Moneysupermarket Group

Money Super Market

MoneySavingExpert.com

Travel Supermarket

decisiontech
Part of the Moneysupermarket Group

Reinventing price comparison

ANNUAL REPORT AND ACCOUNTS 2018

Through our well-established, trusted and leading brands, we are committed to providing our customers with the services, tools and products they need to make the most of their money.

Visit our website
http://corporate.moneysupermarket.com

FINANCIAL HIGHLIGHTS

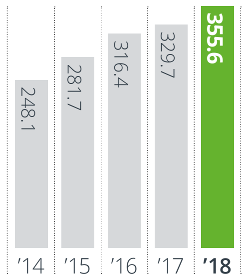
- Group revenue increased by 8% to £355.6m
- Group adjusted EBITDA* increased by 2% to £129.4m
- Group profit before tax increased by 11% to £106.9m
- Group profit after tax increased by 11% to £86.6m
- Final dividend up 7% to 8.10p per share
- Total dividend for the year up 6% to 11.05p per share
- Basic earnings per share increased by 13% to 16.2p per share
- Adjusted earnings per share* increased by 3% to 17.4p per share
- £40m enhanced distribution in 2019

OPERATIONAL HIGHLIGHTS

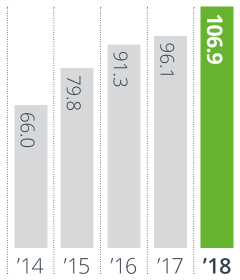
- Year 1 of Reinvent strategy complete
- Estimated customer savings of £2.1bn
- Completed build out of our product engineering hub in Manchester
- Launched Credit Monitor app to drive personalised recommendations
- Launched proactive policy monitoring service
- Decision Tech acquired in August
- Invested in Podium, a fintech joint venture, which is focused on developing a new digital mortgage journey
- Established employee resource groups to support grass roots diversity and inclusion initiatives

* Use of alternative performance measures is detailed in the Financial Review on page 24

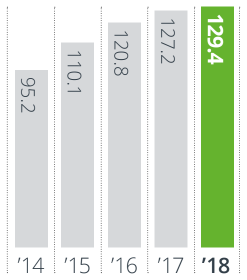
Revenue (£m)
355.6
^ 8%



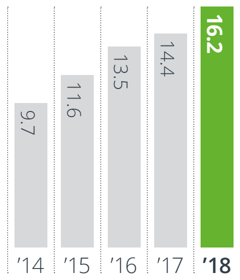
Profit before tax (£m)
106.9
^ 11%



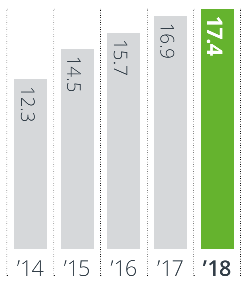
Adjusted EBITDA* (£m)
129.4
^ 2%



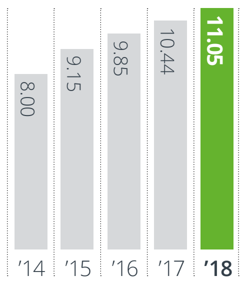
Basic earnings per share (p)
16.2
^ 13%



Adjusted earnings per share* (p)
17.4
^ 3%



Total dividend per share (p)
11.05
^ 6%



Strategic Report
Governance
Financial Statements

Set out below is a summary of our key strategic initiatives, our achievements during 2018, 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 2018	Our Future	Principal Risks & Uncertainties
Customer Experience Optimisation	• **Trusted brands** • **Talent**	• Product engineering hub scaled in Manchester. • Dedicated squads optimising the customer experience across Insurance, Money and Home Services. • Conversion rates increased in all major categories.	• Permanent Manchester office move in 2019 with our product and technology resources located in a single location. • Strong roadmap to continually optimise the customer experience, particularly on a mobile.	• Competitive environment and consumer demands • Brand strength and reputation • Business transformation • Economic conditions • Regulation
1 Personalised MSM	• **Data driven aggregation** • **Trusted brands** • **Talent** • **Operational leverage**	• Introduced proactive policy monitoring where customers can store key policy details and these are then checked against offers in the market to identify the best deal. • Launched Credit Monitor app where we use a customer's credit file to provide personalised recommendations.	• MoneySuperMarket brand relaunch. • Proactive policy monitoring moving to core MoneySuperMarket site.	• Competitive environment and consumer demands • Business transformation • Relevance to partners
2 Take Price Comparison to the user	• **Data driven aggregation** • **Trusted brands** • **Provider relationships** • **Scalable platform**	• Acquired Decision Tech in August which provides leading B2B price and product comparison capabilities. • MoneySuperMarket powered energy switching on the Yolt Open Banking app.	• Focused on adding Moneysupermarket Group products to Decision Tech's B2B sales proposition, leading with energy.	• Competitive environment and consumer demands • Business transformation • Relevance to partners
3 Mortgage Price Comparison	• **Trusted brands** • **Provider relationships** • **Talent** • **Scalable platform**	• Entered into a joint venture arrangement to form a new fintech, Podium, which is working on the digitisation of mortgages. • New customer front end journey live on remortgage journey with the foundations to deliver product eligibility.	• Implement product eligibility enhancements to the mortgage journey. • Focus on deeper broker and lender integration to improve the mortgage journey experience.	• Competitive environment and consumer demands • Business transformation • Relevance to partners • Regulation

Key Performance Indicators

Estimated customer savings

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

'18	£2.1bn
'17	£2.0bn
'16	£1.8bn

Net promoter score

The twelve monthly rolling average (1 Jan 2018 – 31 Dec 2018 inclusive, excluding Decision Technologies Limited) measured by YouGov Brand Index service Recommend Score weighted by revenue to create a Group-wide NPS.

'18	74
'17	69
'16	65

Active users

The number of unique accounts running enquiries in our core seven MoneySuperMarket channels (car insurance, home insurance, life insurance, credit cards, loans and energy) in the prior twelve month period.

'18	12.9m
'17	13.2m
'16	n/a

Revenue per active user

The revenue for the core seven MoneySuperMarket channels divided by the number of active users.

'18	£15.90
'17	£14.80
'16	n/a

Marketing margin

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

'18	63%
'17	65%
'16	64%

Our Results

For Strategic Priorities and KPIs go to page: **8**
For Business Model go to page: **10**
For Financial Review go to page: **24**
For Principal Risks & Uncertainties go to page: **32**

	Revenue	Adjusted EBITDA	Operating cash flow
'18	£355.6m	£129.4m	£106.6m
'17	£329.7m	£127.2m	£106.3m
'16	£316.4m	£120.8m	£106.0m

Making good progress on strategy

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

Bruce Carnegie-Brown
Chair

"We have made good progress on our Reinvent strategy which is designed to reaccelerate core growth and unlock new market growth.

This will be my last Chair's statement, as I will be standing down at the conclusion of the Annual General Meeting, having been privileged to serve the Moneysupermarket Group for nine years. Since joining, the Group has saved UK families over £12.9bn on their household bills.

More and more customers wish to engage digitally with their product providers across a wide range of devices and want to test the value of the products being provided to them by comparing prices and product features.

Their continuing demand for more product choice, a better customer experience and better execution from product providers all support the growth aspirations of Moneysupermarket Group's key brands.

Our Group NPS score was 74 at the end of 2018. Building trust in the Group's brands continues to be a core priority for us.

Our results

Against the background of our focus on our Reinvent strategy, launched in February 2018, Group revenue increased by 8% from £329.7m to £355.6m and adjusted EBITDA increased by 2% from £127.2m to £129.4m, reflecting the investment in our Reinvent strategy and product engineering teams. Profit after tax increased by 11% from £78.1m to £86.6m.

The restructure undertaken in 2018 as part of the Reinvent strategy resulted in all brands being vertically aligned and we now report against these verticals.

Growth was strong in our Insurance business driven by competitive pricing initiatives alongside optimisation work on our motor insurance customer journeys. Revenue in our Home Services business grew by 15% during the year as a result of our strategic focus on customer experience optimisation, improving our mobile experience and conversion rates. Revenue in our Money business was 3% ahead of last year with good performance in credit, supported by attractive promotional products and improving conversion. Other revenue (which includes TravelSupermarket and Decision Tech) increased by 42% compared with 2017, due to the consolidation impact of Decision Tech which accounted for £11m of growth.

We continue to maintain a strong financial position with good cash generation. Cash generated from operations during the year was £106.6m. After paying dividends, the Group ended the year with cash and cash equivalents of £44.8m.

Business model

2018 has again demonstrated the value of our leading brands, giving the Group significant strength, breadth and diversity and increasing the predictability of the business. Our business model is a data-driven online marketplace, providing market-leading exclusive products to customers, value to providers and a track record of returns to investors.

The Group has delivered its ninth consecutive year of revenue and earnings growth and has helped tens of millions of customers during the year to save money on a broad range of financial and household 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 product providers all support the growth aspirations of the Group's key brands.

Dividend and enhanced distribution

We have a progressive dividend policy and the Board is recommending a final dividend of 8.10p per share (2017: 7.60p) representing an increase of 7% on the final dividend in 2017. If approved by shareholders at the forthcoming Annual General Meeting, this will bring the total dividend for the year to 11.05p (2017: 10.44p) per ordinary share, an increase of 6% year over year, and will be paid on 16 May 2019 to all shareholders on the register on 5 April 2019. Details of our dividend policy can be found on page 26.

Whilst the Board continues to consider dividends to be the primary method of returning capital to shareholders, it will also undertake enhanced distributions when advantageous. In line with this policy, we are announcing an enhanced distribution of £40m and will be consulting on the mechanism for returning surplus capital to shareholders before determining our preference, and intend it to be effected during 2019.

Strategic progress

We have made good progress on our Reinvent strategy which is designed to reaccelerate core growth and unlock new market growth including significant investment in product engineering to support customer experience optimisation and personalisation; the acquisition of Decision Tech to support our strategic initiative of taking price comparison to the user; and the creation of a new fintech joint venture company, Podium, to support the digitisation of mortgages. Further detail on the Group's strategy can be found on pages 8 to 17.

The Group continues to be open to acquisition opportunities which are evaluated against a disciplined set of risk and return metrics.

As highlighted in previous Annual Reports, the price comparison industry continues to attract greater scrutiny from our regulators, due in part to the growing importance of the sector to consumers looking to make informed decisions about their choice of service providers. During 2018 we have continued to engage on a proactive basis with key regulators, in particular, in relation to the Insurance Distribution Directive which was implemented on 1 October 2018. We support the evolving regulatory focus on ensuring that loyal customers of consumer service providers are not treated unfairly when compared with new customers and we share the vision of regulators to make products more accessible and understandable to consumers.

Governance and risk management

During the year we reviewed the requirements of the UK Corporate Governance Code (July 2018 version), which we will be required to report upon in our 2019 Annual Report with various workstreams now underway, including enhancements to our engagement with key stakeholders and in particular our employees. More information on our approach to governance is set out in my Introduction to Governance, the Corporate Governance Report and the reports of each of the Committees on pages 38 to 74. These reports describe how we have applied the main principles of the Code (2016 version) during 2017 and reports upon our compliance with the Code's provisions.

The identification and management of risk has continued to be a focus for us during the year. We have monitored the ongoing management of the risks associated with the Reinvent strategy, considered the impact Brexit may have on our organisation and overseen management's actions in relation to consideration of risks associated with the General Data Protection Regulation. Further information on risk management and the key risk focus areas during the year are set out on pages 29 to 33.

The Board

We consider our Board to be diverse in terms of background, skills and experience to support the strategic and operational direction of the Group. Following the appointments of Sarah Warby and Scilla Grimble referred to below, 50% of our Directors are female, which exceeds the minimum 33% target we set for ourselves last year.

During the year we appointed Sarah Warby as a Non-Executive Director. Sarah has experience of leading marketing teams within retail and consumer focused businesses and is a valuable addition to the Board.

On 31 October 2018, Matthew Price stepped down from the Board as Chief Financial Officer. I would like to thank him for his significant contribution to the Group's success. The financial management and control he instituted has been a vital factor in setting the Group up for success in the next phase of its development.

Since the year end, Scilla Grimble has joined the Board as Chief Financial Officer. She brings significant experience to the Group of leading finance teams in several consumer facing public companies and has a strong background in commercial finance and banking.

As mentioned at the beginning of this report, I am stepping down as Chair with effect from the end of the Annual General Meeting and I am delighted that Robin Freestone, a current Non-Executive Director and Chair of our Audit Committee, will succeed me. Robin is an outstanding business leader who joined the Board in 2015 with a wealth of experience in leading global and digital businesses. I trust that Robin will enjoy his new role, as much as I have, working alongside such a talented and engaged Board. I am confident he will successfully lead the Group through its next phase of growth.

During 2018, Darren Drabble, our General Counsel and Company Secretary advised the Board of his decision to step down from his role at the Group on 8 February 2019. Darren is the longest serving member of our Executive Team, having joined in 2007 and the Board owes him a huge debt of gratitude for his wisdom and guidance over the last 12 years. Darren was succeeded by Katherine Bellau, who was previously the Group's Deputy General Counsel.

Our culture and employees

We recognise that we do not currently have sufficient diversity in our Executive Management and their direct reports. As part of the Group's 2018 Diversity Action Plan we established employee resource groups ('ERGs') to support grass roots diversity and inclusion initiatives including in particular 'Represent', an ERG focused on supporting the development and advancement of women and ethnic minorities into more senior roles and 'Thrive', our mental health ERG which is focused on empowering a culture supportive of mental health. Further detail on the Group's improvements to ensure different viewpoints and experiences are brought into our decision making can be found on pages 34 to 37.

Our progress against our Reinvent strategy reflects the dedication and quality of all our employees across the Group. We rely on their skills, experience, competence and hard work to drive our business forward. Most importantly, their passion for our purpose and their commitment to delivering the best for our customers are key assets for the Group and critical to its future success. On behalf of the Board, I would like to thank all of our employees for their contribution to the performance of the Group.

Outlook

We will continue to progress our twin-track strategy of reaccelerating our core business and leading the evolution of price comparison to unlock new market growth.

We have great confidence in our brands which give us strength, breadth and diversity and are aligned with our ambition to 'help households save money', enabling us to continue to build our business for the future.

Bruce Carnegie-Brown
Chair
13 February 2019

Adjusted EBITDA
£129.4m

Total dividend per share
11.05p

Read more about our Business Model on page 10

We saved our customers £2.1bn in 2018

As the most diversified price comparison business we take great pride in our ability to help people with their household bills and with good progress being made on our Reinvent strategy, we are well positioned to help more people save even more money in the future.

Mark Lewis
Chief Executive Officer

"During the year we have made good progress with our Reinvent strategy including taking new propositions such as Credit Monitor to our customers and the acquisition of Decision Tech in August.

Overview

I am pleased to report that in 2018 we helped households save more money than ever before: an estimated £2.1bn. In the first year of delivery of our Reinvent strategy, we grew revenue by 8% and grew adjusted EBITDA by 2% to £129.4m after choosing to invest in the build out of our product engineering teams to enhance our customer experience.

We enjoy market leading positions in growing markets and our customers visit us to save more money across the broadest range of products in the comparison sector. As these markets continue to evolve and people grow ever more used to looking online to find the best value on a growing number of bills, we are committed to leading the way in price comparison through innovation. By doing so we are excited to help our customers save more while also creating value for the providers that use our marketplaces as a way to attract and retain users.

We operate in a number of regulated markets, and once again I'm pleased we have been able to stay ahead of the changes in the regulatory environment. Our business has continued to thrive in a year that included the launch of GDPR, the Insurance Distribution Directive and the introduction of Energy Price Caps.

We started 2018 trading with three strong and trusted brands: MoneySuperMarket, MoneySavingExpert and TravelSupermarket. Each has had a strong year of trading and through our specific focus on the customer experience within the Reinvent strategy we have made our sites easier to use so that people can find the right deal for them with less hassle, especially when they visit us on their mobile phones. Our conversion rates have increased in the main channels and this has allowed us to profitably grow market share. This approach, along with the acquisition of Decision Tech and the continuing shift to mobile, accounts for the reduction in our marketing margin to 63%.

Our customers are telling us that they have noticed the improvement in our journeys with our net promoter scores (the YouGov measure of customer satisfaction) having increased for each of the three brands. This increased customer satisfaction and higher conversion has grown revenue per active user to £15.90, with active users remaining stable at 13m. It has also been another notable year for MoneySavingExpert and TravelSupermarket, in particular, MoneySavingExpert's successful campaigning around issues such as so called 'mortgage prisoners' trapped on high interest deals and its investigation into statements by British Gas on exit penalty fees has set the news agenda and we are proud to fight the corner for our users in this way.

Having started the year with three brands, we grew the Group in 2018 through the acquisition of Decision Tech in August, a strong standalone comparison business trading in the growing categories of home communications and mobile. In line with our Reinvent strategy, the acquisition also supports the delivery of new market growth by adding a B2B sales capability to our diversified business. Since the acquisition in August, Decision Tech has traded in line with our acquisition model.

Insurance

Growth in Insurance has been solid, delivering revenue of £183.0m, up 4% compared to 2017. The shift in the car insurance premium cycle towards a period of declining annual prices has reduced the number of visitors to our site, but those visiting had a higher propensity to switch and as such trading remains robust. As part of our Reinvent strategy to optimise customer journeys, we have reworked and improved our car insurance question set. Home insurance has performed well, reflecting a strong market and pricing and promotion initiatives.

Money

Revenue in our Money business grew to £88.1m, up 3% compared to 2017. The improvement in credit performance is attributable to customer experience optimisation improving conversion and strong provider offers. This was partly offset by trading in our current account channel which contracted as a result of a lower number of attractive and promotional deals.

Home Services

Revenues grew by 15% to £49.2m, with switching in utilities (gas and electricity) making up the majority of revenue in Home Services. The rising price environment was supportive for switching and we secured a number of competitive provider offers and exclusive deals. In addition, the work in the year to improve the customer experience across both MoneySuperMarket and MoneySavingExpert's Cheap Energy Club, has significantly improved the category conversion rates.

Strategy

We launched our Reinvent strategy in February 2018 to deliver the next phase of growth in our dynamic markets. This strategy is built on the core strengths of our business: our leading brands, product diversification and breadth of provider relationships, our modern technology platform and, of course, our customers looking to save on their bills. We have made good progress on our Reinvent strategy in 2018.

Our first priority was to focus on the rapid optimisation of our customer journeys, making the sites easier to use, particularly for anyone using their mobile phone. During 2018 we invested significantly in product engineering and scaled this across our business. We are pleased with the results from our optimisation work and will continue to enhance our customer experience during 2019.

The first areas of the business we chose to optimise were the energy and credit card customer journeys where we were able to significantly improve the conversion rates and our financial performance, demonstrating the value of this expertise and investment. Later in the year we started to optimise the car insurance experience for our customers.

This capability to make our sites easier to use, alongside the existing strengths of our brands, technology platform and provider relationships, is making our business more robust for the future and we are excited about our plans to deliver further impact in 2019.

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

- **Personalised MoneySuperMarket**
  During the year we started to increase the level of personalisation and proactivity of the services we offer. Starting with the customers who access us through our mobile app, we launched monitored energy services, keeping an eye on their bills each month and letting them know when better deals are available to them.

  In 2018 we also launched a Credit Monitor app to help people understand and improve their credit score and further personalise the products we can offer to help them make further savings.

  In 2019 we will relaunch the MoneySuperMarket brand with a new identity and advertising designed to position ourselves to continue to lead our industry as we make it even easier for people to save.

- **Take price comparison to the user**
  Millions of customers visit our sites each year to find ways to save with the personalised offers they find. Going forwards, we also believe that we can use our new technology to serve such personalised offers to customers in other sites and apps around the web. In order to build out this B2B arm of the Group we acquired Decision Tech, a leading B2B home communications and mobile comparison business in August. Decision Tech has a strong track record of delivering B2B services to leading UK comparison sites, including our own MoneySavingExpert and MoneySuperMarket sites, and it is now focused on taking MoneySuperMarket's energy comparison platform to market via distribution deals.

- **Mortgage price comparison**
  Customers are already looking to us for help with mortgages and we are developing a new comparison tool to help them find the most appropriate personalised mortgage online. In order to be a leader in this digitisation of mortgages we established a new fintech joint venture, Podium, and have made our first steps to grow this part of the business.

Summary

I am very proud of the progress we have made in 2018, our first year of delivery of the Reinvent strategy and am excited about the opportunities and plans we have for 2019.

Our work this year has grown the business, helped our customers find it easier to save more and delivered for our providers. As we move into next year we will continue to build on the investments the business has made in technology and data to innovate and take new services to our customers. As household budgets continue to feel the strain in 2019 we believe our overriding purpose to help people save will have even greater resonance for our customers and we look well set to grow our business while fulfilling that goal.

Mark Lewis
Chief Executive Officer
13 February 2019

Estimated savings made by customers
£2.1bn

Revenue per active user
£15.90

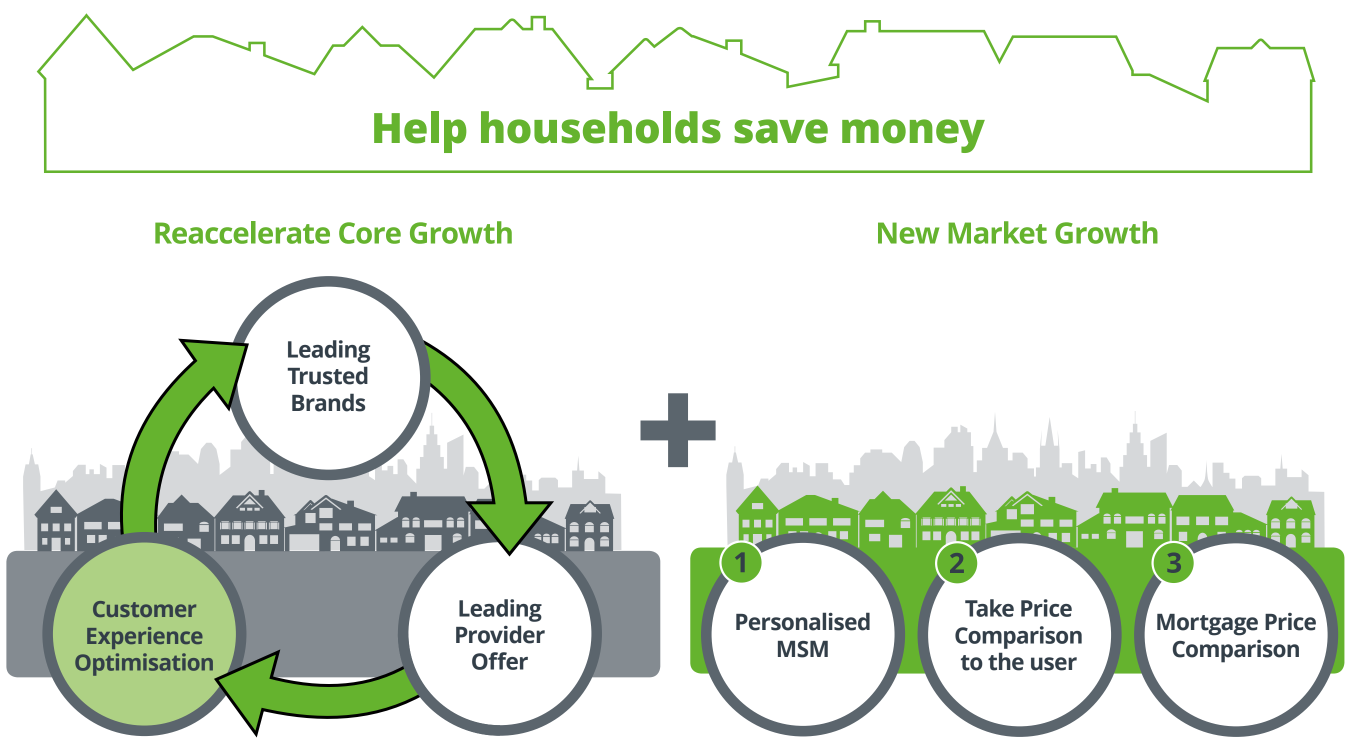
Read more about our strategy and KPIs from page 8

Read more about the performance of our brands from page 18

Our strategic priorities

Our strategic priorities focus on fulfilling our purpose to 'Help households save money' through a combination of reaccelerating our core growth and unlocking new market growth.

Reinvent Growth Strategy: Reaccelerate Core and New Market Growth



Growing markets

We estimate our addressable markets are worth £1.9bn and are growing. We forecast price comparison markets annual switching growth of 4-5%.

We believe we already help customers save money in the broadest set of categories in the market with significant revenue generated through switching across at least 14 categories. Nevertheless, we also believe that there are opportunities to unlock further growth in the market, by making it ever easier for users to save and by developing new categories such as mortgages.

Strong differentiated model

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

Efficiently growing this group of active users and helping them save in new ways is core to our business model.

Technology platform

Our replatforming, completed in 2017, has delivered critical assets for the business. We operate a modern cloud based technology platform providing integrated security, stability and scalability. We have built API service layers to power our own sites and to enable commercial partnerships.

Significantly we now have a single view of our users across their key interactions with us which will allow us to serve them better.

In 2018 we have been, and will continue to be, focused on customer experience optimisation and new proposition development.

Reaccelerate core growth

Our first priority during 2018 for reaccelerating core growth was the focus on rapid optimisation of our customer journeys, particularly for those on their mobile phone. We invested a significant amount in building out our product engineering hub in Manchester to scale this focus on customer experience across our core channels. Adding this capability complements the existing strengths of our brands and provider relationships, strengthening our performance.

The focus in 2018 on customer experience optimisation has led to increased conversion across a number of products, underpinning the return to market growth and will remain a key focus in 2019.

Read more on page 14

New market growth

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

- **Personalised MoneySuperMarket** – we launched a proactive policy monitoring service where customers can store key policies and these are then monitored for the best deal. We also launched a credit monitor service which uses a customer's credit file to help them understand and improve their credit score and delivers personalised recommendations. During 2019 we will look to scale these propositions to more of our customers as we relaunch the MoneySuperMarket brand in the first quarter of the year.

Read more on page 16

- **Take price comparison to the user** – we are tapping into the opportunity to take price comparison to the sites people are already visiting regularly on their mobile phones. Someone checking their bank balance online, for example, may welcome the offer of a better energy deal. We've acquired Decision Tech which has has a strong track record of delivering B2B services to leading UK comparison sites, enabling us to offer MoneySuperMarket's wider comparison services to new audiences.

Read more on page 17

- **Mortgage price comparison** – millions of customers are already looking to us for help with mortgages. In the past, we offered a very simple service and, in return, earned a small share of the procurement fee from providers. We will develop a new user experience to find the most appropriate personlised mortgage online. In 2018 we created Podium Solutions, a joint venture fintech which is working on the digitisation of mortgages. We have delivered the first milestone of our new mortgage proposition, with the new mobile friendly journey live for remortgages together with the foundations to deliver product eligibility.

Read more on page 17

KPIs

The key performance indicators ('KPIs') we use to measure our performance against strategy are set out below.

Estimated customer savings

This measure ensures we are focused on the outcome for customers.

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

'18	£2.1bn
'17	£2.0bn

Net promoter score

We use an externally measured benchmark to create a Group-wide metric, as well as individual brand level metrics, enabling us to use a consistent and external benchmark across all of our brands.

The measure we use is the twelve month rolling average (1 Jan 2018 - 31 Dec 2018 inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for each of our brands (excluding Decision Tech's consumer brands) to create a Group-wide NPS.

'18	74
'17	69

Active users

Our enterprise data warehouse allows us to store enquires across our core seven MoneySuperMarket channels. An enquiry is a completed search on the website made by a customer. This allows us to track active users, a robust measure of customer engagement. This will help measure customer relevance and brand strength. The number of active users was stable, reflecting the impact that the reduction in motor premiums has had on the volume of customers visiting our site.

This is the number of unique accounts running enquiries in our core seven channels (car insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy) in the prior twelve month period.

'18	12.9m
'17	13.2m

Revenue per active user

The key drivers of this metric are conversion and loyalty. The revenue per active user does not cover all of the Group's revenue. It is the revenue directly attributed to the enquires described above. These are enquires made on the MoneySuperMarket website for car insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy. This revenue represents c.60% of Group revenues and we expect to increase this as more channels transition into the enterprise data warehouse.

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

'18	£15.90
'17	£14.80

Marketing margin

This is an effective measure of our ability to create leverage as we grow.

It is the inverse relationship between revenue and total marketing spend represented as a percentage.

'18	63%
'17	65%

Read more about our KPIs in the Financial Review on page 24

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 strategy is identified in the Principal Risks & Uncertainties section of this Report on pages 32 to 33.

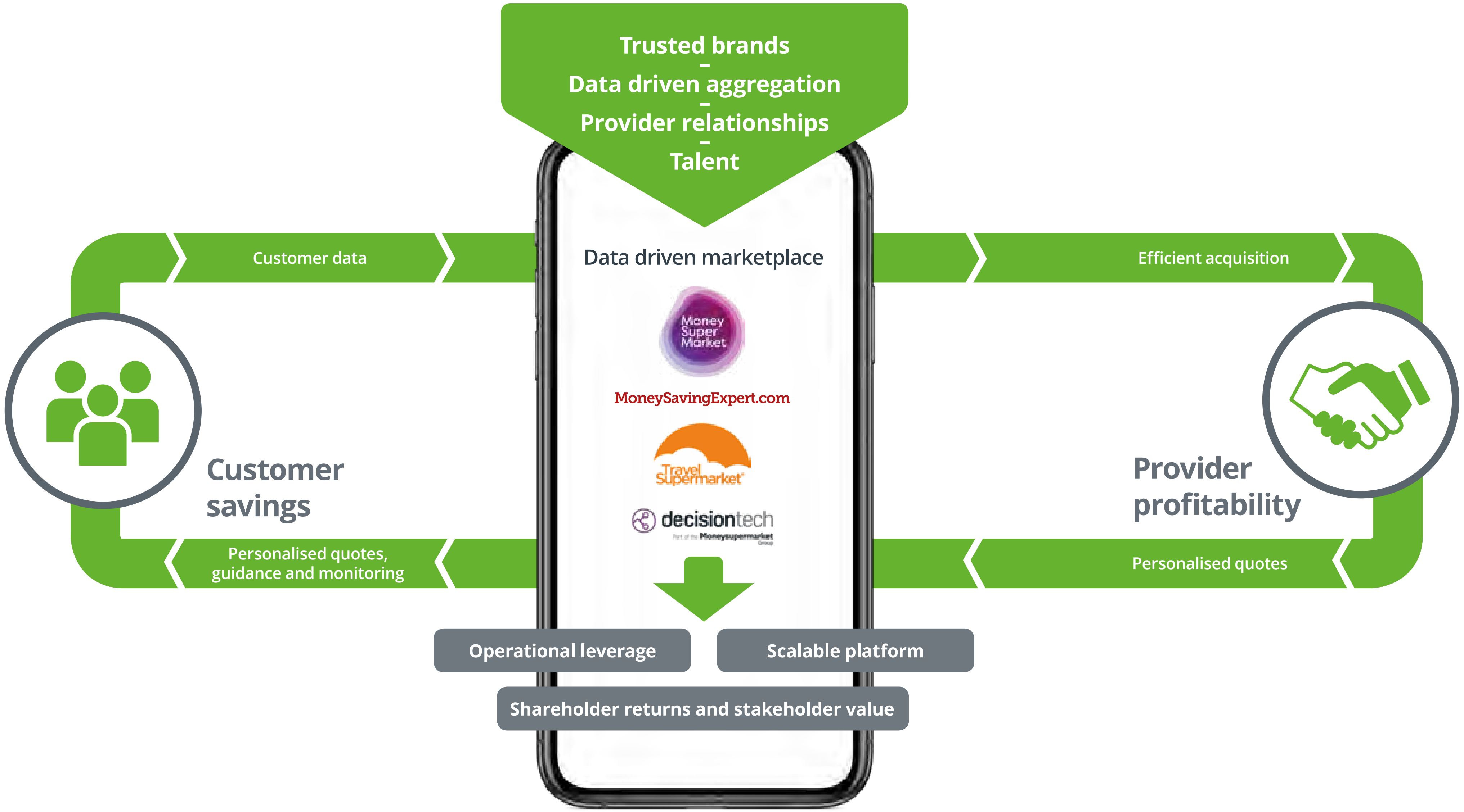
See pages 48 to 53 and 57 to 59 for details of how the Audit Committee and Risk Committee support the Board in oversight of internal controls and risk management.

