance.

Payments to past Directors (audited)

Graham Donoghue resigned as a Director on 8 October 2015. As a result of the Remuneration Committee exercising its discretion to treat Graham Donoghue as a good leaver for the 2013 LTIP award, the maximum number of shares in his award was reduced pro rata on cessation from 198,029 to 181,527 shares. Based on the achievement of the performance conditions, 154,097 shares vested on 20 March 2016.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Statement of Directors' shareholdings and share interests (audited)

Director	Beneficially owned at 31 December 2016	Outstanding LTIP awards	Outstanding share awards under all employee share plans	Total interest in shares	Total as a % of base salary at 31 December 2016
Peter Plumb	1,089,160	1,098,059	12,040	2,199,259	654%
Matthew Price	42,646	606,628	9,951	659,225	38%
Bruce Carnegie-Brown	50,000	–	–	50,000	n/a
Andrew Fisher	–	–	–	–	n/a
Robin Freestone	20,000	–	–	20,000	n/a
Sally James	20,000	–	–	20,000	n/a
Rob Rowley	–	–	–	–	n/a
Genevieve Shore	–	–	–	–	n/a

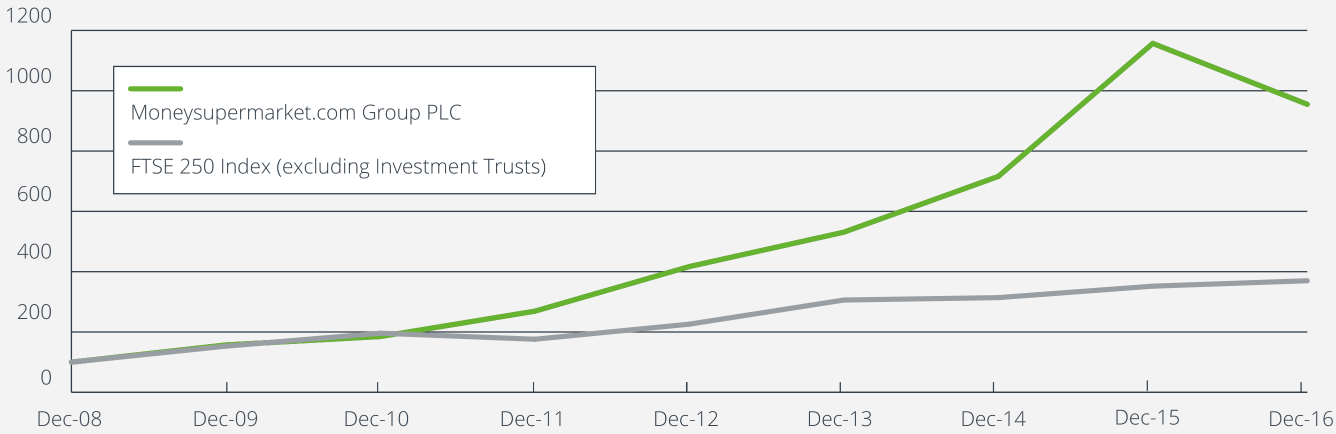
Executive Directors are currently required to hold shares in the Company worth 100% of base salary and must retain 50% of the net of tax value of any vested LTIP shares until the guideline is met. The shareholding value used for the purposes of the table above is based on the average share price during December 2016 of £2.81. Following the implementation of the new Remuneration Policy, Executive Directors will be required to hold shares in the Company worth 200% of base salary and must retain 50% of the net of tax value of any vested LTIP shares until the guideline is met.

In the period from 31 December 2016 to the date of this Report, there has been no change in the Directors' interests in shares in the Company.

Performance graph and table (unaudited)

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

This graph shows the value, by 31 December 2016, of £100 invested in Moneysupermarket.com Group PLC on 31 December 2008 compared with the value of £100 invested in the FTSE 250 Index (excluding Investment Trusts) on the same date. The other points plotted are the values at intervening financial year ends.



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

Year ended 31 December	2009	2010	2011	2012	2013	2014	2015	**2016**
Total remuneration	£660,667	£868,748	£1,024,156	£2,866,123	£3,059,163	£3,365,277	£2,715,342	**£2,391,627**
Annual bonus (% of maximum)	77%	77%	91%	94%	83%	85%	95%	**72%**
LTIP vesting (% of maximum)	n/a	n/a	n/a	94%	100%	98%	85%	**81%**

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

The table below shows the percentage change in the Chief Executive Officer's salary, benefits and annual bonus between the financial year ended 31 December 2015 and 31 December 2016, compared to that of the average percentage change for all UK employees of the Group for each of these elements of pay.

	2015 CEO £	**2016 CEO £**	CEO % change	Other employees % change
Salary	459,000	**469,000**	2%	3%
Taxable benefits	14,000	**14,000**	0%	-5%
Annual bonus	802,837	**627,599**	-22%	-28%

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

Relative importance of spend on pay (unaudited)

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

	2015	**2016**	change %
Staff costs (£m)	43.7	**42.5**	-3%
Dividends (£m)*	50.0	**53.9**	8%
Tax (£m)	16.4	**17.8**	9%
Retained profits (£m)	63.4	**73.5**	16%

* 2016 includes a proposed final dividend of 7.1p per share.

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

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

The Remuneration Committee comprises four Independent Non-Executive Directors, Andrew Fisher (Chairman), Robin Freestone, Sally James and Genevieve Shore. Biographies of the members of the Remuneration Committee are set out on pages 38 and 39.

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

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

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

	Meetings in 2016	
Committee members	Eligible to attend	Attended
Andrew Fisher (chairman)	5	5
Robin Freestone	5	5
Sally James	5	5
Genevieve Shore(1)	5	4

(1) Genevieve Shore was unable to attend one meeting due to personal reasons

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

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

During 2016, the Remuneration Committee and the Company received advice from Deloitte LLP, who are independent remuneration consultants, in connection with remuneration matters including the Group's performance related remuneration policy. Deloitte LLP is a member of the Remuneration Consultants Group and is committed to that group's voluntary code of practice for remuneration consultants in the UK. Deloitte LLP has no other connection or relationship with the Group. During 2016, Deloitte LLP also provided services to the Group in respect of corporate tax and VAT advice, operational audit advisory work and HR consultancy.

The fees paid to Deloitte LLP for providing advice in relation to executive remuneration over the financial year under review was £96,800.

Outside appointments
Executive Directors are permitted to accept outside appointments on external boards so long as these are not deemed to interfere with the business of the Group. In the year ended 31 December 2016 Peter Plumb received £60,000 (2015: £31,000) as a non-executive director of Co-operative Group Limited.

Remuneration Committee effectiveness
In 2016 we carried out a separate evaluation of Remuneration Committee effectiveness by questionnaire. The questionnaire focused on areas such as composition, how the Committee operates, its responsibilities and knowledge and experience of members as well as the advice and support it receives from its remuneration consultants. The responses were discussed at a Committee meeting. We also reviewed its progress against actions identified in the 2015 evaluation:

2015 evaluation actions update
The following actions were identified during the 2015 evaluation:
- further enhancements to papers submitted to the Committee – papers have been significantly enhanced during the year; and
- further enhancements to the process for setting bonus objectives – the process has been enhanced since the 2015 evaluation.

2016 evaluation actions
Some of the development areas that will be actioned in 2017 include:
- ensuring risk is appropriately considered as part of the remuneration setting process; and
- ensuring the Committee continues to be appraised of developments in shareholder expectations on remuneration.

The Board, based on the evaluation exercise, concluded that the Committee was considered to be effective in fulfilling its role throughout 2016.

Statement of voting at general meeting
At last year's Annual General Meeting, the following votes were received from shareholders in respect of the Directors' Remuneration Report:

	Votes	%
Votes cast in favour*	376,899,947	88.43%
Votes cast against	49,308,618	11.57%
Total votes cast	433,030,827	100%
Abstentions	6,822,262	

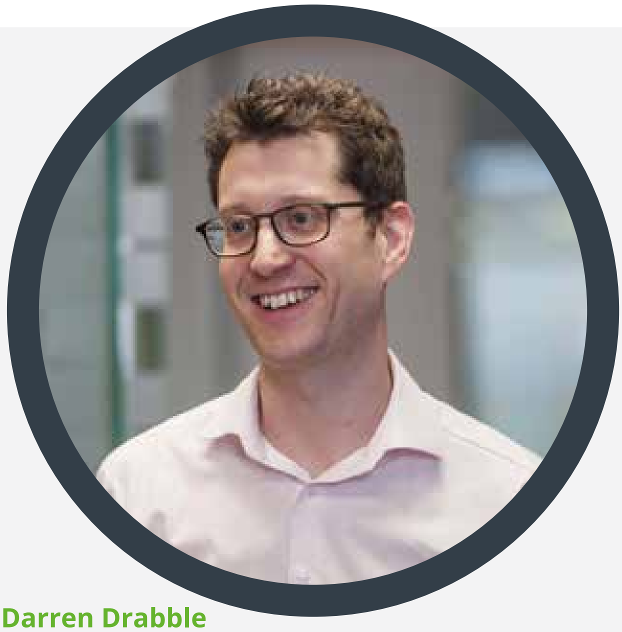
* Includes Chairman's discretionary votes.

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

Andrew Fisher
Chairman of the Remuneration Committee
27 February 2017

Directors' Report

The Directors' report sets out additional statutory information.



Darren Drabble
Company Secretary

Annual General Meeting

The Annual General Meeting (AGM) of the Company will be held at The Chester Grosvenor Hotel, Eastgate, Chester CH1 1LT on Thursday 4 May 2017 at 11.00am. The notice convening the meeting, with details of the business to be transacted at the meeting and explanatory notes is set out in a separate AGM circular which has been sent to all shareholders at the same time as this Report.

Dividend

The Directors recommend a final dividend of 7.1p (2015: 6.6p) per ordinary share in respect of the year ended 31 December 2016. If approved by shareholders at the forthcoming AGM, this will be paid on 12 May 2017 to shareholders on the register at close of business on 7 April 2017. The final dividend, together with the interim dividend of 2.75p per ordinary share paid in September 2016, gives a total dividend for the year of 9.85p (2015: 9.15p) per ordinary share.

Issued share capital and control

As at 31 December 2016, the issued share capital of the Company was £109,536 comprising 547,682,254 ordinary shares of 0.02p each. Full details of the share capital of the Company and changes to share capital during the year are set out in note 16 to the Group Financial Statements on page 100. The information in note 16 is incorporated by reference and forms part of this Directors' Report.

