

Moneysupermarket.com Group PLC preliminary results for the year ended 31 December 2016

Financial highlights	2016	2015	Change
Group Revenue	£316.4m	£281.7m	12%
Operating Profit	£91.1m	£80.5m	13%
Adjusted Operating Profit *	£107.8m	£100.1m	8%
Profit After Tax	£73.5m	£63.4m	16%
Adjusted EPS **	15.7p	14.5p	8%
Basic EPS	13.5p	11.6p	16%
Cash	£44.6m	£16.7m	167%
Ordinary Dividend For The Year	9.85p	9.15p	8%

*Adjusted Operating Profit ("AOP") is Operating Profit adjusted for impairment of Goodwill and intangible assets and amortisation of acquisition-related intangibles (2015: operating profit adjusted for amortisation of acquisition-related intangibles and the contingent payable in relation to the acquisition of MoneySavingExpert.com). Reconciliation of AOP is shown on page 3 in the Financial and Business Review.

** Adjusted earnings per ordinary share is based on profit before tax adjusted for impairment of Goodwill and intangible assets, amortisation of acquisition-related intangible assets and additional profit on disposal of HD Decisions (2015: amortisation of acquisition-related intangible assets and the contingent payable in relation to the acquisition of MoneySavingExpert.com). A tax rate of 20% (2015: 20.25%) has been applied to calculate adjusted profit after tax.

- Group revenues up 12% led by strong quarter four trading.
- Adjusted Operating Profit up 8%.
- Adjusted Earnings and dividend both rise 8%.
- The technology investment programme continued with £23m of capital investment.
- Announcing a £40m share buyback programme in line with capital allocation policy.

Peter Plumb, Moneysupermarket.com Chief Executive Officer, said:

"We saved nearly seven million families £1.8bn on their household bills in 2016, which helped us grow revenues by 12%. This adds up to another great year for the Moneysupermarket Group. We increased the dividend 8% and are announcing a £40m share buyback.

"Our technology investment programme is equipping us to save more families more money on a wider range of bills in the years ahead. Using data to make comparison more personalised, more informed, quicker and easier is differentiating us from other comparison sites."

Outlook

Insurance revenues and the core Money business (credit cards and loans) delivered strong growth in the first two months of the year. Low interest rates continued to weaken savings and current account switching and Energy is trading lower, as we have not yet run a collective switch. Consequently, Group revenues are currently behind last year. The Board is confident of delivering its expectations for the year.

Results Presentation

There will be a presentation for investors and analysts at Herbert Smith Freehills, Exchange House, Primrose Street, London, EC2A 2EG at 9.30am this morning. To watch the presentation being streamed live, please visit: <http://corporate.moneysupermarket.com/> to register and listen.

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Cautionary note regarding forward looking statements

This announcement 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 Company 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 such statements are published.

Financial and Business Review

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 below.

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.

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		(111.4)	(110.8)
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

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 Impairment of intangible assets

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 direct 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.

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 MSE 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%) following 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 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	%	£000	%
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

- 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

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 and share buyback

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% increase in the 2016 proposed full-year dividend is in line with the 8% 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 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.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2016

	<i>Note</i>	31 December 2016 £000	31 December 2015 £000
Revenue		316,411	281,734
Cost of sales		(79,601)	(56,355)
		<hr/>	<hr/>
Gross profit		236,810	225,379
Distribution expenses		(34,336)	(34,151)
Administrative expenses		(109,160)	(110,774)
Impairment of intangible assets		<u>(2,162)</u>	<u>-</u>
Operating profit		91,152	80,454
Finance income		96	182
Finance costs		(760)	(840)
		<hr/>	<hr/>
Net finance costs		(664)	(658)
Profit on disposal of associate		826	-
		<hr/>	<hr/>
Profit before tax		91,314	79,796
Taxation		(17,783)	(16,362)
		<hr/>	<hr/>
Profit for the year		73,531	63,434
		<hr/>	<hr/>
Total comprehensive income for the year		73,531	63,434
		<hr/>	<hr/>
Earnings per share:			
Basic earnings per ordinary share (pence)	2	13.5	11.6
Diluted earnings per ordinary share (pence)	2	13.4	11.6