Remuneration

See page 60 for details of how the Remuneration Committee has ensured executive remuneration is linked to our strategy.

Achieving savings for our customers and providers

We operate through well-established, trusted and leading brands, providing price and product comparison and editorial based websites. Whilst each business has a slightly different business model, we set out in this section the overarching business model for the Group – this is a simple, success-based revenue model which is highly scalable.



How it works

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

— identify products and services which are relevant to customers and where they can make meaningful savings on their household bills including motor, home and life insurance, utilities, credit cards, loans and package holidays; and
— attract customers and providers through our trusted brands and services and through our marketing activities (including traditional media and paid for search).

Details of our customer journey is set out on pages 12 to 13.

How we create value

We create value through:

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

Sharing value with our stakeholders

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

Fact: Our customers are estimated to have saved £2.1bn in 2018 (2017: £2.0bn)

Page 6 – read more in Chief Executive's review

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

Fact: we worked with around 1,000 providers in 2018 (2017: around 1,000)

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

Fact: we spent £907,000 on employee development in 2018 (2017: £550,000)

Page 34 – read more in the Corporate Responsibility Report

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

Fact: we donated more than £337,000 to charitable causes in 2018 (2017: £138,000)

Pages 34 to 37 – read more in the Corporate Responsibility Report

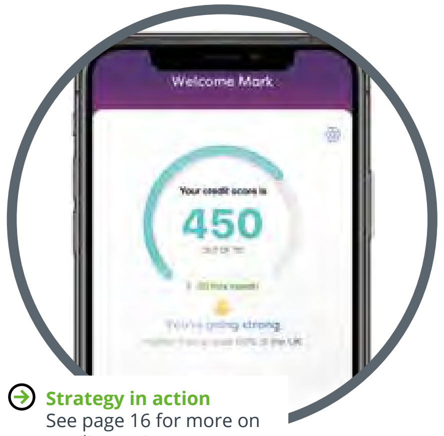
Our shareholders – by delivering value to our customers and providers, we ultimately drive long-term financial value to our shareholders through the delivery of consistent revenue and earnings growth together with the payment of dividends in accordance with our progressive dividend policy.

Fact: we returned £56.5m to shareholders in 2018 through dividends (2017: £94.1m, which included a £40m share repurchase programme)

Page 24 – read more in the Financial Review

Our customer journey

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



Strategy in action
See page 16 for more on Credit Monitor

Strategy in action
See page 14 for more on optimisation

Strategy in action
See page 17 for more on mortgages

CUSTOMER JOURNEY

1 Awareness

Part prompted by our marketing, customers visit our sites

Strategy in action
See page 20 for more on campaign editorials

2 Research

Customers search and compare personalised product quotes

3 Select & Buy

Customers select and take out a product with their chosen provider – transacting either on our site or clicking through to a partner

Strategy in action
See page 15 for more on energy optimisation

4 Customer Insight

We gain insight and feedback from customers and their data to further help personalise the service

5 Engage

Customers receive guidance and tailored alerts on related products

Strategy in action
See page 16 for more on proactive bill monitoring and credit monitor services

6 Return

Customers return to us for more savings on other products or renewals

OUR ACTIONS TO ENABLE THE CUSTOMER JOURNEY

Our award winning marketing and editorial attracts customers to our trusted brands

Our new partnership capabilities enable us to reach customers through other products they already use

Strategy in action
See page 17 for more about Decision Tech

Our secure, flexible technology finds binding quotes across over 15 different categories

We continuously optimise the customer journey

Providers pay us a fee when a policy or product is actually purchased

Strategy in action
See page 14 for more on optimisation

We use customer insight and feedback to help us improve our service and help providers improve their products

We alert customers when they can save money on the product they bought as well as other related products

Reaccelerate core growth

In early 2018, we started the process of reinventing ourselves. We saw that the business of price comparison was changing. With our replatforming work behind us, it was time to turn our attention outwards. How could we stay competitive with customers moving from laptops to mobiles? Where else could we build products and services to help households make the most of their money?

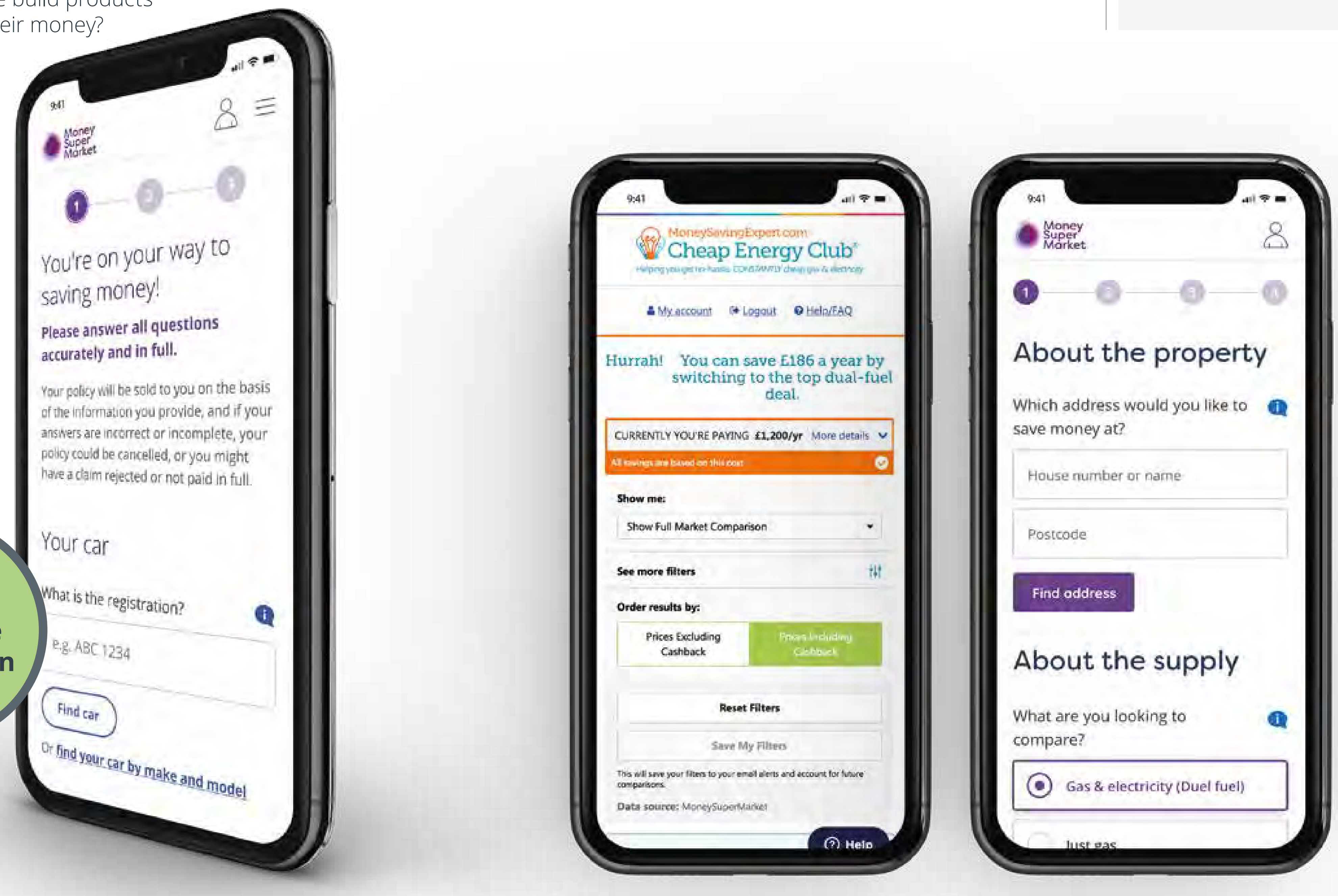
Reaccelerating core growth

As the cost of acquiring customers increases, conversion rates need to rise for us to stay competitive. In 2018, we scaled our product engineering capability to allow us to improve all of our main products in a rapid, iterative way, using multivariant testing to help us discover what users actually prefer. By the end of 2018 we had a team of more than 120 people in Manchester, dedicated to this process.

Over the year, conversion rates improved on all of our core channels – from car insurance to credit cards and energy. Our Net Promoter Score increased across MoneySuperMarket, MoneySavingExpert and TravelSupermarket, as customers found our services easier and more intuitive, helping them make the most of their money, quicker.

"Our first priority was to focus on optimisation – quite simply, our services needed to be easier to use.

Customer Experience Optimisation



Optimising our energy journey

We ran 35 tests on the MoneySuperMarket energy channel alone, helping to drive up conversion and a significant improvement in performance. Our testing helped us to discover where removing jargon, or making features easier to use on a mobile, make a real difference to the way customers use the service. We even tested the most intuitive way to show customers how much money they could save. As the energy market becomes more complex, there is still room for us to improve further in 2019.

New market growth

1 Personalised MSM

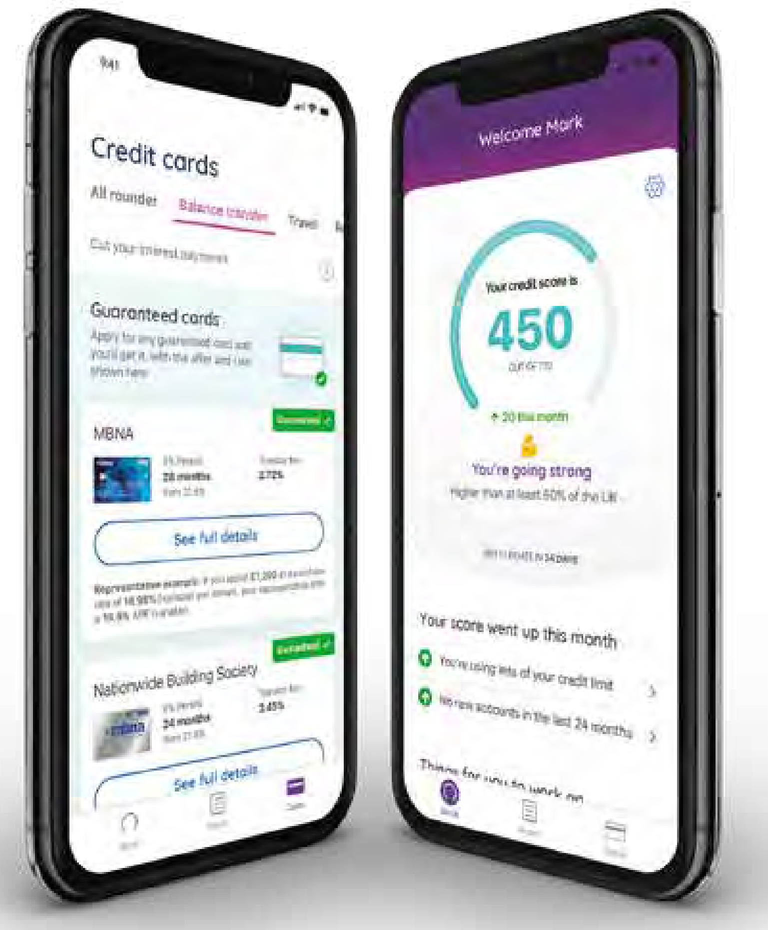
Proactive bill monitoring

It can be hard to keep track of bills and paperwork. MoneySuperMarket launched its proactive bill monitoring service in 2018. This new service monitors household bills and alerts customers to when and how they could save money. It also helps by providing reminders to users to renew their car tax and MOT. We have made it easy for our customers to use so, when they sign in for the first time, we request a small amount of information or if they have just switched, we use information from the switch.

Credit Monitor

In December 2018, we launched Credit Monitor, an app that provides a free way for users to monitor their credit score and to understand what is driving their ability to obtain credit. The addition of a user's credit file together with eligibility enables us to personalise the products we can offer them including credit cards that the user will definitely be approved for. We send users a monthly update with details of what's changed on their credit report and why.

"In 2018 MoneySuperMarket has developed a proactive bill monitoring service and launched a new Credit Monitor app.



2 Take Price Comparison to the user

In August 2018 we acquired Decision Tech. Decision Tech has one of the most advanced and scalable B2B home communications and mobile comparison offerings in the UK. It sits behind several of the UK's leading comparison tools for home communications including MoneySuperMarket and MoneySavingExpert.

Decision Tech is ideally suited to offering MoneySuperMarket's wider comparison services to new audiences through B2B partnerships. We are currently focusing on taking MoneySuperMarket's energy comparison platform to market via distribution deals with B2B partners such as banks and digital publishers. This will enable us to access new switching audiences and will make it easier for customers to save by taking personalised deals to them in the apps they are already visiting.

"We are tapping into the opportunity to take price comparison to the sites people are already visiting regularly on their mobile phones.

3 Mortgage Price Comparison

We know that users are already looking to MoneySuperMarket for help with mortgages – there are millions of visits to our site each year. In the past, we offered a basic service to users and in return earned a small part of the procurement fee from providers.

In 2018, we created a fintech joint venture, Podium, to help us start to work on the digitisation of mortgage applications and to transform the user experience to help them find the most appropriate mortgage online. The initial focus of this work is the remortgage market and MoneySuperMarket has now launched a new customer journey for remortgages, including improved data on their eligibility for each product.

In 2019 there will be a focus on improving the users experience including product eligibility enhancements and deeper broker and lender integrations.

"We want to take the uncertainty out of applying for a mortgage.

A leading platform to help customers save money

Looking ahead, we will:

- relaunch the MoneySuperMarket brand in 2019 with a refreshed visual identity;
- put customers in greater control of their money by scaling our credit monitoring and bill monitoring services alongside our core price comparison service;
- personalise the MoneySuperMarket customer experience, ensuring our range of money saving services are tailored to individual customer requirements; and
- complete the digitisation of our remortgage journey making it easier for customers to save money on their biggest household bill.

Overview

As the original Group brand, MoneySuperMarket's aim to help households save money has been our north star for 20 years this year. In 2019 we will relaunch the MoneySuperMarket brand, inviting our customers to raise their expectations of the role MoneySuperMarket plays in helping them save time and money, and to take control of their broader financial lives.

Last year we spoke about a more proactive, personalised, pain free money saving journey and we've made great progress on this in 2018. We've launched our Credit Monitor app offering customers a free credit score and tips as to how they manage and improve their score with guaranteed rates and acceptance on credit cards.

We've delivered increased customer engagement with our energy monitoring services, as well as MOT and tax alerts for our car Insurance customers alongside our motor insurance renewal reminders as we help customers save money on their car ownership bills. And we continue to optimise our traditional price comparison customer journeys which has resulted in record levels of net promotor score and savings for MoneySuperMarket customers. The brand relaunch scheduled for March 2019 will see a new approach to advertising, a new visual identity for the MoneySuperMarket brand and will put our strategic initiatives at the front and centre of our customer proposition alongside our price comparison and switching services, making it easier than ever before for customers to take control of their finances and save on their household bills.

Reinventing what we do

Following our sustained period of technology investment, innovation has gathered pace for the MoneySuperMarket brand in 2018. We've launched our credit monitoring service, bill monitoring is helping customers save on their car Insurance and energy bills, we've delivered the first stage of our digital remortgage journey and our optimisation programmes are making it easier for customers to save on their household bills and take control of their money.

Personalisation

Our marketing communication to existing MoneySuperMarket customers is now fully personalised, ensuring we're always relevant in how we help customers continually save on their household bills. In 2019 we'll personalise the end to end customer experience tailoring our website and app journeys to individual customer requirements depending on how they're engaging with our price comparison, credit monitoring and bill monitoring services.

Taking price comparison to the customer

Our acquisition of Decision Tech in 2018 enables us to take the MoneySuperMarket brand out to our customers, initially focusing on how customers can save on their energy bills.

Best experience

Our net promotor score, Reevoo and Trust Pilot ratings have reached record levels. We'll continue to ensure we have the widest range of price comparison services in the UK, we'll continually optimise our customer journeys to remove friction and make it easier for customers to save money and we'll continue to innovate in delivering proactive, personalised services that put customers in greater control of their money.

Market trends and opportunities

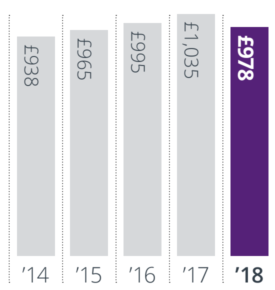
MoneySuperMarket offers consumers many opportunities to save money, from the 'big spends' such as insurance and energy bills to high value and rewarding financial products.

Across all our key markets customers increasingly expect greater personalisation of their journeys, and we are able to use what we know about our customers to provide this.

We forecast price comparison markets annual switching growth to be 4-5% based on internal data and external sources. In addition to the broad economic trends affecting household budgets, there are various factors impacting our key markets including:

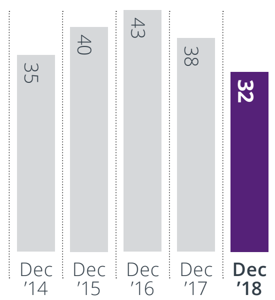
- **Motor Insurance:** Average premiums in car insurance are expected to remain stable through 2019, after a period of deflation in 2018. It remains the case that drivers can often beat their renewal quote from their existing insurer by shopping around at MoneySuperMarket especially if their circumstances change. Our brand refresh will help to keep us in the front of consumers minds when they are looking to compare their motor insurance.
- **Money products:** Many households rely on credit cards to manage their budgets, so we will continue to showcase the best possible deals on balance transfer and purchase cards. Our focus on customer experience optimisation in credit cards will enable us to continue to help customers find the right product for them. The base rate is expected to increase in 2019, which could encourage users on standard variable rates to remortgage. We will continue to focus on improving our remortgage journey in 2019. Savings rates have risen in 2018, and may rise further if the base rate increases in 2019, which in turn could increase appetite for savings products.
- **Energy:** The implementation of the energy price cap on 1 January 2019 has changed the market environment in energy. Despite the cap, customers will still be able to save significant amounts by switching to the cheapest tariff on MoneySuperMarket and our new energy monitoring service will alert customers if savings can be made.
- **Brexit:** Many of the impacts of Brexit do not directly apply to our business, however it could result in increased costs for providers and may increase customer uncertainty. Alternatively it could increase the need for consumers to make the most of their money and to find the best deals for them through MoneySuperMarket.

Motor insurance premium (mean price quoted)
Annual average insurance premium (£)



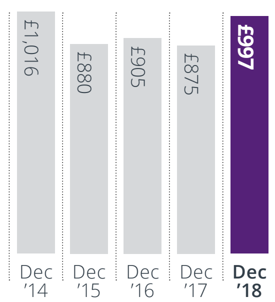
Source: MoneySuperMarket motor insurance enquiry data

Longest 0% balance transfer period for credit card
Headline balance transfer period (months)



Source: MoneySuperMarket data

Average energy quote – MoneySuperMarket user
Average annual energy price (£)

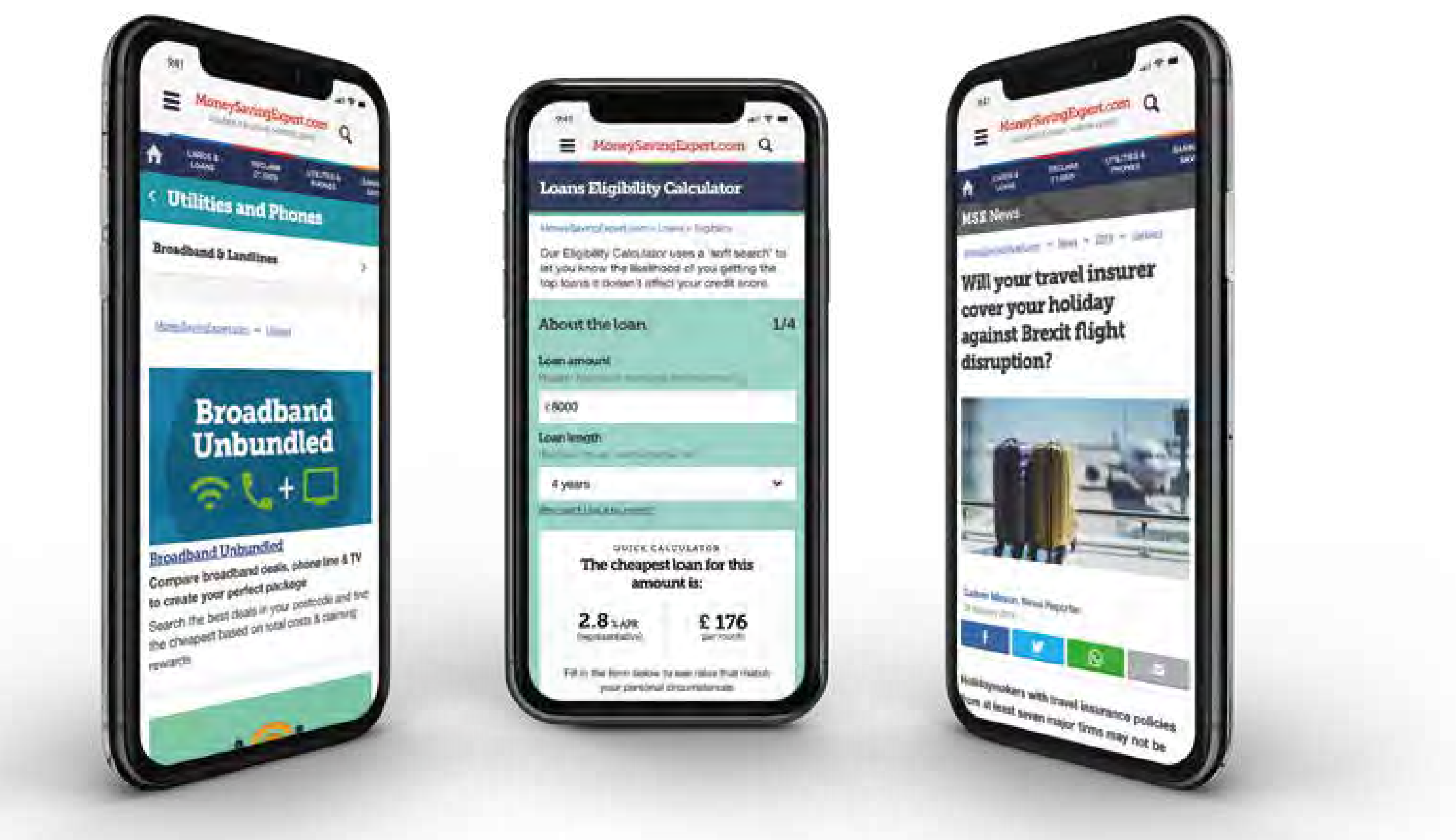


Source: MoneySuperMarket enquiry data median cheapest price (dual fuel customers only) energy enquiries

MoneySavingExpert.com

MoneySavingExpert.com

Cutting users' costs, fighting their corner



Looking ahead, we will:

- continue our strategy of educating and fighting for the user – investing in our editorial and campaigning teams to help spread our message even further;
- continue to develop our digital platforms to improve the experience for new and existing users, particularly on mobile and refresh the MSE Forum, our community of moneysavers;
- develop and enhance our key money saving tools including Cheap Energy Club and our Cards and Loans Eligibility Checker, to make it even easier for users to cut their bills; and
- launch the Big Employee Save, helping us to reach new audiences by making specially commissioned content available to employees via companies' intranet sites.

Overview

MoneySavingExpert has further developed its position as one of the UK's biggest finance websites, editorially independent and committed to helping its users cut their costs and fighting their corner. 2018 saw continued growth in user numbers, a range of high-profile campaign successes that have raised our profile and influence, and a re-platform for the entire website that will allow us to develop our content and tools to help even more users.

Fighting the corner for consumers

Campaigning on behalf of consumers is a fundamental part of what MoneySavingExpert does, and 2018 saw us achieve significant wins. We've fought for four years to draw attention to the plight of 140,000 "mortgage prisoners", trapped on high-interest deals through inflexible affordability tests, and the FCA has now responded by launching a consultation which is expected to lead to changes in lending rules.

After our campaign to highlight misleading statements from British Gas around exit penalty fees, the energy giant was forced by Ofgem to pay out £2.65m in refunds and compensation to affected customers.

We've also fought to make it easier for people with severe mental impairments to get the council tax rebates they're entitled to, including working with the Welsh Government to improve the accuracy of information that councils provide.

This is alongside our ongoing work to help millions of people 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.

Helping more people than ever

2018 saw record numbers of people using MoneySavingExpert. Overall traffic to our site increased by more than 15%, hitting a record peak of over 5 million sessions in a week in November as users searched for cheaper energy deals and cheaper loans. The number of people signed up to receive our weekly email also grew, reaching more than 13.6 million. And our forum community has more than 45 million posts, sharing ideas and advice on getting out of debt, finding better deals and practical ways to save money.

Our journalism frequently led the news agenda this year. Alongside our British Gas investigation, we also uncovered that passport renewal lengths were shrinking because of Brexit, and that TSB was wrongly claiming some of its existing customers were dead.

At the core of our site are more than 400 moneysaving guides, comprehensively researched and regularly updated. This year we continued to expand the range of our coverage, revealing the best time to get car insurance is 3 weeks before renewal, how to beat school holiday price hikes when booking travel, and introducing the hugely popular 'what Brexit means for your finances' guide.

Our record as the UK's most influential personal finance website won us Brand of the Year at the prestigious Drum Online Media Awards, we were ranked top brand in the UK Online Services sector in 2018 (YouGov 2018 BrandIndex) and our deals team won best company money blog at this year's SHOMO awards.

Even easier to use

We have invested considerable technological and editorial resources this year to moving all our content and money saving tools into a new content management system, that makes it easier to respond to the changing needs of our users. And we've continued to focus on improving our product guides and tools to increase user engagement.

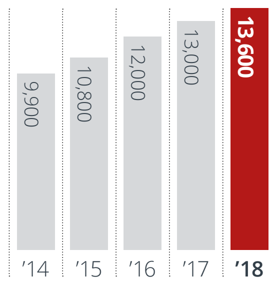
Accessible, unique and easy to understand editorial content is at the heart of what MoneySavingExpert does, so 2019 will see further developments, with a particular focus on improving site navigation and ensuring we are optimised for mobile devices, which our users increasingly favour. We'll also be introducing more video onto the main site, piloting ways of offering more personalised content, and replatforming the MSE Forum. And we will develop and enhance our key money saving tools including Cheap Energy Club and our Cards and Loans Eligibility Checker, to make it even easier for users to cut their bills.

Market trends and opportunities

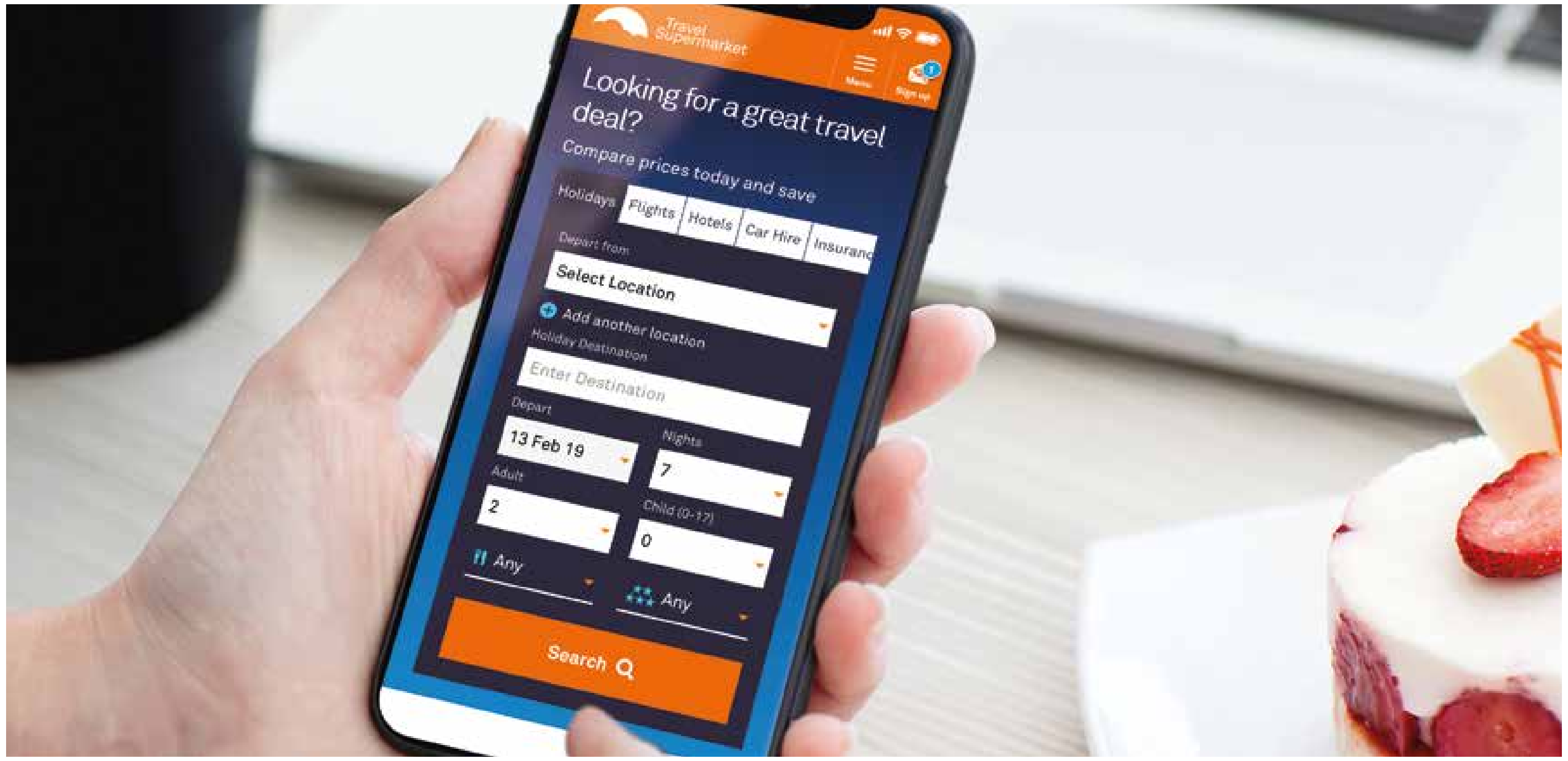
We have seen a number of trends in the markets in which we operate where consumers could save money by actively managing their household bills including:

- **Consumer uncertainty:** Any increase in the quality of financial products, or consumer uncertainty on finances driven by Brexit, enables MoneySavingExpert to provide expert editorial comment and engage with consumers on the best products available in the market.
- **Financial services:** Savings rates have risen in 2018, and may rise further if the base rate increases in 2019, which in turn could increase appetite for savings products.
- **Energy:** The implementation of the energy price cap towards the end of 2018 has changed the market environment in energy. MoneySavingExpert believes that bigger savings can be achieved by households switching to fixed-rate tariffs. MoneySavingExpert's Cheap Energy Club, which alerts consumers if energy tariffs change and savings can be made, helps to ensure it is well placed to benefit from consumers seeking to reduce their energy costs.
- **Smaller energy providers:** The energy market has been flooded with small, new providers in the last few years. While this should be good for competition, consumers are fearful of switching to an unknown provider, a nervousness heightened by a number of small energy providers going into administration. When consumers face uncertainty they may turn to MoneySavingExpert as a trusted brand. In addition, MoneySavingExpert's Cheap Energy Club allows users to personalise their results and email alerts, excluding companies with poor service, or opting only for deals with 'big names'.

Subscribers
Number '000s to weekly email



Simply compare to save money



Looking ahead, we will:

- continue to optimise our service to make it the best place to save money on car hire and package holidays;
- develop the user experience via our white label partners on ancillary products such as flights, cruise and travel insurance; and
- work with trusted travel brands to ensure the breadth of deals we show our customers offers choice and great value.

Overview

TravelSupermarket has the UK's broadest travel price comparison offer, from package holidays to car hire, flights, hotels, travel insurance and more. We work with over 100 partners to give travellers the best possible deal as they book their trips.

For the majority of households, a summer holiday is the largest item of discretionary spend in the annual budget. TravelSupermarket helps over 11 million visitors a year make sure that they are getting great value when they plan and book their trips.

A metasearch leader

TravelSupermarket is the UK's largest comparison site for package holidays and car hire. We focus on giving travellers the ability to compare different providers – tour operators, online booking sites, car rental aggregators and car hire companies, for a given destination, hotel, rental location or car type. We aim to show our users all the key details that factor into their choice, like price, departure airport or additional charges for car rental.