At the 2016 AGM, shareholders authorised the Directors to allot up to 364,640,000 ordinary shares in the capital of the Company. Directors will seek authority from shareholders at the forthcoming AGM to allot up to 364,750,000 ordinary shares.

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

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

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

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

The Company operates a Long Term Incentive Plan (Plan) and shares are held by the trustees, Estera Trust (Jersey) Limited (Estera), pending vesting of the shares awarded under the Plan. Estera does not vote on any shares held in trust. As at the date of this Report, Estera held 0.25% of the issued ordinary share capital in the Company.

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

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

The Company has entered into one significant agreement which would be terminable upon a change of control; the credit facility agreement entered into with Barclays Bank PLC and Lloyds Bank PLC in December 2015.

Restrictions on the transfer of securities

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

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

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

Authority to purchase own shares

The Company was authorised at the 2016 AGM to purchase up to 54,752,150 of its own shares in the market. No shares were purchased under this authority in 2016 although we intend to commence a share repurchase programme for up to £40 million to return surplus capital to shareholders. We will utilise the existing authority granted at the 2016 AGM to undertake the share repurchase programme which will be conducted during 2017. Directors will seek authority from shareholders at the forthcoming AGM for the Company to purchase, in the market, up to 54,760,000 shares. The Directors have no present intention of conducting further purchases of the Company's shares beyond the programme which has been announced, but consider it prudent to obtain the flexibility this authority provides. The Directors will only use this power after careful consideration, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will only purchase such shares after taking into account the effects on earnings per share and the interests of shareholders generally.

Substantial shareholders

As at 31 December 2016, the Company had been notified of the following holdings of voting rights in its shares under Rule 5 of The Disclosure Guidance and Transparency Rules of the Financial Conduct Authority:

Shareholder	No. of ordinary shares/voting rights notified	Percentage of ordinary share capital/voting rights notified
The Capital Group Companies, Inc	55,579,401	10.15
Aviva plc	44,339,228	8.10
Ameriprise Financial, Inc and its group	27,061,089	4.94
Blackrock, Inc	25,454,379	4.65
Standard Life Investments (Holdings) Limited	25,417,919	4.60
FIL Limited	24,758,460	4.52
State Street Nominees Limited	20,581,165	3.76
Kames Capital	19,369,751	3.53

As at 14 February 2017, the Company had not received any further notifications of holdings of voting rights.

Directors

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

Director	Position	Service in the year ended 31 December 2016
Bruce Carnegie-Brown	Chairman	Served throughout year
Peter Plumb	Chief Executive Officer	Served throughout year
Rob Rowley	Independent Non-Executive Director	Served throughout year
Sally James	Independent Non-Executive Director	Served throughout year
Andrew Fisher	Independent Non-Executive Director	Served throughout year
Genevieve Shore	Independent Non-Executive Director	Served throughout year
Robin Freestone	Independent Non-Executive Director	Served throughout year
Matthew Price	Chief Financial Officer	Served throughout year

Their biographical details are set out on pages 38 to 39. Further details relating to Board and Committee composition are disclosed in the Corporate Governance Report and Committee Reports on pages 40 to 73. Mark Lewis will be appointed to the Board on 13 March 2017 and will succeed Peter Plumb as Chief Executive Officer on 10 April 2017.

The Articles of Association provide that a Director may be appointed by an ordinary resolution of shareholders or by the existing Directors, either to fill a vacancy or as an additional Director. All Directors will retire and offer themselves for re-election at the 2017 AGM in accordance with the UK Corporate Governance Code (Code) with the exception of Peter Plumb and Rob Rowley who are stepping down as Directors.

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

The Directors' Remuneration Report, which includes the Directors' interests in the Company's shares, is set out on pages 57 to 73. During the year, no Director had any material interest in any contract of significance to the Group's business.

Directors' powers

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

Directors' indemnities

During the financial year ended 31 December 2016 and up to the date of this Directors' Report, the Company has maintained appropriate liability insurance for its Directors and officers.

The Company has granted indemnities to each of its Directors and the Company Secretary to the extent permitted by law and its Articles of Association. These indemnities were in force throughout the year ended 31 December 2016 and remain in force as at the date of this Report in relation to certain losses and liabilities which the Directors or Company Secretary may incur in the course of acting as Directors, Company Secretary or employees of the Company or of any associated company.

Employees

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

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

Equal opportunities

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

Disabled persons

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

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

Borrowings

In November 2016, the Group exercised its option to extend by a further year to December 2019 the three-year revolving credit facility for £100m. The Group also has an accordian option to apply to the banks for an additional £100m of committed funds during the first two years of the facility. As at 31 December 2016, the Group had cash of £44.6m with nil drawn down under the facility.

Political donations

During the financial year ended 31 December 2016, the Group did not make any political donations (2015: £nil).

Post balance sheet events

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

Research & development

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

Directors' responsibilities statement

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

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

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company Financial Statements, the Directors are required to:

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

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

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

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

Each of the Directors whose names and functions are set out on pages 38 and 39 confirms that, to the best of their knowledge:

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

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

Auditor and disclosure of information

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

Auditor

KPMG LLP 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 AGM and will be proposed to shareholders at that meeting.

Reporting requirements

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

Reporting requirement	Location
Strategic Report – Companies Act 2006 s414A-D	Strategic Report on pages 1 to 35
DTR4.1.8R – Management Report – the Directors' Report and Strategic Report comprise the 'management report'	Directors' Report on pages 74 to 78 and the Strategic Report on pages 1 to 35
Likely future developments of the business and Group	Strategic Report on pages 1 to 35
Statement on corporate governance	Corporate Governance Report, Audit Committee Report, Risk Committee Report, Nomination Committee Report and Directors' Remuneration Report on pages 36 to 73
Details of use of financial instruments & specific policies for managing financial risk	Note 17 to Group Financial Statements on page 101
Board's assessment of the Group's internal control systems	Corporate Governance Report on pages 43 to 44, the Audit Committee Report on page 50 and Risk Committee Report on pages 54 and 55
Greenhouse gas emissions	Corporate Responsibility Report on page 35
Directors' remuneration including disclosures required by Schedule 5 and Schedule 8 of SI2008/410 – Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008	Directors' Remuneration Report on pages 57 to 73
Directors' interests	Directors' Remuneration Report on page 71

The Strategic Report comprising the inside cover and pages 1 to 35 and this Directors' Report comprising pages 74 to 78 have been approved by the Board and are signed on its behalf by:

Darren Drabble
Company Secretary
27 February 2017

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

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

Opinions and conclusions arising from our audit:

Overview		
Materiality: Group Financial Statements as a whole	£4.4m (2015: £4.0m) 4.8% of profit before tax (2015: 4.7% of normalised profit before tax*) * normalised to exclude MoneySavingExpert.com contingent remuneration costs	
Coverage	100% (2015: 100%) of Group profit before tax	
Risks of material misstatement	**vs 2015**	
Recurring risks	Revenue	◀▶
	Capitalised software and development costs	◀▶

1. Our opinion on the Financial Statements is unmodified

We have audited the Financial Statements of Moneysupermarket.com Group PLC for the year ended 31 December 2016 set out on pages 82 to 111. 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 2016 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the Company Financial Statements have been properly prepared in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the Financial Statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows (unchanged from 2015):

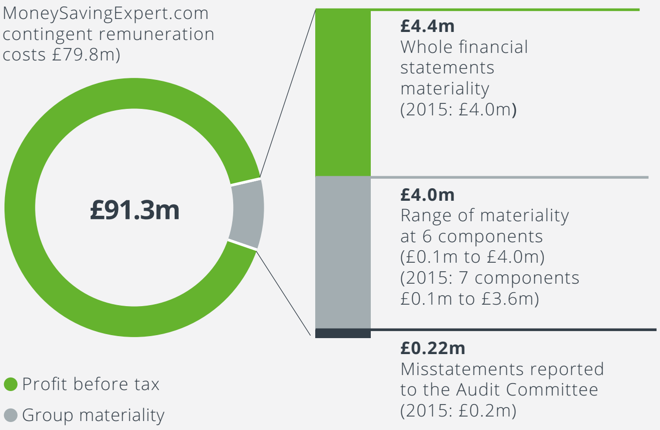
	The risk	Our response
Revenue (£316.4 million (2015: £281.7 million) Refer to page 48 (Audit Committee Report), page 87 (accounting policy) and page 99 (financial disclosures).	**Data capture** Revenue recognition is considered to be a significant audit risk because of the complexities involved in the recording of clicks. **Subjective estimate** Judgement is required to estimate unbilled revenue at the period end. Revenue is recognised predominantly from internet lead generation (click based revenues). Accrued revenue as at period end is recorded based on an estimation of the likely number of successful conversions.	Our procedures included: - **Control design and reperformance:** Testing the design and operating effectiveness of the general IT control environment for the click recording system. In addition, our own IT specialists re-perform click-throughs in the live environment to assess whether the system was recording clicks in the correct period. - **Tests of details:** Agree total revenue recognised to cash receipts received in the year, with reference to the movement of trade receivables, accrued revenue and output VAT. Selecting a statistical sample of the year end accrued revenue and agreeing these back to post year end confirmatory evidence, including invoices and cash receipts to assess the accuracy of the estimate. - **Assessing transparency:** Assessing the adequacy of the Group's disclosures about the degree of complexity involved in respect of click-based revenue recognition.

	The risk	Our response
Capitalised software and development costs (£37.8 million; 2015: £28.1million) Refer to page 48 (Audit Committee Report), page 88 (accounting policy) and pages 96 to 98 (financial disclosures).	**Accounting treatment** The criteria for capitalising software and development costs incurred include assessing whether completion of the related asset is technically feasible. The Directors apply judgement in this respect. **Forecast-based valuation** Software and development project costs are capitalised to the extent that future economic benefits are expected to be generated by the projects to which they relate. This requires judgement as to whether sufficient profitability will be generated to recover the costs capitalised. The Directors make this assessment using a return on investment calculation. The key inputs in that calculation, specifically revenue growth, ability to cross sell products and timing and amount of capital expenditure, all require significant estimation and judgement.	Our procedures included: - **Control design:** Testing the operating effectiveness of controls over purchase order and invoice authorisation of projects, to evidence the appropriate level of approval over total project spend and expenditure being capital in nature. - **Accounting analysis:** Comparing a statistical sample of costs capitalised to external invoices to assess whether costs are appropriately capitalised, by reference to the recognition criteria of the applicable accounting standards. We also challenged the Group's assessment of the technical feasibility of the related assets based on discussions with Capital Project managers and inspected Board approved business cases, submitted prior to the costs being incurred, outlining the proposed features and expected completion dates. - **Our experience:** Challenge the Group's assessment of impairment indicators based on our understanding of project progress and performance to date obtained from our other audit procedures. - **Benchmarking assumptions:** Critically assess the reasonableness of the assumptions including assessing the historical accuracy of the Directors' forecasting and corroborating key inputs to internal performance reporting and knowledge gained performing our other audit procedures. - **Assessing transparency:** Evaluating the adequacy of the Group's disclosures in respect of the judgements made that economic benefit will be derived from the projects and the sensitivity of the outcome of the impairment assessment to changes in key assumptions.

