

# Financial Statements

## Notes to the Company Financial Statements

### 1 Accounting policies

#### Basis of preparation

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

No profit and loss account is presented for the Company as permitted by section 230 of the Companies Act 1985. The profit after tax for the Company was £2,190,000.

The Company has taken the exemption in FRS1 5(a) and consequently no cash flow statement is presented for the Company.

#### Investments

Investments are shown at cost less provision for impairment.

#### Share-based payment transactions

The share option programme allows certain employees of the Group to acquire shares in the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting. Subsidiaries are recharged for the amount recognised as share based payments relating to awards for 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 period 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

### 2 Share-based payments

The analysis and disclosures in relation to share-based payments are given in the Group Financial Statements in note 18.

### 3 Staff numbers and cost

The average number of persons employed by the Company (including Directors) during the period, analysed by category, was as follows:

	<b>Number of employees 31 December 2008</b>	Number of employees 31 December 2007
Administration	<b>2</b>	2

The aggregate payroll costs of these persons were as follows:

	<b>31 December 2008 £000</b>	31 December 2007 £000
Wages and salaries	<b>787</b>	436
Social security costs	<b>99</b>	55
Share based payments	<b>1,947</b>	1,631
	<b>2,833</b>	2,122

#### 4 Investments

Shares in subsidiary undertakings  
£000

##### Cost and net book value:

At 31 December 2007 and 31 December 2008

181,688

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

#### 5 Debtors

	31 December 2008 £000	31 December 2007 £000
Amount due from subsidiary undertakings	20,812	43,120
Other debtors	8	–
Corporation tax	–	1,553
	<b>20,820</b>	<b>44,673</b>

#### 6 Creditors: amounts falling due within one year

	31 December 2008 £000	31 December 2007 £000
Amount owed to subsidiary undertaking	15,040	4,735
Accruals	128	136
Amounts owed to related parties/Directors	–	138
	<b>15,168</b>	<b>5,009</b>

#### 7 Dividends

	31 December 2008 £000	31 December 2007 £000
Declared and paid during the period:		
Equity dividends on ordinary shares:		
Final dividend for 2007: 1.63p per share	8,098	–
Interim dividend for 2008: 1.3p per share	6,539	–
Proposed for approval (not recognised as a liability at 31 December):		
Equity dividends on ordinary shares:		
Final dividend for 2008: 2.2p per share	11,107	–

During 2007, the Company received dividends of £37,000,000 from Moneysupermarket.com Financial Group Limited.

# Financial Statements

## Notes to the Company Financial Statements continued

### 8 Capital and reserves

#### Authorised

	2008		2007	
	Thousands	£	Thousands	£
Ordinary shares of 0.02p each	1,154,706	230,941	1,154,706	230,941
Deferred shares of 0.02p each	95,294	19,059	95,294	19,059
	<b>1,250,000</b>	<b>250,000</b>	1,250,000	250,000

The following rights attached to the shares in issue during the period:

#### Ordinary shares

The owners of ordinary shares were entitled to returns of capital, receive a dividend and vote.

During the period the Group issued 8,049,996 ordinary shares upon the exercising of unapproved options by a number of senior management.

#### Deferred shares

The owners of deferred shares were not entitled to any returns of capital, receive a dividend nor vote.

On 21 May 2008, the Group purchased 95,294,118 deferred shares from Simon Nixon, for an aggregate consideration of £1, and subsequently cancelled them.

#### Issued and fully paid

Number of shares	Ordinary shares	A ordinary shares	B ordinary shares	Deferred shares	Total
At 22 June 2007	–	–	2	–	2
Shares issued upon acquisition of Moneysupermarket.com Financial Group Limited	6,758	4,796	85,498	–	97,052
At 29 June 2007	6,758	4,796	85,500	–	97,054
5,000 for one share split	33,790,000	23,980,000	427,500,000	–	485,270,000
At 9 July 2007	33,790,000	23,980,000	427,500,000	–	485,270,000
Conversion of B ordinary shares	332,205,882	–	(427,500,000)	95,294,118	–
Redesignation of A ordinary shares	23,980,000	(23,980,000)	–	–	–
Issued on listing	105,882,000	–	–	–	105,882,000
Issued on listing in relation to the Share Incentive Plan	948,184	–	–	–	948,184
<b>At 31 December 2007</b>	<b>496,806,066</b>	<b>–</b>	<b>–</b>	<b>95,294,118</b>	<b>592,100,184</b>
Purchase and cancellation of deferred shares	–	–	–	(95,294,118)	(95,294,118)
Issued on exercising of unapproved share options	8,049,996	–	–	–	8,049,996
<b>At 31 December 2008</b>	<b>504,856,062</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>504,856,062</b>
£	Ordinary shares	A ordinary shares	B ordinary shares	Deferred shares	Total
At 22 June 2007	–	–	2	–	2
Shares issued upon acquisition of Moneysupermarket.com Financial Group Limited	6,758	4,796	85,498	–	97,052
At 29 June 2007	6,758	4,796	85,500	–	97,054
5,000 for one share split	6,758	4,796	85,500	–	97,054
At 9 July 2007	6,758	4,796	85,500	–	97,054
Conversion of B ordinary shares	66,441	–	(85,500)	19,059	–
Redesignation of A ordinary shares	4,796	(4,796)	–	–	–
Issued on listing	21,176	–	–	–	21,176
Issued on listing in relation to the Share Incentive Plan	190	–	–	–	190
<b>At 31 December 2007</b>	<b>99,361</b>	<b>–</b>	<b>–</b>	<b>19,059</b>	<b>118,420</b>
Purchase and cancellation of deferred shares	–	–	–	(19,059)	(19,059)
Issued on exercising of unapproved share options	1,610	–	–	–	1,610
<b>At 31 December 2008</b>	<b>100,971</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100,971</b>

## 8 Capital and reserves continued

The Group has a number of share option schemes under which options to subscribe for ordinary shares in the Company have been granted to certain executives and employees (see note 18 of the Group Financial Statements).

### Other reserves

	Share premium £000	Other reserves £000	Profit and Loss £000
Shares issued	179,927	16,923	–
Total recognised profit in the period	–	–	31,767
Share based payment	–	–	3,599
Expenses on share issue	(9,362)	–	–
<b>At 31 December 2007</b>	<b>170,565</b>	<b>16,923</b>	<b>35,366</b>
Shares issued	482	–	–
Total recognised profit in period	–	–	2,190
Equity dividends	–	–	(14,637)
Purchase and cancellation of deferred shares	–	19	–
Share based payment	–	–	4,325
<b>At 31 December 2008</b>	<b>171,047</b>	<b>16,942</b>	<b>27,244</b>

Other reserves represents the merger reserve for £16,923,000 generated upon the acquisition of Moneysupermarket.com Financial Group Limited by the Company, as discussed in note 3 of the Group Financial Statements, and a capital redemption reserve for £19,000 arising from the acquisition of 95,294,118 deferred shares of 0.02p by the Company from Simon Nixon.

### 9 Related party transactions

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