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

Mobile first

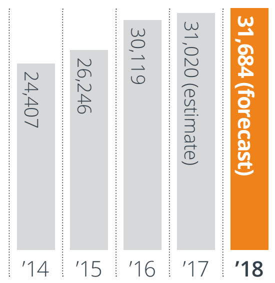
In common with other parts of the Group, we focus heavily on optimising our user journeys, which for well over 50% of our traffic, now means searching and booking on a mobile phone. We've seen a number of improvements through 2018 which really focus on displaying the key pieces of information travellers need to make a decision, despite the smaller screen size. We've also significantly improved the display and choice on our flights channel, and switched to a new travel insurance comparison engine, so that whatever a customer's plan, TravelSupermarket can get them nearer to travelling.

Market trends and opportunities

TravelSupermarket deliberately focuses on UK leisure travel, particularly for summer holiday destinations. Whilst the hot summer and distractions of the World Cup hit the late booking season in 2018, we expect this to remain an attractive market. Very early indications in 2019 suggest growth in forward bookings for the summer, but volumes are likely to see some volatility until the nature of the UK's withdrawal from the EU is clear.

Overseas Holidays (packaged and independent)*

Total value (£m)



Source: Mintel's Report – Package vs Independent Holidays, UK – April 2018

* overseas value excludes expenditure on airfares, sea fares, tunnel fares and train fares – to and from the UK

Good trading performance with revenue up 8%

We have delivered good financial results whilst choosing to invest into our product engineering teams to enhance customer experience as we start the implementation of our Reinvent strategy.

Scilla Grimble
Chief Financial Officer

"The Group's revenues increased 8% to £355.6m (2017: £329.7m) and adjusted EBITDA to £129.4m (2017: £127.2m), up 2%.

We have delivered good financial results through this period of transformation. Group revenue increased 8% to £355.6m (2017: £329.7m) and profit after tax to £86.6m (2017: £78.1m). When reviewing performance, the Directors use a number of adjusted measures, including Adjusted EBITDA which was up 2% at £129.4m (2017: £127.2m) and Adjusted EPS which grew 3% to 17.4p (2017: 16.9p), as shown in the table below.

Extract of Consolidated Statement of Comprehensive Income

for the year ended 31 December 2018

	2018 £m	2017 £m
Revenue	355.6	329.7
Cost of sales	(102.3)	(85.2)
Gross profit	253.3	244.5
Distribution expenses	(30.2)	(29.3)
Administrative expenses	(115.1)	(111.0)
Impairment of goodwill and intangible assets	–	(9.3)
Operating profit	108.0	94.9
Amortisation of software	11.8	12.2
Amortisation of acquisition related intangible assets	1.5	7.3
Depreciation	1.4	1.2
EBITDA	**122.7**	115.5
Reconciliation to adjusted EBITDA:		
EBITDA	122.7	115.5
Impairment of Property, Plant & Equipment	0.8	–
Strategy related costs:		
Technology assets no longer in use	–	9.3
Deal fees	1.7	–
Strategy review and associated reorganisation costs	4.2	2.4
Adjusted EBITDA	**129.4**	127.2
Adjusted earnings per ordinary share:		
– basic (p)	17.4	16.9
– diluted (p)	17.3	16.8

Full Consolidated Statement of Comprehensive Income see page: 87.

Revenue

During the year, Group revenue grew 8%. Insurance traded well, delivering 4% growth in a challenging market. Money performance improved, particularly in the second half of the year, growing at 3% for the full year. Home Services performance was also strong. Decision Tech, which the Group acquired on 9 August 2018 is included within other revenue and contributed revenue of £11m in the year.

	Revenue 2018 £m	2017 £m	Change
Insurance	183.0	176.5	4%
Money	88.1	85.4	3%
Home Services	49.2	43.0	15%
	320.4	304.9	5%
Other revenue*	35.2	24.8	42%
Total	355.6	329.7	8%

Note:
* 2018 Includes £10.7m revenue related to Decision Tech

Insurance revenue grew 4%, which is a good performance in a challenging market where motor premiums are falling. The change in the premium cycle for motor insurance has reduced the number of visitors to our site, however, those visiting had a higher propensity to switch. Motor and home insurance showed strong growth in the year. We have also continued successful initiatives, such as competitive pricing, in tandem with our work on refactoring our motor code base, which have improved conversion.

Money revenue grew by 3% but with stronger performance in the second half of the year when revenue grew at 5%. This better second half was driven by credit cards' performance with better customer experience optimisation and stronger provider offers. This was partly offset by our current accounts channel, which had fewer compelling deals for customers than the prior year.

Home Services revenue was strong, growing 15%, driven by energy switching. Following our commitment last year to focus on customer experience optimisation, our improved mobile experience and conversion rates meant that energy grew materially year-on-year. Furthermore, the rising price environment encouraged switching and we secured a number of competitive provider offers and exclusive deals.

Other revenue grew by 42% due to the acquisition of Decision Tech which accounted for £11m of the growth. Excluding this, Other revenue reduced slightly driven by the tougher travel market conditions.

Gross profit and distribution expenses

A number of factors influenced the decline in gross margin to 71% from 74% in 2017. One percentage point of the reduction was driven by the consolidation of Decision Tech, as B2B has lower margins than B2C. As we previously reported, the trend for customers to transition to mobile puts around one percentage point a year pressure on our gross margins through both conversion and acquisition impact; and during 2018 we chose to invest harder in online paid search auctions to generate profitable growth and gain market share. Our conversion improvements have allowed us to be more competitive in these auctions whilst maintaining our strategy of bidding to breakeven. Distribution expenses were broadly in line with the prior year, with spending levels on TV and radio media similar to 2017.

Administrative expenses

Administrative costs (excluding amortisation of acquisition-related intangible assets, impairments and strategy review and associated reorganisation costs) increased by 5% driven by the investment in the product engineering hub in Manchester and the acquisition of Decision Tech, partly offset by efficiency savings.

Investment in technology

The Group completed its technology replatforming in 2017, delivering a modern and scalable technology infrastructure. Since then, our technology development costs have rebalanced from capital expenditure to operating costs. During 2018, the total technology spend, defined as technology operating costs excluding amortisation plus technology capital investment, was £37m (2017: £39m). In 2018, software amortisation costs were £11.8m and technology capital investment was £13.0m. During 2019, we expect technology capital investment of £11m and the technology amortisation charge to be in the region of £16m.

Amortisation of acquisition related intangible assets

The charge for amortisation of acquisition related intangibles fell significantly year on year as intangible assets relating to the acquisition of Moneysupermarket.com Financial Group Limited were fully amortised in 2017. The charge in 2018 relates to both MoneySavingExpert.com (£1m, with £1m expected in 2019) and Decision Tech. The acquisition of Decision Tech gave rise to £8.8m of intangible assets which will be amortised over a period of 3 – 10 years. The charge incurred in 2018 was £0.5m (2017: £nil) and the amortisation charge for 2019 is expected to be in the region of £1.4m.

Strategy related costs

During 2018 the Group incurred £1.7m one-off costs relating to the acquisition of Decision Tech along with £4.2m of reorganisation costs supporting the Reinvent strategy. In 2019, we also expect to incur transitional costs in the region of £2m relating to the necessary reorganisation to support our new strategy.

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 Adjusted EBITDA and Adjusted EPS alongside GAAP measures when reviewing performance of the Group. This results from moving out of the phase of significant capital investment in our technology platform towards focusing on developing and optimising our product and technology. Therefore, capital investment and amortisation is less meaningful and so it is more appropriate to focus on an Adjusted EBITDA measure alongside Adjusted EPS. Executive management bonus targets also include reference to Adjusted EBITDA and similarly, Long Term Incentive Plans are measured in relation to Adjusted EPS.

As such, these measures are important and should be considered alongside the IFRS measures. The adjustments are separately disclosed and are usually items that are non-underlying to trading activities and which are significant in size. Alternative performance measures used within these statements are accompanied with a reference to the relevant GAAP measure and the adjustments made.

Key performance measures

The Directors use key performance indicators (KPIs) to assess the performance of the business against the Group's strategy. As highlighted in February 2018, the KPIs have been re-assessed to align with the strategic priorities announced. We now measure five key strategic KPIs: Estimated Customer Savings, Customer Net Promoter Score, Active Users, Revenue per Active User and Marketing Margin.

	31 December 2018	31 December 2017
Estimated Customer Savings	**£2.1bn**	£2.0bn
Net Promoter Score	**74**	69
Active Users	**12.9m**	13.2m
Revenue per Active User	**£15.90**	£14.80
Marketing Margin	**63%**	65%

Estimated Customer Savings:	This is calculated by multiplying sales volume against the average saving per product for core channels, the balance of the calculation is a company estimation.
Net Promoter Score:	The twelve monthly rolling average (1 Jan - 31 Dec inclusive) measured by YouGov Brand Index service Recommend Score weighted by revenue for each of our brands (excluding Decision Tech's consumer brands) to create a Group-wide NPS.
Active Users:	The number of unique accounts running enquiries in our core seven channels (Motor insurance, Home insurance, Life insurance, Travel insurance, Credit Cards, Loans and Energy) in the prior 12 month period.
Revenue per Active User:	This is the revenue for the core seven MoneySuperMarket channels divided by the number of active users.
Marketing Margin:	The inverse relationship between revenue and total marketing spend represented as a percentage.

We estimate that our customers saved £2.1bn in 2018. This is a strong performance given the change in the motor premium cycle. Whilst there has been an increase in the number of customers saving from switching their motor policy, falling premiums have meant that the average saving per customer is lower than it was in 2017.

Trust and satisfaction in our brands is strong and we are pleased with the 5 points increase in the net promoter score over the last 12 months, from 69 to 74. This reflects the investments we have made in our product engineering capability, which has improved the customer experience.

Active users is a measurement of customers who have made an enquiry in the last 12 months on the MoneySuperMarket website for motor insurance, home insurance, life insurance, travel insurance, credit cards, loans and energy. The revenue from these 7 channels represents circa 60% of Group revenue. The number of active users remains stable at around 13m, reflecting the impact that the reduction in motor premiums has had on the volume of customers visiting our site.

Our investment in optimisation drove more efficient customer journeys, leading to an increased Revenue per Active User to £15.90 for the year ended 31 December 2018.

The marketing margin reflects the dynamics described under gross profit and distribution expenses described above.

Cash

As at 31 December 2018 the Group had net cash of £29.8m (2017: £35.1m).

In September 2018, the Group secured a new three year revolving credit facility of £100m in committed funds provided in equal parts by Lloyds Bank Plc and Barclays Bank Plc. The Group also has an accordion option to apply for up to an additional £100m of funds during the term. At the year end we had utilised £15m of the facility.

Dividends

For 2018, the Board has recommended a final dividend of 8.10 pence per share, making the proposed full-year dividend 11.05 pence per share (2017: 10.44 pence per share). The 6% increase in the 2018 proposed full-year dividend is in line with our progressive dividend policy and dividend cover is maintained at 1.6 times (2017: 1.6 times). The final dividend of 8.10 pence per share will be paid on 16 May 2019 to shareholders on the register on 5 April 2019, subject to approval by shareholders at the Annual General Meeting to be held on 9 May 2019. Details of total dividends paid in relation to the years ended 31 December 2014 to 31 December 2018 are set out on page 1.

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

Moneysupermarket.com Group PLC, the parent company of the Group, is a non-trading investment holding company, which derives its distributable reserves from dividends paid by subsidiary companies. The Board reviews the level of distributable reserves in the parent company bi-annually, to align with the proposed interim and final dividend payment dates, and aims to maintain distributable reserves that provide adequate cover for dividend payments. The distributable reserves of the parent company approximate to the balance on the profit and loss account reserve, which at 31 December 2018 amounted to £203.9m (2017: £63.4m) (as disclosed in the Company balance sheet on page 114). The total external dividends relating to the year ended 31 December 2018 amounted to £59.0m.

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

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

Enhanced distribution

In line with our capital allocation policy, whilst the Board continues to consider ordinary dividends to be the primary method of returning capital to shareholders, it will also undertake enhanced distributions. In line with this policy we are announcing our intention to return an additional £40m to shareholders in 2019 and will be taking soundings from major shareholders on the mechanism in due course.

Tax

The Group tax charge of £20.3m in the Consolidated Statement of Comprehensive Income represents an effective rate of 19.0% (2017: 18.7%). The effective tax rate of 19.0% (2017: 18.7%) is in line with the UK statutory rate of 19.0% (2017: 19.25%) and the Group expects the underlying effective rate of tax to continue to approximate to the standard UK corporation tax rate.

The Group publishes its tax strategy each year. The Group is guided by its purpose to help households save money. We believe that our business makes a valuable contribution to UK society and we are proud to have helped customers save an estimated £2.1 billion on their household bills in 2018, by finding a better deal on their energy, insurance and banking products.

Alongside this, we want to make our contribution to the communities that our customers live in by paying the right amount of tax, at the right time. In 2018 we have paid £18.7m in UK corporation tax and over £23m in other taxes (including VAT and employer's national insurance).

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

Earnings per ordinary share

Basic statutory earnings per ordinary share for the year ended 31 December 2018 was 16.2p (2017:14.4p). Adjusted basic earnings per ordinary share increased from 16.9p to 17.4p per share.

The adjusted earnings per ordinary share is based on profit before tax after adjusting for intangible amortisation related to acquisitions, and adjusting items shown in the reconciliation from EBITDA to adjusted EBITDA above. The tax rate of 19.00% (2017: 19.25%) has been applied to calculate adjusted profit after tax.

Viability statement

As required by Provision C.2.2 of the 2016 revision of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a three-year period to December 2021. In making this assessment the Directors took account of the Business Model and Principal Risks set out on pages 10 to 11 and 32 to 33 of the Strategic Report.

Business model

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

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

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

The Group's strategic priorities are: leading trusted brands, leading provider offer, customer experience optimisation and new market growth including personalising MoneySuperMarket, extending price comparison to new platforms and enhancing mortgage price comparison.

The Strategic Report sets out the Group's performance on the main KPIs which the Board monitored for the year ended 31 December 2018. The Board monitors and reviews progress against three time horizons – quarterly to review and reforecast performance against the Annual Plan and Budget; annually to establish a clear Annual Plan and Budget that will deliver against the Strategic Plan; and a three-year Strategic Plan re-assessed annually, to determine the strategy of the Group.

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

Risk management

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

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

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

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, share buybacks or the slowdown of capital expenditure.

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

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

We have set out in the Strategic Report how the Board intends to serve its customers better in a mobile-led environment, together with progress against our twin-track strategy of reaccelerating core growth and unlocking new market growth. The strategy is a clear demonstration of how the Board considers and seeks to mitigate risks.

Viability assessment

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

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

Going concern

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

Investment proposition

The Group is a data-driven online marketplace, providing market-leading exclusive products to customers, value to our providers and a track record of returns to investors. It is a Group with leading brands, a diversified provider base and a large number of customers as well as core strengths in marketing, journalism and provider relationships. The Group operates in a wide set of markets, each with significant headroom and growth opportunities.
We are delivering on our Reinvent strategy which is ensuring we reaccelerate core growth and unlock future new ways of growth for the business. Investors benefit from investing in a highly cash generative business with a progressive ordinary dividend policy.

How we mitigate risk

Risk management approach

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

Governance and oversight

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

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

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

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

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

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

The Audit Committee makes a recommendation to the Board on risk and internal control 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 2018, we further enhanced the Group Risk Appetite Framework and Statement following scenario analysis and consideration by executive management. We have considered the impact of the Reinvent strategy (including organisational design) and regulatory developments (including GDPR) on our Risk Appetite Framework & Statement and have advised the Board on the associated risks.

Risk appetite

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

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

Risk identification and assessment

The Group adopts formal risk identification and management processes which are designed to ensure that risks are properly identified and evaluated, in line with risk appetite. At least quarterly, the identification of significant risks is informed using a bottom up and top down approach with each business area identifying new risks as well as re-assessing those already being monitored. To aid in the identification of risks and development of associated mitigating actions, risks are categorised into strategic, financial and operational/conduct risks. During 2018 we revised our risk register to bring it in line with our vertical structure. In addition, robust risk and control assessments are carried out at least bi-annually across all areas of the business, in order to understand the strength and performance of the controls in place, and potential gaps and weaknesses.

Management reporting

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

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

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

Future developments

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

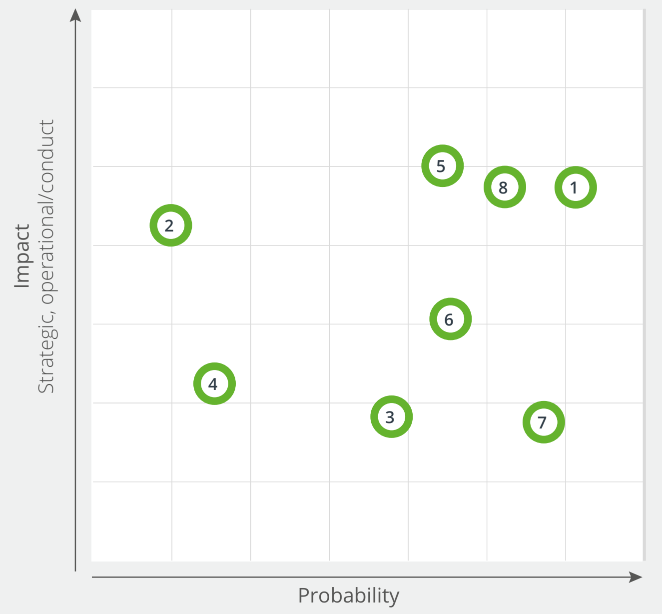
We will further enhance our risk management and governance arrangements in preparation for upcoming regulatory change including for the Senior Managers & Certification Regime.

Our Principal Risks (as at 31 December 2018)

Outlined here are the most significant risks that may affect our future. There have been no changes to our Principal Risks from those reported in our 2017 Annual Report. 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).

Our Principal Risks (as at 31 December 2018)

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).



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

Strategic Priorities:

- A Customer experience optimisation
- B Leading trusted brands
- C Leading provider offer
- D New market growth

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

Risk area and trend	Description	Risk type	Strategic Priority	Mitigating activities	Developments in 2018
Competitive environment and consumer demands ↑	The Group operates in a dynamic and highly competitive marketplace with new competitors entering the market. We must continually innovate to keep ahead of competitors and changing consumer demands.	SR	A, D	Continuous innovation of new services and ongoing evolution of existing propositions. Regular engagement with consumers to understand changes in how they use our services. Investment in our technology platforms to improve customer experience and make comparing products easier.	We have made good progress on our Reinvent strategy designed to reaccelerate core growth and create new market growth. We have developed new propositions, including a credit monitor app and bill monitoring service and redeveloped the customer journey for remortgages. We acquired Decision Tech which has one of the most advanced and scalable B2B offerings in the UK. We focused on the rapid optimisation of our customer journeys, making the site easier to use.
Brand strength and reputation ↔	The Group must maintain consumer awareness of and engagement with its key brands.	SR	A, B	Investment in marketing across a range of media to maintain the Group's brands in consumers' minds. Arrangement of exclusive and competitive deals to offer consumers market-leading products and prices.	In 2018, we increased our Group NPS to 74. In MoneySuperMarket, our marketing and pricing initiatives performed well and we were able to optimise a number of our core journeys during the year. In 2018 MoneySavingExpert was the top ranked brand in UK Online Services sector (YouGov 2018 BrandIndex). We had significant campaigning successes for mortgage prisoners and within the energy sector.
Data processing and protection ↔	The Group must appropriately process and control the data our customers share. As a leading website operator the Group may experience operational issues which result in incorrect or incomplete data being transferred to or from partners.	OR	B, C	Understanding and assessment of the data we collect from our customers and how we use it. Specialist data protection knowledge within our Data Analytics, Technology and Legal teams. Annual data protection training for all colleagues. Rigorous controls and monitoring of internal processes. Regular ongoing quality assurance procedures.	We have completed our GDPR project. We have performed detailed data mapping activities across our operations and have strengthened our processes for the collection and use of marketing consents. We have invested in quality assurance and testing within technology release processes and strengthened controls in respect of data mapping. We identified some minor incidents which impacted a small number of customers. In response we took steps to minimise customer detriment and performed root cause analysis to improve our processes.
Data security and cyber ↔	The Group must protect itself from security breaches or successful cyber-attacks which could impact our ability to operate our websites and services.	OR	B, C	Rigorous monitoring and testing of the Group's systems and infrastructure. Robust access controls to our data and systems.	Our technology investments have improved the robustness of our infrastructure and platforms. We have continued to improve internal cyber education, working practices and physical security. We have continued to monitor developments in cyber security threats, engaging third party specialists as appropriate.

Risk area and trend	Description	Risk type	Strategic Priority	Mitigating activities	Developments in 2018
Business transformation ↓	The Group must manage the implementation of the new strategic priorities appropriately, without our focus being disrupted. We must retain and recruit colleagues with strong industry, technology and marketing expertise.	OR, SR	A, B, C, D	Strong management structures which provide clear and straightforward responsibilities and accountabilities in the delivery of our strategic priorities. Effective governance arrangements to oversee implementation of strategic priorities. Structured approach to recruitment and retention of high quality talent combined with learning and development activities for existing colleagues.	We have executive sponsorship of the transformation programme which is supported by a transformation office to oversee implementation. We have invested in our management development and mentoring programmes and introduced our Diversity and Inclusion project.
Relevance to Partners ↔	The Group relies on its partners to access competitive products and technological integration to provide a seamless customer experience.	SR	C, D	Working closely with partners to ensure high quality and appropriate products and to maximise the opportunities for partners to acquire customers in a cost effective manner.	We have worked closely with partners in launching exclusive deals and offers for our customers. We have enhanced our customer insights and data analysis for partners to help them understand how they can further improve their products.
Economic conditions ↑	Weaknesses in the UK economy including as a result of Brexit, may lead to more challenging conditions for the Group and reduced financial performance.	SR	A, C	Maintaining a diversified business across a range of products. Regular monitoring of market conditions and environment. Focusing on maintaining control of our cost base.	The continued diversity of the Group across a portfolio of brands and channels offers the Group protection from cyclical economic changes. We have assessed and continue to consider the potential challenges associated with Brexit including the preparation of potential mitigation plans.
Regulation ↔	The Group must understand and comply with existing and new regulatory requirements.	SR	A, C	We maintain regular and ongoing dialogue with key regulatory bodies. Our Risk & Compliance team works across the Group to ensure it remains compliant with new and existing regulation.	We have monitored and responded to new and emerging regulatory developments. We have proactively engaged with regulators including FCA (in respect of the Insurance Distribution Directive), Ofgem and CMA.

Risk type:

SR Strategic risk

OR Operational/conduct risk

Risk trend:

↑ Increasing ↓ Decreasing ↔ Stable

Strategic Priority:

A Customer experience optimisation

B Leading trusted brands

C Leading provider offer

D New market growth

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

2018 highlights:

- appointed a dedicated diversity and inclusion lead role within our people function;
- appointed Sarah Warby, one of our Non-Executive Directors, as our 'Employee Champion';
- established employee resource groups focused on mental health and supporting the development and advancement of women and ethnic minorities;
- enhanced maternity/adoption and paternity/partner leave and equalised shared parental leave for all parents;
- improved gender pay gap by 12% from 2017 to 2018 (to 22.8%);
- launched 'Freedom to Grow', our new approach to cultivating a learning culture that encourages all employees to take control of their own personal growth and development;
- introduced a new approach to flexible working 'Work Your Way';
- developed, under our vision 'Be yourself. Be brilliant together. Belong.' an inclusive-first approach across key people processes.

Employees

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

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

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

In September we appointed Sarah Warby, one of our independent Non-Executive Directors, as our 'Employee Champion' to co-ordinate the programme of engagement activities with employees. During the year we launched a new programme of Board Q&A sessions with employees from each of our Ewloe, Manchester and London offices, providing the opportunity for employees to ask questions directly of the Non-Executive Directors. These sessions, together with small groups of employees meeting Non-Executive Directors informally over

Employees cycled from London to Paris to raise funds

breakfast at various times throughout the year, will continue to form part of our programme of engagement with employees and help give our Board the opportunity to understand more about our employees.

A robust employee engagement survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback. We act on the feedback and this year we improved our health and well-being activities (described below), developed our new approach to learning 'Freedom to Grow' and also introduced a new approach to flexible working 'Work Your Way', which is focused on enabling employees to find the right work arrangements that support achieving their goals.

The Group is committed to an equal opportunities policy. The Group aims to ensure that employees feel welcome, included, valued and recognised, and have transparent access to career development opportunities. No employee is discriminated against, directly or indirectly, on the grounds of colour, race, ethnic and national origins, sexual orientation or gender, marital status, disability, religion or belief, being part time or on the grounds of age.

As well as being engaged, we want our employees to share in the success of our business and we offer a range of benefits which help employees to do so. These include both an employee Share Incentive Plan and a Sharesave Scheme. These schemes give employees the opportunity to purchase ordinary shares in the Company. This helps to encourage employee interest in the performance of the Group and alignment with shareholder interests. The Group's full range of benefits reflects the differing needs and interests of its employees. Particular focus is given to contributing towards employees' health and wellbeing.

Through our flexible benefits provider we offer an easy way for employees to take advantage of a range of benefits. These include the opportunity to buy or sell holidays, medical cover, gym memberships, as well as benefitting from discounts on products and services for the home and family life. We also offer employees a variety of social and wellbeing activities ranging from circuit training and spinning classes to pilates and massage. Annual social events include the football tournament and summer and Christmas parties. Recognising that employees may require guidance and support for a range of personal and professional reasons, a free comprehensive employee assistance programme, LifeWorks, is also available.

Training and development

At Moneysupermarket Group the continuous growth and development of our employees is pivotal to the success of our business. In creating a culture of learning, we seek to deliver the capabilities, competencies and skills required to support sustainable business growth, as well as enable our employees to flourish in all aspects of their personal and professional development.

During 2018, we invested £907,000 in employee training. Two new opportunities were at the heart of our learning strategy 'Freedom to Grow' – the 'Freedom Pot' and 'Career Cabins'. The Freedom Pot gave each employee a stipend of £300 to spend on any aspect of development, personal or professional whilst the Career Cabin is an inspirational programme of development around 5 key career skills.

In addition to these new opportunities we continued to deliver a suite of personal development courses to grow our learning culture – both face to face and online. In addition to our existing online platform My Learning Looop, we introduced specific data protection and cyber security online training for all employees, as well as ongoing resources to meet the requirements of the Insurance Distribution Directive introduced in October.

Each year we fully fund a number of employees to gain professional qualifications. Examples of this include:

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

This is supported by a Performance and Capability Policy, which provides for employees annual objectives to be reviewed with managers on a quarterly basis, identifying training and development requirements.

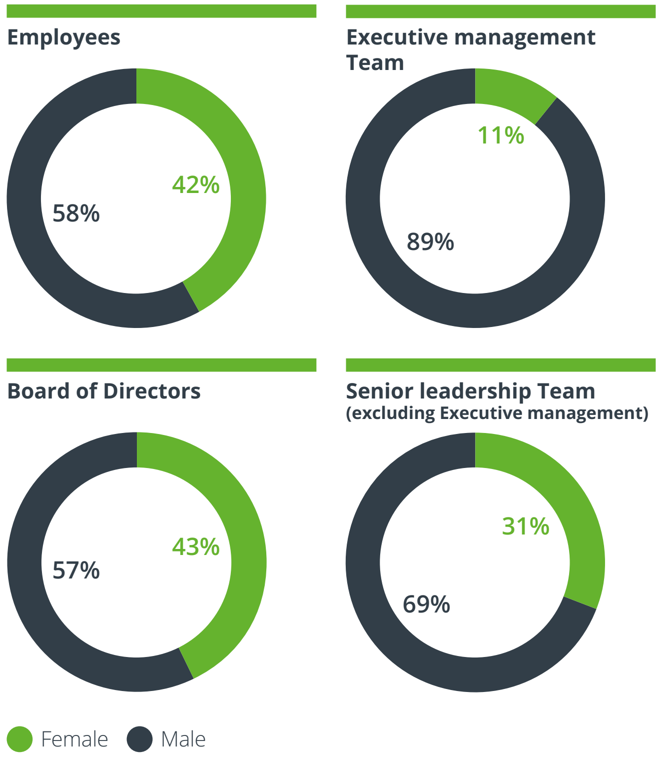
Diversity and inclusion

The average number of employees during 2018 was 721. At the end of the year, 463 of our employees were male and 338 female. In our executive management team, nine members were male and one was female whilst on our Board, four of the Directors were male and three female. Since 31 December 2018, Scilla Grimble has joined as Chief Financial Officer and Katherine Bellau has succeeded Darren Drabble as Company Secretary and Group General Counsel.

The Hampton-Alexander Report 2018 has mentioned Moneysupermarket Group amongst the five companies who pressed ahead to achieve the target 33% of women on our Board. We are now amongst the 65 FTSE250 companies who achieved the 33% target this year. Our ranking has climbed from 68 in 2017 to 30 in 2018 amongst the FTSE250 Rankings Women on Boards. However, our representation in the senior leadership team (Executive management and direct reports) has fallen from 32% in 2017 to 27%.

Our gender pay gap has improved by 12.3% (from 35.1% in 2017 to 22.8% in 2018), which shows we are making positive progress. As part of this, we have overhauled our approach to flexible working, to normalise and provide wider choices as well as help colleagues actively manage and balance their own work and time. We have also introduced gender-balanced shortlists for senior hires, and doubled the number of Product and Tech graduates to 11, with balanced female representation.

Gender statistics as at 31 December 2018



In May 2018 we appointed a dedicated diversity and inclusion lead role within our people function. As part of our 2018 Diversity and Inclusion Action Plan we invested in employee resource groups ('ERGs") to support grass roots diversity and inclusion initiatives including in particular 'Thrive', our mental health ERG which is focused on empowering a culture supportive of mental health and an ERG focused on supporting the development and advancement of women and ethnic minorities into more senior roles. We trained 31 employees as Mental Health First Aiders and introduced 'Wellbeing Rooms' in Ewloe and London, providing employees with a safe and private space to take some time away from their desk.

We also developed, under our vision 'Be yourself. Be brilliant together. Belong.', an aspiration for our culture to become more inclusive, which includes an inclusive-first approach across key people processes, aimed at reducing internal barriers to the culture of inclusion and fostering an increased sense of belonging.

We continued to build on our partnership with Whalley Range all girls school in Manchester to inspire more young women into Tech, breaking gender stereotypes and raising awareness of the wide variety of roles available. We also continued our partnership with Manchester Digital, and sponsored 'Skills Festival" and "Ada Lovelace Day" events aimed at encouraging more women into Tech. In July and August we hosted Pride events to drive better awareness and acceptance of the LGBT+ community in the workplace which included presentations from a LGBT+ spokesperson and a member of The Stonewall Trans Advisory Group.

In September, we enhanced maternity/adoption and paternity/partner leave, and equalised shared parental leave for all parents, irrespective of gender or the way in which they became parents. Eligible parents are now able to take up to six months of shared parental leave each, at full pay. Maternity/adoption leave increased from 20 weeks to six months at full pay, and paternity/partner leave doubled from two to four weeks, also at full pay.

We are currently working on trialling a reverse mentoring pilot to improve the understanding and inclusion of diverse perspectives and styles in decision-making.

Health and safety

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

Supporting students

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

Business ethics

Behaving ethically is an essential part of working for our Group. It is fundamental to how we do business and is vitally important to the reputation and success of our Group. Our Code of Conduct was last revised in 2017 and applies to all employees. The Code sets out our commitment to:
— behave ethically;
— comply with relevant laws and regulations; and
— do the right thing.

Investment in employee training
£907,000

Our Code of Conduct also confirms we respect and uphold internationally proclaimed human rights principles as specified in:
— the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work ('ILO Convention'); and
— the United Nations' Universal Declaration of Human Rights.

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

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

Employees trekked up Scafell Pike to raise funds for Shelter

and the form of anti-bribery clauses required in agreements. Our whistleblowing policy is supported by an external, confidential reporting hotline which enables employees of the Group to raise concerns in confidence.

During 2018 the Group acquired Decision Tech and, as part of our due diligence, we ensured that they had appropriate policies and procedures in place to meet their statutory requirements. Since acquisition, various Group policies have been rolled out to employees of Decision Tech, including the Whistleblowing Policy.

Tax policy

Our Group is guided by our purpose to help households save money. We believe that our business makes a valuable contribution to UK society and we are proud to have helped 12.9 million active users to save an estimated £2.1 billion on their household bills in 2018, by finding a better deal on their energy, insurance and banking products.