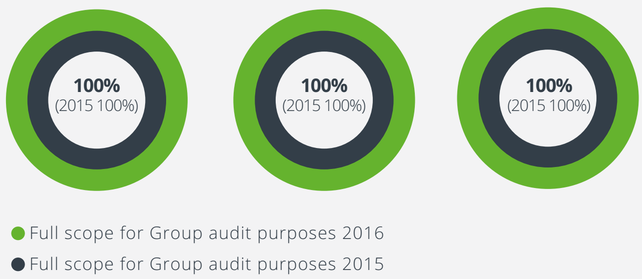
3. Our application of materiality and an overview of the scope of our audit

Profit before tax
£91.3m
(2015: profit before tax normalised to exclude MoneySavingExpert.com contingent remuneration costs £79.8m)

Materiality
£4.4m
(2015: £4.0m)



Group revenue | **Group profit before tax** | **Group total assets**



Materiality for the Group Financial Statements as a whole was set at £4.4 million, determined with reference to a benchmark of Group profit before tax of £91.3 million, of which it represents 4.8% (2015: 4.7% of Group profit before tax normalised to exclude MoneySavingExpert.com contingent remuneration costs).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.22 million (2015: £0.20 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 6 (2015: 7) reporting components, we subjected 6 (2015: 7) to full scope audits for Group purposes, all of which were performed by the Group audit team.

The components within the scope of our work accounted for the percentages illustrated above.

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

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the Financial Statements.

Based solely on the work required to be undertaken in the course of the audit of the Financial Statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

5. We have nothing to report on the disclosures of principal risks

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

- the Directors' Viability Statement on pages 25 and 26, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Group's continuing in operation over the three years to 2019; or
- the disclosures in note 2 of the Financial Statements concerning the use of the going concern basis of accounting.

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

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

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

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

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

- adequate accounting records have not been kept by the 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.

Under the Listing Rules we are required to review:

- the Directors' statements, set out on pages 25 and 26, in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement on page 45 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

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

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 77, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Stuart Crisp (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
27 February 2017

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Revenue		316,411	281,734
Cost of sales		(79,601)	(56,355)
Gross profit		236,810	225,379
Distribution expenses		(34,336)	(34,151)
Administrative expenses		(109,160)	(110,774)
Impairment of intangible assets	12	(2,162)	–
Operating profit	5	91,152	80,454
Net finance costs	7	(664)	(658)
Profit on disposal of associate	23	826	–
Profit before tax		91,314	79,796
Taxation	8	(17,783)	(16,362)
Profit for the year		73,531	63,434
Other comprehensive income		–	–
Total comprehensive income for the year		73,531	63,434

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

	Note	2016	2015
Earnings per share			
Basic earnings per ordinary share (p)	9	13.5	11.6
Diluted earnings per ordinary share (p)	9	13.4	11.6

Consolidated Statement of Financial Position
at 31 December 2016

	Note	31 December 2016 £'000	31 December 2015 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	**7,485**	8,730
Intangible assets	12	**157,623**	163,908
Investments		**500**	–
Total non-current assets		**165,608**	172,638
Current assets			
Trade and other receivables	13	**35,715**	27,963
Prepayments		**3,629**	4,474
Cash and cash equivalents	17	**44,572**	16,662
Total current assets		**83,916**	49,099
Total assets		**249,524**	221,737
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	**8,335**	7,627
Total non-current liabilities		**8,335**	7,627
Current liabilities			
Trade and other payables	14	**46,835**	40,727
Current tax liabilities		**7,967**	7,597
Total current liabilities		**54,802**	48,324
Total liabilities		**63,137**	55,951
Equity			
Share capital	16	**110**	110
Share premium		**202,668**	202,434
Reserve for own shares		**(3,764)**	(3,882)
Retained earnings		**(71,354)**	(91,603)
Other reserves		**58,727**	58,727
Total equity		**186,387**	165,786
Total equity and liabilities		**249,524**	221,737

The Financial Statements were approved by the Board of Directors and authorised for issue on 27 February 2017. They were signed on its behalf by:

Peter Plumb
Chief Executive Officer

Matthew Price
Chief Financial Officer

Consolidated Statement of Changes in Equity
for the year ended 31 December 2016

	Note	Issued share capital £'000	Share premium £'000	Reserve for own shares £'000	Retained earnings £'000	Other reserves £'000	Total £'000
At 1 January 2015		**109**	**202,217**	**–**	**(112,838)**	**58,634**	**148,122**
Profit for the year		–	–	–	63,434	–	63,434
Total comprehensive income for the year		–	–	–	63,434	–	63,434
Transfer of foreign exchange reserve		–	–	–	(93)	93	–
New shares issued		–	217	–	–	–	217
Purchase of shares by employee trusts		–	–	(3,882)	–	–	(3,882)
Exercise of LTIP awards		1	–	–	–	–	1
Distribution in relation to LTIP		–	–	–	(656)	–	(656)
Equity dividends	10	–	–	–	(44,989)	–	(44,989)
Share-based payments	18	–	–	–	2,617	–	2,617
Tax effect of share-based payments		–	–	–	922	–	922
At 31 December 2015		**110**	**202,434**	**(3,882)**	**(91,603)**	**58,727**	**165,786**
Profit for the year		–	–	–	73,531	–	73,531
Total comprehensive income for the year		–	–	–	73,531	–	73,531
New shares issued		–	234	–	–	–	234
Purchase of shares by employee trusts		–	–	(3,926)	–	–	(3,926)
Exercise of LTIP awards		–	–	4,044	(4,044)	–	–
Distribution in relation to LTIP		–	–	–	(462)	–	(462)
Equity dividends	10	–	–	–	(51,137)	–	(51,137)
Share-based payments	18	–	–	–	1,901	–	1,901
Tax effect of share-based payments		–	–	–	460	–	460
At 31 December 2016		**110**	**202,668**	**(3,764)**	**(71,354)**	**58,727**	**186,387**

Other reserves

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

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

Reserve for own shares

The reserve for the Company's own ordinary shares comprises the cost of the Company's ordinary shares held by the Group through employee trusts. At 31 December 2016, the Group held 386,436 ordinary shares at a cost of 0.02p per share through a Share Incentive Plan trust for the benefit of the Group's employees

The Group also held 1,224,210 shares through an Employee Benefit Trust at a cost of 307.38p per share for the benefit of employees participating in the various Long Term Incentive Plan schemes.

Consolidated Statement of Cash Flows

for the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Operating activities			
Profit for the year		**73,531**	63,434
Adjustments to reconcile profit for the year to net cash flow from operating activities:			
Depreciation of property, plant and equipment	11	**1,863**	2,605
Amortisation of intangible assets	12	**25,627**	22,235
Profit on disposal of associate	23	**(826)**	–
Contingent payable charge in relation to the acquisition of MoneySavingExpert.com	3	**–**	4,819
Impairment of intangible assets		**2,162**	–
Net finance costs	7	**664**	658
Equity-settled share-based payment transactions	18	**1,901**	2,617
Tax charge	8	**17,783**	16,362
Change in trade and other receivables		**(6,907)**	(1,020)
Change in trade and other payables		**6,131**	350
Tax paid		**(15,920)**	(15,186)
Net cash flow from operating activities		**106,009**	96,874
Investing activities			
Interest received	7	**96**	182
Contingent payable for acquisition of trade and assets	3	**–**	(20,566)
Acquisition of investment		**(500)**	–
Disposal of associate		**826**	–
Acquisition of property, plant and equipment	11	**(796)**	(1,940)
Acquisition of intangible assets	12	**(21,944)**	(20,526)
Net cash used in investing activities		**(22,318)**	(42,850)
Financing activities			
Proceeds from exercise of Long Term Incentive Plan		**–**	1
Proceeds from share issue		**234**	218
Proceeds from borrowings	17	**44,000**	20,000
Repayment of borrowings	17	**(44,000)**	(50,000)
Purchase of shares by employee trusts		**(3,926)**	(3,882)
Payment of transaction costs relating to financing facilities		**(175)**	(550)
Interest paid	7	**(315)**	(650)
Distribution in relation to Long Term Incentive Plan		**(462)**	(656)
Dividends paid	10	**(51,137)**	(44,989)
Net cash used in financing activities		**(55,781)**	(80,508)
Net increase/(decrease) in cash and cash equivalents		**27,910**	(26,484)
Cash and cash equivalents at start of year		**16,662**	43,146
Cash and cash equivalents at end of year	17	**44,572**	16,662

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 2016, were authorised for issue in accordance with a resolution of the Directors on 27 February 2017. The Consolidated Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs). The Company has elected to prepare its Company Financial Statements in accordance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland; these are presented on pages 105 to 111.

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 2015. The Financial Statements are prepared on a going concern basis, which the Directors deem appropriate, given the Group's positive cash position, continued growth and forecast profitability.

Use of estimates and judgements

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

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

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

- Note 12 capitalisation of software and development costs
- Note 13 revenue recognition

Basis of consolidation

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

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

Accounting for business combinations

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

Acquisitions on or after 1 January 2010

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

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

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

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

2. Summary of significant accounting policies *continued*

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

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

Acquisitions between 22 June 2007 and 1 January 2010

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

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

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

Revenue

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

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

Cost of Sales

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

Property, plant and equipment

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

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

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

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

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

2. Summary of significant accounting policies *continued*

Intangible assets

Goodwill

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

Other intangible assets

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

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

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

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

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

Impairment

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

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

For the purposes of impairment reviews, the recoverable amount of the Group's assets is taken to be the higher of their fair value less costs to sell and their value in use.

Investments in equity securities

Fixed asset and short term investments in equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and foreign exchange gains and losses which are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining technical knowledge and understanding, is charged to the Consolidated Statement of Comprehensive Income when incurred. Development expenditure is capitalised when it meets the criteria outlined in IAS 38. Expenditure that does not meet the criteria is expensed directly to the Consolidated Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose only of the Consolidated Statement of Cash Flows.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Comprehensive Income as incurred.