Consolidated Statement of Financial Position

	<i>Note</i>	31 December 2016 £000	31 December 2015 £000
Assets			
Non-current assets			
Property, plant and equipment		7,485	8,730
Intangible assets	4	157,623	163,908
Investments		500	-
Total non-current assets		165,608	172,638
Current assets			
Trade and other receivables		35,715	27,963
Prepayments		3,629	4,474
Cash and cash equivalents		44,572	16,662
Total current assets		83,916	49,099
Total assets		249,524	221,737
Liabilities			
Non-current liabilities			
Deferred tax liabilities		8,335	7,627
Total non-current liabilities		8,335	7,627
Current liabilities			
Trade and other payables		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		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

Matthew Price

Consolidated Statement of Changes in Equity

for the year ended 31 December 2016

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

Consolidated Statement of Cash Flows

for the year ended 31 December 2016

	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 Group profit for the year to net cash flow from operating activities:		
Depreciation of property, plant and equipment	1,863	2,605
Amortisation of intangible assets	25,627	22,235
Impairment of intangible assets	2,162	-
Net finance costs	664	658
Profit on disposal of associate	(826)	-
Contingent payable charge for acquisition of trade and assets of MSE	-	4,819
Equity settled share-based payment transactions	1,901	2,617
Tax charge	17,783	16,362
Changes in trade and other receivables	(6,907)	(1,020)
Changes 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	96	182
Contingent payable for acquisition of trade and assets	-	(20,566)
Acquisition of property, plant and equipment	(796)	(1,940)
Acquisition of intangible assets	(21,944)	(20,526)
Acquisition of investment	(500)	-
Disposal of associate	826	-
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
Dividends paid	(51,137)	(44,989)
Distribution in relation to Long Term Incentive Plan	(462)	(656)
Proceeds from borrowings	44,000	20,000
Repayment of borrowings	(44,000)	(50,000)
Purchase of shares by employee trusts	(3,926)	(3,882)
Payment of transaction costs related to financing activities	(175)	(550)
Interest paid	(315)	(650)
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 1 January	16,662	43,146
Effects of foreign exchange differences	-	-
Cash and cash equivalents at 31 December	44,572	16,662

Notes

1 Acquisitions

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 separate 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.

OnTrees

On 14 March 2014, the Group acquired the trade and assets of OnTrees for £1.5m 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 is no longer optimal and subsequently this goodwill was written off as the business has been aggregated within the mobile app and is now not expected to generate direct revenues in 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.

2 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 have 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

3 Dividends

	2016	2015
	£000	£000
Equity dividends declared and paid during the year 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	-

4 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 1 January 2016	148,659	69,288	2,323	45,744	181,899	447,913
Additions	-	-	-	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 and impairment:						
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 1 January 2016	121,953	69,288	2,323	17,627	72,814	284,005
Amortisation charge for the year	14,483	-	-	11,144	-	25,627
Impairment charge	-	-	-	662	1,500	2,162
At 31 December 2016	136,436	69,288	2,323	29,433	74,314	311,794
Net book value:						
At 31 December 2015	26,706	-	-	28,117	109,085	163,908
At 31 December 2016	12,223	-	-	37,815	107,585	157,623

5 Related party transactions

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 also included 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).

6 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 as a result of technological oversights that in some instances can lead to customer detriment, dispute and potentially cash outflows. The Group is addressing two such issues but does not expect 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.

Statutory Information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2016 or 31 December 2015 but is derived from those accounts. Statutory accounts for 2015 have been delivered to the registrar of companies, and those for 2016 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The annual report and accounts for the year ended 31 December 2016 will be posted to shareholders in March 2017. The results for the year ended 31 December 2016 were approved by the Board of Directors on 27 February 2017 and are audited. The Annual General Meeting will take place on 4 May 2017. The final dividend will be payable on 12 May 2017 to shareholders on the register at the close of business on 7 April 2017.