Alongside this, we want to make our contribution to the communities that our customers live in by paying the right amount of tax, at the right time. In 2018, we paid £18.7 million in corporation tax and over £23 million in other taxes (including VAT and employer's national insurance).

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

Communities and charities

We seek to make a positive difference by being an active contributor to the communities that we operate within. The Group's Community initiative was launched in 2008 and has continued to develop during 2018. The initiative is focused on providing support to charities and community groups located within a few miles of the Group's offices in Ewloe, Manchester and London.

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 2018 the Group made £6,000 per quarter available for the . Community initiative. This funding has been channelled via the Charities Aid Foundation, enabling the Group to make gross donations to registered charities.

Over the course of the year the Group has supported over 40 charities and community groups including:
— Broughton Pre-School toddlers
— Runcorn and District Food Bank
— Citizens Advice Bureau
— Hawarden Scout Group
— Yourspace
— Superkids
— Books for schools
— Royal Liverpool Hospital
— Home Start
— Action For Children
— Broughton War Memorial Hall
— Hope House Children's Hospice

In addition to the .Community initiative, the Group and its employees continue to select and support a Charity of the Year. The 2017 and 2018 Charity of the Year was the Shelter Cymru and Shelter England and Scotland. Shelter helps millions of people every year struggling with bad housing or homelessness through their advice, support and legal services. They campaign so that, one day, no one will have to turn to them for help. Shelter exists so no one has to fight bad housing or homelessness on their own. As part of the partnership, we raised valuable funds to support the delivery of Shelter's Digital Advice Service in England and Scotland. The web chat facility, which allows people struggling with bad housing and homelessness to discuss their situation within a safe and secure online environment, is currently funded entirely by voluntary income. The Group's financial support during 2018 will cover the time for Shelter's qualified and experienced advisers to provide support and advice to almost 5,000 people.

Total donated
£337,000
to charitable causes by the Group in 2018

One of our fundraising initiatives this year included the Group donating, for a limited period, £5 to Shelter and Shelter Cymru for every home insurance policy bought by customers through MoneySuperMarket.

Over the course of the year the Group's employees raised £38,000 for Shelter with the Group also donating £227,000 bringing the total donated to Shelter during the year to £265,000.

Towards the end of 2018, employees were asked to submit nominations for the Charity of the Year in 2019. The nominations were shortlisted to two charities, with The Prince's Trust winning the highest number of votes. The Prince's Trust provides meaningful support to deprived young people over the long term.

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 a sponsored 'London to Paris Cycle Ride' and a sponsored trek up Scafell Pike.

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 2018. In addition to this, MoneySavingExpert supported a number of charities including ShelterBox, CAP UK and the Samaritans with donations totalling a further £30,000.

Environment

Our Environmental Policy is intended to demonstrate our commitment to ensuring Moneysupermarket Group considers environmental and sustainability issues in all parts of its operations and business activities. We seek to progressively reduce our environmental impact in all aspects of our operations by minimising and making efficient use of resources. The Group has implemented the following initiatives to support this aim:
— the installation of solar panels at our Ewloe office resulting in energy savings of approximately 25,381 kwh during 2018;
— 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.

In addition, the construction of the London office site achieved a BREEAM 'Excellent' rating. BREEAM ('Building Research Establishment Environmental Assessment Method') is the world's longest established method of assessing, rating, and certifying the sustainability of buildings.

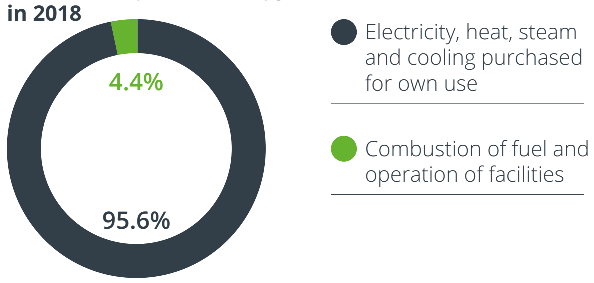
The Group estimates that during 2018 it recycled on average over 96.95% of its commercial waste.

Greenhouse gas ('GHG') emissions

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

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

Total CO_2e by emission type in 2018



Greenhouse gas (GHG) emissions

Emissions from:	Tonnes of CO_2e 2018	2017
Combustion of fuel and operation of facilities	**25.1**	31.5
Electricity, heat, steam and cooling purchased for own use	**547.3**	710.9
Company's chosen intensity measurement: tonnes of CO_2e per £m revenue	**1.61**	2.25

"We consider our Board to be diverse in terms of background, skills and experience to support the strategic and operational direction of the Group.

Bruce Carnegie-Brown
Chair

2018 highlights

- tracked progress against the Group's new strategic priorities which were launched in February 2018, further details of which are set out on pages 8 to 9;
- approved the acquisition of Decision Tech;
- reviewed the content of the Annual Report to ensure it is fair, balanced and understandable and in line with best governance practice;
- held 'deep-dives' to cover a specific strategic priority at each meeting. This included deep-dives into each of MoneySuperMarket, MoneySavingExpert and TravelSupermarket, key risks and controls, cyber security, data protection and customer experience optimisation;
- reviewed the requirements of the UK Corporate Governance Code (July 2018 version), which we will be required to report upon in our 2019 Annual Report, with various workstreams now underway, in particular, enhancements to our engagement with employees;
- appointed Sarah Warby, one of our independent Non-Executive Directors, as our 'Employee Champion';
- appointed Scilla Grimble as Chief Financial Officer which also enabled us to achieve a balanced Board of 50% men and 50% women, ahead of our 2020 target of 33% minimum female representation;
- held Q&A and breakfast sessions with employees, providing the opportunity for employees to engage directly with our Non-Executive Directors;
- reviewed the balance of experience, skills and diversity of the Board; and
- continued to enhance our effectiveness by:
  - focusing on talent, succession and diversity both at Board and senior management level;
  - reviewing our annual agendas and revising meeting schedules as part of the review of the Group's strategic priorities in readiness for 2018; and
  - completing an internal evaluation of the Board.

Our governance

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

In our Corporate Governance Report on pages 42 to 47, we aim to provide a clear and meaningful explanation of how we as a Board lead the Group and discharge our governance duties, including how we apply the provisions of the UK Corporate Governance Code (2016 edition). It also outlines the governance initiatives we have undertaken during the year. Our statement of compliance with the UK Corporate Governance Code is set out on page 47.

Leadership

Following a formal, rigorous and transparent search process, we are delighted to confirm that Robin Freestone will succeed me as Chair with effect from 9 May 2019.

In August 2018 we announced the appointment of Scilla Grimble as our new Chief Financial Officer and Scilla joined the Group on 4 February 2019. Scilla brings significant experience of leading finance teams in several consumer facing public companies and has a strong background in commercial finance and banking. She succeeds Matthew Price who left the business in October 2018.

Sarah Warby joined us as an Independent Non-Executive Director in June 2018. Sarah is a valuable addition to the Board, with experience of leading marketing teams within retail and consumer focused businesses.

The membership and leadership of the Board Committees were reviewed during 2018 to ensure the Committees continue to operate effectively and have the skills required to support the increasing complexity of the Group. The current membership of each of the Committees is set out in each of the Committee reports on pages 49, 54, 58 and 74. Sally James, Chair of the Risk Committee, is a member of each of the Committees to ensure that risk is appropriately considered in each Committee.

With the changes outlined above, 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.

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. I'm delighted that we have met our target to have a minimum female representation of 33%.

We consider our Board to be diverse in terms of the background, skills and experience which each individual brings to the Board. More detail on the work of the Nomination Committee and on our diversity policy can be found in our Nomination Committee Report on pages 54 to 56. Details of the proportion of women on the Board, in senior leadership positions and within the whole organisation can be found on page 35 of the Corporate Responsibility Report.

Board effectiveness

During 2018 we conducted an internal evaluation of the Board and the Committees. The evaluation process involved the completion of questionnaires and interviews by the Chair and the Senior Independent Director, followed by a round table Board discussion, including a review of progress against actions from the 2017 external Board evaluation. More information on the process and the key action areas are set out on page 45.

Ethics and governance

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

Board operation

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

During 2019, Robin and I will ensure that the Board continues to engage with its stakeholders and operates in a constructive and open manner, with honesty and integrity as its core principles.

Bruce Carnegie-Brown
Chair
13 February 2019

Committee Chairs

Robin Freestone
Audit Committee

Bruce Carnegie-Brown
Nomination Committee

Andrew Fisher
Remuneration Committee

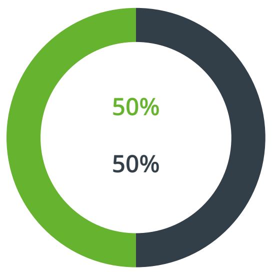
Sally James
Risk Committee

Board tenure

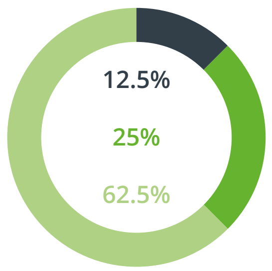
Bruce Carnegie-Brown	8-9 years
Sally James	5-6 years
Andrew Fisher	4-5 years
Genevieve Shore	4-5 years
Robin Freestone	3-4 years
Mark Lewis	1-2 years
Scilla Grimble	<1 year
Sarah Warby	<1 year

Board composition as at 13 February 2019:

Gender



Role



BOARD OF DIRECTORS

Bruce Carnegie-Brown

Chair of the Board and Chair of the Nomination Committee

Term of Office: Appointed to the Board as a Non-Executive Director in April 2010 and became Chair 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 35 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 a 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 chair of Lloyd's of London and vice chair and lead independent director of Banco Santander SA.

Mark Lewis

Chief Executive Officer

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

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

Independent: Not applicable.

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

External Appointments: None.

Scilla Grimble

Chief Financial Officer

Term of Office: Scilla was appointed to the Board as Chief Financial Officer in February 2019.

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

Independent: Not applicable.

Skills and Experience: Scilla has a strong financial background and extensive consumer experience. She was formerly director of Group Finance at Marks and Spencer Group Plc (2016 to 2018), part of which was spent as interim chief financial officer. Scilla previously held senior finance roles at Tesco PLC and was a managing director at UBS Investment Bank. Scilla is a qualified chartered accountant, having trained and qualified with PwC.

External Appointments: None.

Sarah Warby

Non-Executive Director

Term of Office: Appointed to the Board as a Non-Executive Director in June 2018.

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

Independent: Yes.

Skills and Experience: Sarah has experience of building valuable brands across consumer sectors. She is currently Chief Growth Officer of HyperJar Ltd and was previously chief marketing officer at J Sainsbury plc. Prior to that, Sarah was marketing director of Heineken UK. She is a fellow of the Marketing Society and Marketing Academy and an advisor to the Museum of Brands.

External Appointments: Sarah is chief growth officer of Hyperjar Ltd and an adviser to the Museum of Brands.

Andrew Fisher

Independent Non-Executive Director and Chair 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 has recently stepped down, following its takeover by Apple, as executive chairman of Shazam Entertainment Limited where he was previously chief executive officer. Prior to that, Andrew was European managing director of Infospace Inc and founder and managing director of TDLI.com.

External Appointments: Andrew is a non-executive director of Marks and Spencer Group plc and Merlin Entertainments plc.

Katherine Bellau

Company Secretary and Group General Counsel

Term of Office: Katherine was appointed Company Secretary and Group General Counsel on 8 February 2019.

Skills and Experience: Katherine was appointed General Counsel and Company Secretary in February 2019. She joined the Group in 2012 after overseeing the sale of MoneySavingExpert to the Group. Katherine's expertise covers legal, regulatory and governance issues and their impact on digital businesses. Previously, Katherine practised at international law firm DLA Piper and lectured at The University of Law. She holds a Post-Graduate Diploma in Commercial Intellectual Property Law.

Robin Freestone

Independent Non-Executive Director and Chair of the Audit Committee

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

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

Independent: Yes.

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

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

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 a non-executive director at Santander UK plc, Next 15 Communications Group plc, Arup Group Limited and the Rugby Football Union. She has advised and invested in education technology start-ups and works with female executives as a coach and mentor.

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

Sally James

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

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

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

Independent: Yes.

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

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

Board skills matrix:

	Bruce Carnegie-Brown	Andrew Fisher	Robin Freestone	Scilla Grimble	Sally James	Mark Lewis	Genevieve Shore	Sarah Warby
Banking/Insurance Industry Experience	●			●	●		●	
Digital/Customer Experience (Front Office)		●	●	●		●	●	●
Finance and Accounting	●	●	●	●				
International Experience	●	●	●		●	●	●	
Governance	●	●	●	●	●		●	
Risk and Regulation	●	●	●	●	●		●	
Technology (Back Office)		●	●			●	●	
Marketing		●				●	●	●
Strategy	●	●	●	●	●	●	●	●

Governance framework

Moneysupermarket.com Group PLC Board

- **Audit Committee**
- **Risk Committee**
- **Remuneration Committee**
- **Nomination Committee**

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, including shareholders, employees, regulators and the wider community.

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

We review the matters reserved to the Board annually and have revised these with effect from 1 January 2019 to align them with the new UK Corporate Governance Code (July 2018 version). The current matters reserved are available on our website at http://corporate.moneysupermarket.com.

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

Mark Lewis leads the business as Chief Executive Officer. Scilla Grimble was appointed as Chief Financial Officer on 4 February 2019 and Sarah Warby joined the Board as an Independent Non-Executive Director on 1 June 2018. Matthew Price stepped down from the Board as Chief Financial Officer on 31 October 2018. The division of the roles and responsibilities of Chair and Chief Executive Officer is in writing, provides clarity on the distinct responsibilities of each role and has been revised and approved by the Board to align them with the new UK Corporate Governance Code with effect from 1 January 2019. 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;
— ensuring the Board have regard to the interests of stakeholders and review mechanisms for engagement with stakeholders; and
— ensuring the Company maintains effective communication with shareholders and communicating their views to the Board.

Chief Executive Officer

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

The Non-Executive Directors

Each Non-Executive Director is responsible for:
— bringing experience and independent judgement to the Board; and
— constructively challenging and helping develop proposals on strategy.

The Senior Independent Director

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

Sally James is our Senior Independent Director.

Employee Champion

The Employee Champion is an Independent Non-Executive Director who is responsible for:
— the programme of Board engagement activities with employees.

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. Darren Drabble stepped down as Company Secretary on 8 February 2019 and was succeeded by Katherine Bellau.

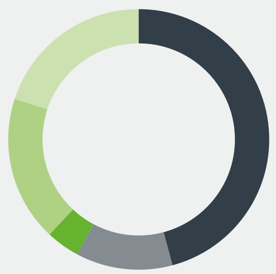
Board meetings

I set the Board agendas following consultation with the Chief Executive Officer and with the assistance of the Company Secretary. Non-Executive Directors are encouraged to submit agenda items for discussion and we periodically review how we allocate our time at Board meetings (see chart below).

Following the launch of our Reinvent growth strategy in February 2018, the Board has focused on monitoring progress against the new strategic priorities with 'deep dives' to cover specific strategic priorities at each meeting. We have also reviewed the requirements of the new UK Corporate Governance Code which we will be required to report upon in our 2019 Annual Report and commenced our enhanced programme of Board engagement activities with stakeholders, in particular, employees.

In 2018 we held eight Board meetings. The principal areas of focus for the Board in 2018 are listed in the section on page 44 and the pie chart below shows how the Board allocated its time. Additionally, I meet from time to time with the Non-Executive Directors without the Executive Directors present.

Allocation of Board time



- Strategy **46%**
- Governance, Risk and Annual Report **12%**
- People/Talent/Culture **4%**
- Business performance and CEO Updates **18%**
- Finance and investor relations **20%**

The Board splits its meetings between its Ewloe, London and Manchester offices. Employees have the opportunity to meet and interact with Board members at various times during the year. In May 2018, 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.

We also hosted our first Q&A sessions with employees from our Ewloe and Manchester offices, providing the opportunity for employees to ask questions directly of the Non-Executive Directors. These sessions, together with informal small groups of employees meeting Non-Executive Directors over breakfast at various times throughout the year, continue to form part of our programme of engagement with employees. In September, we appointed Sarah Warby as our 'Employee Champion' to take forward the programme of engagement activities with employees.

I ensure that our Directors remain in touch with and understand the issues being faced by our customers and how employees deal with those issues. This is addressed, in part, by Directors listening to employee calls with customers.

	Scheduled meetings in 2018	
Board members	Eligible to attend	Attended
Bruce Carnegie-Brown	8	8
Andrew Fisher	8	8
Robin Freestone	8	8
Sally James	8	8
Mark Lewis	8	8
Matthew Price	7*	7*
Genevieve Shore	8	8
Sarah Warby	5**	5**

* Matthew Price stepped down as a Director on 31 October 2018
** Sarah Warby was appointed a Non-Executive Director on 1 June 2018

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

In 2018, we allocated time and attention to:

Strategy

- undertook a review of the Group's Reinvent Growth Strategy at a number of meetings attended by the Board and senior management including a two-day off-site strategy meeting at which we:
  - tested and reviewed the Group's Reinvent Growth Strategy and strategic priorities;
  - reviewed the markets in which we operate; and
  - reviewed the regulatory and risk environment in which we operate, with a focus on price comparison websites.
- reviewed the Group's plans against the Board's risk appetite to ensure that our ambitions for the business are aligned with our ability to manage risk;
- reviewed a number of potential acquisitions and approved the acquisition of Decision Tech;
- approved the annual budget;
- held 'deep-dives' at our Board meetings into various aspects of the business including new business opportunities, internal control and risk management, cyber security, data protection, and our strategic priorities; and
- adopted new Group KPIs for 2018 onwards which are aligned with the revised Group strategic priorities.

Governance

- reviewed and revised our annual programme of business for the Board and each of the Committees, tailoring the deep dives to reflect the new strategic priorities adopted in February 2018;
- progressed the actions from the 2017 external Board evaluation process and conducted an internal Board evaluation process, details of which are on page 45;
- oversaw the implementation of upgrades to our cyber and data security capabilities;
- reviewed the new UK Corporate Governance Code and approved an action plan for compliance, which included approving an enhanced programme for engagement with stakeholders; and
- considered, discussed and revised the Principal Risks and uncertainties, identifying emerging risks which could impact the Group.

Leadership and employees

- appointed Sarah Warby, a Non-Executive Director, as our 'Employee Champion' and approved an enhanced programme of engagement activities with employees;
- announced the appointment of Scilla Grimble as Chief Financial Officer, with effect from 4 February 2019; and
- held a 'deep-dive' into the Group's people and culture, diversity, talent management and employee engagement including reviewing results of employee surveys and feedback from the various employee focus groups (diversity and inclusion and mental health awareness).

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 chairs report formally to the Board on Committee activities at the subsequent Board meeting.

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

Detailed reports on the activities of the Audit Committee, Nomination Committee and Risk Committee are set out in this Report on pages 48 to 53, 54 to 56 and 57 to 59 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 Directors' Remuneration Report on pages 60 to 74.

Effectiveness

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

Sarah Warby joined the Board as a Non-Executive Director on 1 June 2018. Scilla Grimble joined the Board as Chief Financial Officer on 4 February 2019, succeeding Matthew Price, who stepped down as Chief Financial Officer on 31 October 2018.

The Nomination Committee reviewed the composition of the Board in 2018 and recommended that the Board, with the recruitment of Scilla Grimble and Sarah Warby, had the right balance of skills, knowledge and experience, including relevant experience and understanding of our stakeholder groups. In light of our announcement that Robin Freestone will succeed me as Chair in May 2019, we will be commencing a search for a new Non-Executive Director who will chair the Audit Committee.

Induction of a new Director

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

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

Stage 2 – Industry and competitive environment and stakeholders including customer trends; consumer and regulatory environment; recent analyst and broker reports, meetings with key advisers; share register analysis.

Stage 3 – Meet the team including individual meetings with the Chairman, Chief Executive Officer, Chief Financial Officer, Company Secretary, Chief Risk Officer and senior management with business-related presentations from senior management.

Training and information

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

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

Directors received briefings from the Company Secretary during 2018 on governance and compliance areas, in particular the 2018 edition of the UK Corporate Governance Code and The Companies (Miscellaneous Reporting) Regulations 2018.

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

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

Independence of Non-Executive Directors

The Board considers that I was independent on appointment as Chairman and considers Andrew Fisher, Robin Freestone, Sally James, Genevieve Shore and Sarah Warby 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 has been updated in 2018 to reflect the requirements of the new UK Corporate Governance Code and enables non-conflicted Directors to impose limits or conditions when giving or reviewing authorization. It also 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. Following an external evaluation in 2017, we undertook an internal evaluation in 2018.

This involved the completion of questionnaires by individual Directors and the Company Secretary, with the results being analysed and presented for discussion at a Board meeting. The Board then agreed the key actions. The Board also reviewed its progress against actions identified in the internal 2017 Board evaluation:

2017 evaluation actions update

An update on progress against actions identified following the evaluation conducted in 2017 is set out below:

- Strategy – the new strategic priorities were translated into a strategic implementation plan and this was reviewed at each Board meeting, with a focus on one or more strategic priorities at each Board meeting;
- Board packs – we have enhanced our Board papers, creating a template executive summary and ensuring the papers are concise and facilitate constructive debate and discussion; and
- Stakeholder voice – we have reviewed our stakeholder engagement, mapping our existing mechanisms and identifying new mechanisms for engagement, particularly in relation to our employees to ensure stakeholder voices are heard in the Boardroom.

2018 evaluation actions

The Directors' many positive responses indicated their widely held view that ongoing improvements have been made since the previous evaluation in 2017. In particular, members considered there was open and transparent debate with constructive challenge and active engagement from all members of the Board. The Board receives comprehensive reports to enable it to monitor performance, consider risks and controls, and take key decisions. Some of the areas that will be actioned in 2019 are a continuing focus on:

- Strategy – ensuring the strategic implementation plan is updated and regularly reviewed;
- Group culture – assessing and monitoring culture; and
- Stakeholder voice – ensuring the stakeholder voice is actively and regularly considered by the Board.

In 2019 we will undertake an internal evaluation of the Board and its Committees.

Director evaluation

I appraise each of the Directors individually in the form of interviews, taking account of feedback received as part of the Board evaluation process. I can confirm that each Director continues to make a valuable contribution to the Board and devotes sufficient time to the role. My evaluation was undertaken by the Senior Independent Director, taking into account the views of the other Directors. Biographies of the Board are set out on pages 40 and 41 which includes my significant commitments. 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

We conducted formal evaluations of each of the Committees. This involved the completion of questionnaires by members of each Committee and senior management who interact with each Committee. The results were analysed and discussed by the relevant Committee. Summaries of the actions arising from these evaluations and progress on actions identified in 2017 can be found in the relevant Committee report.

Accountability

Financial and business reporting

The Board's aim is to present an Annual Report to shareholders, which, taken as a whole, is a fair, balanced and understandable assessment of the Group's position and performance, business model and strategy. The Board has ensured that processes are in place to achieve this and more information on the processes can be found in the Audit Committee Report on pages 48 to 53. A statement of Directors' responsibilities and the auditor's responsibilities in relation to the Annual Report are set out on pages 79 to 86. The Directors' opinion that the Company's business is a going concern is set out on page 28.

Risk management and internal control

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

We regularly review and update our internal control and risk management processes. We continued to oversee progress on work started in 2016 relating to an upgraded quality assurance and testing process for new technology releases and enhanced incident management process. A summary of actions we have taken in 2018 is set out in the Risk Committee Report on pages 57 to 59.

Risk management

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

Internal control

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

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

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

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

Our internal control effectiveness is assessed through the performance of regular checks, which in 2018 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 cyber risk, data security and change management; and
- monitoring the completion of the Group's mandatory 'Customer First', data protection, cyber security and Code of Conduct training for new starters and refresher training for all employees.

Risk review and assessment

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

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

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

Process for review of effectiveness

The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems. The steps it takes in relation to the review are set out on pages 29 and 31. 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 2018, the Board reviewed the effectiveness of the Group's risk management and internal control systems. We confirm that the processes outlined above and on pages 29 to 31 and 52 have been in place for the year under review and up to the date of approval of this Annual Report and that these processes accord with the UK Corporate Governance Code and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2016 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 29 to 33.

Shareholder engagement

Major shareholders

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

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

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

Communications with shareholders

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

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

Annual General Meeting

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

The Company prepares separate resolutions on each substantially separate issue to be voted upon at Annual General Meetings. The result of the vote on each resolution is published on the Group's website after the Annual General Meeting and will be announced via the regulatory information service. At the 2018 AGM, shareholders representing 75.5% of the Company's issued share capital returned their proxy votes.

Compliance statement

This Corporate Governance Report, together with the Audit Committee Report on pages 48 to 53, the Nomination Committee Report on pages 54 to 56, the Risk Committee Report on pages 57 to 59 and the Directors' Remuneration Report on pages 60 to 74 provides a description of how the main principles of the 2016 edition of the UK Corporate Governance Code (the 'Code') have been applied by the Company during 2018. 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 2018 and to the date of this Report, the Company complied with the Code except as follows:

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

"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
Chair of the Audit Committee

2018 highlights

- oversaw an assurance programme to monitor implementation of the strategic initiatives;
- oversaw the move to reporting under the new CGUs following realignment of the Group vertically as part of the Reinvent strategy together with the corresponding goodwill reallocations;
- monitored progress on GDPR compliance;
- monitored progress on the automation of Finance and HR controls and further enhancements to processes;
- focused on financial reporting, including the processes to ensure the Annual Report & Accounts is 'fair, balanced and understandable';
- reviewed the effectiveness of external and internal audit processes and the effectiveness and appropriateness of our system of internal controls;
- considered and approved the Group's tax strategy for publication;
- focused on the development of our assurance and internal audit capability;
- considered the financial and accounting matters arising from the acquisition of Decision Tech;
- considered the implications of new accounting standards that are effective for the first time in the current financial year, notably IFRS 15, Revenue from contracts with customers and IFRS 9, Financial Instruments; and
- considered the implications of accounting standards coming into effect in 2019, principally IFRS 16, Leases.

Number of meetings of the Audit Committee: 4

Allocation of time

Dear Shareholder

As chair of the Audit Committee, I am pleased to present the Audit Committee's report for the year ended 31 December 2018. I have set out our role and activities in ensuring appropriate challenge and governance around accounting treatment and the internal control environment and ensuring that the Annual Report as a whole is fair, balanced and understandable.

Committee membership

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

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

Committee members	Committee members: Eligible to attend	Attended
Robin Freestone (Chair)	4	4
Sally James	4	4
Genevieve Shore	4	4
Sarah Warby	2*	2*

* Sarah Warby was appointed to the Board and Audit Committee on 1 June 2018

The secretary to the Committee is Katherine Bellau, Company Secretary and Group General Counsel.

Role

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

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

Written terms of reference that outline the Committee's authority and responsibilities are published on the investor relations section of the Group's website at http://corporate.moneysupermarket.com and are available in hard copy form from the Company Secretary. We review our terms of reference annually and updated them with effect from 1 January 2019, to align them with the July 2018 edition of the UK Corporate Governance Code. The Audit Committee's revised terms of reference include all matters required by Disclosure Guidance and Transparency Rule 7.1 and both the 2016 and 2018 editions of the Code.

Committee meetings

We met four times in 2018 and the attendance of our members is shown in the table. In order to maintain effective communication between all relevant parties, we invited the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Head of Internal Audit and Company Secretary, together with appropriate members of the management team with responsibility for risk and internal control, and the external auditor, to meetings as necessary. We set time aside periodically to seek the views of the external auditor, in the absence of management. The external auditor has direct access to me to raise any concerns outside formal Committee meetings. I also meet separately with the Head of Internal Audit during the year. In between meetings, I keep in touch with the Chief Financial Officer and external audit partner as well as other members of the management team.

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

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

Financial Statements and reports

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

In 2018, we:

— reviewed the 31 December 2017 Annual Report and Financial Statements and the half-year statement to 30 June 2018, together with reports from the external auditors;
— reviewed the trading updates issued in April 2018 and October 2018;
— reviewed the allocation of goodwill between the new CGUs, following alignment of the Group vertically, as part of the Reinvent strategy;
— considered the appropriateness of the Reinvent strategy costs of change taken outside adjusted operating profit;
— considered the provisional purchase price allocation and the additional disclosures related to the acquisition of Decision Tech;
— examined key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Financial Statements; and
— reviewed documentation prepared to support the enhanced going concern and viability statements given on pages 27 to 28.

Significant issues

We identified the issues on page 50 as significant in the context of the 2018 Financial Statements. We consider these areas to be significant taking into account the level of materiality and degree of judgement exercised by management. We discussed the issues in detail to ensure that the approaches taken were appropriate. This included reviewing presentations and reports from both management and the external auditor.

Issue	Committee review
Revenue recognition As more fully described on pages 92 and 105, 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 102 to 104 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 papers received from management which included key IT projects 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.
Acquisition of Decision Tech As more fully described on pages 112 to 113 of the Group's Financial Statements the Group acquired Decision Tech on 9 August 2018.	The acquisition of Decision Tech gave rise to additional Intangible Asset and Goodwill balances. We reviewed and assessed management's conclusion on purchase price allocation work, challenging the key assumptions and assessing these compared to the original investment case.

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 2018 Financial Statements.

Issue	Committee review
Reallocation of goodwill across the Group's CGUs	We reviewed and assessed management's reallocation of goodwill arising on the acquisition of Moneysupermarket.com Financial Group Limited and MoneySavingExpert.com to the revised CGU structure. Management selected to reallocate the goodwill across the Insurance, Money, Home Services and Other CGUs based on the relative Net Present Values derived from the future EBITDA earnings potential of each of these CGUs. We considered the appropriateness of basing the reallocation on Net Present Value of future cash flows, the alternative methods available and the amounts of goodwill allocated to the CGUs.
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. 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. The results of this review were that we were satisfied with the conclusions reached.
Enhanced going concern and viability statements	In assessing the validity of the statements detailed on pages 27 to 28, we reviewed the work undertaken by management to assess the Group's resilience to the Principal Risks under various scenarios and gained appropriate assurance that sufficient rigour was built into the process.

Fair, balanced and understandable Report and Accounts

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

- a qualitative review of disclosures and a review of internal consistency throughout the Annual Report and Financial Statements;
- a review by the Committee of all material matters, as reported elsewhere in this Annual Report and Financial Statements;
- a risk comparison review, which assesses the consistency of the presentation of risks and significant judgements throughout the main areas of risk disclosure in this Annual Report and Financial Statements;
- a review of the balance of good and bad news; and
- ensuring it correctly reflects:
  - the Group's position and performance as described on pages 24 to 28;
  - the Group's business model, as described on pages 10 to 11;
  - the Group's strategy, as described on pages 8 to 9.

The Directors' statement on a fair, balanced and understandable Annual Report and Financial Statements is set out on page 79.

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 2018, we:

- reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor;
- evaluated the independence and objectivity of the external auditor, having regard to: (a) a report from the external auditor describing their arrangements to identify, report and manage conflicts of interest; (b) the extent and nature of non-audit services provided by the external auditor; and (c) considering the tenure of the audit partner, who is required to rotate every five years in line with ethical standards. The audit partner rotated with effect from April 2015 and the audit was tendered during 2016;
- monitored the quality of services provided by the external auditor;
- agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 2018 Financial Statements;
- reviewed recommendations made by the external auditor in their management letters and the adequacy of management's response; and
- reviewed the report of the FRC's Audit Quality Review team relating to KPMG.

Independence and non-audit services

We have policies and procedures in place in relation to the provision of non-audit services by the external auditor which are reviewed regularly and were updated in 2017 to reflect the requirements of the new EU Ethical Standards for auditors. This ensures that the Group benefits in a cost-effective manner from the cumulative knowledge and experience of its auditor whilst also ensuring that the auditor maintains the necessary degree of independence and objectivity. The external auditor is not permitted to perform any work which they may later be required to audit or which might affect their objectivity and independence or create a conflict of interest. Key points from our internal procedure for approval of work given to the external auditor are:

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

During the year the value of non-audit services provided by the external auditor amounted to £0.03m (2017: £0.03m). Non-audit services amounted to 12% of the value of the audit. EU legislation on permitted non-audit services came into effect from 17 June 2016 which introduced a permitted non-audit services fee cap of 70% of the average audit fee over a consecutive three-year period. This cap will come into effect for the Group in the financial year ending 31 December 2020. The non-audit services during 2018 related to the review of the Group's half-year reporting.