2. Summary of significant accounting policies *continued*

Share-based payment transactions

The Group's share schemes allow certain Group employees to acquire ordinary shares in the Company. The fair value of share awards made is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at award date and spread over the period during which the employees become unconditionally entitled to the awards. The fair values of the share awards are measured using the Monte Carlo method for options subject to a market-based condition and the Black-Scholes model for all others, taking into account the terms and conditions upon which the awards were made. The amount recognised as an expense is adjusted to reflect the number of share awards expected to vest.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognised in the Consolidated Statement of Comprehensive Income as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or 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 Consolidated Statement of Comprehensive Income only once the advert is available to the Group in a format ready for use, having been approved for airing or displaying. The cost of airing or displaying the advert is taken as an expense in the period in which the advert is aired or displayed.

Finance income

Finance income comprises interest receivable, which is recognised in the Consolidated Statement of Comprehensive Income as it accrues using the effective interest method.

Finance costs

Finance costs comprise of interest charged on borrowings, and the unwind of the discount on contingent remuneration. Borrowings are recognised initially at fair value less directly attributable transaction costs. The effective interest rate method is then used for subsequent re-measurement of borrowings at amortised cost. The unwind of the discount on contingent remuneration is charged to the Consolidated Statement of Comprehensive Income as an interest expense.

Operating leases

Rental payments under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Lease incentives and rent-free periods are amortised through the Consolidated Statement of Comprehensive Income over the term of the relevant lease.

Dividends

Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates in force for the year, and any adjustment to tax payable in respect of previous years.

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

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.

2. Summary of significant accounting policies *continued*

Deferred tax liabilities are recognised at the expected future tax rate of the value of the intangible assets with finite lives which are acquired through business combinations representing the tax effect of the amortisation of these assets in future periods.

These liabilities will decrease in line with the amortisation of the related intangible assets, with the deferred tax credit recognised in the Statement of Comprehensive Income in accordance with IAS 12.

Research and development tax credits are accounted for in accordance with IAS 20 as a government grant. The credit is recognised once a reasonable estimate of the amount can be made.

Reserve for own shares

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by an Employee Benefit Trust ('EBT'). The assets and liabilities of the EBT are required to be consolidated within these accounts as it is deemed to be under de facto control of the Group. The assets of the EBT mainly comprise Moneysupermarket.com Group PLC shares, which are shown as a deduction from total equity at cost.

Group management of capital

The Group's objectives when managing capital are:
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In assessing the level of capital all components of equity are taken into account, i.e. share capital, retained earnings and reserves (where applicable), as well as unvested share options and awards.

In line with internal capital management requirements, the Group manages its cash balances by, where possible, depositing them with a number of financial institutions to reduce credit risk.

In December 2015, the Group secured a three-year revolving credit facility for an amount of £100m in committed funds provided in equal parts by Lloyds Bank PLC and Barclays Bank PLC with half-yearly covenant testing based on adjusted leverage and interest cover ratios. The Group also has an accordion option to apply to the banks for up to an additional £100m of committed funds during the first two years of the facility.

This facility was extended to December 2019 for a fee of £175,000 in October 2016. The Group has no amounts drawn down from the facility at 31 December 2016.

Management of capital focuses around the Group's ability to generate cash from its operations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to raise funds. The Group believes it is meeting its objectives for managing capital as funds are available for reinvestment where necessary as well as being in a position to make returns to shareholders where this is felt appropriate.

There were no changes to the Group's approach to capital management during the year.

Standards, amendments and interpretations adopted during the period

The Group has adopted the following standards, amendments and interpretations which have not had a significant impact on the Group's results:
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS16 and IAS38
- Annual Improvements to IFRSs – 2012-2014 Cycle
- Disclosure Initiative – Amendments to IAS1

2. Summary of significant accounting policies *continued*

Standards, amendments and interpretations issued but not yet effective

IFRS 9 'Financial instruments' – The standard was endorsed on 22 November 2016 and applies to an entity's first annual statements beginning on or after 1 January 2018. The revised standard replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new guidance for classification and measurement, impairment of financial instruments, and hedge accounting. The cumulative impact on adoption of this standard is not expected to be significant.

IFRS 15 'Revenue from Contracts with Customer' – The standard was endorsed on 22 September 2016 and applies to an entity's first annual statements beginning on or after 1 January 2018. The standard will replace IAS 18 Revenue and IFRIC 13 Customer Loyalty Programmes. The standard introduces a new revenue recognition model that recognises revenue either at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. We are assessing the impact of IFRS 15 and will conduct a systematic review to ensure that the impact of the new standard is fully understood in advance of the effective date. It is not currently practicable to quantify the impact of this standard.

IFRS 16 'Leases' – In January 2016, the IASB issued IFRS 16 and it is expected to apply to an entity's first annual statements beginning on or after 1 January 2019. IFRS 16 changes fundamentally the accounting for leases by lessees. It eliminates the current IAS 17 dual accounting model, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases and, instead, introduces a single, on-balance sheet accounting model that is similar to current finance lease accounting. In preparation for the adoption of IFRS 16, in the financial statements for the year ending 31 December 2019, management are in the process of assessing the potential impact.

3. Acquisitions

OnTrees

On 14 March 2014, the Group acquired the trade and assets of OnTrees for consideration of £1.5m paid in cash. Accordingly £1.5m of goodwill was recognised in the Consolidated Statement of Financial Position in relation to the acquisition. OnTrees is a bank account and credit card aggregation service provider. At 31 December 2015 the business strategy was to use OnTrees technology within MSE, however this strategy did not materialise and subsequently this goodwill has been impaired as the business has been aggregated within the mobile app and is now not expected to generate revenues for the foreseeable future.

Social Significance Limited

On 22 February 2016, the Group acquired a 12.8% shareholding of Social Significance Limited for consideration of £0.5m paid in cash. Accordingly £0.5m of investments has been recognised in the Consolidated Statement of Financial Position in relation to the acquisition.

MoneySavingExpert.com ("MSE")

On 21 September 2012, the Group acquired certain trade and assets from Martin Lewis and his company MoneySavingExpert.com. Additional amounts of up to £27.0m became payable on the third anniversary of the completion of the acquisition. The amount payable depended in part upon the achievement of a number of non-financial performance measures specified in the purchase agreement and was, in part, at the discretion of the Company's Board, subject to the continued employment of Martin Lewis. The arrangement to pay these additional amounts was accounted for separately to the business combination as remuneration as their payment was linked to the employment of Martin Lewis.

The benefit payable was charged to the Consolidated Statement of Comprehensive Income over the period in which services were provided (the earnout period) as an employment expense. Management estimated the benefit payable by assessing, amongst other things, the performance of the acquired business since acquisition, against the measures specified in the purchase agreement. Measurement was inherently subjective due to the nature of the earnout variables and the length and timing of the earnout period. During the prior year £4.8m was charged to the Consolidated Statement of Comprehensive Income as an employment expense. The final payment of £20.6m was paid in November 2015.

4. Segmental information

Business segments

In applying IFRS 8 – Operating segments, the Group has disclosed five reportable segments, being Money, Insurance, Travel, Home Services and MoneySavingExpert.com. Money, Insurance and Home Services operate under the brand name MoneySuperMarket.com, and Travel under the brand name TravelSupermarket.com, however, all four segments are reported separately. MoneySavingExpert.com is disclosed as a separate operating segment, with revenue generated by the shopping and vouchers channel reported within 'Other'. This disclosure correlates with the information which is presented to the Group's Chief Operating Decision Maker, the Company Board, which reviews revenue by segment. The Group's costs, finance income, tax charges and net assets are only reviewed by the Chief Operating Decision Maker at a consolidated level, with the exception of MoneySavingExpert.com, and therefore have not been allocated between all segments in the analysis below. All of the Group revenue of £316.4m (2015: £281.7m) reported in 2016 was generated in the UK.

	Money £'000	Insurance £'000	Travel £'000	Home Services £'000	Money Saving Expert £'000	Reportable segments Total £'000	Other £'000	Inter-segmental revenue £'000	**Total £'000**
Year ended 31 December 2016									
Revenue									
Segment revenue	78,885	155,228	22,286	50,983	36,818	344,200	744	(28,533)	**316,411**
Results									
Operating expenses					(10,606)				**(225,259)**
Operating profit					26,212				**91,152**
Net finance costs									**(664)**
Profit on disposal of associate									**826**
Profit before tax									**91,314**
Taxation									**(17,783)**
Profit for the year									**73,531**
At 31 December 2016									
Assets and liabilities									
Intangible assets									**50,038**
Goodwill									**107,585**
Other unallocated assets									**91,901**
Total assets									**249,524**
Deferred tax liabilities									**8,335**
Other unallocated liabilities									**54,802**
Total liabilities									**63,137**
Other segment information									
Capital expenditure									
Property, plant and equipment									**618**
Intangible assets									**22,627**
Investments									**500**
Total capital expenditure									**23,745**
Depreciation									**1,863**
Amortisation									**25,627**

4. Segmental information *continued*

	Money £'000	Insurance £'000	Travel £'000	Home Services £'000	Money Saving Expert £'000	Reportable segments Total £'000	Other £'000	Inter-segmental revenue £'000	**Total £'000**
Year ended 31 December 2015									
Revenue									
Segment revenue	72,370	140,239	24,514	37,453	30,728	305,304	125	(23,695)	**281,734**
Results									
Operating expenses					(9,375)				**(201,280)**
Operating profit					21,353				**80,454**
Net finance costs									**(658)**
Profit before tax									**79,796**
Taxation									**(16,362)**
Profit for the year									**63,434**
At 31 December 2015									
Assets and liabilities									
Intangible assets (excluding goodwill)									**54,823**
Goodwill									**109,085**
Other unallocated assets									**57,829**
Total assets									**221,737**
Deferred tax liabilities									**7,627**
Other unallocated liabilities									**48,324**
Total liabilities									**55,951**
Other segment information									
Capital expenditure									
Property, plant and equipment									**1,940**
Intangible assets									**19,645**
Total capital expenditure									**21,585**
Depreciation									**2,605**
Amortisation									**22,235**

5. Results from operating activities

	31 December 2016 £'000	31 December 2015 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of property, plant and equipment	**1,863**	2,605
Amortisation of intangible assets	**25,627**	22,235
Research and development expenditure	**750**	750
Operating lease rentals	**2,230**	717
Auditor's remuneration:		
Audit of these Financial Statements	**104**	127
Audit of subsidiaries' Financial Statements	**81**	80
Review of interim Financial Statements	**30**	29
Taxation compliance services	**11**	24
Taxation advisory services	**21**	57
Other services	**–**	67

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 2016	Number of employees 31 December 2015
IT operations	164	159
Administration	434	407
	598	566

The aggregate payroll costs of these persons were as follows:

	31 December 2016 £'000	31 December 2015 £'000
Wages and salaries	34,743	34,394
Compulsory social security contributions	4,104	4,093
Contributions to defined contribution plans	1,563	1,492
Equity-settled share-based payment transactions	1,901	2,617
Social security contributions related to share awards and options	196	1,100
	42,507	43,696

In addition to the above, £nil (2015: £4,819,000) has been charged to the Consolidated Statement of Comprehensive Income in relation to the contingent remuneration paid in relation to the acquisition of MoneySavingExpert.com.