The assurance provided by the external auditor on this item is considered by the Group as strictly necessary in the interests of the Group. The non-audit services offered reflects the auditor's knowledge and understanding of the Group. The Group has also continued with the appointment of other accountancy firms to provide certain non-audit services to the Group in connection with internal audit, tax, systems and regulatory advice and anticipates that this will continue in 2019.

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

Effectiveness and re-appointment

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

We reviewed the report of the FRC's Audit Quality Review team relating to KPMG as a firm and discussed the actions taken by KPMG in light of the recommendations. KPMG confirmed that it is performing the audit in line with the latest model adopted by the firm. This includes the increased use of mandated audit programmes and standard working papers, greater support and challenge from their 2nd Line of Defence support team and increased central monitoring of the audit. We worked with KPMG to understand their judgements about materiality. We looked at the way they communicated key accounting and audit judgements. This approach was supplemented by members of the Committee and senior members of the finance team who regularly interact with the external auditor completing a detailed questionnaire (which included consideration of the audit partner, the approach, communication, independence, objectivity, and reporting). The results of the questionnaire were then reported to and discussed by the Committee, with the Committee gaining an understanding from respondents of why respondents considered the audit team exhibited the qualities included in the responses. We also assessed the cost effectiveness and value for money aspect of the audit. We reported our findings to the Board as part of our recommendation.

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

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

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

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

Internal control

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

In 2018, we:

- reviewed the framework and effectiveness of the Group's system of internal control and risk management, including financial, operational and compliance controls;
- received regular updates from management on internal control improvements including reports on progress of automation of financial controls, ensuring the target of over 60% of the automation of controls was met by the end of the year;
- reviewed comprehensive reports from the external auditor, KPMG, of the results of its controls testing as part of the external audit; and
- reported to the Board on our evaluation of the operation of the Group's internal control and risk management system, informed by reports from Internal Audit (including PwC) and KPMG.

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

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

Internal Audit

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

In 2018, we:

- continued to oversee enhancements to our Internal Audit function, ensuring the function has the right expertise and experience to provide effective challenge throughout the organisation, through recruitment, training and leveraging the PwC co-source arrangement;
- reviewed and approved a revised Internal Audit Charter;
- 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;
- received assurance of the Group's readiness for GDPR prior to 25 May 2018;
- reviewed open audit actions, together with monitoring progress against the actions;
- considered the different sources of assurance against the Group's key risks to ensure there is comprehensive risk and assurance coverage;
- met with the Head of Internal Audit without management present and the Chair of Audit also met separately with the Head of Internal Audit;
- agreed a targeted plan to provide specific assurances over the strategic initiatives and associated strategic enablers;
- agreed the plan and received summary reports on the progress of the Revenue Assurance function; and
- conducted an assessment of the Internal Audit function.

Whistleblowing

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

In 2018, we:

- 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.
- rolled out the Group's whistleblowing process to Decision Tech.

Risk Committee

The Group has a separate Risk Committee 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 57 to 59. The Group also has a separate Risk & Compliance function, headed by the Chief Risk Officer.

Audit Committee effectiveness

In 2018 we carried out an internal evaluation of Audit Committee effectiveness which involved the completion of a questionnaire, with the results being analysed and presented at a Committee meeting for discussion. The Committee was considered to be effective in fulfilling its role during 2018 and remains independent. We also reviewed progress against actions identified in the 2017 evaluation:

2017 evaluation actions update

The following actions were identified during the 2017 evaluation:

- enhancing Committee papers – papers have been enhanced, ensuring they are concise and facilitate constructive debate and discussion;
- oversight of implementation of new strategic initiatives – we have overseen an assurance programme which monitors the implementation of the new strategic initiatives.

2018 evaluation actions

Some of the areas that will be actioned in 2019 include:

- enhancing Internal Audit reporting to the Committee; and
- ensuring the processes and procedures are put in place to meet the requirements of the new UK Corporate Governance Code.

Training

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

In 2018, we:

- received updates from our external auditor, KPMG, on financial reporting developments;
- received an update on the tax environment and forthcoming regulations from Deloitte, our tax adviser; and
- reviewed the impact of IFRS 16 on the Group's Financial Statements from January 2019.

Overview of Committee activities for 2019

Our priority for 2019 will remain the oversight of the assurance programme to monitor implementation of the new strategic initiatives. Following the implementation of our Finance and HR system, we will oversee further enhancements to systems and processes. We will also continue to focus on the development of our assurance and internal audit processes, with the Head of Internal Audit and PwC.

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

Robin Freestone
Chair of the Audit Committee
13 February 2019

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.

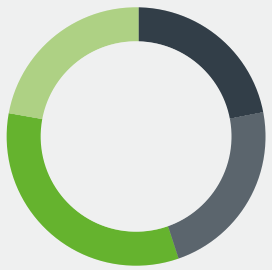
Bruce Carnegie-Brown
Chair of the Nomination Committee

2018 highlights

- conducted a search for a new Chair, led by our Senior Independent Director;
- conducted a search for a new Non-Executive Director;
- conducted a search for a new Chief Financial Officer;
- reviewed the size, structure and composition of the Board and its Committees;
- reviewed the Group's internal diversity plans; and
- continued to review talent in the Group with a greater focus on managing the pipeline of top talent to run the business particularly at the level below executive management.

Number of meetings of the Nomination Committee: 3

Allocation of time



- Succession, talent & development plans **22%**
- Diversity **23%**
- Board composition, skill set and recruitment **33%**
- Annual Report disclosures, Committee effectiveness and other governance matters **22%**

Dear Shareholder

As chair of the Nomination Committee, I am pleased to present the Nomination Committee's report for the year ended 31 December 2018. I have set out below our role and activities in reviewing the Board's size, structure and composition, including the recommendation of appointment of a new Chair, Non-Executive Director and Chief Financial Officer, reviewing succession and development plans for the Board and executive management and overseeing the Group's diversity plans.

Committee membership

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

Committee members	Committee members: Eligible to attend	Attended
Bruce Carnegie-Brown (Chair)	3	3
Andrew Fisher	3	3
Robin Freestone	3	3
Sally James	3	3
Genevieve Shore	3	3
Sarah Warby	2*	2*

* Sarah Warby was appointed as a Director and member of the Committee on 1 June 2018

Role

The role of the Nomination Committee is to:

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

The Nomination Committee has a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. When the need to appoint a Director is identified, we prepare a candidate profile indicating the skills, knowledge and experience required, taking into account the Board's existing composition, including relevant experience and understanding of our stakeholder groups. We engage external executive search consultants and consider the gender, nationality, and educational and professional background of candidates, as well as individual characteristics which will enhance diversity of thinking on the Board. Suitable candidates are interviewed by Committee members.

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

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

Committee meetings

We held three scheduled meetings during the year, with a number of ad hoc meetings to provide updates on the various recruitment processes during the year. Details of the attendance at Nomination Committee meetings are set out above.

We invited the Chief Executive Officer, the Chief People Officer and the Company Secretary to attend meetings of the Nomination Committee. During 2018, we also invited members of the executive management to present to the Committee in relation to the management of top talent in their teams and received progress updates from our Diversity and Inclusion Lead. The Company Secretary acts as secretary to the Nomination Committee.

In 2018, we:

- — reviewed the composition of the Board, including the balance of skills, knowledge and experience, including experience and understanding of our stakeholder groups;
- — conducted a search for, considered and recommended to the Board the appointment of a new Chairman (led by the Senior Independent Director), Non-Executive Director and Chief Financial Officer;
- — reviewed progress on diversity of the Board;
- — reviewed the pipeline of top talent to run the business particularly at the level below executive management, with presentations from executive management which also included updates on diversity plans for their areas of the business;
- — considered and recommended to the Board the re-election of all Directors at the 2019 Annual General Meeting other than me, as I will be stepping down at the conclusion of that meeting; and
- — reviewed and updated the policy for approval of Directors' conflicts of interest and the register of Directors' conflicts of interest.

We followed the procedure outlined above for the search for the new Chair, Non-Executive Director and Chief Financial Officer, engaging Russell Reynolds as the external executive search consultants for the appointment of the Chair and Chief Financial Officer and Egon Zehnder as the external executive search consultants for the appointment of the Non-Executive Director. Both firms are signatories to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice and have no other connection with the Company. Both firms were briefed on our diversity expectations and we considered and interviewed a wide and diverse range of candidates for each role. The search for the new Chair was led by Sally James, as Senior Independent Director. The Board was unanimous in its decision to appoint Robin Freestone (as Chair to succeed me from the conclusion of the AGM in May 2019), Sarah Warby (Non-Executive Director) and Scilla Grimble (Chief Financial Officer).

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 and updated them with effect from 1 January 2019 to reflect the changes introduced by the UK Corporate Governance Code (July 2018 version).

Boardroom diversity

Following the appointment of Scilla Grimble on 4 February 2019, we now have 50% female representation on the Board and have exceeded our target of 33% by 2020.

The Board's Statement on Diversity is as follows:

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

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

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

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

As mentioned on the previous page, both the external executive search consultants, Russell Reynolds and Egon Zehnder, who were engaged in the executive and non-executive searches, are signatories to the Voluntary Code of Conduct for Executive Search Firms on gender diversity and best practice and were both briefed on our Diversity Policy in the context of identifying candidates for our consideration.

As part of our evaluation of the Nomination Committee, it was considered that whilst progress has been made, more could be done in relation to considering candidates for the Board from a wide range of backgrounds. It was therefore agreed that for future Board recruitment, we will ensure that the Board's diversity and inclusion requirements form a key part of the role specification. We have a newly established internal employee-led resource group which has the objective of striving for diverse representation at all levels in our business, including, but not limited to women and ethnic minorities. The co-chairs (or appropriately qualified members) of that group will be briefed on the approach we take to increase diversity in future Board recruitment processes.

We recognise that we do not currently have sufficient diversity in our executive management and direct reports. At the end of 2018 this group was 27% female and 73% male. Since then, we have appointed Scilla Grimble as Chief Financial Officer and Katherine Bellau as Company Secretary, both of whom now form part of our executive management.

As part of our 2018 Diversity Action Plan we invested in employee resource groups to support grass roots diversity initiatives, and reviewed and made changes to our talent acquisition and talent progression approaches under our vision 'Be yourself. Be brilliant together. Belong.' These included:

— appointing a dedicated Diversity and Inclusion Lead role within our people function;
— establishing employee resource groups to focus on gender and ethnic minority equality and representation, diversity of background/voices, disability, mental health, and/or LGBTQI+ issues;
— developing an inclusive-first approach across key people processes, aimed at reducing internal barriers to the culture of inclusion and foster increased sense of belonging and appreciation of diverse voices and perspectives in order to benefit attraction, engagement, progression and retention of diverse talent; and
— hosting a Pride day to demonstrate the Group's commitment to welcoming and valuing diversity and inclusion, which included a presentation from a member of The Stonewall Trans Advisory Group.

Nomination Committee effectiveness

In 2018 we carried out an internal evaluation of Nomination Committee effectiveness which involved the completion of a questionnaire, with the results being analysed and presented at a Committee meeting for discussion. The Committee was considered to be effective in fulfilling its role during 2018 and remains independent. We also reviewed progress against actions identified in the 2017 evaluation:

2017 evaluation actions update

The following actions were identified during the 2017 evaluation:

— continued focus in meetings on diversity – we have received regular progress updates on the Group's internal diversity programme from the newly appointed Diversity and Inclusion Lead; and
— enhancing Committee papers – papers have been enhanced, ensuring they are concise and facilitate constructive debate and discussion.

2018 evaluation actions

Some of the areas that will be actioned in 2019 include:

— executive search process – ensure the Board's diversity and inclusion requirements form a key part of the role specification; and
— Committee Chairs and composition – considering the rotation of Committee chairs to refresh Committees.

Overview of Committee activities for 2019

Following the announcement that Robin Freestone will succeed me as Chair of the Board with effect from the conclusion of the AGM in May, the Committee will be commencing a search for an additional Non-Executive Director with appropriate financial experience to succeed Robin as Chair of the Audit Committee.

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

Bruce Carnegie-Brown
Chair of the Nomination Committee
13 February 2019

"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
Chair of the Risk Committee

2018 highlights

- introduced new reporting from the Data Protection Officer ("DPO") to each Risk Committee meeting, which included overseeing the Group's GDPR implementation project, the management of the Group's data protection risks and the results of our DPO oversight activities;
- monitored, via reports from the Chief Risk Officer, the Group's readiness for compliance with the Insurance Distribution Directive;
- oversaw the introduction of an enhanced approach to the management of risks arising from third parties who support our business;
- continued to focus on technology and data security risks and management's progress on improvements to cyber security;
- assessed the potential challenges associated with Brexit including the preparation of potential mitigation plans; and
- reviewed the proposed revisions to the Group's strategic priorities against the Group Risk Appetite Framework and Statement and advised the Board on risks associated with the proposed revisions to the Group strategy.

Number of meetings of the Risk Committee: 3

Allocation of time

- Risk Culture, Risk Framework (including Principal Risks), Risk & Compliance plans and Annual Report Disclosures **19%**
- Review of management of risks associated with third parties **7%**
- Review of technology and data security risks and management **19%**
- Review of plans to address risks associated with GDPR **18%**
- Deep dives into strategic and brand specific risks **9%**
- Monitoring of current and emerging risk landscape including regulatory and legal matters **28%**

Dear Shareholder

As chair of the Risk Committee, I am pleased to present the Risk Committee's report for the year ended 31 December 2018. I have set out our role and activities in overseeing the Group's risk management framework, ensuring risks are appropriately identified, managed and mitigated and advising the Board on risk appetite, strategy and culture.

Committee membership

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

Committee members	Committee members: Eligible to attend	Attended
Sally James (Chair)	3	3
Andrew Fisher	3	3
Robin Freestone	3	3
Genevieve Shore	3	3
Sarah Warby	1*	1*

* Sarah Warby was appointed a Director and member of the Risk Committee on 1 June 2018

The secretary to the Committee is Katherine Bellau, Company Secretary and Group General Counsel.

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

Role

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

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

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

Committee meetings

We met three times in 2018 and the attendance of our members is shown in the table on the left of this page. We invited the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Head of Internal Audit and Company Secretary, together with appropriate members of the management team with responsibility for management of key risks, and the external auditor, to meetings as necessary. The Committee also meets separately with the Chief Risk Officer at least once a year.

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

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

Principal activities in 2018

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

In 2018, we:

- further enhanced and approved the Group Risk Appetite Framework and Statement following scenario analysis and consideration by executive management, ensuring it is aligned with the new vertical structure of the Group;
- approved revisions to the Group Risk Appetite Framework and Statement to take account of the Group's strategic priorities announced in February 2018 and advised the Board on risks associated with those strategic priorities;
- received reports from executive and senior management on the ongoing management of the risks associated with the strategic initiatives and risks facing their parts of the business in addition to ad hoc reports relating to new or emerging risks;
- oversaw the introduction of an enhanced approach to the management of risks arising from third parties who support our business;
- oversaw improvements in the management of technology risks, with a focus on cyber security;
- assessed the potential challenges associated with Brexit including the preparation of potential mitigation plans;
- received updates and oversaw management's actions in relation to the consideration of risks associated with the General Data Protection Regulation ('GDPR') and implementation of systems, processes and procedures to meet the requirements of GDPR;
- reviewed the changes made to the incident management processes to take account of data protection issues;
- reviewed the conduct scorecards at each meeting to ensure we are putting customers at the heart of the business through our 'Customer First' programme;
- continued to enhance reporting of legal matters and regulatory developments; and
- oversaw the compliance with evolving regulation and interactions with our regulators including the FCA, in particular in relation to the Insurance Distribution Directive.

Risk & Compliance

The Group has a Risk & Compliance function, headed by the Chief Risk Officer, which reviews the Group's risks and controls together with the Group's compliance with regulatory requirements of the various bodies that regulate the Group's activities. These regulatory bodies include the FCA, the Information Commissioner's Office, Ofgem (which operates a voluntary code relating to energy price comparison to which MoneySuperMarket subscribes) and Ofcom (which operates a voluntary code relating to broadband speeds to which Decision Tech subscribes).

In 2018, we:

- reviewed and approved the Risk & Compliance plan which defines the scope of the work that the function will undertake with regard to compliance monitoring and assurance activities across the Group – this included assurance activities relating to GDPR compliance both internally and in relation to key third parties who support our business;
- considered the updates against the Risk & Compliance plan and the results of the work performed since the previous meeting and management's response; and
- reviewed the resources of the Risk & Compliance function.

Risk Committee effectiveness

In 2018 we carried out an internal evaluation of Risk Committee effectiveness which involved the completion of a questionnaire, with the results being analysed and presented at a Committee meeting for discussion. The Committee was considered to be effective in fulfilling its role during 2018 and remains independent. We also reviewed progress against actions identified in the 2017 evaluation:

2017 evaluation actions update

The following actions were identified during the 2017 evaluation:

- Committee packs – we have enhanced Committee papers, ensuring they are concise and facilitate constructive debate and discussion; and
- continuing to focus on putting customers at the heart of the business – we ensure customers are at the heart of our Group Risk Appetite Framework and Statement and we review the conduct risk scorecards at each meeting to ensure we are doing the right thing for customers through our 'Customer First' programme.

2018 evaluation actions

Some of the areas that will be actioned in 2019 include:

- reviewing the process for identifying emerging risks and ensuring the Committee balance their time between current and emerging risks; and
- continuing to focus on putting customers at the heart of the business.

Overview of Committee activities for 2019

The management of operational and conduct risks will continue to be our priority for 2019. We will focus on management of risks associated with the delivery of the strategic initiatives and Brexit. We will oversee the ongoing embedding of enhanced controls in respect of cyber security, data privacy, third party management and billing. We will also oversee the implementation of systems, processes and procedures to meet the requirements of upcoming regulatory developments including the application of the Senior Managers & Certification Regime to the Group.

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 2019.

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

Sally James
Chair of the Risk Committee
13 February 2019

"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.

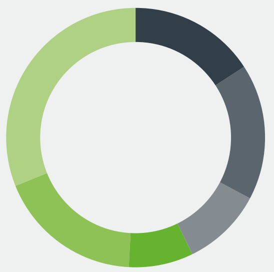
Andrew Fisher
Chair of the Remuneration Committee

2018 highlights

- considered the requirements of the new Corporate Governance Code;
- determined the remuneration outcomes for the Executive Directors and executive management team; and
- incorporated a component based on diversity and inclusion in the 2018 bonus scheme to reflect the Group's focus on this area; and
- approved the remuneration arrangements for the CFO succession.

Number of meetings of the Remuneration Committee: 5

Allocation of time



Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2018.

We made good progress during 2018 on our Reinvent strategy to reaccelerate core growth and unlock new market growth and we, as a Committee, have been focused on ensuring our remuneration framework continues to align with the Reinvent strategy and best practice. In addition, we have supported the Chief Financial Officer succession and transition process by determining the remuneration arrangements for Matthew Price and Scilla Grimble, within the context of our policy framework. Finally, the Committee determined the incentive outcomes in respect of 2018, and set parameters for remuneration in 2019.

This letter provides highlights of each of those key areas of activity. An extract of the Remuneration Policy is then set out on pages 63 to 65. Pages 66 to 74 constitutes the Annual Remuneration Report, summarising the 2018 outcomes and how we intend to operate the Policy in 2019.

We note the Investment Association's updated Principles of Remuneration. We are planning to undertake a full review of our Remuneration Policy in 2019 and will consult with shareholders on our proposals ahead of tabling it for approval at the 2020 AGM.

Pay for performance in 2018

Our reward philosophy remains unchanged. We believe in a simple and transparent framework which rewards our Executives based on the financial and strategic performance of the business, the value created for our shareholders, and their individual performance. During 2018, the variable elements of executive remuneration were focused on simple and transparent measures of revenue growth, adjusted EBITDA, adjusted earnings per share ('EPS') growth, total shareholder return and key strategic objectives.

Following the introduction in February 2018 of our new strategic initiatives, our bonus and Long-Term Incentive Plan ('LTIP') awards in respect of 2018 performance were based on challenging targets, as disclosed on pages 69 and 70.

2018 has been another year of growth for the Group with revenue increasing by 8% to £355.6 million and adjusted EBITDA increasing by 2% to £129.4 million, after we chose to invest in the build out of our product engineering teams to enhance our customer experience and commence our Reinvent strategy. We acquired Decision Tech during 2018, introducing B2B comparison expertise, one of our strategic initiatives to unlock new market growth. 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 Report on pages 1 to 37). We have reviewed the performance related elements of the Executive Directors' remuneration to ensure the outcomes are consistent with the overall performance of the Group.

As a result, the Committee determined that Mark Lewis and Matthew Price will receive a bonus for their performance of 90.9% and 75.25% respectively of their basic salary (which represents between 55.74% and 60.6% of the maximum).

Our 2016 LTIP award, which was based on a combination of stretching compound annual growth in adjusted EPS and comparative total shareholder return, will not vest as the performance conditions were not met over the three-year performance period to 31 December 2018. This reflects the focus in 2018 on our strategic initiatives to unlock future growth and the outcome aligns with our shareholders' experience over this period.

Approach to remuneration in 2019

Following a comprehensive review of the overall remuneration framework in 2016 and shareholder approval of our new Remuneration Policy at the 2017 AGM, we will continue to operate under that framework for 2019. As a reminder, this framework now includes:

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

The Remuneration Committee has also made the following key decisions in respect of the implementation of our Remuneration Policy for 2019:

- annual base salary increases of 2% for the Chief Executive Officer, generally in line with the average employee increase across the Group of approximately 3%;
- no change to the maximum bonus or LTIP award levels in 2019;
- ensuring a link between our strategy/KPIs and incentive targets by the continuation of a Group-wide customer satisfaction metric (see page 9 of the Strategic Report);
- retaining the adjusted EPS target range for the 2019 LTIP award at 5% to 15% per annum which the Committee believes is stretching and aligned with our strategic priorities; and
- the annual bonus will continue to include, as part of the personal objectives, a component based on diversity and inclusion, which again aligns with our priorities for the year.

Post-employment shareholding policy

During the year we considered the Corporate Governance Code provisions in relation to post-cessation shareholdings for Executive Directors. We will continue to monitor investor guidance and emerging market practice in this area as we consider the right approach for the Group.

Alignment of pension contributions

During the year we considered the level of Executive Director pension contributions. We will continue to monitor investor guidance and emerging market practice in this area as we consider the right approach for the Group.

Chief Financial Officer succession

Scilla Grimble

As explained on page 5, Scilla joined the Group as Chief Financial Officer on 4 February 2019. During the search and appointment process we continued to see high levels of competition for talent. We offered a package which was required in order to secure a candidate of this calibre in the highly competitive talent markets that 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 Scilla would be appointed on a salary of £380,000, a maximum bonus opportunity of 135% of salary and an annual LTIP award of 150% of salary. 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 2018 only and in line with the Remuneration Policy, Scilla will receive an additional one-off grant of 164,600 forfeitable shares to take account of compensation relinquished from her previous employer. The shares will be held in trust and their release will not be subject to performance conditions but will be subject to malus and clawback provisions, with release of the shares in tranches from June 2019 to March 2021 (such dates being in line with the original compensation terms relinquished from her previous employer) provided that Scilla remains in employment with the Company on the relevant release date.

Matthew Price

The Committee agreed the leaving arrangements for Matthew Price in line with the Remuneration Policy. He received a payment in lieu of notice for the balance of his notice period in accordance with the provisions of his service agreement. In recognition of his significant contribution to the growth and success of the Group, the Committee determined that he would be treated as a good leaver for the purposes of the LTIP awards granted in 2016 and 2017, with the 2018 LTIP award lapsing in full. Full details are disclosed in this report on page 71.

Employees

As mentioned in the Corporate Governance Report, we appointed Sarah Warby as our 'Employee Champion' to take forward the programme of engagement activities with employees. These engagement activities will help give the Remuneration Committee the opportunity to understand more about our employees and assist the Remuneration Committee in considering the wider workforce arrangements when taking decisions relating to Executive Director remuneration.

Since the Group published its 2017 gender pay report in 2018, management have worked hard on establishing and starting to deliver our diversity and inclusion action plan. We have seen an improvement in our gender pay gap compared to our 2017 result that shows we are making positive progress.

However, we are also aware that some of the initiatives the Group has started will have an impact in the long term but not on our 2018 figures. Also, as we are a relatively small company in terms of our employee numbers, a small number of changes in the make-up of our employees at a specific point in time can have an impact on our results, both positively and negatively.

Alignment with shareholders

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

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

We are pleased with the support we have received in the past from shareholders with over 98% approval for our Remuneration Policy in 2017 and 99.5% support for last year's Annual Remuneration Report. We look forward to receiving your continued support at the forthcoming AGM.

Andrew Fisher
Chair of the Remuneration Committee
13 February 2019

Directors' Remuneration Policy

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

Summary Remuneration Policy

The table below summarises the Directors' Remuneration Policy.

Base salary

Purpose and link to strategy	To provide competitive fixed remuneration to attract and retain Executive Directors of the calibre required to deliver the business strategy for shareholders.
Operation	The base salary for Executive Directors may be reviewed annually by the Committee. Individual salary adjustments may take into account each Executive Director's performance and experience in role, changes in role or responsibility, the Group's financial performance, as well as external market data.
Maximum	There is no prescribed maximum base salary. Salary increases are ordinarily in line with the broader employee population but on occasions may need to recognise, for example, an increase in the scale, scope or responsibility of the role and developments in the wider competitive market. Current base salary levels are set out on page 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, life insurance and health insurance. Other benefits may be provided where appropriate including, amongst other things, relocation and travel expenses, and reimbursed business expenses (including any associated tax liability) incurred when travelling in performance of duties.
Maximum	There is no prescribed maximum monetary value for benefit provision. Benefits are set at a level which the Committee determines is reasonable and appropriate and the value may vary depending on the benefit provided and the market cost of the benefit given the individual's personal circumstances.
Performance targets	Not applicable.

Annual bonus

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

Annual bonus continued

Maximum	The Committee intends that annual bonus opportunities in respect of a financial year will be: — CEO: target of 100% of base salary and maximum of 150% of base salary. — CFO: target of 90% of base salary and maximum of 135% of base salary. Where considered appropriate in exceptional circumstances, the Committee may determine that the maximum annual bonus opportunity in respect of a particular financial year is up to 200% of base salary.
Performance targets	Payment is determined by reference to performance assessed over one financial year based on financial and strategic performance measures which the Committee considers to be aligned to the strategy and the creation of shareholder value. Such measures may include: — Adjusted operating profit (or other measure of profitability). — Revenue. — Non-financial measures aligned to the strategy or KPIs. — Personal objectives. The performance measures and weightings for the 2019 financial year are shown on page 66. The Committee determines the weightings of the performance measures each year. The overall framework will normally be weighted towards financial measures of performance. Targets are set each year by the Committee by reference to factors such as the budget and strategic objectives for the year, progress against the prior year and market expectations. The Committee retains discretion to use different or additional measures, weightings or payout schedules to ensure that the bonus framework appropriately supports the business strategy and objectives for the relevant year. The Committee has the discretion to adjust targets for any exceptional events that may occur during the year. The Committee will consider the Group's overall performance before determining final bonus payment levels.

Long-Term Incentive Plan

Purpose and link to strategy	Designed to align with both the strategic objectives of delivering sustainable earnings growth and the interests of shareholders.
Operation	Awards are made under the 2017 Long-Term Incentive Plan. Awards of Moneysupermarket.com Group PLC shares which vest subject to performance measured over a period of at least three years. Vested awards may then be subject to an additional holding period, which unless the Committee determines otherwise will apply up to the fifth anniversary of the date of grant. Clawback provisions apply for a period of five years from the date of grant.
Maximum	The Committee intends that maximum award levels in respect of a financial year will be: — CEO: 175% of base salary. — CFO: 150% of base salary. Where considered appropriate, the Committee may make an LTIP award in respect of a particular financial year of up to 200% of base salary, in line with the rules of the plan.
Performance targets	Vesting is determined by reference to performance assessed over a period of at least three years, based on performance measures which the Committee consider to be aligned with the delivery of strategy and long-term shareholder value. For awards to be made in 2019, 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 Chair) are determined by the Board and comprise a base fee with additional fees payable for additional responsibilities. The fees for the Chair 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 67 and will not exceed the aggregate maximum levels set out in the Company's Articles of Association.
Performance targets	Not applicable. Non-Executive Directors do not participate in variable pay arrangements.

Service agreements for Directors

Executive Directors

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

Non-Executive Directors

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

Annual Report on Remuneration

Implementation of the Remuneration Policy for the year ending 31 December 2019

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2019 is set out below.

Base salary

The Remuneration Committee has determined that Mark Lewis' base salary will increase as set out below with effect from 1 January 2019. Scilla Grimble's starting base salary is also set out below:

	2019 £	2018 £	% increase
Mark Lewis	551,400	540,600	2%
Scilla Grimble	380,000	N/A	N/A

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 current Executive Directors.

Annual bonus

For the year ending 31 December 2019, the target and maximum annual bonus opportunities will remain the same as they were in 2018, in line with the Policy, as shown in the following table:

	Target bonus	Maximum bonus
	% of salary	% of salary
Mark Lewis	100%	150%
Scilla Grimble	90%	135%

Awards will be determined based on a balanced combination of Group financial and operational performance and individual performance, directly aligned to our KPIs and strategic objectives, as shown below. For 2019, the Board will continue to focus on adjusted EBITDA due to the strategic focus on developing and optimising its technology platform. We are retaining the Group-wide customer satisfaction measure (YouGov Brand Index) which aligns to the Group's strategic objectives and the Group's KPI reporting (see page 9) and a component based on diversity and inclusion, forming part of the personal objectives, to reflect our continuing focus in this area, explained further in the Nomination Committee Report. The weightings for the various metrics are set out below:

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

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

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

Long-term incentives

For the year ending 31 December 2019, annual LTIP awards will remain the same as they were in 2018, in line with the Policy, as shown in the following table:

	2019 % of salary
Mark Lewis	175%
Scilla Grimble	150%

The extent to which 2019 LTIP awards will vest will be dependent on two independent performance conditions as follows:

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

Vesting is on a straight-line basis between threshold and maximum. The adjusted EPS target range will remain at 5%-15% per annum which the Committee believes is stretching and aligned with the Group's strategic priorities.

Upon vesting, the 2019 LTIP awards will be subject to an additional holding period which expires on the fifth anniversary of the date of grant.

Interaction between Decision Tech acquisition and incentives

The acquisition of Decision Tech into the Group completed in August 2018. The Committee was mindful of its impact on incentive outcomes and resolved to exclude the beneficial impact from any 2018 remuneration payouts. Therefore, for the purpose of assessing performance under the financial elements of the 2018 bonus and performance vesting under the 2016-2018 LTIP award, the impact of Decision Tech was excluded.

For 2019 onwards and for future LTIP award cycles yet to vest (2017-2019 onwards), for the purpose of performance assessment under financial measures, the Committee intends to appropriately include the impact of the Decision Tech acquisition. Notwithstanding this intended approach, the Committee will always ensure that it has sufficient information at the end of relevant performance periods to appropriately assess performance in the round (e.g. consider performance scenarios including or excluding an acquisition).

For the avoidance of doubt, the Committee always challenges itself to review the Company's performance and how it translates into incentive outcomes under multiple scenarios in order to ensure that any rewards are commensurate with the overall performance of the business.

Non-Executive Directors

The fees for the Non-Executive Directors with effect from 1 January 2019 are:

	2019 £	2018 £	Increase %
Chair	246,800	246,800	0%
Base fee	60,800	60,800	0%
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 2018 (audited)

Directors' remuneration for the year ended 31 December 2018 was as follows:

	Salary/fees (£)	Taxable bens (£)	Pension (£)	Bonus (£)	Vesting LTIPs (£)	Total (£)
Mark Lewis (appointed 13 March 2017)						
2018	**540,600**	**16,717**	**108,120**	**491,405**	**–**	**1,156,842**
2017	441,667	12,369	88,333	298,661	–	841,030
Peter Plumb (resigned 4 May 2017)						
2018	**–**	**–**	**–**	**–**	**–**	**–**
2017	195,416	5,833	39,083	176,285	588,701	1,005,318
Matthew Price (resigned 31 October 2018)						
2018	**306,000**	**11,667**	**61,200**	**230,265**	**–**	**610,108**
2017	360,000	14,000	72,000	225,643	415,508	1,087,151
Bruce Carnegie-Brown						
2018	**246,800**	**–**	**–**	**–**	**–**	**246,800**
2017	246,800	–	–	–	–	246,800
Andrew Fisher						
2018	**73,800**	**–**	**–**	**–**	**–**	**73,800**
2017	72,600	–	–	–	–	72,600
Robin Freestone						
2018	**75,300**	**–**	**–**	**–**	**–**	**75,300**
2017	74,100	–	–	–	–	74,100
Sally James						
2018	**90,300**	**–**	**–**	**–**	**–**	**90,300**
2017	83,891	–	–	–	–	83,891
Rob Rowley (resigned 4 May 2017)						
2018	**–**	**–**	**–**	**–**	**–**	**–**
2017	32,750	–	–	–	–	32,750
Genevieve Shore						
2018	**66,800**	**–**	**–**	**–**	**–**	**66,800**
2017	65,600	–	–	–	–	65,600
Sarah Warby (appointed 1 June 2018)						
2018	**38,967**	**–**	**–**	**–**	**–**	**38,967**
2017	–	–	–	–	–	–
Total						
2018	**1,438,567**	**25,519**	**169,320**	**721,670**	**–**	**2,357,941**
2017	1,572,824	32,202	199,416	700,589	1,004,209	3,509,240

Notes

(1) Taxable benefits

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

(2) Pension

Pension payments reflect defined contributions and/or salary supplement arrangements. The Company provided pension contributions for two Executive Directors during 2018.

(3) Annual bonus payments

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

Maximum bonus entitlements for the year ended 31 December 2018 as a percentage of base salary were 150% for Mark Lewis and 135% for Matthew Price for the achievement of stretching targets for growth in revenue, adjusted EBITDA and customer satisfaction (YouGov Brand Index) as well as specific personal objectives. For Matthew Price, the maximum bonus opportunity was reduced pro rata for time served in the year.

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

	Performance targets			Mark Lewis	Matthew Price
Group Revenue	Threshold	£345.7m	Weighting (% of salary)	30.00%	27.00%
	Target	£359.7m			
	Maximum	£372.7m			
	Actual	£355.6m	Payout (% of salary)	14.10%	12.70%
Group adjusted EBITDA	Threshold	£126.5m	Weighting (% of salary)	75.00%	67.50%
	Target	£131.5m			
	Maximum	£141.5m			
	Actual	£129.4m	Payout (% of salary)	34.30%	30.80%
Customer Satisfaction (YouGov Brand Index)	Threshold	67	Weighting (% of salary)	22.50%	20.25%
	Target	69			
	Maximum	71			
	Actual	74	Payout (% of salary)	22.50%	20.25%
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)	22.50%	20.25%
			Payout (% of salary)	20.00%	11.50%
Total			**Payout (% of maximum)**	**60.60%**	**55.74%**
			Payout (% of salary)	**90.90%**	**75.25%**

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

Matthew Price stepped down on 31 October 2018. The maximum bonus was reduced pro rata to reflect time served.

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

Mark Lewis

Objective	Maximum opportunity (% of salary)	Performance outcome and key achievements
Strategic: Organise Group to deliver Reinvent Strategy at pace	9.0%	— Restructured Group into vertical organisation, strengthened the Executive Management team, engaged wider employee base in new strategic priorities and developed operating plan to deliver strategy which provided clear visibility into progress and KPIs for key initiatives.
Strategic: Develop new revenue streams for the Group	9.0%	— Launched new propositions for users with results achieved against the KPIs within business plan for each initiative including our Credit Monitor app, bill monitoring service and improved B2B Partnerships.
Operational: Deliver 2018 Diversity & Inclusion Plan	4.5%	— Resourced and delivered 2018 Diversity & Inclusion action plan resulting in increased gender diversity within the Group, a reduced gender pay gap and increased inclusion scores in employee feedback survey.
	22.5%	

Matthew Price

Objective	Maximum opportunity (% of salary)	Performance outcome and key achievements
Strategic: Create support mechanisms to implement strategy	8.1%	— Established and ran the Transformation Office to implement the Reinvent strategy, including recruitment of programme lead and creation of processes to ensure lead initiatives were tracking favourably.
Operational: Revise Investor Relations Plan	8.1%	— Revised Investor Relations Plan that was approved by the Board. Executed plan through the delivery of announcements and engagement with investors.
Operational: Deliver 2018 Diversity & Inclusion Plan	4.05%	— Championed diversity & inclusion actions within the finance team, specifically supporting flexible working, resulting in positive improvements in gender diversity.
	20.25%	

(4) Vesting of LTIP awards

The LTIP award granted on 21 March 2016 was based on performance to the year ended 31 December 2018. The performance targets for this award, and actual performance against those targets, was as follows:

Metric	Weighting	Performance condition	Threshold	Maximum	Actual	Vesting %
Vesting			20%	100%		
Compound annual growth in adjusted earnings per share	70%	Compound annual growth in adjusted earnings per share from 31 December 2015 to 31 December 2018.	7%	17%	6.5%	0%
Comparative total shareholder return	30%	Comparative total shareholder return against the constituents of the FTSE 250 index (excluding Investment Trusts) from 31 December 2015 to 31 December 2018. Comparative total shareholder return measured over three financial years with a three-month average at the start and end of the performance period.	Median	Upper quartile	Below Median	0%
					Total vesting	0%

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

The value attributed to vested shares under long-term incentives in the remuneration table for 2018 includes amounts relating to dividend equivalents payable on vested LTIP awards over the three-year period ended 21 March 2019.

As mentioned in the Chair's letter, the LTIP will not vest as the performance conditions were not met over the three year performance period to 31 December 2018. This reflects the focus in 2018 on our strategic initiatives to unlock future growth and the outcome aligns with our shareholders' experience over this period. The 2017 value of the vested shares in the remuneration table has been updated from last year's value to represent the actual value received on the date of vesting.

Long-term incentives granted during the year (audited)

On 5 April 2018, the following LTIP awards were made to the Executive Directors:

Executive Director	Type of award	Basis of award granted	Face value of award £	% of maximum that would vest at threshold performance	Vesting determined by performance over
Mark Lewis	Conditional award	175% of salary	946,050	20%	Three financial years to 31 December 2020
Matthew Price	Conditional award	150% of salary	550,800	20%	

Face value determined using the average share price over the preceding five trading days prior to the date of grant (5 April 2018) of £2.8822.

The performance targets for this award are as follows:

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

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

Payments to past Directors (audited)

Peter Plumb stepped down from the Board and left the Group on 4 May 2017. As a result of the Remuneration Committee exercising its discretion to treat Peter Plumb as a good leaver for the 2015 LTIP award, the maximum number of shares in his award was reduced pro rata on cessation for the time served and based on the achievement of the performance conditions from 336,436 to 262,150 shares. Based on the achievement of the performance conditions, 179,232 shares vested on 30 April 2018.

Payments for loss of office (audited)

Matthew Price stepped down from the Board and left the Group on 31 October 2018. In respect of his period in office during 2018, Matthew received the remuneration shown in the single figure table on page 68.

The Committee agreed his leaving arrangements in line with the Remuneration Policy. He received a payment totalling £255,309, representing the remaining six and a half months' basic salary, benefits and pension in lieu of notice in accordance with the provisions of his service agreement and a contribution to his legal fees. In recognition of his significant contribution to the growth and success of the Group, the Committee determined that he would be treated as a good leaver for the purposes of his unvested 2016 and 2017 LTIP awards, vesting on their normal vesting dates, reduced pro-rata for the time served and based on the achievement of the performance conditions. The 2018 LTIP award lapsed in full. His 2016 LTIP award will not vest as the performance conditions have not been met.

Statement of Directors' shareholdings and share interests (audited)

Director	Beneficially owned at 31 December 2018	Outstanding LTIP awards	Outstanding share awards under all employee share plans	Total interest in shares	Shares owned as a % of base salary at 31 December 2018
Mark Lewis	–	633,555	7,031	640,586	0%
Matthew Price*	180,793	209,416	2,727	392,936	140%
Bruce Carnegie-Brown	90,000	–	–	90,000	n/a
Andrew Fisher	–	–	–	–	n/a
Robin Freestone	20,000	–	–	20,000	n/a
Sally James	20,000	–	–	20,000	n/a
Genevieve Shore	–	–	–	–	n/a
Sarah Warby	–	–	–	–	n/a

* shown as at date of leaving

Executive Directors are currently required to hold shares in the Company worth 200% of base salary and must retain 50% of the net of tax value of any vested LTIP shares until the guideline is met. The shareholding value used for the purposes of the table above is based on the average share price during December 2018 of £2.85.

In the period from 31 December 2018 to the date of this Report, there has been no change in the Directors' interests in shares in the Company.

Outstanding share awards

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

Executive Director	Scheme	Grant date	Exercise price	No. of shares at 1 January 2018	Granted during the year	Vested during the year	Lapsed during the year	No. of shares at 31 December 2018	End of performance period	Vesting/ exercise date
Mark Lewis	LTIP	04/05/2017	Nil	305,317	–	–	–	305,317	31/12/2019	04/05/2020
	SAYE	20/09/2017	£2.56	7,031	–	–	–	7,031	n/a	01/11/2020–30/04/2021
	LTIP	05/04/2018	Nil	–	328,238	–	–	328,238	31/12/20	05/04/2021
Matthew Price	LTIP	30/04/2015	Nil	185,040	–	126,512	58,528	–	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	–	–	21,930	135,967	31/12/2018	21/03/2019
	LTIP	04/05/2017	Nil	155,539	–	–	82,090	73,449	31/12/2019	04/05/2020
	SAYE	20/09/2017	£2.56	4,218	–	–	4,218	–	n/a	01/11/2020–30/04/2021
	LTIP	05/04/2018	Nil	–	191,104	–	191,104	–	31/12/2020	05/04/2021

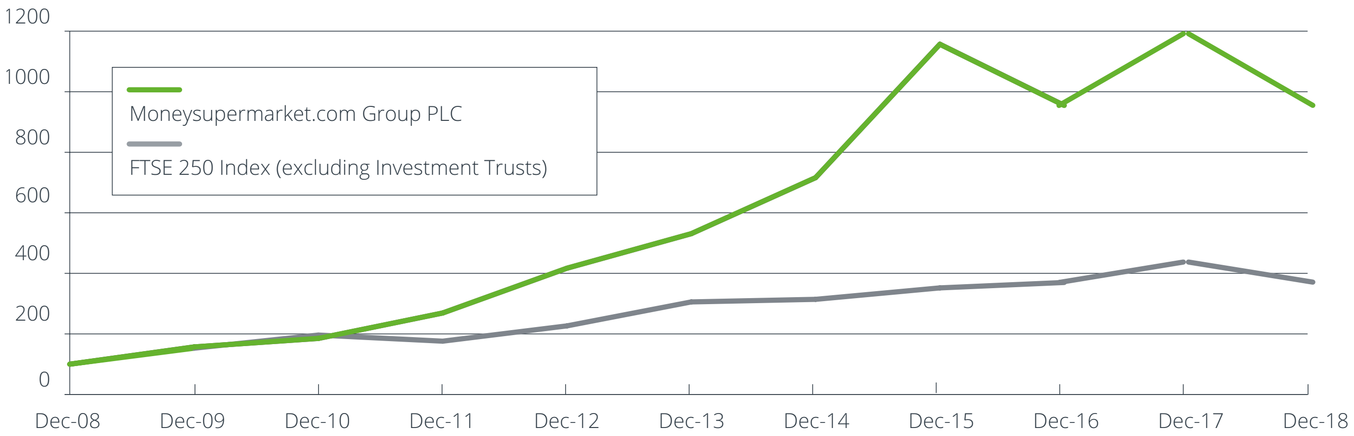
(1) Awards of LTIPs made in 2015 and 2016 vest by reference to an EPS performance condition (70% of the award) and a comparative TSR performance condition (30% of the award). 20% of the maximum vests for threshold performance. The 2016 LTIP award will not vest as the performance conditions have not been met as explained in the Chair's introductory letter.

(2) Awards of LTIPs made in 2017 and 2018 vest by reference to an EPS performance condition (80% of the award) and a comparative TSR performance condition (20% of the award). 20% of the maximum vests for threshold performance.

Performance graph (unaudited)

The following graph shows the cumulative total shareholder return of the Company over the last ten 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 2018, 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, assuming the re-investment of dividends. The other points plotted are the values at intervening financial year ends.



Pay ratio

The table below discloses the ratio of CEO pay for 2018, using the single total figure of renumeration (STFR) of the CEO (as disclosed on page 68) to the comparable earnings of the rest of the employees in the Group, at a number of prescribed data points (25th, 50th & 75th percentiles).

Single total remuneration (CEO)	Method	Total remuneration (25th percentile employee)	Total remuneration (50th percentile employee)	Total remuneration (75th percentile employee)	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
£1,156,842	Option A	£33,288	£48,234	£67,299	35:1	24:1	17:1

Total remuneration for Chief Executive Officer (unaudited)

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

Year ended 31 December	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017	**2018**
CEO	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Peter Plumb	Mark Lewis	**Mark Lewis**
Total remuneration	£660,667	£868,748	£1,024,156	£2,866,123	£3,059,163	£3,365,277	£2,715,342	£2,391,627	£1,064,634	£841,030	**£1,156,842**
Annual bonus (% of maximum)	77%	77%	91%	94%	83%	85%	95%	72%	60%	47%	**61%**
LTIP vesting (% of maximum)	n/a	n/a	n/a	94%	100%	98%	85%	81%	68%	N/A	**N/A**

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

The table below shows the percentage change in the Chief Executive Officer's salary, benefits and annual bonus between the financial year ended 31 December 2017 and 31 December 2018, compared to that of the average percentage change for all UK employees of the Group for each of these elements of pay.

	2017 CEO £	**2018 CEO £**	CEO % change	Other employees % change
Salary	530,000	**540,600**	2%	2%
Taxable benefits	16,548	**16,717**	1%	-18%
Annual bonus	370,787	**491,405**	32%	-7%

The figures in the table above reflect the annualised amounts for Mark Lewis in 2017 as if he were Chief Executive Officer for the full year. The actual amounts he received for 2017 are set out in the single figure table on page 68 as he joined the Board on 13 March 2017. The increase in taxable benefits relates to the increase in cost of provision of private medical insurance.

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:

	2017	**2018**	change %
Staff costs (£m)	47.1	**53.0**	12%
Dividends (£m)*	56.1	**59.0**	5%
Tax (£m)	18.0	**20.3**	13%
Retained profits (£m)	78.1	**86.6**	11%

* 2018 includes a proposed final dividend of 8.10p per share. 2017 includes the final dividend of 7.60p per share.

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

Consideration by the Directors of matters relating to Directors' remuneration

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

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

The Remuneration Committee's duties include:
- determining the policy for the remuneration of the Chair, Executive Directors and executive management;
- determining the remuneration package of the Chair, 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:

Committee members	Meetings in 2018 Eligible to attend	Attended
Andrew Fisher (Chair)	5	5
Robin Freestone	5	5
Sally James	5	5
Genevieve Shore	5	5
Sarah Warby*	3	3

* Sarah Warby joined the Board and Remuneration Committee on 1 June 2018.

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. We review our terms of reference annually and updated them with effect from 1 January 2019 to reflect the changes introduced by the UK Corporate Governance Code (July 2018 version).

Consideration by the Directors of matters relating to Directors' remuneration

During 2018, 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 2018, Deloitte LLP also provided services to the Group in respect of corporate tax and VAT advice and operational audit advisory work. The fees paid to Deloitte LLP for providing advice in relation to executive remuneration over the financial year under review was £19,800.

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. During 2018, no Executive Director was appointed on an external Board.

Remuneration Committee effectiveness

In 2018 we carried out an internal evaluation of Remuneration Committee effectiveness which involved the completion of a questionnaire, with the results being analysed and presented at a Committee meeting for discussion. The Committee was considered to be effective in fulfilling its role during 2018 and remains independent. We also reviewed progress against actions identified in the 2017 evaluation:

2017 evaluation actions update

The following actions were identified during the 2017 evaluation:

- enhancing Committee papers – papers have been enhanced, ensuring they are concise and facilitate constructive debate and discussion; and
- aligning remuneration to new strategic priorities – remuneration has been aligned to the new strategic initiatives through the personal objective element of the bonus.

2018 evaluation actions

Some of the areas that will be actioned in 2019 include:

- ensuring processes and procedures are put in place to meet the requirements of the new UK Corporate Governance Code; and
- ensuring the Committee continues to be appraised of developments in shareholder expectations on remuneration, particularly in relation to the requirements of the new UK Corporate Governance Code.

Statement of voting at general meeting

The following votes were received from shareholders in respect of the Directors' Remuneration Report at last year's Annual General Meeting and in respect of the Remuneration Policy at the 2017 Annual General Meeting:

	Remuneration Report (2018 AGM)		Remuneration Policy (2017 AGM)	
	Votes	%	Votes	%
Votes cast in favour*	402,874,097	99.52%	410,221,055	98.83%
Votes cast against	1,958,450	0.48%	4,869,995	1.17%
Total votes cast	404,832,547	100%	415,091,050	100%
Abstentions	7,677		9,483	

* Includes Chair's discretionary votes.

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

Andrew Fisher
Chair of the Remuneration Committee
13 February 2019

The Directors' Report sets out additional statutory information.

Katherine Bellau
Company Secretary

Annual General Meeting

The Annual General Meeting ('AGM') of the Company will be held at The DoubleTree by Hilton Hotel, Warrington Road, Hoole, Chester CH2 3PD on Thursday 9 May 2019 at 10.00am. The notice convening the meeting, with details of the business to be transacted at the meeting and explanatory notes is set out in a separate AGM circular which has been issued to all shareholders at the same time as this Report.

Dividend

The Directors recommend a final dividend of 8.10p (2017: 7.60p) per ordinary share in respect of the year ended 31 December 2018. If approved by shareholders at the forthcoming AGM, this will be paid on 16 May 2019 to shareholders on the register at close of business on 5 April 2019. The final dividend, together with the interim dividend of 2.95p per ordinary share paid in September 2018, gives a total dividend for the year of 11.05p (2017: 10.44p) per ordinary share.

Issued share capital and control

As at 31 December 2018, the issued share capital of the Company was £107,264 comprising 536,319,819 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 17 to the Group Financial Statements on page 106. The information in note 17 is incorporated by reference and forms part of this Directors' Report.

At the 2018 AGM, shareholders authorised the Directors to allot up to 357,000,000 ordinary shares in the capital of the Company. Directors will again seek authority from shareholders at the forthcoming AGM to allot up to 357,000,000 ordinary shares.

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

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

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

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

The Company operates a Long Term Incentive Plan ('Plan') and shares are held by the trustees, Estera Trust (Jersey) Limited ('Estera'), pending vesting of the shares awarded under the Plan. Estera does not vote on any shares held in trust. As at the date of this Report, Estera held 0.03% 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 September 2018.

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 2018 AGM to purchase up to 53,600,000 of its own shares in the market. No shares were purchased under this authority in 2018. The Company has announced an enhanced distribution of £40m. We will be consulting on the mechanism for returning this surplus capital to shareholders during 2019 before determining our preference. If, following the consultation and subject to the Directors believing that a return of surplus capital by way of purchases of the Company's shares would result in an increase in earnings per share and would be in the interests of shareholders generally, such purchases would be conducted pursuant to the authority obtained at the last AGM. Directors will seek authority from shareholders at the forthcoming AGM for the Company to purchase, in the market, up to 53,600,000 shares. The Directors have no present intention of conducting further purchases of the Company's shares beyond any enhanced distribution in 2019, 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 2018, 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
Massachusetts Financial Services Company	30,527,976	5.69
The Capital Group Companies, Inc	26,608,992	4.96
Aviva plc	26,570,896	4.96
Ameriprise Financial, Inc and its group	27,061,089	4.94
Standard Life Investments (Holdings) Limited	25,417,919	4.60
FIL Limited	24,758,460	4.52
State Street Nominees Limited	20,581,165	3.76
Blackrock, Inc	19,099,983	3.55

As at 1 February 2019, 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 2018
Bruce Carnegie-Brown	Chair	Served throughout year
Andrew Fisher	Independent Non-Executive Director	Served throughout year
Robin Freestone	Independent Non-Executive Director	Served throughout year
Sally James	Independent Non-Executive Director	Served throughout year
Mark Lewis	Chief Executive Officer	Served throughout year
Matthew Price	Chief Financial Officer	Resigned 31 October 2018
Genevieve Shore	Independent Non-Executive Director	Served throughout year
Sarah Warby	Independent Non-Executive Director	Appointed 1 June 2018

Their biographical details are set out on pages 40 to 41. Further details relating to Board and Committee composition are disclosed in the Corporate Governance Report and Committee Reports on pages 42 to 74.

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 other than Bruce Carnegie-Brown will retire and offer themselves for election or re-election at the 2019 AGM in accordance with the UK Corporate Governance Code ('Code').

A new Director and Chief Financial Officer, Scilla Grimble has been appointed on 4 February 2019.

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 60 to 74. 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 2018 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 2018 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. During 2018, the Board appointed Sarah Warby, one of our independent Non-Executive Directors, as our 'Employee Champion' and has held Board Q&A and breakfast sessions with employees, providing the opportunity for employees to engage directly with our Non-Executive Directors and to give our Non-Executive Directors the opportunity to understand more about our employees.

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.

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

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.

Borrowings

In September 2018, the Group secured a new three year revolving credit facility of £100 million in committed funds provided in equal parts by Lloyds Bank PLC and Barclays Bank PLC. The Group has an accordion option to apply to the banks for an additional £100 million of committed funds during the term of the facility. As at 31 December 2018, the Group had cash of £44.8 million with £15 million drawn down under the facility.

Political donations

During the financial year ended 31 December 2018, the Group did not make any political donations (2017: £nil).

Post balance sheet events
There have been no 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.

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

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

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

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

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

Reporting requirement	Location
Strategic Report – Companies Act 2006 s414A-D	Strategic Report on pages 1 to 37
DTR4.1.8R – Management Report – the Directors' Report and Strategic Report comprise the 'management report'	Directors' Report on pages 75 to 78 and the Strategic Report on pages 1 to 37
Likely future developments of the business and Group	Strategic Report on pages 1 to 37
Statement on corporate governance	Corporate Governance Report, Audit Committee Report, Risk Committee Report, Nomination Committee Report and Directors' Remuneration Report on pages 42 to 74
Details of use of financial instruments & specific policies for managing financial risk	Note 18 to Group Financial Statements on page 107
Board's assessment of the Group's internal control systems	Corporate Governance Report on pages 42 to 47, the Audit Committee Report on pages 48 to 53 and Risk Committee Report on pages 57 to 59
Greenhouse gas emissions	Corporate Responsibility Report on page 37
Directors' remuneration including disclosures required by Schedule 5 and Schedule 8 of SI2008/410 – Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008	Directors' Remuneration Report on pages 60 to 74
Directors' responsibility statement	Directors' responsibility statement on page 79
Directors' interests	Directors' Remuneration Report on page 71

The Strategic Report comprising the inside cover and pages 1 to 37 and this Directors' Report comprising pages 75 to 78 have been approved by the Board and are signed on its behalf by:

Katherine Bellau
Company Secretary

13 February 2019

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards, including FRS 102 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 Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

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

Each of the Directors whose names and functions are set out on pages 40 and 41 confirms that, to the best of their knowledge:
- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

In addition, the Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Mark Lewis
Chief Executive Officer

Scilla Grimble
Chief Financial Officer

1. Our opinion is unmodified

We have audited the Financial Statements of Moneysupermarket.com Group PLC ("the Company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Balance Sheet and Company Statement of Changes in Equity, and the related notes including the accounting policies in note 2.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company Financial Statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

Basis for opinion

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

We were appointed as auditor by the shareholders on 22 April 2008. The period of total uninterrupted engagement is for the 12 financial years ended 31 December 2018. Prior to that we were also auditor to the Group's previous parent company, but which, being unlisted, was not a public-interest entity. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: Group Financial Statements as a whole	£5.0m (2017:£4.8m) 4.7% (2017: 5%) of Group profit before tax	
Coverage	100% (2017:100%) of Group profit before tax	
Key audit matters	**vs 2017**	
Event driven	**New:** Completeness and valuation of intangibles arising from the purchase of Decision Technologies Limited and its subsidiaries	▲
Recurring risks	Revenue recognition: Revenue accrual	◀▶
	Capitalisation of software and development costs	◀▶
	Recoverability of Parent Company's investment in subsidiary and debt due from group entities	◀▶

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the Financial Statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Completeness and valuation of intangibles arising from the purchase of Decision Technologies Limited and its subsidiaries Intangible assets of £8.7 million Refer to page 50 (Audit Committee Report), page 91 (accounting policy) and pages 112 to 113 (financial disclosures).	**Forecast based valuation** There is significant judgment with regard to the assumptions and estimates involved in the forecasting of future cash flows that form the basis of the assessment of the value of the domain names and the costs of rebuild for the software assets on acquisition. The key assumptions for the domain names are the expected future revenue and discount rate applied to the cash flows and for the software assets, the time taken to build the assets and the cost rate applied to this time. Given the level of goodwill recognised on this acquisition, there is a risk that not all intangibles have been recognised on acquisition. The effect of these matters is that, as part of our risk assessment, we determined that the recognition and valuation of intangibles has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.In conducting our final audit work, we reassessed the degree of estimation uncertainty to be less than materiality.	Our procedures included: — **Control design:** Testing the design and implementation of the controls over the acquisition accounting; — **Assessing experts:** Understanding the work of the expert by inspecting the engagement letter and making inquiries of the expert. Evaluating their competence, capability and objectivity; — **Our valuation expertise:** With the assistance of our own valuation specialists, we assessed the appropriateness of the valuation methodologies applied and challenged the completeness of the intangible assets identified, the discount rate for the domain names and the time incurred and costs associated with the software assets; and — **Historical comparison:** Challenging the reasonableness of the assumptions, particularly the projected sales volumes, by assessing the historical accuracy of the Group's forecasting. **Our results** — We found the completeness and valuation of intangibles arising from the purchase of Decision Technologies Limited and its subsidiaries to be acceptable.
Revenue recognition: Revenue accrual (£31.1 million; 2017: £23.5 million) Refer to page 50 (Audit Committee Report), page 92 (accounting policy) and page 105 (financial disclosures).	**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. The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the revenue accrual had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In conducting our final audit work, we reassessed the degree of estimation uncertainty to be less than materiality.	Our procedures included: — **Control design and operation:** Testing, with the assistance of our own IT specialists, the design and operating effectiveness of the general IT control environments and application controls in the click recording system; — **Test of details:** Agreeing a sample of the revenue accrual where the invoice has been raised (only raised if the provider has confirmed the amount to be billed) and/or cash received post year end; — **Test of details:** We developed an expectation for the uninvoiced element of the accrual based on historical cash receipts and considered whether this was within an acceptable range of the amount recorded; and — **Assessing transparency:** Considering the adequacy of the Group's disclosures in respect of the judgement and estimates around the revenue accrual. **Our results** — We found the resulting estimate of the revenue accrual to be acceptable.

We continue to perform procedures over revenue recognition and the complexities involved in the recording of the internet lead generation (click based revenue). However, in light of the acquisition and resulting increase in the level of revenue accrual, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

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

	The risk	Our response
Capitalisation of software and development costs (£12.8 million; 2017: £15.8 million) Refer to page 50 (Audit Committee Report), page 93 (accounting policy) and page 102, 103 and 104 (financial disclosures).	**Accounting treatment** The criteria for capitalising software and development costs incurred, including assessing whether the costs are directly attributable to the development project and whether the completion of the related asset is technically feasible, requires the application of judgement.	Our procedures included: — **Control design:** Testing the operating effectiveness of the controls over purchase order and invoice authorisation of projects, to evidence the appropriate level and approval over total project spend and expenditure being capital in nature; — **Accounting analysis:** Assess whether the costs have been appropriately capitalised, by reference to the recognition criteria to the applicable accounting standard, including challenging the Group's assessment of the technical feasibility of the related assets based on discussions with Capital Project managers and inspecting business cases, submitted prior to the cost being incurred; — **Test of details:** Comparing a sample of costs capitalised to external invoices; — **Benchmarking assumptions:** Assessing the reasonableness of the assumptions included in the determination of the expected future economic benefit of the capitalised projects including assessing the consistency of the assumptions from knowledge gained performing our audit procedures; and — **Assessing transparency:** Considering the adequacy of the Group's disclosures in respect of the capitalisation of software and development costs. **Our results** — We found the capitalisation of software and development costs to be acceptable.

Removal of risk in respect of recoverability of software and development assets: We continue to perform procedures over recoverability of software and development assets. However, the recoverability of these assets was identified as a key audit matter in light of the strategic review in the prior year. As the strategic review has now concluded, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Recoverability of Parent Company's investment in subsidiary and debt due from group entities Investment in subsidiary – £181.7 million: 2017: £181.7 million Amounts due from subsidiary undertakings – £575.5 million; 2017: £267.9 million	**Low risk, high value** The carrying amount of the Parent Company's investment in subsidiary and debt due from group entities represents 99.8% (2017: 99.8%) of the Company's total assets. Their recoverability is not a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Parent Company Financial Statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	Our procedures included: — **Test of detail:** Comparing the carrying amount of the investment with the subsidiary's draft balance sheet to identify whether its net assets, being an approximation of its minimum recoverable amount, was in excess of its carrying amount; and — **Assessing subsidiary audits:** Assessing the work performed by the subsidiary audit teams on all of those subsidiaries and considering the results of that work on those subsidiaries' profits and net assets including assessing the liquidity of the assets and therefore the ability of the subsidiary to fund the repayment of the receivable; and — **Comparing valuations:** Comparing the carrying amount of the investment and debt due from group entities to the Group's market capitalisation to assess whether there are any indicators of impairment. **Our results** — We found the Group's assessment of the recoverability of the Parent Company's investment in subsidiary and the recoverability of the group debtor to be acceptable.

Increase in the level of amounts due from subsidiary undertakings in the current year, resulting in the Parent Company's debt due from group entities also being captured within the Parent Company key audit matter this year.

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

Materiality for the Group Financial Statements as a whole was set at £5.0 million (2017: £4.8 million), determined with a reference to a benchmark of Group profit before tax of £106.9 million, of which it represents 4.7% (2017: 5.0%) of Group profit before tax.

Materiality for the Parent Company Financial Statements as a whole was set at £4.0 million (2017: £4.0 million), determined with a reference to a benchmark of Parent Company total assets of £758.4 million (2017: £450.6 million), of which it represents 0.5% (2017: 0.9%) of Parent Company total assets.

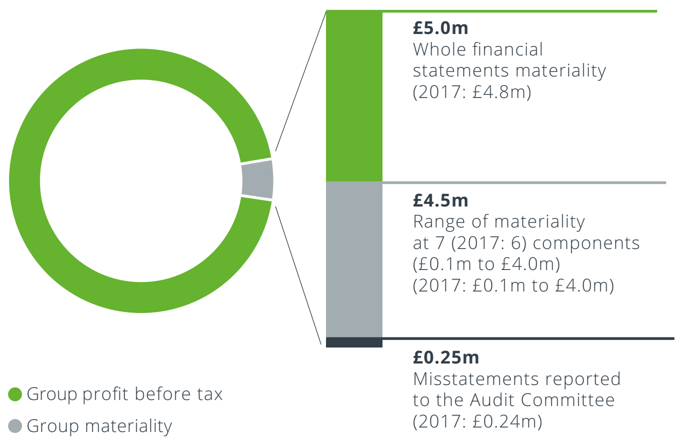
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.25 million (2017: £0.24 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 7 (2017: 6) reporting components, we subjected 6 (2017: 6) to full scope audits for Group purposes and 1 to specified risk-focused audit procedures. The latter was not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed, all of which were performed by the Group team.

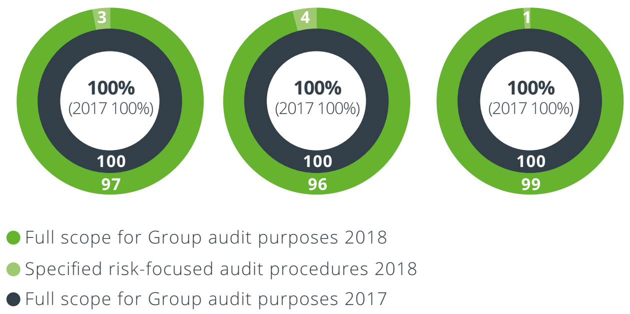
The components within the scope of our work accounted for 100% of the Group's revenue (2017: 100%), 100% of the Group's profit before tax (2017: 100%) and 100% (2017: 100%) of the Group's total assets.