7. Net finance costs

	31 December 2016 £'000	31 December 2015 £'000
Finance income		
Interest received on bank deposits	96	182
Finance expense		
Interest payable on loan facility	(760)	(420)
Unwind of discount on contingent remuneration	–	(420)
	(760)	(840)
Net finance costs	(664)	(658)

8. Taxation

Tax charged in the Consolidated Statement of Comprehensive Income

	31 December 2016 £'000	31 December 2015 £'000
Current tax		
Current tax on income for the year	18,319	17,355
Adjustment in relation to prior period	(928)	(1,150)
	17,391	16,205
Deferred tax		
Origination and reversal of temporary differences	155	(937)
Adjustments due to change in corporation tax rate	14	(11)
Adjustment in relation to prior period	223	1,105
	392	157
Tax expense for the year	17,783	16,362

8. Taxation *continued*

Reconciliation of the effective tax rate

The tax charge for the year is lower (2015: higher) than the effective standard rate of corporation tax in the UK in 2016 of 20% (2015: 20.25%). The differences are explained below.

	31 December 2016 £'000	31 December 2015 £'000
Profit before tax	**91,314**	79,796
Standard rate of tax at 20% (2015: 20.25%)	**18,263**	16,158
Effects of:		
Expenses not deductible for tax purposes	**120**	322
Other current and deferred tax movements	**125**	21
Impact of changes in tax rate	**(21)**	(95)
Adjustment in relation to prior periods	**(704)**	(44)
Tax expense for the year	**17,783**	16,362

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on these rates.

9. Earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year. The Company's own shares held by employee trusts are excluded when calculating the weighted average number of ordinary shares outstanding.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Earnings per share

Basic and diluted earnings per share has been calculated on the following basis:

	2016	2015
Profit after taxation attributable to ordinary equity holders (£'000)	**73,531**	63,434
Basic weighted average ordinary shares in issue (millions)	**546.6**	546.3
Dilutive effect of share-based instruments (millions)	**2.2**	2.6
Diluted weighted average ordinary shares in issue (millions)	**548.8**	548.9
Basic earnings per ordinary share (p)	**13.5**	11.6
Diluted earnings per ordinary share (p)	**13.4**	11.6

10. Dividends

	2016 £'000	2015 £'000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2014: 5.69p per share	**–**	31,032
Interim dividend for 2015: 2.55p per share	**–**	13,957
Final dividend for 2015: 6.60p per share	**36,105**	–
Interim dividend for 2016: 2.75p per share	**15,032**	–
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2016: 7.10p per share (2015: 6.60p per share)	**38,885**	

11. Property, plant and equipment

	Land and buildings £'000	Plant and equipment £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost:					
At 1 January 2015	6,335	27,235	987	1,777	36,334
Additions	508	1,206	216	10	1,940
At 31 December 2015	6,843	28,441	1,203	1,787	38,274
Additions	269	513	(185)	21	618
At 31 December 2016	**7,112**	**28,954**	**1,018**	**1,808**	**38,892**
Depreciation:					
At 1 January 2015	891	24,374	572	1,102	26,939
Depreciation for the year	131	2,019	167	288	2,605
At 31 December 2015	1,022	26,393	739	1,390	29,544
Depreciation for the year	180	1,330	166	187	1,863
At 31 December 2016	**1,202**	**27,723**	**905**	**1,577**	**31,407**
Carrying amounts:					
At 31 December 2015	5,821	2,048	464	397	8,730
At 31 December 2016	**5,910**	**1,231**	**113**	**231**	**7,485**

12. Intangible assets

	Market related £'000	Customer relationship £'000	Customer list £'000	Technology related £'000	Goodwill £'000	Total £'000
Cost:						
At 1 January 2015	148,659	69,288	2,323	26,099	181,899	428,268
Additions internally developed	–	–	–	19,645	–	19,645
At 31 December 2015	148,659	69,288	2,323	45,744	181,899	447,913
Additions internally developed	–	–	–	22,627	–	22,627
Transfer	–	–	–	(1,123)	–	(1,123)
At 31 December 2016	148,659	69,288	2,323	67,248	181,899	469,417
Amortisation:						
At 1 January 2015	107,380	69,288	2,046	10,242	72,814	261,770
Amortisation charge for the year	14,573	–	277	7,385	–	22,235
At 31 December 2015	121,953	69,288	2,323	17,627	72,814	284,005
Amortisation charge for the year	14,483	–	–	11,144	–	25,627
Impairment	–	–	–	662	1,500	2,162
At 31 December 2016	136,436	69,288	2,323	29,433	74,314	311,794
Carrying amounts						
At 31 December 2015	26,706	–	–	28,117	109,085	163,908
At 31 December 2016	12,223	–	–	37,815	107,585	157,623

Included within the above additions are accrued costs of £4.3m (2015: £4.0m). The transfer relates to Research & Development tax credits claimed on the development cost relating to the technology related intangible assets.

As highlighted in Note 2, there is a degree of uncertainty regarding the recognition of costs incurred in developing technology related intangible assets. This is due to the asset recognition criteria being predicated on future economic benefit flowing to that asset. Management are confident however that any spend capitalised satisfies the criteria of IAS38 – Intangible Assets and, where relevant, SIC-32 Intangible Assets – Web Site Costs. On an annual basis, or where an indication exists, the Group is required to assess its goodwill and intangible assets for impairment, see page 98 for the assessment for technology related assets.

12. Intangible assets *continued*

During 2007 the Group employed the services of an appropriately qualified and experienced independent third party to value the intangible assets acquired from Moneysupermarket.com Financial Group Limited. This valuation was used as the initial carrying value for these assets. Following the impairment in 2008, the market capitalisation of the Group approximated to the total carrying value of the goodwill, intangible and other non-current assets of the Group. At 31 December 2016 the market capitalisation exceeded the carrying value of the goodwill, intangible and other non-current assets, and net current assets by more than 100% (2015: 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 five operating segments Insurance, Money, Travel, Home Services and MoneySavingExpert.com. The Group has performed impairment testing at a CGU level. For the original four segments, the goodwill was allocated on 1 January 2009 based on estimates of the relative values of the operating segments at that date with £30.7m allocated to Insurance, £15.5m to Money, £6.6m to Travel and £2.2m to Home Services. The balances at 31 December 2016 are in line with those at 1 January 2009. Goodwill impairment testing for MoneySavingExpert.com has been considered separately from the four operating segments outlined above and the Group.

Impairment review by vertical and Group

For the current year, the recoverable amount of the assets was taken to be their value in use and was calculated by reference to the forecast cash flows.

The present value of the future cash flows has been calculated with the following key assumptions:

- Cash flows for years 1–3 for each CGU represent management's best estimate of future cash flows as at 31 December 2016, and are based upon the Group's approved three year strategic plan incorporating cost of sales, advertising and an allocation of overhead costs. The main assumptions underlying the plan relate to visitor volumes, source of visitors, revenue per transaction/visitor and marketing spend, which incorporate past experience. The forecast assumes continued growth during the course of the next three years, driven by new media campaigns, exploitation of the Group's data asset and further investments made during 2016 in the core technology underpinning the Group's key channels.
- Cash flows after three years assume no growth.
- Cash flows into perpetuity have been incorporated into the calculations.
- A pre-tax discount rate of 13.5% (2015: 13.5%) has been used in the forecast for the Travel, Insurance, Money and Home Services segments.

A different set of assumptions may be more appropriate in future years dependent on changes to the macro-economic environment.

The analysis performed calculates that the recoverable amount of the assets allocated to the Insurance, Money, Travel and Home Services segments exceeds their carrying value by in excess of 100% (2015: 100%), and as such, no impairment was identified. No reasonably possible change to a key assumption would result in an impairment.

As explained in note 4, whilst the Group is able to allocate revenue between the Insurance, Money, Travel and Home Services operating segments, its cost base is reviewed by the Group's Chief Operating Decision Maker at a Group rather than segmental level, and a number of the significant costs which the Group incurs cannot be allocated either directly or on a reasonable and consistent basis to the CGUs that are each operating segment. Therefore the cash flows estimated for these segments include all of the Group's forecast revenues and an allocation of the Group's forecast costs.

The Group has therefore also performed a further impairment test for the Group as a whole, in a manner consistent with previous years. In these calculations the Group is treated as one group of CGUs, and the test compared the carrying amount, including goodwill and other corporate assets, to the recoverable amount.

The recoverable amount has been estimated based on the present value of its future cash flows, which has been calculated with a set of assumptions consistent with those set out above in relation to the individual operating segment calculations.

The analysis performed calculates that the recoverable amount of the Group's assets exceeds their carrying value by in excess of 100% (2015: 100%), and as such, no impairment was identified.

With regard to the Group level impairment testing, no reasonably possible change to a key assumption would result in an impairment (2015: same).

Impairment review of MoneySavingExpert.com and OnTrees

During 2015, the intention was for OnTrees to be integrated within the strategic plans of MSE and as such the Goodwill relating to the OnTrees acquisition was allocated to the MoneySavingExpert.com CGU. These plans did not materialise during 2016 and management instead decided to operate OnTrees as a 'test and learn' data asset rather than seeking to generate cash flows. With this in mind, the £1.5m of Goodwill relating to OnTrees has been fully impared in the period.

The MoneySavingExpert.com CGU and allocated Goodwill of £52.6m has therefore been tested on a stand alone basis excluding OnTrees.

12. Intangible assets *continued*

The recoverable amount has been estimated based on the present value of its future cash flows using the following key assumptions:

- Cash flows for the first three years represent management's best estimate of future cash flows as at 31 December 2016, and are based upon the Group's approved three year strategic plan. The main assumptions underlying the plan relate to visitor numbers, the amount of revenue generated per visitor, and the staff resource required to run the business. The forecast assumes an improvement over the next three years, driven by investments in technology and search engine optimisation.
- Cash flows after three years assume no growth.
- Cash flows into perpetuity have been built into the model.
- A pre-tax discount rate of 16.2% (2015: 16.2%) has been used in the forecast.