Group profit before tax
£106.9m
(2017: £96.1m)

Group materiality
£5.0m
(2017: £4.8m)



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



4. We have nothing to report on going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease their operations, and as they have concluded that the Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ('the going concern period').

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- the threat of a significant new entrant into the price comparison sector, coupled with changing consumer demands for the Group's services; and
- product availability and consumer appetite to spend significantly impacting trading volumes in the event of an economic downturn following the departure of the UK from the EU ('Brexit').

4. We have nothing to report on going concern continued

As these were risks that could potentially cast doubt on the Group's and the Company's ability to continue as a going concern, we considered the sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not realistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the Directors consider they would take to improve the position should the risks materialise. We also considered less predictable but realistic second order impacts, such as the impact of loss of trust events for customers and the new and emerging regulatory developments concerning the UK regulators thematic investigations into the pricing of insurance and energy products.

Based on this work, we are required to report to you if:

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

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

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

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

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

Strategic Report and Directors' Report

Based solely on our work on the other information:

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

Directors' Remuneration Report

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

Disclosures of principal risks and longer-term viability

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

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

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

Our work is limited to assessing these matters in the context of only the knowledge acquired during our Financial Statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

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

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

We have nothing to report in these respects.

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

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

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

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 79, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

7. Respective responsibilities continued

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Financial Statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the Financial Statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: data protection law and, as an intermediary, the major trading business within the Group which is subject to authorisation and regulation by the Financial Conduct Authority. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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

Stuart Crisp (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
13 February 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
Revenue		**355.6**	329.7
Cost of sales		**(102.3)**	(85.2)
Gross profit		**253.3**	244.5
Distribution expenses		**(30.2)**	(29.3)
Administrative expenses		**(115.1)**	(111.0)
Impairment of intangible assets	12	**–**	(9.3)
Operating profit	5	**108.0**	94.9
Net finance costs	7	**(0.9)**	(0.8)
Profit on disposal of associate and investment		**–**	2.0
Share of loss of joint venture	13	**(0.2)**	–
Profit before tax		**106.9**	96.1
Taxation	8	**(20.3)**	(18.0)
Profit for the year		**86.6**	78.1
Other comprehensive income		**–**	–
Total comprehensive income for the year		**86.6**	78.1

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

	Note	2018	2017
Earnings per share			
Basic earnings per ordinary share (p)	9	**16.2**	14.4
Diluted earnings per ordinary share (p)	9	**16.1**	14.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2018

	Note	31 December 2018 £m	31 December 2017 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**13.8**	9.4
Intangible assets	12	**183.7**	144.6
Investments		**1.7**	0.4
Total non-current assets		**199.2**	154.4
Current assets			
Trade and other receivables	14	**43.1**	37.4
Prepayments		**6.5**	5.5
Cash and cash equivalents	18	**44.8**	35.1
Total current assets		**94.4**	78.0
Total assets		**293.6**	232.4
Liabilities			
Non-current liabilities			
Other payables	15	**4.7**	–
Deferred tax liabilities	16	**10.1**	9.5
Total non-current liabilities		**14.8**	9.5
Current liabilities			
Borrowings	15	**15.0**	–
Trade and other payables	15	**54.9**	46.9
Current tax liabilities		**8.4**	6.0
Total current liabilities		**78.3**	52.9
Total liabilities		**93.1**	62.4
Equity			
Share capital	17	**0.1**	0.1
Share premium		**204.0**	203.3
Reserve for own shares		**(2.6)**	(3.5)
Retained earnings		**(59.7)**	(88.6)
Other reserves		**58.7**	58.7
Total equity		**200.5**	170.0
Total equity and liabilities		**293.6**	232.4

The Financial Statements were approved by the Board of Directors and authorised for issue on 13 February 2019. They were signed on its behalf by:

Mark Lewis
Chief Executive Officer

Scilla Grimble
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Note	Issued share capital £m	Share premium £m	Reserve for own shares £m	Retained earnings £m	Other reserves £m	Total £m
At 1 January 2017		0.1	202.7	(3.7)	(71.4)	58.7	186.4
Profit for the year		–	–	–	78.1	–	78.1
Total comprehensive income for the year		–	–	–	78.1	–	78.1
New shares issued		–	0.6	–	–	–	0.6
Purchase of shares by employee trusts		–	–	(2.7)	–	–	(2.7)
Purchase of own shares		–	–	–	(40.0)	–	(40.0)
Exercise of LTIP awards		–	–	2.9	(2.9)	–	–
Distribution in relation to LTIP		–	–	–	(0.3)	–	(0.3)
Equity dividends	10	–	–	–	(54.1)	–	(54.1)
Share-based payments	20	–	–	–	2.0	–	2.0
Tax effect of share-based payments		–	–	–	–	–	–
At 31 December 2017		0.1	203.3	(3.5)	(88.6)	58.7	170.0
Profit for the year		**–**	**–**	**–**	**86.6**	**–**	**86.6**
Total comprehensive income for the year		**–**	**–**	**–**	**86.6**	**–**	**86.6**
New shares issued		**–**	**0.7**	**–**	**–**	**–**	**0.7**
Purchase of shares by employee trusts		**–**	**–**	**(0.8)**	**–**	**–**	**(0.8)**
Exercise of LTIP awards		**–**	**–**	**1.7**	**(1.7)**	**–**	**–**
Distribution in relation to LTIP		**–**	**–**	**–**	**(0.3)**	**–**	**(0.3)**
Equity dividends	**10**	**–**	**–**	**–**	**(56.5)**	**–**	**(56.5)**
Share-based payments	**20**	**–**	**–**	**–**	**0.8**	**–**	**0.8**
Tax effect of share-based payments		**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2018		**0.1**	**204.0**	**(2.6)**	**(59.7)**	**58.7**	**200.5**

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.

The balance of other reserves is broken down in the below table.

Other reserves	Total £m
Capital redemption reserve	–
FV of merger reserve	16.9
Revaluation reserve	65.3
Amounts transferred from reserves to retained earnings	(23.5)
Total	**58.7**

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 2018, the Group held 348,787 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 182,553 shares through an Employee Benefit Trust at an average cost of 322.66p 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 2018

	Note	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
Operating activities			
Profit for the year		**86.6**	78.1
Adjustments to reconcile profit for the year to net cash flow from operating activities:			
Depreciation of property, plant and equipment	11	**1.4**	1.2
Amortisation of intangible assets	12	**13.3**	19.5
Share of loss of joint venture	13	**0.2**	–
Profit on disposal of associate	26	**–**	(0.9)
Profit on disposal of investment	26	**–**	(1.1)
Impairment of intangible assets	12	**–**	9.3
Impairment of tangible assets	12	**0.8**	–
Net finance costs	7	**0.9**	0.8
Equity–settled share-based payment transactions	20	**0.8**	2.0
Tax charge	8	**20.3**	18.0
Change in trade and other receivables		**(6.9)**	(3.6)
Change in trade and other payables		**7.9**	1.9
Tax paid		**(18.7)**	(18.9)
Net cash flow from operating activities		**106.6**	106.3
Investing activities			
Interest received	7	**0.2**	0.1
Acquisition of investment		**(1.5)**	(0.4)
Disposal of associate		**–**	0.9
Disposal of investment		**–**	1.5
Acquisition of property, plant and equipment	11	**(6.5)**	(1.5)
Acquisition of intangible assets	12	**(12.9)**	(19.4)
Acquisition of subsidiary, net of cash acquired	25	**(33.8)**	–
Net cash used in investing activities		**(54.5)**	(18.8)
Financing activities			
Proceeds from share issue		**0.7**	0.7
Proceeds from borrowings	18	**127.5**	57.5
Repayment of borrowings	18	**(112.5)**	(57.5)
Purchase of shares by employee trusts		**(0.7)**	(2.7)
Purchase of own shares		**–**	(40.0)
Payment of transaction costs relating to financing facilities		**–**	(0.2)
Interest paid	7	**(0.6)**	(0.4)
Distribution in relation to Long Term Incentive Plan		**(0.3)**	(0.3)
Dividends paid	10	**(56.5)**	(54.1)
Net cash used in financing activities		**(42.4)**	(97.0)
Net increase/(decrease) in cash and cash equivalents		**9.7**	(9.5)
Cash and cash equivalents at start of year		**35.1**	44.6
Cash and cash equivalents at end of year	18	**44.8**	35.1

Changes in liabilities from financing activities

	Loans and borrowings £m
Balance at 1 January 2018	–
Changes from financing cash flows	
Proceeds from borrowings	127.5
Repayment of borrowings	(112.5)
Total changes from financing cash flows	15.0
Balance at 31 December 2018	**15.0**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

The Consolidated Financial Statements of Moneysupermarket.com Group PLC, a public company incorporated in England (registered at MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ), and its subsidiaries for the year ended 31 December 2018, were authorised for issue in accordance with a resolution of the Directors on 13 February 2019. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs) and the Companies Act 2006 where applicable. The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000,000. 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 114 to 119.

2. Summary of significant accounting policies

Basis of preparation

The Financial Statements are prepared on the historical cost basis, except where otherwise stated. Comparative figures presented in the Financial Statements represent the year ended 31 December 2017. The Financial Statements are prepared on a going concern basis, which the Directors deem appropriate, given the Group's positive net 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.

Revenue accruals are calculated by applying revenue per transaction based on historic trends to the number of clicks tracked.

Information about assumptions and estimation uncertainties at 31 December 2018 that may have a risk of resulting in an adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:
- Note 14 revenue recognition (focusing on the revenue accrued that has not been received in cash at the balance sheet date)
- Note 25 acquisition of subsidiary (the fair value of the assets and liabilities acquired)

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:
- Note 4 operating segments (definition of segments)
- Note 12 capitalisation of software and development costs and reallocation of goodwill
- Note 13 joint ventures (determination of whether the joint arrangement is a joint venture or a joint operation)

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. 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.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint 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 (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.

Deferred consideration comprises obligations to pay specified amounts at future dates, i.e. there is no uncertainty about the amount to be paid. It is recognised and measured at Fair Value at the date of acquisition and it is included in the consideration transferred. The unwinding of any interest element or deferred consideration is recognised in the Income Statement.

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 when a customer obtains control of the goods or services, in accordance with IFRS 15. Brokerage commissions are recognised at the point of completion of the transaction with the customer. See page 95 for the change in accounting policy disclosure.

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

Cost of sales

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

Property, plant and equipment

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

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

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

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

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

Intangible assets

Goodwill

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

Other intangible assets

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

Market-related	10 years
Customer relationships	7 years
Customer lists	3 years
Technology	3-5 years

Internally generated and other intangible assets are amortised under the same method as noted above.

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. Costs that are directly attributable to projects of capital nature are recognised as technology-based intangible assets controlled by the Group are recognised when the following criteria are met:
– it is technically feasible to complete the project so that it will be available for use;
– management intends to complete the project and use it;
– there is an ability to use or sell the project;
– it can be demonstrated how the project will generate probable future economic benefits;
– adequate technical, financial and other resources to complete the development and to use output of the project is available; and
– the expenditure attributable to the project during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the project can include employee and contractor costs. Other development expenditures that do not meet these criteria, as well as ongoing maintenance and costs associated with routine upgrades and enhancements, are recognised as an expense as incurred.

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.

Impairment of financial assets

Financial instruments and contract assets (Policy applicable from 1 January 2018) Expected Credit Losses ('ECLs') are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2. Summary of significant accounting policies continued

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at Fair Value through Other Comprehensive Income ('FVOCI') are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets.

Investments in equity securities

Fixed asset and short term investments in equity securities held by the Group are classified as FVOCI – equity instruments and are stated at fair value, with any resultant gain or loss being recognised directly in other comprehensive income (in the fair value reserve).

The carrying amounts of new investments as at 31 December 2018 are shown in the below table. The investments are held at fair value and therefore carrying value at 31 December 2018 is the fair value.

Investments in Equity Securities	Carrying value as at 31 December 2018 £m
Truelayer Limited	0.4
By Miles Ltd	0.2
Plum Fintech Limited	0.2
Total	**0.8**

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.

Share-based payment transactions

The Group's share schemes allow certain Group employees to acquire ordinary shares in the Company. The fair value of share awards made is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at award date and spread over the period during which the employees become unconditionally entitled to the awards. The fair values of the share awards are measured using the Monte Carlo method for options subject to a market-based condition and the Black-Scholes model for all others, taking into account the terms and conditions upon which the awards were made. The amount recognised as an expense is adjusted to reflect the number of share awards expected to vest.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognised in the Consolidated Statement of Comprehensive Income as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or deferred bonus plan if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group's deferred bonus plans currently do not have any ongoing performance obligations and are therefore provided for as described above in the period to which they related.

Advertising costs

The Group incurs costs from advertising via a number of different media. Costs associated with the production of adverts are recognised as an expense in the Consolidated Statement of Comprehensive Income only once the advert is available to the Group in a format ready for use, having been approved for airing or displaying. The cost of airing or displaying the advert is taken as an expense in the period in which the advert is aired or displayed.

Finance income

Finance income comprises interest receivable, which is recognised in the Consolidated Statement of Comprehensive Income as it accrues using the effective interest method.

Finance costs

Finance costs comprise of interest charged on borrowings. Borrowings are recognised initially at fair value less directly attributable transaction costs. The effective interest rate method is then used for subsequent re-measurement of borrowings at amortised cost.

Operating leases

Rental payments under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Lease incentives and rent-free periods are amortised through the Consolidated Statement of Comprehensive Income over the term of the relevant lease.

Dividends

Dividends payable to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates in force for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

Deferred tax liabilities are recognised at the expected future tax rate of the value of the intangible assets with finite lives which are acquired through business combinations representing the tax effect of the amortisation of these assets in future periods.

These liabilities will decrease in line with the amortisation of the related intangible assets, with the deferred tax credit recognised in the Statement of Comprehensive Income in accordance with IAS 12.

Research and development tax credits are accounted for in accordance with IAS 20 as a government grant. The credit is recognised once a reasonable estimate of the amount can be made.

Reserve for own shares

The Group has a number of equity-settled, share-based employee incentive plans. In connection with these, shares in the Company are held by an Employee Benefit Trust ('EBT'). The assets and liabilities of the EBT are required to be consolidated within these accounts as it is deemed to be under de facto control of the Group. The assets of the EBT mainly comprise Moneysupermarket.com Group PLC shares, which are shown as a deduction from total equity at cost.

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:

– IFRS 15 'Revenue from Contracts with Customers'
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The standard introduces a new revenue recognition model that recognised revenue either at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. During 2017, a systematic review was conducted to ensure that the changes in the new standard are complied with. This involved a portfolio-based contract review focussing on those verticals/channels most likely to be impacted by IFRS 15 and individual contract sampling from these portfolios to assess the impact of IFRS 15. From this review, it was determined that no changes are required to our current revenue recognition methods as these are still within adherence of IFRS 15.

2. Summary of significant accounting policies continued

Standards, amendments and interpretations adopted during the period continued

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, and as the policies applied in the prior year were appropriate under IFRS 15 the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

– IFRS 9 'Financial Instruments'
IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The main Group financial statement captions to be impacted are investments and trade receivables. As a result of the adoption of IFRS 9, the Group is classifying its investments at fair value through other comprehensive income, with any resultant unrealised gains or losses going through other comprehensive income. The new single expected credit loss impairment model is now applied in calculating the provision for credit losses. Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial assets or financial liabilities.

The following table explains the original measurement categories under IAS 19 and the new measurement categories under IFRS 9 for each class of the Group's financial assets and financial liabilities as at 1 January 2018. There has been no effect on the carrying amounts from adopting IFRS 9.

Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Equity securities*	Available-for-sale	FVOCI – equity instrument	1.7	1.7
Trade and other receivables	Loans and receivables	Amortised cost	43.1	43.1
Cash and cash equivalents	Loans and receivables	Amortised cost	44.8	44.8
Total financial assets			89.6	89.6

Financial Liabilities	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Borrowings	Other financial liabilities	Other financial liabilities	(15.0)	(15.0)
Trade and other payables	Other financial liabilities	Other financial liabilities	(59.6)	(59.6)
Total financial liabilities			(74.6)	(74.6)

* These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss

Standards, amendments and interpretations issued but not yet effective

IFRS 16 'Leases' – In January 2016, the IASB issued IFRS 16 and it is expected to apply to an entity's first annual statement beginning on or after 1 January 2019. 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.

A systematic review has been undertaken to identify the Group's leases and quantify the impact on Financial Statements and key performance metrics. The material leases relate to the Group's Land and Buildings. From the review there is expected to be a reasonable impact on the Consolidated Statement of Financial Position with recognition of the lease assets and lease liabilities for property leases, in addition to some impact on adjusted EBITDA as a result of reduced rental costs as well as an impact on Adjusted EPS due to increased depreciation and finance costs. The option for transition to be taken by the Group is the modified retrospective approach under IFRS 16.

The estimated impact on 2019 opening assets and liabilities caused by IFRS 16 changes is summarised in the below table.

	2019 Opening Consolidated Statement of Financial Position	2019 Revised Opening Consolidated Financial Position after applying IFRS 16 adjustments
Impact on Consolidated Statement of Financial Position		
Assets (£m)	293.6	325.3
Liabilities (£m)	93.1	122.5

The estimated impact on financial performance in 2019 for leases in existence at the reporting date is expected to be an increase in both EBITDA and adjusted EBITDA of around £3.0m, with depreciation and interest also expected to increase by around £2.6m and £1.1m respectively. The expected impact on both basic EPS and adjusted EPS in 2019 is a decrease of 0.1p.

3. Acquisitions and disposals

Decision Technologies Limited

On 9 August 2018, the Group acquired a 100% shareholding in Decision Technologies Limited for consideration of £40.6m paid in cash and £4.7m deferred consideration. This acquisition was driven by the strategic intent to enter the B2B segment, whilst providing Decision Technologies Limited with the platform to enable development within new verticals such as Home Services, Insurance and Money.

Podium Solutions Limited

On 26 March 2018, the Group acquired a 50% shareholding in Podium Solutions Limited for £200,000. A further investment was completed on 14 December 2018 for £66,700 that maintained the Group's 50% shareholding. At the same time the Group invested in £733,300 of loan notes that was matched by other investors. Neither the Group nor any of the other shareholders in Podium Solutions Limited hold a majority shareholding or have direct rights or obligations to the assets or liabilities of the joint arrangement and therefore Podium Solutions is accounted for as a joint venture using the equity accounting method.

Social Significance Limited

On 22 February 2016, the Group acquired a 12.8% shareholding in Social Significance Limited for consideration of £0.5m paid in cash. Accordingly £0.5m of investments was recognised in the Consolidated Statement of Financial Position in 2016 in relation to the acquisition. This shareholding was disposed of on 27 January 2017, resulting in a profit on disposal of £1.1m in 2017.

Other investments

Three small minority investments totalling £0.5m were made during the year in fintech businesses.

4. Segmental information

Business segments

In applying IFRS 8 – Operating segments, the Group redefined its operating segments to align to the way in which the Group is now being run, by Vertical, with the reportable segments presented in 2018 reflecting the way in which information is presented to the Group's Chief Operating Decision Maker, the Company Board. The reportable segments are Insurance, Money and Home Services. All operating segments represent individual trading verticals and all three segments are reported separately. This disclosure correlates with the information which is presented to the Group's Chief Operating Decision Maker, which reviews revenue by segment. The Group's costs, finance income, tax charges and net assets are only reviewed by the Chief Operating Decision Maker at a consolidated level and therefore have not been allocated between all segments in the analysis below. All of the Group revenue of £355.6m (2017: £329.7m) reported in 2018 was generated in the UK.

The following summary describes how revenue is derived for each reportable segment.

Reportable segment	Revenue products and services
Insurance	Customer completes transaction for insurance policy on provider website.
Money	Customer completes transaction for money products such as credit cards, loans and mortgages on provider website.
Home Services	Customer completes transaction for home services products such as energy and broadband on provider website.

Operating segments have not been aggregated and all assets held by the Group are located in the UK.

	Insurance £m	Money £m	Home Services £m	Reportable segments total £m	All other segments £m	Total £m
Year ended 31 December 2018						
Revenue						
Segment revenue	183.0	88.1	49.2	320.4	35.2	355.6
Operating expenses						(247.6)
Operating profit						108.0
Net finance costs						(0.9)
Share of loss of joint venture						(0.2)
Profit on disposal of associate and investment						–
Profit before tax						106.9
Taxation						(20.3)
Profit for the year						86.6
At 31 December 2018						
Assets and liabilities						
Intangible assets						45.4
Goodwill						138.2
Other unallocated assets						110.0
Total assets						293.6
Deferred tax liabilities						10.1
Other unallocated liabilities						83.0
Total liabilities						93.1
Other segment information						
Capital expenditure						
Property, plant and equipment						6.5
Intangible assets						12.9
Investments						1.5
Total capital expenditure						20.9
Depreciation						1.4
Amortisation						13.3

	Insurance £m	Money £m	Home Services £m	Reportable segments total £m	All other segments £m	Total £m
Year ended 31 December 2017*						
Revenue						
Segment revenue	176.5	85.4	43.0	304.9	24.8	329.7
Operating expenses						(234.8)
Operating profit						94.9
Net finance costs						(0.8)
Profit on disposal of associate and investment						2.0
Profit before tax						96.1
Taxation						(18.0)
Profit for the year						78.1
At 31 December 2017						
Assets and liabilities						
Intangible assets						37.0
Goodwill						107.6
Other unallocated assets						87.8
Total assets						232.4
Deferred tax liabilities						9.5
Other unallocated liabilities						52.9
Total liabilities						62.4
Other segment information						
Capital expenditure						
Property, plant and equipment						1.2
Intangible assets						15.8
Investments						0.4
Total capital expenditure						17.4
Depreciation						1.2
Amortisation						19.5

* As the operating segments were redefined in 2018 we have restated the 2017 operating segment note.

5. Results from operating activities

Operating profit is stating after charging items detailed in the table below.

	31 December 2018 £m	31 December 2017 £m
Profit on ordinary activities before taxation is stated after charging		
Depreciation of property, plant and equipment	1.4	1.2
Amortisation of intangible assets	13.3	19.5
Research and development expenditure	–	–
Operating lease rentals	2.8	2.2
Impairments	0.8	9.3
Auditor's remuneration:		
Audit of these Financial Statements	0.1	0.1
Audit of subsidiaries' Financial Statements	0.1	0.1

Non-audit related services provided by KPMG constituted of an interim review which amounted to £0.03m in 2018 (2017: £0.03m).

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 2018	Number of employees 31 December 2017
Technology and product operations	224	173
Administration	497	458
	721	631

The aggregate payroll costs of these persons were as follows:

	31 December 2018 £m	31 December 2017 £m
Wages and salaries	45.2	38.4
Compulsory social security contributions	5.2	4.8
Contributions to defined contribution plans	1.8	1.6
Equity-settled share-based payment transactions	0.8	2.0
Social security contributions related to share awards and options	–	0.3
Capitalised staff costs	(2.1)	(0.6)
	50.9	46.5

7. Net finance costs

	31 December 2018 £m	31 December 2017 £m
Finance income		
Interest received on bank deposits	0.2	0.1
Finance expense		
Interest payable on revolving credit facility	(1.1)	(0.9)
Unwind of discount on deferred consideration	–	–
Net finance costs	(0.9)	(0.8)

8. Taxation

Tax charged in the Consolidated Statement of Comprehensive Income

	31 December 2018 £m	31 December 2017 £m
Current tax		
Current tax on income for the year	21.4	18.7
Adjustment in relation to prior period	–	(1.5)
	21.4	17.2
Deferred tax		
Origination and reversal of temporary differences	(0.9)	–
Adjustments due to changes in corporation tax rate	(1.4)	–
Adjustment in relation to prior period	1.2	0.8
	(1.1)	0.8
Tax expense for the year	20.3	18.0

Reconciliation of the effective tax rate

The tax charge for the year is the same as (2017: lower than) the effective standard rate of corporation tax in the UK in 2018 of 19.00% (2017: 19.25%). The differences are explained below.

	31 December 2018 £m	31 December 2017 £m
Profit before tax	106.9	96.1
Standard rate of tax at 19.00% (2017: 19.25%)	20.3	18.5
Effects of:		
Expenses not deductible for tax purposes	0.2	0.2
Impact of changes in tax rate	(1.4)	–
Adjustments in relation to prior periods	1.2	(0.7)
Tax expense for the year	20.3	18.0

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on these rates.

9. Earnings per share

Basic earnings per share

Basic earnings per share is 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 is 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:

	31 December 2018	31 December 2017
Profit after taxation attributable to ordinary equity holders (£m)	86.6	78.1
Basic weighted average ordinary shares in issue (millions)	536.2	540.8
Dilutive effect of share-based instruments (millions)	1.3	1.7
Diluted weighted average ordinary shares in issue (millions)	537.5	542.5
Basic earnings per ordinary share (p)	16.2	14.4
Diluted earnings per ordinary share (p)	16.1	14.4

10. Dividends

	31 December 2018 £m	31 December 2017 £m
Declared and paid dividends on equity ordinary shares:		
Equity dividends on ordinary shares:		
Final dividend for 2016: 7.10p per share	–	38.7
Interim dividend for 2017: 2.84p per share	–	15.4
Final dividend for 2017: 7.60p per share	40.7	–
Interim dividend for 2018: 2.95p per share	15.8	–
Total dividend paid in the year	56.5	54.1
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2018: 8.10p per share (2017: 7.60p per share)	43.2	40.7

11. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Office equipment £m	Fixtures and fittings £m	Total £m
Cost:					
At 1 January 2017	7.1	29.0	1.0	1.8	38.9
Additions	2.8	0.1	–	0.2	3.1
At 31 December 2017	9.9	29.1	1.0	2.0	42.0
Additions	5.1	0.9	0.1	0.5	6.6
At 31 December 2018	**15.0**	**30.0**	**1.1**	**2.5**	**48.6**
Depreciation:					
At 1 January 2017	1.2	27.7	0.9	1.6	31.4
Depreciation for the year	0.4	0.5	0.1	0.2	1.2
At 31 December 2017	1.6	28.2	1.0	1.8	32.6
Depreciation for the year	0.5	0.3	0.1	0.5	1.4
Impairment	0.8	–	–	–	0.8
At 31 December 2018	**2.9**	**28.5**	**1.1**	**2.3**	**34.8**
Carrying amounts:					
At 31 December 2017	8.3	0.9	–	0.2	9.4
At 31 December 2018	**12.1**	**1.5**	**–**	**0.2**	**13.8**

12. Intangible assets

	Market related £m	Customer relationship £m	Customer list £m	Technology related £m	Goodwill £m	Total £m
Cost:						
At 1 January 2017	148.7	69.3	2.3	67.2	181.9	469.4
Additions internally developed	–	–	–	15.8	–	15.8
At 31 December 2017	148.7	69.3	2.3	83.0	181.9	485.2
Additions internally developed	–	–	–	13.0	–	13.0
Assets acquired on acquisition of subsidiary	6.6	–	–	2.1	30.7	39.4
At 31 December 2018	**155.3**	**69.3**	**2.3**	**98.1**	**212.6**	**537.6**
Amortisation:						
At 1 January 2017	136.5	69.3	2.3	29.4	74.3	311.8
Amortisation charge for the year	7.3	–	–	12.2	–	19.5
Impairment	–	–	–	9.3	–	9.3
At 31 December 2017	143.8	69.3	2.3	50.9	74.3	340.6
Amortisation charge for the year	1.3	–	–	12.0	–	13.3
At 31 December 2018	**145.1**	**69.3**	**2.3**	**62.9**	**74.3**	**353.9**
Carrying amounts						
At 31 December 2017	4.9	–	–	32.1	107.6	144.6
At 31 December 2018	**10.2**	**–**	**–**	**35.2**	**138.3**	**183.7**

Included within the technology related intangible assets are technology related intangible assets under development with a net book value of £2.9m (2017: £10.6m).

Included within the above additions are accrued costs of £1.1m (2017: £1.1m). Amortisation charges are included within administrative expenses on the Consolidated Statement of Comprehensive Income.

In order to accurately quantify the value of internally generated technology assets the Group undertakes project tracking to record the cost of both internal and contract staff wholly assigned to each project. Third party costs incurred are allocated to investment projects and recognised at purchase cost. This approach ensures that technology related intangible assets accurately reflect the cost of development. As highlighted in Note 2, there is a degree of uncertainty regarding the recognition of costs incurred in developing technology related intangible assets. This is due to the asset recognition criteria being predicated on future economic benefit flowing from that asset. Management are confident however that any spend capitalised satisfies the criteria of IAS38 – Intangible Assets and, where relevant, SIC-32 Intangible Assets – Web Site Costs. On an annual basis, or where an indication exists, the Group is required to assess its goodwill and intangible assets for impairment, see pages 103 and 104 for the assessment for goodwill and technology related assets.

During 2007, the Group employed the services of an appropriately qualified and experienced independent third party to value the intangible assets acquired from Moneysupermarket.com Financial Group Limited. This valuation was used as the initial carrying value for these assets. Following the impairment in 2008, the market capitalisation of the Group approximated to the total carrying value of the goodwill, intangible and other non-current assets of the Group. At 31 December 2018 the market capitalisation exceeded the carrying value of the goodwill, intangible and other non-current assets, and net current assets by more than 100% (2017: 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 Insurance, Money, Home Services, Travel, Shopping and Decision Technologies. The Group has performed impairment testing at a CGU level.

As the CGU's were redefined in April 2018, as part of the Groups vertical restructure under the Re:invent strategy, this resulted in Moneysavingexpert.com being folded into the verticals of the Group, underpinned by the ongoing integration and migration of legacy technology systems in to the Group. Prior to the restructure of the CGUs purchased goodwill arising on the acquisition of MoneySavingExpert.com was wholly allocated to the Money Saving Expert CGU. The remaining goodwill (following the impairment in 2008) was allocated across CGUs based on revenue results in the 2009 financial year. Due to the reorganisation of the structure, the Group has reallocated goodwill over the newly defined CGUs using a relative value approach. This has resulted in the original goodwill being allocated across each vertical as follows:
- Insurance £42.9m
- Money £33.2m
- Home Services £24.1m
- Other £7.4m

The CGU's and respective goodwill allocation in the prior year were as follows: Insure (£30.7m); Money (£15.5m); Home (£2.2m); Travel (£6.6m); MSE (£52.6m).

In August 2018 the Group acquired Decision Technologies Limited. The Group employed the services of an appropriately qualified and experienced independent third party to value the intangible assets acquired from Decision Technologies Limited, which resulted in a further goodwill balance of £30.7m. The allocation of this goodwill over the CGUs is yet to be determined as the acquisition accounting in respect of the acquisition of Decision Technologies Limited is not complete (see note 25).

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 2018, and are based upon the Group's approved three year strategic plan incorporating cost of sales, advertising and an allocation of overhead costs. The main assumptions underlying the plan relate to visitor volumes, source of visitors, revenue per transaction/visitor and marketing spend, which incorporate past experience. The forecast assumes continued growth during the course of the next three years, driven by new media campaigns, exploitation of the Group's data asset and further investments made during 2017 in the core technology underpinning the Group's key channels.
- Cash flows beyond three years have been calculated as a perpetuity inclusive of an annual growth of 1.53% that is in line with the Office for Budget Responsibility (OBR) 5 year forecast for growth in the UK's Gross Domestic Product (GDP). This rate is consistent with recent historic trends and reflects a prudent approach.
- A pre-tax discount rate of 13.5% (2017: 13.5%) has been used in the forecast for the Insurance, Money, Home Services and Other segments. Management believe this discount rate continues to reflect the return an investor in a company with the Group's risk profile would expect in the broader context of the investment market.
- Different CGUs face slightly different risk profiles due to macro-economic factors but this is not considered significant enough to justify more than a small adjustment to each discount rate of approximately +/- 1-2%. Having completed some sensitivity analysis in this area the impact on the impairment review is not material.

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% (2017: 100%) and cash flows would have to be reduced by over £100m 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, Home Services and Other 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.

12. Intangible assets continued

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% (2017: 100%), and as such, no impairment was identified.

The Group has completed sensitivity analysis as part of its impairment testing procedures by flexing both cash flow and discounting assumptions significantly. The headroom on goodwill is such that there are no foreseeable scenarios in which the Group would need to consider an impairment.

In conclusion, no reasonably possible change to a key assumption would result in an impairment (2017: same).

Impairment testing of technology related intangible assets

Technology related intangible assets in use by the Group are tested for impairment if there is an indication that the asset may be impaired. The Group also conducts annual impairment testing of significant technology related intangible assets under development and not yet available for use.