The analysis performed calculates that the recoverable amount of the assets exceeds their carrying value by in excess of 100% (2015: 100%), and as such, no impairment was identified. With regard to the impairment testing, no reasonably possible change to a key assumption would result in an impairment (2015: same).

Impairment testing of technology related intangible assets

Technology related intangible assets in use by the Group are tested for impairment if there is an indication that the asset may be impaired. The Group also conducts annual impairment testing of significant technology related intangible assets under development and not yet available for use.

Project Reset and Enterprise Data Warehouse ('EDW')

The Group is currently undertaking a significant investment in technology infrastructure to resolve a number of issues with legacy systems and to provide a market-leading, cloud enabled technology stack. A supporting element to this project is the development of an Enterprise Data Warehouse ('EDW') to act as a data repository and drive improvements in understanding the business and enriching the customer experience. The investment programme has also included a number of other elements such as 'Project Reset' which has transformed the front end of the MoneySuperMarket.com website.

As the EDW is not yet fully available for use management have conducted impairment testing as at 31 December 2016. The EDW is designed to perform synergistically with Project Reset as part of the technology stack and management have therefore performed an investment appraisal on a combination of both projects, although Project Reset is already being amortised by the Group.

The recoverable amount has been based on the present value of future cash flows using the following key assumptions:

- Cash flows over the three year useful economic life of the asset represent management's best estimate of future cash flows as at 31 December 2016, and are based upon the Group's approved three year strategic plan for 2017 – 2019.
- The main assumptions underlying the cash flows relate to improvements in conversion and cross buying and changes in costs for data hosting facilities and service maintenance contracts and will be driven by exploitation of the Group's data asset and further investments to be made. The cash flows are flexed to account for unexpected delays. No impact of the reduction in existing cash flows due to obsolescence of legacy systems if the Projects had not taken place is included due to the difficulty in quantifying and attributing this value.
- Cash flows into perpetuity have not been incorporated into the calculation for prudence, however the asset is expected to generate economic benefit for the Group significantly past 2019.
- A pre-tax discount rate of 13.5% has been used in the forecast, consistent with the goodwill impairment testing performed at a Group and CGU level.

The analysis performed calculates that the recoverable amount of the assets exceeds their carrying value by £3.0m (2015: £1.0m), and as such, no impairment was identified. The value in use calculations have taken into account both prudent assumptions and useful lives and exclude cash flows which although difficult to quantify would likely be significant and still no impairment exists. It is on this basis, that management do not consider an impairment to exist at 31 December 2016.

My Suitcase

When considering the impairment indicators relating to technology related assets, the Group identified that the My Suitcase functionality developed for use on the TSM website was in the process of being decommissioned due to lower usage than expected. As the asset will not be in use during 2017, management fully impaired the remaining carrying value of £662,000.

13. Trade and other receivables

	31 December 2016 £'000	31 December 2015 £'000
Trade and other receivables	**35,715**	27,963

All receivables fall due within one year.

As a result of click based revenue being recognised in the period that the lead is generated, there is an element of subjectivity in calculating a revenue accrual as a result of estimating the number of successful applications on the provider's website in the period between the latest provider data available and the year end. This revenue accrual can typically represent approximately one month's revenue. The accrued revenue is estimated by considering the volume of clicks that have passed from the Group's websites through to provider websites in the period, the historic conversion of such clicks into completed product purchases, and contracted revenue per transaction. From historical experience and post year end confirmation, the Group expects any differences between the amounts accrued at year end and those amounts subsequently billed to be not materially different. A +/- 1% difference of the £24.6m revenue accrual (2015: £18.3m) would equate to approximately £0.2m (2015: £0.2m).

At 31 December 2016, trade receivables are shown net of a provision for doubtful debts of £427,375 (2015: £188,000), which represents a judgement made by management of which receivables balances are unlikely to be recovered taking into consideration the ageing of the debt, evidence of poor payment history or financial position of a particular debtor.

Movements in the provision for doubtful debts were as follows:

	2016 £'000	2015 £'000
At 1 January	**188**	213
Charge for the year	**252**	39
Amounts written off	**(13)**	(64)
At 31 December	**427**	188

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

			Past due not impaired				
	Total £'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 2015	27,963	18,452	7,152	993	612	625	129
At 31 December 2016	**35,715**	**24,738**	**5,951**	**3,521**	**620**	**885**	**–**

The Group's standard payment terms are typically 15 days.

14. Trade and other payables

Non-current

	31 December 2016 £'000	31 December 2015 £'000
Unsecured borrowings at amortised cost	**–**	–
	–	–

In December 2015, the Group secured a new three-year revolving credit facility for an amount of £100m in committed funds provided in equal parts by Lloyds Bank Plc and Barclays Bank Plc plus an accordion option to apply to the banks for up to an additional £100m of funds during the first two years of the facility. This replaced the previous facility provided by Lloyds. In November 2016, the Group exercised its option to extend the revolving credit facility by a further year to December 2019. The Group had no amounts drawn down from the facility at 31 December 2016. The balance of the up front arrangement fees, totalling £0.5m, is held within prepayments.

Current

	31 December 2016 £'000	31 December 2015 £'000
Trade payables	**32,273**	26,305
Non-trade payables and accrued expenses	**14,413**	13,685
Deferred income	**149**	737
	46,835	40,727

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

15. Deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

	2016 £'000	2015 £'000
Intangible assets recognised under IFRS	1,110	3,619
Share schemes	(1,083)	(1,546)
Goodwill related to MoneySavingExpert.com	8,263	5,471
Accelerated capital allowances	45	83
Deferred tax liability at 31 December	8,335	7,627

The above deferred tax liability relating to the goodwill of MoneySavingExpert.com is due to the amortisation of this balance within the individual accounts of the Company which are prepared under a different accounting framework. The recognition of a deferred tax liability within these consolidated accounts is to reflect the tax benefit already claimed by the Group on the goodwill balance shown.

The following table illustrates the movement in the deferred tax liabilities during the year:

	2016 £'000	2015 £'000
At 1 January	**7,627**	7,754
Temporary differences on:		
Intangible assets	**282**	(773)
Property, plant and equipment	**(274)**	(46)
Revaluation of LTIP equity-settled share awards	**573**	(138)
Issue of LTIP equity-settled share awards	**(110)**	(178)
Impact of changes in tax rate	**14**	(97)
Adjustment in relation to prior period	**223**	1,105
At 31 December	**8,335**	7,627

Deferred tax liabilities arose from the creation of the intangible assets upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, and the acquisition of MoneySavingExpert.com. Deferred tax assets arise on share option schemes based on the expected tax deduction on vesting. Deferred tax assets and liabilities have been calculated at the applicable tax rate enacted at the balance sheet date of 19%.

16. Capital

The nominal value of ordinary shares is 0.02p. The following rights attached to the shares in issue during the year:

Ordinary shares

The holders of ordinary shares were entitled to returns of capital, receive a dividend and vote.

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2016	547,512,662
Issued on exercising of SAYE options	169,592
At 31 December 2016	**547,682,254**

	Ordinary shares nominal value £
At 1 January 2016	109,503
Issued on exercising of SAYE options	33
At 31 December 2016	109,536

The Group operates a Long Term Incentive Plan under which conditional nil cost awards of ordinary shares in the Company have been made to certain Directors and employees of the Group, and an HMRC approved Save As You Earn scheme (Sharesave) eligible to all employees (see note 18).

17. Financial instruments

Interest rate risk

The Group invests its cash in a range of cash deposit accounts with UK banks. Interest earned therefore closely follows movements in Bank of England base rates. A movement of 1% in this rate would result in a difference in annual pre-tax profit of £446,000 (2015: £167,000) based on Group cash, cash equivalents and financial instruments at 31 December 2016. At the balance sheet date, £29.7m was invested with Lloyds Banking Group, this being the most invested with any one bank.

Effective interest rates

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the year end date:

	31 December 2016		31 December 2015	
	Effective interest rate	£'000	Effective interest rate	£'000
Cash and cash equivalents	**0.45%**	**44,572**	0.50%	16,662

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating risk of financial loss from default. The Group's exposure is continuously monitored by the credit control team and finance management.

Of the top 75% of the Group's providers by revenue, approximately 41% (2015: 50%) of these are UK quoted companies with the remainder being a mixture of larger UK independent companies and overseas owned or quoted companies. At the balance sheet date, the five largest trade receivables, by provider, accounted for 15% (2015: 12%) of the total trade receivables balance of £35,715,000 (2015: £27,963,000) and the largest individual balance was £1,982,343 (2015: £1,865,344).

The Group does not consider it has any material contracts with providers in any one channel.

Fair values

The Group's financial assets and liabilities are principally short-term in nature, and therefore their fair value is not materially different from their carrying value. The valuation method for the Group's financial assets and liabilities can be defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets and liabilities are valued at amortised cost. There have been no transfers between levels in the year.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risks, are set out below:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Unsecured bank loan facilities with a maturity date of 7 December 2018		
– amount used	**–**	–
– amount unused	**–**	100,000
Unsecured bank loan facilities with a maturity date of 7 December 2019		
– amount used	**–**	–
– amount unused	**100,000**	–

In December 2015, the Group secured a new three-year revolving credit facility for an amount of £100m in committed funds provided in equal parts by Lloyds Bank Plc and Barclays Bank Plc. This replaced the previously facility provided by Lloyds. In November 2016, the Group exercised its option to extend the three-year revolving credit facility by a further year to December 2019.

Interest would be payable on the new facility at a rate of LIBOR plus an applicable margin rate based on the adjusted leverage of the Group.

The Group also has an accordion option to apply to the banks for up to an additional £100m of committed funds during the first two years of the facility.

18. Share-based payments

Share Incentive Plan scheme (SIP)

Upon listing, the Company granted £3,000 of ordinary shares at the price of £1.70 per ordinary share to each eligible employee free of charge. If an employee left within one year of listing, all of these ordinary shares were forfeit; between one and two years of listing, 50% were forfeit; between two and three years of listing, 20% were forfeit; and after three years of listing, none were forfeit. 948,184 shares were issued under the Share Incentive Plan scheme in 2007. On 31 July 2010 eligible employees became entitled to receive their allocation of free shares. 13,552 (2015: 17,190) shares have been withdrawn from the trust by employees during the period and a further 31,485 remain held in trust (2015: 45,037).

Long-Term Incentive Plan scheme (LTIP)

During 2013, conditional awards were made over 2,324,186[1] ordinary shares under the Moneysupermarket.com Group PLC Long-Term Incentive Plan scheme to senior employees (2013 LTIPs). Under this scheme, up to 70% of the award vests at the end of a three-year period dependent upon the achievement of a specified average growth rate in adjusted EBITDA from 31 December 2012 to 31 December 2015, and up to 30% of the award vests at the end of a three-year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies. On 20 March 2016 and 8 September 2016 the awards vested at 80% of the maximum following full achievement of the TSR performance criteria and 78% achievement of the adjusted EBITDA performance criteria.

During 2014, conditional awards were made over 2,393,584[1] ordinary shares under the Moneysupermarket.com Group PLC Long-Term Incentive Plan scheme to senior employees (2014 LTIPs). Under this scheme, up to 70% of the award vests at the end of a three-year period dependent upon the achievement of a specified average growth rate in adjusted EBITDA from 31 December 2013 to 31 December 2016, and up to 30% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2015, conditional awards were made over 1,934,670[1] ordinary shares under the Moneysupermarket.com Group PLC Long-Term Incentive Plan scheme to senior employees (2015 LTIPs). Under this scheme, up to 70% of the award vests at the end of a three-year period dependent upon the achievement of a specified average growth rate in Adjusted Earnings per Share from 31 December 2014 to 31 December 2017, and up to 30% of the award vests at the end of a three-year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2016, conditional awards were made over 1,190,535[1] ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan scheme to senior employees (2016 LTIPs). Under this scheme, up to 70% of the award vests at the end of a three year period dependent upon the achievement of a specified average growth rate in Adjusted Earnings per Share from 31 December 2015 to 31 December 2018, and up to 30% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

1 The figures for the awards made in 2013 and 2014 are the maximum available if the performance targets are met in full, representing 150% of the actual awards made. The figures for the 2015 and 2016 awards are equal to the awards made as the options vest at a maximum of 100%.

Sharesave scheme

During 2013, the Group established an HMRC approved 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 2013 Sharesave scheme was fixed at 137.5p per share. On 1 November 2016 the options become exercisable, enabling participants to buy shares at the exercise price of 107.6p. The market price of a share on 1 November 2016 was 288.90p.

During 2014, the Group established a further HMRC approved scheme available to all employees, on the same basis as the scheme established in 2013. The exercise price for the 2014 Sharesave scheme was fixed at 149.5p per share.

During 2015, the Group established a further HMRC approved scheme available to all employees, on the same basis as the schemes established in 2013 and 2014. The exercise price for the 2015 Sharesave scheme was fixed at 264.0p per share.

During 2016, the Group established a further HMRC approved scheme available to all employees, on the same basis as the schemes established in 2013, 2014 and 2015. The exercise price for the 2016 Sharesave scheme was fixed at 240.0p per share.

18. Share-based payments *continued*

Movements in the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the year. The number of awards in the table represents the number awarded, of which, in respect of awards granted in 2014 and prior to that, up to 150% could vest:

	Number	WAEP
Outstanding at 1 January 2015	4,039,654	£0.00
LTIP awards made during the year	1,934,670	£0.00
LTIP awards vested and exercised during the year	(1,314,963)	£0.00
LTIP awards forfeit during the year	(1,103,437)	£0.00
Outstanding at 31 December 2015	3,555,924	£0.00
LTIP awards made during the year	1,190,535	£0.00
LTIP awards vested and exercised during the year	(824,471)	£0.00
LTIP awards forfeit during the year	(188,850)	£0.00
Outstanding at 31 December 2016	3,733,138	£0.00

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 2016:

	2016 Sharesave	2015 Sharesave	2014 Sharesave	**2016 LTIP I/II**	2015 LTIP II	2015 LTIP	2014 LTIP
Fair value at grant date (£)	**1.46**	1.46	0.71	**3.25**	3.26	2.80	1.86
Share price (£)	**3.01**	3.34	2.00	**3.25**	3.26	2.80	1.86
Exercise price (£)	**2.40**	2.64	1.50	**0.0**	0.0	0.0	0.0
Expected volatility (%)	**77.2**	63.6	52.3	**84.5**	60.0	58.0	50.7
Expected life of option/award (years)	**3.0**	3.0	3.0	**3.0**	3.0	3.0	3.0
Weighted average remaining contractual life (years)	**2.8**	1.8	0.8	**2.3/2.7**	1.7	1.4	0.2
Expected dividend yield (%)	**3.1**	2.5	3.9	**0.0**	0.0	0.0	0.0
Risk-free interest rate (%)	**0.5**	0.9	2.3	**0.5**	0.8	1.8	2.6

Expected volatility has been estimated by considering historic average share price volatility for the Company or similar companies. Staff attrition has been assessed based on historic retention rates.

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

	2016 £'000	2015 £'000
Long Term Incentive Plan scheme	**1,597**	2,467
Sharesave scheme	**304**	150
	1,901	2,617

19. Operating lease commitments

The future minimum lease commitments under non-cancellable operating leases are as follows:

	Plant and equipment 31 December 2016 £'000	Plant and equipment 31 December 2015 £'000	**Land and buildings 31 December 2016 £'000**	Land and buildings 31 December 2015 £'000
Operating lease commitment payments: Within one year	**30**	44	**2,506**	2,086
Between two and five years	**129**	26	**13,618**	3,643
Over five years	**-**	–	**26,766**	1,821
	159	70	**42,890**	7,550

In April 2016 a two year lease agreement was signed for a new office space in Manchester, to be used as a lab facility. In addition to this a fifteen year lease agreement for an office move in London was also signed in July 2016. Operating lease commitments have increased as a result of these new commitments made in the year.

20. Pensions and other post-employment benefit plans

The Group operates a defined contribution pension scheme based on base salary. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amounts charged to the Consolidated Statement of Comprehensive Income represent the contributions payable to the scheme in respect of the accounting period. In the year ended 31 December 2016 £1,562,253 of contributions were charged to the Consolidated Statement of Comprehensive Income (2015: £1,492,352). As at 31 December 2016 £nil (2015 £232,178) of contributions were outstanding on the balance sheet.

21. Commitments and contingencies

Along with most companies of our size, the Group is a defendant in a small number of disputes incidental to its operations and from time to time is under regulatory scrutiny.

As a leading website operator, the Group occasionally experiences operational issues due to errors in operating procedures or technology which result in incorrect or incomplete product or customer data being transferred to or from providers. These issues can in some instances lead to customer detriment, dispute and potentially cash outflows. During 2016, there were two such issues but the Group does not expect either of them to have a significant impact. The Group has a Professional Indemnity Insurance Policy in order to mitigate liabilities arising out of events such as this.

In aggregate, the commitments and contingencies outlined above are not expected to have a material adverse effect on the Group.

22. Related party transactions

The Group has the following investments in all of its subsidiaries:

	Country of incorporation	Ownership interest %	Principal activity
Moneysupermarket.com Financial Group Limited	UK	100	Holding company
Moneysupermarket.com Limited	UK	100	Internet price comparison
Moneysupermarket.com Financial Group Holdings Limited	UK	100	Holding company
MoneySavingExpert.com Limited	UK	100	Personal finance website
Travelsupermarket.com Limited	UK	100	Dormant
Insuresupermarket.com Limited	UK	100	Dormant
Mortgage 2000 Limited	UK	100	Financial intermediary services
Moneysupermarket Limited	UK	100	Dormant

The Company is the ultimate parent entity of the Group. Intercompany transactions with wholly-owned subsidiaries have been excluded from this note, as per the exemption offered in IAS 24. The list above represents all companies within the Group. All companies within the Group are registered at the same address, disclosed on page 78.

Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to Directors and Executive Officers. Directors and Executive Officers also participate in the Group's Long-Term Incentive Plan.

Bruce Carnegie-Brown, Peter Plumb, Matthew Price, Robin Freestone and Sally James in total received dividends from the Group totaling £114,117 (2015: £7,041,094, which included also Simon Nixon, Graham Donoghue, Robin Klein and Michael Wemms).

There were no amounts outstanding to the Company or any future commitments of the Company as at 31 December 2016 (2015: nil)

Key management personnel compensation

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

	31 December 2016 £'000	31 December 2015 £'000
Short-term employee benefits	**2,356**	2,440
Short-term contractor payments	**231**	97
Share-based payments	**1,241**	1,921
Post-employment benefits	**360**	480
	4,188	4,938

In addition to the above, the executive management team received a bonus of £2,222,358 (2015: £2,828,768) in relation to the reporting period.

23. Disposal of associate

On 7 May 2014, MoneySuperMarket.com Financial Group Limited, sold its investment in HD Decisions Limited to a third party. The investment was sold for a maximum consideration of up to £7.1m, including a deferred element payable of up to £1.9m.

A further contingent profit on disposal of £0.8m was received in 2016. A further maximum potential of £0.9m may be receivable in 2017 dependent on performance.

Company Balance Sheet
at 31 December 2016

	Note	31 December 2016 £'000	31 December 2015 £'000
Fixed assets			
Investments	4	**181,688**	181,688
Goodwill	5	–	27,778
Total fixed assets		**181,688**	209,466
Current assets			
Debtors (including amounts falling due in more than one year £301,270, 2015: £301,270)	6, 9	**304,233**	281,908
Cash at bank and in hand		**964**	8,532
Total current assets		**305,197**	290,440
Creditors: amounts falling due within one year	7	**(110,423)**	(71,958)
Net current assets		**194,774**	218,482
Creditors: amounts falling due after one year	8	–	–
Net assets		**376,462**	427,948
Capital and reserves			
Share capital	11	**110**	110
Share premium		**202,668**	202,434
Other reserves		**16,942**	16,942
Profit and loss account		**160,506**	212,344
Reserve for own shares		**(3,764)**	(3,882)
Shareholders' funds		**376,462**	427,948

The Financial Statements were approved by the Board of Directors and authorised for issue on 27 February 2017. They were signed on its behalf by:

Peter Plumb
Chief Executive Officer

Matthew Price
Chief Financial Officer

Registered number: 6160943

Statement of Changes in Equity
for the year ended 31 December 2016

	Issued share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000	Reserve for own shares £'000	Total £'000
At 1 January 2015	**109**	**202,217**	**16,942**	**58,410**	**–**	**277,678**
Profit for the year	–	–	–	197,112	–	197,112
Total comprehensive income	–	–	–	197,112	–	197,112
New shares issued	–	217	–	–	–	217
Purchase of shares by employee trusts	–	–	–	–	(3,882)	(3,882)
Exercise of LTIP awards	1	–	–	–	–	1
Distribution in relation to LTIP	–	–	–	(656)	–	(656)
Equity dividends	–	–	–	(44,989)	–	(44,989)
Share-based payments	–	–	–	2,467	–	2,467
At 31 December 2015	**110**	**202,434**	**16,942**	**212,344**	**(3,882)**	**427,948**
Profit for the year	–	–	–	1,904	–	1,904
Total comprehensive income	–	–	–	1,904	–	1,904
New shares issued	–	234	–	–	–	234
Purchase of shares by employee trusts	–	–	–	–	(3,926)	(3,926)
Exercise of LTIP awards	–	–	–	(4,044)	4,044	–
Distribution in relation to LTIP	–	–	–	(462)	–	(462)
Equity dividends	–	–	–	(51,137)	–	(51,137)
Share-based payments	–	–	–	1,901	–	1,901
At 31 December 2016	110	202,668	16,942	160,506	(3,764)	376,462

Other reserves

The other reserves balance represents the merger reserve of £16,923,000 generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed below, and a capital redemption reserve for £19,000 arising from the acquisition of 95,294,118 deferred shares of 0.02p by the Company from Simon Nixon.