Following a strategic review conducted during 2017, the Group determined that a number of assets, or portions of assets, were no longer considered to be an integral part of the Group's operations and the decision was made to fully impair these assets. The impairments related to an element of the Enterprise Data Warehouse (£3.0m), the Reset Adobe Experience Manager project which is developing the front end of the website (£2.2m), early versions of Mobile Apps (£3.3m) and an element of work conducted on a back office system (£0.8m).

Enterprise Data Warehouse ('EDW') is a project to build a data repository and drive improvements in understanding the business and enriching customer experience. Although partially impaired in 2017, EDW had a remaining carrying value at 31 December 2018 of £5.6m (2017: £5.6m). EDW went live in 2018 and will be amortised over 60 months.

Project Dawn is a project to re-platform the Energy channel and its back end services to improve efficiencies for the Group and its providers. At 31 December 2018, Project Dawn had a carrying value of £4.1m (2017: £4.5m). Project Dawn went live in 2018 and will be amortised over 36 months.

Project Fusion is a project to migrate all remaining channels to the Adobe Experience Manager platform to drive back end efficiencies. At 31 December 2018 Project Fusion had a carrying value of £3.5m (2017: £4.1m). Project Fusion went live in 2018 and will be amortised over 36 months.

13. Joint Venture

Podium Solutions Limited (Podium) is a joint venture in which the Group obtained joint control and a 50% ownership interest on 26 March 2018. Podium is a newly created financial technology business, principally engaged in developing digital solutions in the mortgages sector. Podium is not publicly listed, and is registered at Moneysupermarket House, St David's Park, Ewloe, Chester CH5 3UZ.

Podium is structured as a separate vehicle and the Group has a residual interest in the net assets of Podium. Accordingly, the Group has classified its interest in Podium as a joint venture.

The following table reconciles the summarised financial information of Podium to the carrying amount of the Group's interest in Podium.

	31 December 2018	31 December 2017
Percentage ownership interest	**50%**	–

	31 December 2018 £m	31 December 2017 £m
Net assets (100%)	**1.7**	–
Group's share of net assets (50%)	**0.9**	–
Investment in joint venture	**1.0**	–
Loss for period ending 31 December 2018 (100%)	**(0.3)**	–
Group's share of loss (50%)	**(0.2)**	–
Carrying amount of interest in joint venture	**0.8**	**–**

14. Trade and other receivables

	31 December 2018 £m	31 December 2017 £m
Trade and other receivables	**43.1**	37.4

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. The under and over estimates on revenue are typically in a region of +/- 3%, historically this has been an under estimate of revenue. A +/- 3% difference on the £31.1m revenue accrual (2017: £23.5m) would equate to approximately £0.9m (2017: £0.7m).

At 31 December 2018, trade receivables are shown net of a provision for credit losses of £0.8m (2017: £0.6m), 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 credit losses were as follows:

	31 December 2018 £m	31 December 2017 £m
At 1 January	**0.6**	0.4
Charge for the year	**0.2**	0.2
At 31 December	**0.8**	0.6

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

			Past due not impaired				
	Total £m	Neither past due nor impaired £m	0–30 days £m	30–60 days £m	60–90 days £m	90–120 days £m	>120 days £m
At 31 December 2017	37.4	23.5	13.2	0.2	0.1	0.4	–
At 31 December 2018	**43.1**	**31.1**	**9.1**	**0.3**	**1.2**	**1.3**	**0.1**

The Group's standard payment terms are typically 15 days (2017: 15 days).

15. Trade and other payables, and borrowings

Non-current

	31 December 2018 £m	31 December 2017 £m
Deferred consideration in relation to the acquisition of Decision Technologies Limited	**4.7**	–

Current

	31 December 2018 £m	31 December 2017 £m
Trade payables	**49.2**	34.2
Non-trade payables and accrued expenses	**5.5**	12.3
Deferred income	**0.2**	0.4
Borrowings	**15.0**	–
	69.9	46.9

Deferred consideration in relation to the acquisition of Decision Technologies Limited is detailed in note 25.

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 14) is included within trade payables.

15. Trade and other payables, and borrowings continued

In September 2018, the Group renegotiated 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 with half-yearly covenant testing based on adjusted leverage and interest cover ratios. At the Group's discretion there is the possibility to extend this facility for two additional years i.e. up to September 2023. The Group also has an accordion option to apply to the banks for up to an additional £100m of committed funds. As at 31 December 2018, the Group had £15.0m (2017: £nil) drawn down under the facility. The balance of the upfront arrangement fees, totalling £0.2m, is held within prepayments.

16. Deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 December 2018 £m	31 December 2017 £m
Intangible assets recognised relating to acquisition of Decision Technologies Limited	1.1	–
Share schemes	(0.1)	(0.7)
Goodwill related to MoneySavingExpert.com	9.2	10.4
Accelerated capital allowances	(0.1)	(0.2)
Deferred tax liability at 31 December	10.1	9.5

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:

	31 December 2018 £m	31 December 2017 £m
At 1 January	9.5	8.3
Temporary differences on:		
Intangible assets	0.1	1.0
Property, plant and equipment	–	(1.0)
Revaluation of LTIP equity-settled share awards	0.6	0.5
Issue of LTIP equity-settled share awards	(0.1)	(0.1)
Impact of changes in tax rate	(1.4)	–
Adjustment in relation to prior period	1.4	0.8
At 31 December	10.1	9.5

Deferred tax liabilities arose from the creation of the intangible assets upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, and the acquisition of MoneySavingExpert.com. Deferred tax assets arise on share option schemes based on the expected tax deduction on vesting. Deferred tax assets and liabilities have been calculated at the applicable tax rate enacted at the balance sheet date of either 19%, 18% or 17% depending on when the temporary timing difference is expected to reverse.

17. Capital

The nominal value of ordinary shares is 0.02p. 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 2018	536,179,804
Issued on exercising of SAYE options	140,015
At 31 December 2018	536,319,819

	Ordinary shares nominal value £
At 1 January 2018	107,236
Issued on exercising of SAYE options	28
At 31 December 2018	107,264

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 20).

18. Financial instruments

Interest rate risk

The Group invests its cash in a range of cash deposit accounts with UK banks. Interest earned therefore closely follows movements in Bank of England base rates. A movement of 1% in this rate would result in a difference in annual pre-tax profit of £0.5m (2017: £0.4m) based on Group cash, cash equivalents and financial instruments at 31 December 2018. At the balance sheet date, £20.8m 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 2018		31 December 2017	
	Effective interest rate	£m	Effective interest rate	£m
Cash and cash equivalents	0.21%	44.8	0.24%	35.1

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating risk of financial loss from default. The Group's exposure is continuously monitored by the credit control team and finance management.

Of the top 75% of the Group's providers by revenue, approximately 30% (2017: 43%) 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 18% (2017: 19%) of the total trade receivables balance of £43.1m (2017: £37.4m) and the largest individual balance was £1.9m (2017: £1.8m).

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 investments fall under Level 3.

All other financial assets and liabilities are held at amortised cost and other financial liabilities respectively in accordance with IFRS 9. There have been no transfers between levels in the year.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risks, are set out below:

	31 December 2018 £m	31 December 2017 £m
Unsecured bank loan facilities with a maturity date of 7 December 2020		
– amount drawn		–
– amount undrawn		100.0
Unsecured bank loan facilities with a maturity date of 7 December 2023		
– amount drawn	15.0	–
– amount undrawn	85.0	–

In September 2018, the Group renegotiated 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 with half-yearly covenant testing based on adjusted leverage and interest cover ratios. The Group has the possibility to extend this facility for two additional years i.e. up to September 2023. The Group also has an accordion option to apply to the banks for up to an additional £100m of funds.

Interest is payable on the new facility at a rate of LIBOR plus an applicable margin rate based on the adjusted leverage of the Group.

19. 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. The table below summarises the carrying value of each component.

Carrying value	As at 31 December 2018 £m	As at 31 December 2017 £m
Share capital	**0.1**	0.1
Retained earnings and reserves	**200.4**	169.9
Unvested share options	**10.4**	14.9
Total	**210.9**	184.9

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. The table below summarises the credit rating of each financial institution that held cash at 31 December 2018.

Credit rating	2018	2017
Barclays Bank Plc	**A**	A
Lloyds Bank Plc	**A+**	A
HSBC Bank Plc	**AA-**	AA-

One way in which the Group manages capital is utilising the revolving credit facility, as set out in Note 15.

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.

20. 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 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. 3,538 (2017: 2,638) shares have been withdrawn from the trust by employees during the period and a further 25,309 remain held in trust (2017: 28,847).

Long-Term Incentive Plan scheme ('LTIP')

During 2015, conditional awards were made over 1,934,670 ordinary shares under the Moneysupermarket.com Group PLC Long-Term Incentive Plan scheme to senior employees ('2015 LTIPs'). Under this scheme, up to 70% of the award vests at the end of a three-year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2014 to 31 December 2017, and up to 30% of the award vests at the end of a three-year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies. On 30 April 2018 and 10 September 2018 the awards vested at 68.37% of the maximum following 96.2% achievement of the TSR performance criteria and 56.45% of the adjusted earnings per share performance criteria.

During 2016, conditional awards were made over 1,190,535 ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan scheme to senior employees ('2016 LTIPs'). Under this scheme, up to 70% of the award vests at the end of a three year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2015 to 31 December 2018, and up to 30% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2017, conditional awards were made over 1,304,728 ordinary shares under the Moneysupermarket.com Group PLC Long Term Incentive Plan and the Moneysupermarket.com Group PLC 2017 Long Term Incentive Plan scheme to senior employees ('2017 LTIPs'). Under this scheme, up to 80% of the award vests at the end of a three year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2016 to 31 December 2019, and up to 20% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2018, conditional awards were made over 1,722,223 ordinary shares under the Moneysupermarket.com Group PLC 2017 Long Term Incentive Plan scheme to senior employees ('2018 LTIPs'). Under this scheme, up to 80% of the award vests at the end of a three year period dependent upon the achievement of a specified average growth rate in adjusted earnings per share from 31 December 2017 to 31 December 2020, and up to 20% of the award vests at the end of a three year period dependent upon the total shareholder return ('TSR') of the Company relative to a comparator group of defined companies.

During 2018, conditional awards were made over 346,628 ordinary shares under the Moneysupermarket.com Group PLC 2018 Restricted Share Award Plan to senior employees deemed key to delivering the Reinvent strategy ('2018 RSA'). Under this scheme, 50% of the award vests at the end of a two year period and 50% of the award vests at the end of a three year period, subject, in each case, to the participant being employed on the relevant vesting date, and not, on or prior to that vesting date, having been issued with or having given notice to terminate employment with the Group.

Sharesave scheme

During 2015, the Group granted options under the existing HMRC approved Moneysupermarket.com Group PLC Sharesave Scheme available to all employees. The scheme allows employees to save an amount of their net pay into a savings account each month and, at the end of the three-year period, choose to either receive back their savings or use them to buy ordinary shares in the Company at a discounted exercise price. The exercise price for the 2015 Sharesave options was fixed at 264.0p per share. On 1 November 2018 the options became exercisable, enabling participants to buy shares at the exercise price of 264.0p. The market price of a share on 1 November 2018 was 299.50p

During 2016, the Group granted further options under the existing HMRC approved sharesave scheme available to all employees, on the same basis as the grant in 2015. The exercise price for the 2016 Sharesave options was fixed at 240.0p per share.

During 2017, the Group granted further options under the existing HMRC approved sharesave scheme available to all employees, on the same basis as the grants in 2015 and 2016. The exercise price for the 2017 Sharesave options was fixed at 256.0p per share.

During 2018, the Group granted further options under the existing HMRC approved sharesave scheme available to all employees, on the same basis as the grants in 2015, 2016 and 2017. The exercise price for the 2018 Sharesave options was fixed at 231.0p per share.

Movements in the year

The following table illustrates the number and weighted average exercise price ('WAEP') of, and movements in, share options during the year. The number of awards in the table represents the number awarded, of which,in respect of awards granted in 2014 and prior to that, the awards were calibrated as a number of shares with a maximum vesting of 150% of that number:

	Number	WAEP
Outstanding at 1 January 2017	3,733,138	£0.00
LTIP awards made during the year	1,304,728	£0.00
LTIP awards vested and exercised during the year	(1,199,869)	£0.00
LTIP awards forfeited during the year	(364,394)	£0.00
Outstanding at 31 December 2017	3,473,603	£0.00
LTIP & Restricted Share awards made during the year	2,068,851	£0.00
LTIP awards vested and exercised during the year	(839,277)	£0.00
LTIP awards forfeited during the year	(1,009,229)	£0.00
Outstanding at 31 December 2018	**3,693,948**	**£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 2018:

	2018 Sharesave	2017 Sharesave	2016 Sharesave	2018 LTIP/RSA	2017 LTIP I/II	2016 LTIP I/II
Fair value at grant date (£)	**1.30**	1.53	1.46	**2.91**	3.39	3.25
Share price (£)	**2.89**	3.18	3.01	**2.91**	3.39	3.25
Exercise price (£)	**2.30**	2.56	2.40	**0.0**	0.0	0.0
Expected volatility (%)	**72.0**	77.2	77.2	**70.2**	84.5	84.5
Expected life of option/award (years)	**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**	1.3/1.4	0.3/0.7
Expected dividend yield (%)	**3.7**	3.1	3.1	**0.0**	0.0	0.0
Risk-free interest rate (%)	**0.9**	0.1	0.5	**0.8**	0.2	0.5

20. Share-based payments continued

Expected volatility has been estimated by considering historic average share price volatility for the Company or similar companies. Staff attrition has been assessed based on historic retention rates.

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

	31 December 2018 £m	31 December 2017 £m
Long Term Incentive Plan scheme (LTIP) and Restricted Share Award (RSA)	**0.4**	1.6
Sharesave scheme	**0.4**	0.4
	0.8	2.0

21. Operating lease commitments

The Group has significant leases of property for offices. The London office is the largest lease which was signed on 22 July 2016 for a period of 15 years, with a lease start date of 1 June 2017. There was an 18 month rent free period included in the agreement.

The future minimum lease commitments under non-cancellable operating leases are as follows:

	31 December 2018 £m	31 December 2017 £m
Within one year	**2.9**	3.3
Between two and five years	**11.5**	10.4
Over five years	**21.8**	24.2
	36.2	37.9

Amounts recognised in profit or loss relating to lease expenditure totals £2.8m (2017: £2.2m).

22. 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 2018 £1.7m of contributions were charged to the Consolidated Statement of Comprehensive Income (2017: £1.6m). As at 31 December 2018 £nil (2017: £nil) of contributions were outstanding on the balance sheet.

23. Commitments and contingencies

The Group is committed to incur capital expenditure during 2019 on office fixtures and fittings, and property, plant and equipment of £nil (2017: £1.6m).

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. The Group has a Professional Indemnity Insurance Policy in order to mitigate liabilities arising out of events such as this.

There is a cross-guarantee held between Moneysupermarket.com PLC, MoneySavingExpert.com Limited, MoneySupermarket.com Limited, Moneysupermarket.com Financial Group Limited and Moneysupermarket.com Financial Group Holdings Limited in relation to balances owed to Barclays Bank PLC and Lloyds Bank PLC. The maximum amount owed during the year was £40m (2017: £7.5m) and the amount owed as at 31 December 2018 was £15m (2017: £nil).

In aggregate, the commitments and contingencies outlined above are not expected to have a material adverse effect on the Group.

24. Related party transactions

The Group has the following investments in all of its subsidiaries (which are all included in the Group consolidated Financial Statements):

	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
Decision Technologies Limited	UK	100	Internet price comparison
Sellmymobile.com Limited	UK	100	Internet price comparison
Townside Limited	UK	100	Internet price comparison

	Aggregate capital reserves £m	Profit/ (loss) for the year £m	Registered office address	Class of shares held	Ownership 31 December 2018	Ownership 31 December 2017
Moneysupermarket.com Financial Group Limited	58.8	(30.1)	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Moneysupermarket.com Limited	6.7	110.2	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Moneysupermarket Financial Group Holdings Limited	87.0	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Moneysavingexpert.com Limited	26.6	36.9	One Dean Street, London, UK, W1D 3RB	Ordinary	**100%**	100%
Travelsupermarket.com Limited	–	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Insuresupermarket.com Limited	–	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Mortgage 2000 Limited	0.2	0.1	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Moneysupermarket Limited	–	–	MoneySuperMarket House, St David's Park, Ewloe, Chester, UK, CH5 3UZ	Ordinary	**100%**	100%
Decision Technologies Limited	7.4	1.4	First Floor, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	Ordinary	**100%**	n/a
Sellmymobile.com Limited	–	–	First Floor, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	Ordinary	**100%**	n/a
Townside Limited	–	–	First Floor, High Holborn House, 52-54 High Holborn, London, WC1V 6RL	Ordinary	**100%**	n/a

The Company is the ultimate parent entity of the Group. Intercompany transactions with wholly-owned subsidiaries have been excluded from this note, as per the exemption offered in IAS 24. The list above represents all companies within the Group. All companies within the Group are registered at the addresses shown above. The Company's registered office is disclosed on page 78. All shareholdings with all subsidiaries are ordinary shares.

Moneysupermarket.com Group plc has committed to continue to provide support to all of its subsidiaries for any short term day to day cash management, if required.

Decision Technologies Limited, Sellmymobile.com Limited and Townside Limited have a financial reporting date of 31 March. Due to agreements upon acquisition, it is not likely to be aligned to the rest of the group during 2019.

24. Related party transactions continued

Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to Directors and Executive Officers. Directors and Executive Officers also participate in the Group's Long-Term Incentive Plan.

Bruce Carnegie-Brown, Matthew Price (prior to resigning as a director), Robin Freestone and Sally James received dividends from the Group totalling £23,484 (2017: £71,909).

There were no amounts outstanding to the Company or any future commitments of the Company as at 31 December 2018 (2017: nil).

Key management personnel compensation

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

	31 December 2018 £m	31 December 2017 £m
Short-term employee benefits	**2.8**	2.8
Share-based payments	**0.2**	1.1
Post-employment benefits	**0.3**	0.5
	3.3	4.4

In addition to the above, the executive management team received a bonus of £2.3m (2017: £2.1m) in relation to the reporting period.

25. Acquisition of a subsidiary

On 9 August 2018, the Group acquired 100% of the share capital of Decision Technologies Limited for consideration of £45.3m.

Decision Technologies Limited is a leading operator in the home communications sector, operating in both the Business to Business ('B2B') and Business to Consumer ('B2C') segments. The acquisition is in line with the Group's strategic intent to enter the B2B area in order to take price comparison to new audiences and also equips Decision Technologies Limited with the access to enable B2B development within other verticals such as other Home Services, Insurance and Money.

For the 5 months ended 31 December 2018, Decision Technologies Limited contributed revenue of £10.7m and net profit of £1.4m to the Group's results.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	£m
Cash	40.6
Deferred consideration	4.7
Total consideration transferred	**45.3**

Deferred consideration

The Group has issued £4.7m of loan notes paying a 1.5% coupon as additional deferred consideration. This has been discounted at a rate of 1.5% recognised as a liability at the date of acquisition with a fair value of £4.7m. At 31 December 2018 the outstanding balance of this liability is £4.7m.

Acquisition related costs

The Group incurred acquisition-related costs of £1.7m on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Assets acquired and liabilities

	£m
Property, plant and equipment	0.1
Intangible assets	8.7
Trade and other receivables	5.7
Cash	6.8
Trade and other payables	(5.6)
Deferred tax liability	(1.1)
Total identifiable net assets acquired	**14.6**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Intangible assets – Domain names	Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the domain names being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the domain names, by excluding any cash flows related to contributory assets. This has been determined by an independent valuation to identify the fair value of the domain names (marketing related intangible assets) at £6.6m.
Intangible assets – technology	A rebuild cost valuation method has been used to determine the value of the technology asset. This was developed in conjunction with Senior Technology professionals and uses a cost assumption for developers inclusive of a profit margin as would be the case in an external build contracted to develop an equivalent platform. A degree of obsolescence has also been assumed within the costs to reflect the advancements in technology since it has been built.

Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	£m
Consideration transferred	45.3
Fair value of identifiable net assets	(14.6)
Goodwill	**30.7**

The goodwill is attributable mainly to the experience and processes in place within Decision Technologies Limited for servicing B2B customers, which can be leveraged into new sectors, alongside the synergies expected to be achieved from integrating the company into the Group's existing platforms to build a competitive B2B offering in new sectors. None of the goodwill recognised is expected to be deductible for tax purposes.

The acquisition accounting is provisional and will be finalised within the measurement period permitted by accounting standards.

26. Disposal of associate and investment

On 7 May 2014, Moneysupermarket.com Financial Group Limited, sold its investment in HD Decisions Limited to a third party. The investment was sold for a maximum consideration of up to £7.1m, including a deferred element payable of up to £1.9m. A further contingent profit on disposal of £0.8m was received in 2016 and a final amount of £0.9m in June 2017. No further amounts are due.

In January 2017, the investment in Social Significance Limited was disposed of for a total consideration of £1.5m, resulting in a profit on disposal of £1.1m.

27. Post balance sheet events

There are no significant post balance sheet events.

COMPANY BALANCE SHEET
at 31 December 2018

	Note	31 December 2018 £m	31 December 2017 £m
Fixed assets			
Investments	4	**181.7**	181.7
Total fixed assets		**181.7**	181.7
Current assets			
Debtors (including amounts falling due in more than one year £0.3m, 2017: £0.3m)	5, 8	**576.0**	268.6
Cash at bank and in hand		**0.7**	0.3
Total current assets		**576.7**	268.9
Creditors: amounts falling due within one year	6	**(336.1)**	(170.4)
Net current assets		**240.6**	98.5
Creditors: amounts falling due after one year	7	–	–
Net assets		**422.3**	280.2
Capital and reserves			
Share capital	10	**0.1**	0.1
Share premium		**204.0**	203.3
Other reserves		**16.9**	16.9
Profit and loss account		**203.9**	63.4
Reserve for own shares		**(2.6)**	(3.5)
Shareholders' funds		**422.3**	280.2

The Financial Statements were approved by the Board of Directors and authorised for issue on 13 February 2019. They were signed on its behalf by:

Mark Lewis
Chief Executive Officer

Scilla Grimble
Chief Financial Officer

Registered number: 6160943

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Issued share capital £m	Share premium £m	Reserve for own shares £m	Profit and loss account £m	Other reserves £m	Total £m
At 1 January 2017	0.1	202.7	(3.7)	160.5	16.9	376.5
Profit for the year	–	–	–	(1.8)	–	(1.8)
Total comprehensive income	–	–	–	(1.8)	–	(1.8)
New shares issued	–	0.6	–	–	–	0.6
Purchase of shares by employee trusts	–	–	(2.7)	–	–	(2.7)
Purchase of own shares	–	–	–	(40.0)	–	(40.0)
Exercise of LTIP awards	–	–	2.9	(2.9)	–	–
Distribution in relation to LTIP	–	–	–	(0.3)	–	(0.3)
Equity dividends	–	–	–	(54.1)	–	(54.1)
Share-based payments	–	–	–	2.0	–	2.0
At 31 December 2017	0.1	203.3	(3.5)	63.4	16.9	280.2
Profit for the year	**–**	**–**	**–**	**198.7**	**–**	**198.7**
Total comprehensive income	**–**	**–**	**–**	**198.7**	**–**	**198.7**
New shares issued	**–**	**0.7**	**–**	**–**	**–**	**0.7**
Purchase of shares by employee trusts	**–**	**–**	**–**	**–**	**–**	**–**
Purchase of own shares	**–**	**–**	**(0.8)**	**–**	**–**	**(0.8)**
Exercise of LTIP awards	**–**		**1.7**	**(1.7)**	**–**	**–**
Distribution in relation to LTIP	**–**	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Equity dividends	**–**	**–**	**–**	**(56.5)**	**–**	**(56.5)**
Share-based payments	**–**	**–**	**–**	**0.2**	**–**	**0.2**
At 31 December 2018	**0.1**	**204.0**	**(2.6)**	**203.9**	**16.9**	**422.3**

Other reserves
The other reserves balance represents the merger reserve of £16.9m generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed below, and a capital redemption reserve for £19,000 arising from the acquisition of 95,294,118 deferred shares of 0.02p by the Company from Simon Nixon.

Upon the acquisition of Moneysupermarket.com Financial Group Limited, a merger reserve of £16.9m for 45% of the book value transferred from a company under common control was recognised.

Reserve for own shares
The reserve for the Company's own ordinary shares comprises the cost of the Company's ordinary shares held by the Group through employee trusts. At 31 December 2018, the Group held 365,116 ordinary shares at a cost of 0.02p per share through a Share Incentive Plan trust for the benefit of the Group's employees.

The Group also held 182,553 shares through an Employee Benefit Trust at a cost of 322.66p per share for the benefit of employees participating in the various Long Term Incentive Plan schemes.

1. Accounting policies

Basis of preparation

Moneysupermarket.com Group PLC (the 'Company') is a public company limited by shares and incorporated and domiciled in England, 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). The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £100,000. 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 after tax for the Company was £198.7m (2017: loss of £1.8m) which included dividends received of £200.0m (2017: £nil).

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102, and the following exemptions were taken in the 2015 Financial Statements:

— Business combinations – Business combinations that took place prior to transition date have not been restated.

The Company is the ultimate parent undertaking of the Group and also prepares Consolidated Financial Statements. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from MoneySuperMarket House, St. David's Park, Ewloe, Chester, CH5 3UZ. In these Financial Statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

— Cash Flow Statement and related notes; and
— Key Management Personnel compensation.

As the Consolidated Financial Statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

— Certain disclosures required by FRS 102.26 Share Based Payments; and,
— The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Use of estimates and judgements

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

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

There are no significant estimates or judgements made in preparation of these Financial Statements.

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.

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 20.

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 2018	Number of employees 31 December 2017
Administration	**2**	2

The aggregate payroll costs of these persons were as follows:

	31 December 2018 £m	31 December 2017 £m
Wages and salaries	**1.0**	1.0
Social security costs	**0.1**	0.1
Other pension costs	**0.2**	0.2
Share-based payments	**0.2**	1.1
	1.7	2.4

In addition to the above, bonuses of £0.7m (2017: £0.8m) were payable in relation to the reporting period.

Directors' remuneration is disclosed on pages 68-73.

4. Investments

	Shares in subsidiary undertakings £m
Cost and net book value:	
At 31 December 2017 and 31 December 2018	**181.7**

The investment represents the Company's holding in Moneysupermarket.com Financial Group Holdings Limited, which was obtained via a share for share exchange during 2012 in which the Company exchanged its existing shareholding in Moneysupermarket.com Financial Group Limited for the entire share capital of Moneysupermarket.com Financial Group Holdings Limited.

5. Debtors

	31 December 2018 £m	31 December 2017 £m
Amount due from subsidiary undertakings	**575.5**	267.9
Other debtors	**0.2**	0.4
Deferred tax asset (note 8)	**0.3**	0.3
	576.0	268.6

6. Creditors: amounts falling due within one year

	31 December 2018 £m	31 December 2017 £m
Borrowings	**15.0**	–
Amount owed to subsidiary undertakings	**320.4**	167.7
Accruals	**0.7**	2.7
	336.1	170.4

7. Creditors: amounts falling due after one year

	31 December 2018 £m	31 December 2017 £m
Borrowings	–	–

8. Deferred tax

	31 December 2018 £m	31 December 2017 £m
At beginning of year	**0.3**	0.3
Profit and loss account credit	–	–
Deferred tax asset at end of year	**0.3**	0.3
The elements of deferred taxation are as follows: Short-term timing differences	**0.3**	0.3
Total deferred tax asset	**0.3**	0.3

9. Dividends

	31 December 2018 £m	31 December 2017 £m
Declared and paid during the year:		
Equity dividends on ordinary shares:		
Final dividend for 2016: 7.10p per share	**–**	38.7
Interim dividend for 2017: 2.84p per share	**–**	15.4
Final dividend for 2017: 7.60p per share	**40.7**	–
Interim dividend for 2018: 2.95p per share	**15.8**	–
	56.5	54.1
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2018: 8.10p per share (2017: 7.60p per share)	**43.2**	40.7

10. Share capital

The following rights attached to the shares in issue during the year:

Ordinary shares

The holders of ordinary shares were entitled to returns of capital, receive a dividend and vote.

Issued and fully paid

Number of shares	Ordinary shares
At 1 January 2018	536,179,804
Issued on exercise of SAYE options	140,015
Shares repurchased and cancelled	–
At 31 December 2018	**536,319,819**

£m	Ordinary shares
At 1 January 2018	0.1
Issued on exercise of SAYE options	–
At 31 December 2018	**0.1**

The Group has a Long Term Incentive Plan under which conditional nil cost awards of ordinary shares in the Company have been made to certain Directors and employees of the Group, and an HMRC approved Save As You Earn scheme (Sharesave) eligible to all employees (see note 20 of the Consolidated Financial Statements).

11. Related party transactions

The Company has taken the exemption in FRS 102.33.1A not to disclose transactions with other Group companies.

Registered office
Moneysupermarket House
St David's Park
Ewloe
Chester CH5 3UZ
Telephone: +44 (0)1244 665700
Website: http://corporate.moneysupermarket.com

Registered number
No. 6160943

Company Secretary
Katherine Bellau

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One Cabot Square
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Barclays Bank PLC
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London E14 4BB

Auditor
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15 Canada Square
London E14 5GL

Solicitors
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London EC2A 2EG

Addleshaw Goddard LLP
One St Peter's Square
Manchester M2 3DE

Principal bankers
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City Office
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Barclays Bank PLC
3 Hardman Street
Manchester M3 3AX

Financial PR
The Maitland Consultancy Limited
3 Pancras Square
London N1C 4AG

Registrar
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Enquiring about your shareholding
If you want to ask, or need any information, about your shareholding, please contact our registrar, Link Asset Services, by:

Telephone: 0371 200 1536 (UK) (Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.30am – 5.30pm Monday – Friday)
+44 (0) 371 664 0300 (overseas)
E-mail: moneysupermarket@linkgroup.co.uk

Alternatively, if you have internet access, you can access the Group's shareholder portal at www.moneysupermarket-shares.com where you can view and manage all aspects of your shareholding securely.

Investor relations website and share price information
The investor relations section of our website, http://corporate.moneysupermarket.com, provides further information for anyone interested in the Group. In addition to the Annual Report and share price, Company announcements including the half-year and full-year results announcements and associated presentations are also published there.

Dividend mandates
If you wish to have dividends paid directly into a bank or building society account, you should contact our registrar (see contact details above) or visit the Group's shareholder portal at www.moneysupermarket-shares.com where you can set up or amend a dividend mandate. This method of payment removes the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the due date.

Dividend reinvestment plan ('DRIP')
You can choose to reinvest dividends received to purchase further shares in the Company through a DRIP. A DRIP application form is available from our registrar (see contact details above).

Share dealing service
You can buy or sell the Company's shares in a simple and convenient way via the Link share dealing service either online (www.linksharedeal.com) or by telephone (0371 664 0445). Calls are charged at the standard geographic rate and will vary by provider. Lines are open 8.00am – 4.30pm Monday – Friday.

Please note that the Directors of the Company are not seeking to encourage shareholders to either buy or sell shares in the Company. Shareholders in any doubt about what action to take are recommended to seek financial advice from an independent financial adviser authorised by the Financial Services and Markets Act 2000.

Electronic communications
You can elect to receive shareholder communications electronically by contacting our registrar (see contact details above). This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Cautionary note regarding forward-looking statements
This Annual Report includes statements that are forward looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, Disclosure Guidance and Transparency Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date of this Annual Report.

Overview

Declaration date of 2018 final dividend	14 February 2019
Announcement of 2018 full-year results	14 February 2019
Ex-dividend date of 2018 final dividend	4 April 2019
Record date of 2018 final dividend	5 April 2019
Trading update	*April 2019
Annual General Meeting	9 May 2019
Payment date of 2018 final dividend	16 May 2019
Half-year end	30 June 2019
Announcement of 2019 half-year results	*July 2019
Trading update	*November 2019
Full-year end	31 December 2019
Announcement of 2019 full-year results	*February 2020

* Exact dates to be confirmed.

Further copies of this Annual Report are available from the Company's registered office, or may be accessed on the investor relations section of the Group's website at http://corporate.moneysupermarket.com.

Moneysupermarket.com Group PLC
Telephone: 01244 665700
Web: http://corporate.moneysupermarket.com
Registered in England No. 6160943

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