Upon the acquisition of Moneysupermarket.com Financial Group Limited, a merger reserve of £16,923,000 for 45% of the book value transferred from a company under common control was recognised.

Reserve for own shares

The reserve for the Company's own ordinary shares comprises the cost of the Company's ordinary shares held by the Group through employee trusts. At 31 December 2016, the Group held 386,436 ordinary shares at a cost of 0.02p per share through a Share Incentive Plan trust for the benefit of the Group's employees.

The Group also held 1,224,210 shares through an Employee Benefit Trust at a cost of 307.38p per share for the benefit of employees participating in the various Long Term Incentive Plan schemes.

Notes to the Company Financial Statements

1. Accounting policies

Basis of preparation

Moneysupermarket.com Group PLC (the Company) is a company limited by shares and incorporated and domiciled in the UK. The registered office is disclosed on page 78.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000. These Financial Statements are prepared on the historical cost basis.

No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The profit/loss after tax for the Company was £1,904,026 (2015: £197,112,000) which included dividends received of £nil (2015: £200,000,000).

The transition to FRS 102 from UK GAAP in 2015 resulted in no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102, and the following exemptions were taken in the 2015 Financial Statements:

- Business combinations – Business combinations that took place prior to transition date have not been restated.

The Company is the ultimate parent undertaking of the Group and also prepares Consolidated Financial Statements. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from MoneySuperMarket House, St. David's Park, Ewloe, Flintshire, CH5 3UZ. In these Financial Statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the Consolidated Financial Statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Use of estimates and judgements

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

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

Investments

Investments are shown at cost less provision for impairment.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Intangible assets

Goodwill

Goodwill is recognised on the acquisition of trade and assets, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. The amounts are capitalised and written off on a straight-line basis over their useful economic life, which is five years. Provision is made for any impairment.

1. Accounting policies *continued*

Own shares held by Employee Benefit Trust

Transactions of the Company-sponsored Employee Benefit Trust are treated as being those of the Company and are therefore reflected in the Company Financial Statements. In particular, the trust's purchases and sales of shares in the Company are debited and credited directly to equity.

Share-based payment transactions

The Group's share schemes allow certain Group employees to acquire ordinary shares in the Company. The fair value of share awards made is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at award date and spread over the period during which the employees become unconditionally entitled to the awards. The fair value of the awards made is measured using an option valuation model, taking into account the terms and conditions upon which the awards were made. The amount recognised as an expense is adjusted to reflect the number of share awards expected to vest. Subsidiaries are recharged for the amount recognised as share-based payments relating to awards to their employees. The fair value of the recharge is recognised over the vesting period.

Dividends

Dividends receivable are recognised when the Company's right to receive payment is established. Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Taxation

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates in force for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Share-based payments

The analysis and disclosures in relation to share-based payments are given in the Consolidated Financial Statements in note 18.

3. Staff numbers and cost

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

	Number of employees 31 December 2016	Number of employees 31 December 2015
Administration	**2**	3

The aggregate payroll costs of these persons were as follows:

	31 December 2016 £'000	31 December 2015 £'000
Wages and salaries	**814**	1,024
Social security costs	**113**	141
Other pension costs	**157**	197
Share-based payments	**664**	1,099
	1,748	2,461

In addition to the above, bonuses of £973,147 (2015: £1,471,407) were payable in relation to the reporting period.

4. Investments

	Shares in subsidiary undertakings £'000
Cost and net book value:	
At 31 December 2015 and 31 December 2016	181,688

The investment represents the Company's holding in Moneysupermarket.com Financial Group Holdings Limited, which was obtained via a share for share exchange during 2012 in which the Company exchanged its existing shareholding in Moneysupermarket.com Financial Group Limited for the entire share capital of Moneysupermarket.com Financial Group Holdings Limited.

5. Goodwill

	Total £'000
Cost:	
At 1 January 2016	84,437
Transfers	(84,437)
At 31 December 2016	–
Amortisation:	
At 1 January 2016	56,659
Transfers	(56,659)
At 31 December 2016	–
Net book value:	
At 31 December 2015	27,778
At 31 December 2016	–

In September 2012, the Company purchased certain trade and assets from Martin Lewis for consideration of up to £91.5m with an initial consideration of £64.5m paid on completion, and contingent amounts of up to £27.0m payable, dependent in part on the achievement of certain non-financial performance criteria and in part at the Company's discretion.

The acquisition gave rise to £90.0m of goodwill, which is being amortised over a period of five years.

The final contingent payable was £20.6m and in accordance with FRS 102.19, management adjusted the goodwill recognised on acquisition.

On 1 October 2016, the trade and assets were transferred to MoneySavingExpert.com Limited at Net Book Value in exchange for a loan receivable of equivalent value.

6. Debtors

	31 December 2016 £'000	31 December 2015 £'000
Amount due from subsidiary undertakings	**302,697**	278,099
Other debtors	**1,235**	3,508
Deferred tax asset (note 9)	**301**	301
	304,233	281,908

7. Creditors: amounts falling due within one year

	31 December 2016 £'000	31 December 2015 £'000
Amount owed to subsidiary undertakings	**109,119**	69,302
Accruals	**1,304**	2,656
	110,423	71,958

8. Creditors: amounts falling due after one year

	31 December 2016 £'000	31 December 2015 £'000
Borrowings	**–**	–

9. Deferred tax

	31 December 2016 £'000	31 December 2015 £'000
At beginning of year	**301**	215
Profit and loss account credit	**–**	86
Deferred tax asset at end of year	**301**	301
The elements of deferred taxation are as follows:		
Short-term timing differences	**301**	301
Total deferred tax asset	**301**	301

10. Dividends

	31 December 2016 £'000	31 December 2015 £'000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2014: 5.69p per share	**–**	31,032
Interim dividend for 2015: 2.55p per share	**–**	13,957
Final dividend for 2015: 6.60p per share	**36,105**	–
Interim dividend for 2016: 2.75p per share	**15,032**	–
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2016: 7.10p per share (2015: 6.60p per share)	**38,885**	36,136

11. Share capital

The following rights attached to the shares in issue during the year:

Ordinary shares

The holders of ordinary shares were entitled to returns of capital, receive a dividend and vote.

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2016	547,512,662
Issued on exercising of SAYE options	169,592
At 31 December 2016	547,682,254

£	Ordinary shares
At 1 January 2016	109,503
Issued on exercising of SAYE options	33
At 31 December 2016	109,536

The Group has a Long Term Incentive Plan under which conditional nil cost awards of ordinary shares in the Company have been made to certain Directors and employees of the Group, and an HMRC approved Save As You Earn scheme (Sharesave) eligible to all employees (see note 18 of the Consolidated Financial Statements).

12. Related party transactions

The Company has taken the exemption in FRS 102.33.1A not to disclose transactions with other Group companies.

Shareholder Information

Registered office
Moneysupermarket House
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Telephone: +44 (0)1244 665700
Website: http://corporate.moneysupermarket.com

Registered number
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Manchester M3 3AX

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Registrar
Capita Asset Services

The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Enquiring about your shareholding
If you want to ask, or need any information, about your shareholding, please contact our registrar, Capita, by:

Telephone:	0371 200 1536 (UK) (Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.30am – 5.30pm Monday – Friday) +44 (0) 371 664 0300 (overseas)
E-mail:	moneysupermarketshares@capita.co.uk

Alternatively, if you have internet access, you can access the Group's shareholder portal at www.moneysupermarket-shares.com where you can view and manage all aspects of your shareholding securely.

Investor relations website and share price information
The investor relations section of our website, http://corporate.moneysupermarket.com, provides further information for anyone interested in the Group. In addition to the Annual Report and share price, Company announcements including the half-year and full-year results announcements and associated presentations are also published there.

Dividend mandates
If you wish to have dividends paid directly into a bank or building society account, you should contact our registrar (see contact details above) or visit the Group's shareholder portal at www.moneysupermarket-shares.com where you can set up or amend a dividend mandate. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Dividend reinvestment plan (DRIP)
You can choose to reinvest dividends received to purchase further shares in the Company through a DRIP. A DRIP application form is available from our registrar (see contact details above).

Share dealing service
You can buy or sell the Company's shares in a simple and convenient way via the Capita share dealing service either online (www.capitadeal.com) or by telephone (0371 664 0445). Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.00am – 4.30pm Monday – Friday.

Please note that the Directors of the Company are not seeking to encourage shareholders to either buy or sell shares in the Company. Shareholders in any doubt about what action to take are recommended to seek financial advice from an independent financial adviser authorised by the Financial Services and Markets Act 2000.

Electronic communications
You can elect to receive shareholder communications electronically by contacting our registrar (see contact details above). This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Cautionary note regarding forward-looking statements
This Annual Report includes statements that are forward looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, Disclosure 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 2016 final dividend	28 February 2017
Announcement of 2016 full-year results	28 February 2017
Ex-dividend date of 2016 final dividend	6 April 2017
Record date of 2016 final dividend	7 April 2017
Trading update	4 May 2017
Annual General Meeting	4 May 2017
Payment date of 2016 final dividend	12 May 2017
Half-year end	30 June 2017
Announcement of 2017 half-year results	20 July 2017
Trading update	*November 2017
Full-year end	31 December 2017
Announcement of 2017 full-year results	*February 2018

* Exact dates to be confirmed.

Further copies of this Annual Report are available from the Company's registered office, or may be accessed on the investor relations section of the Group's website at http://corporate.moneysupermarket.com.

Moneysupermarket.com Group PLC

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Registered in England No. 6160943

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Visit us at emperor.works

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