

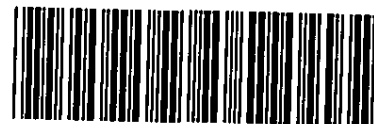
**Financial Services Net Limited**

Annual report and financial statements

Registered number 03065112

31 December 2012

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## Officers and professional advisors

Directors	Mr P H Doughty Mr G Donoghue Mr P J Plumb
Company secretary	Mr D P Drabble
Registered and head office	100 Barbirolli Square Manchester UK
Legal advisors	Herbert Smith Exchange House Primrose Street London, UK
	Addleshaw Goddard 100 Barbirolli Square Manchester UK
Auditor	KPMG Audit PLC St James' Square Manchester UK
Bankers	Lloyds Banking Group PLC City Office PO Box 1000

## Directors' report

The Directors present their Annual report and the audited financial statements for the year ended 31 December 2012

### Principal activities

Financial Services Net Limited's ( "FSN" or the "Company" ) principal activity is that of owning, developing and operating financial services websites.

### Business review

The results of the business are presented on pages 7 to 14. The loss before tax for the year was £2,484,043 (2011: loss of £1,929,364). The Directors are unable to pay any dividend for the year ended 31 December 2012 (2011: £nil).

### Going concern

Since the end of the year, in light of the performance of the Company, the Directors have considered the future prospects available to the Company and subsequent to this do not expect to make further investments in developing and growing the business in the medium term. In the intervening period, Moneysupermarket.com Group PLC (the "Group") will continue to provide support to the Company. Thus they continue to adopt the going concern basis in preparing the financial statements.

### Directors

The Directors who held office during the year were as follows:

Mr P H Doughty

Mr G Donoghue

Mr D J Osborne (resigned 25 September 2012)

Mr P J Plumb

The Directors' interests in the shares of the ultimate holding company, Moneysupermarket.com Group PLC, are disclosed within the Group financial statements.

### Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### Creditor payment policy

It is the policy of the Moneysupermarket.com group, of which the Company is a part, to agree terms and conditions for its business transactions with suppliers. Payment is made in accordance with these terms provided the supplier meets its obligations. At 31 December 2012 the Company had outstanding trade creditors of £1,500 (2011: £1,500).

## Directors' report (continued)

### Political and charitable contributions

There were no charitable donations made during the year (2011: £nil). Charitable donations on behalf of the Group are made by one of the other group companies.

### Employees

The Moneysupermarket.com group, of which the Company is a part, actively encourages employee involvement and consultation and places considerable emphasis on keeping its employees informed of the Group's activities via formal half-yearly business performance updates, regular update briefings, regular team meetings, the Group's intranet site which enables easy access to the latest Group information as well as Group policies, and the circulation to employees of relevant information including corporate announcements. This also helps to achieve a common awareness amongst employees of the financial and economic factors affecting the performance of the Group.

The Group has an established employee forum through which nominated representatives ensure that employees' views are taken into account regarding issues that are likely to affect them. A robust employee engagement survey process is also in place to ensure that employees are given a voice in the organisation and that the Group can take action based on employee feedback.

The Group is committed to an equal opportunities policy. The Group aims to ensure that no employee is discriminated against, directly or indirectly, on the grounds of colour, race, ethnic and national origins, sexual orientation or gender, marital status, disability, religion or belief, being part-time, or on the grounds of age.

The Group recognises the importance of health and safety and the positive benefits to the Group. Therefore, our commitment to health and safety makes good business sense. 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.

Disabled persons have equal opportunity 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.

### Environment

The Group strives to reduce energy and raw material usage to support its environmental and financial performance. The Company has chosen not to set key performance indicators due to its relative size and the limited impact which it has on the environment.

### Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Directors' report (continued)

### Auditor (continued)

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit PLC will continue in office

By order of the board



**DP Drabble**  
*Secretary*

Moneysupermarket House  
St David's Park  
Ewloe  
Near Chester  
CH5 3UZ

19 June 2013

## **Statement of Directors' responsibilities in respect of the Annual report and financial statements**

The Directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of Financial Services Net Limited**

We have audited the financial statements of Financial Services Net Limited for the year ended 31 December 2012 as set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

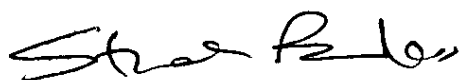
### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements 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.

**Stuart Burdass (Senior Statutory Auditor)**

for and on behalf of KPMG Audit Plc, Statutory Auditor



Chartered Accountants  
St James Square  
Manchester  
M2 6DS

25/06/13



## Profit and loss account

For the year ended 31 December 2012

	Note	2012 £	2011 £
<b>Turnover</b>	3	<b>163,307</b>	317,912
Cost of sales		(572)	-
<b>Gross profit</b>		<b>162,735</b>	317,912
Distribution expenses		(462,469)	(262,000)
Administration expenses		(2,184,309)	(1,985,274)
<b>Operating loss</b>	4	<b>(2,484,043)</b>	(1 929,362)
Interest payable and similar charges		-	(2)
<b>Loss on ordinary activities before taxation</b>		<b>(2,484,043)</b>	(1,929,364)
Tax on loss on ordinary activities	6	(30,142)	(2,898)
<b>Loss on ordinary activities after taxation</b>		<b>(2,514,185)</b>	(1,932 262)
<b>Loss attributable to shareholders</b>	12,13	<b>(2,514,185)</b>	(1,932,262)

Turnover and operating loss for the current year and prior year are derived from the Company's continuing operations

There are no recognised gains or losses other than the loss shown above and therefore no statement of total recognised gains and losses has been included

Notes on pages 9 to 14


## Balance sheet

As at 31 December 2012

	Note	2012 £	2011 £
<b>Current assets</b>			
Debtors (including amounts falling due in more than one year of £0 – 2011 £30,142)	7	22,201	154,544
Cash at bank and in hand		231,972	211,297
		<u>254,173</u>	<u>365,841</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(5,216,167)</u>	<u>(2,813,650)</u>
<b>Net current liabilities</b>		<u>(4,961,994)</u>	<u>(2,447,809)</u>
<b>Total assets less current liabilities</b>		<u>(4,961,994)</u>	<u>(2,447,809)</u>
<b>Creditors: amounts falling due after more than one year</b>	.	-	-
<b>Net liabilities</b>		<u>(4,961,994)</u>	<u>(2,477,809)</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,387	1,387
Share premium account	12	798	798
Profit and loss account	12	(4,964,179)	(2,449,994)
<b>Total shareholders' deficit</b>	13	<u>(4,961,994)</u>	<u>(2 477 809)</u>

The notes on pages 9 to 14 form part of these financial statements

The financial statements were approved by the Board of Directors on 19 June 2013 and were signed on its behalf by

  
**PH Doughty**  
Director

Company registered number 03065112

## Notes to the financial statements

### 1 Company information

Financial Services Net Limited ('FSN' or the 'Company') is a private limited liability company incorporated and domiciled in England and Wales. The Company has elected to prepare its annual report and financial statements in accordance with UK GAAP.

### 2 Statement of accounting policies for the year ended 31 December 2012

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable United Kingdom accounting standards.

Under Financial Reporting Standard (FRS) 1 'Cash flow statements', the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent, Moneysupermarket.com Group PLC, includes the Company in its own published consolidated financial statements.

#### *Going concern*

Since the end of the year, in light of the performance of the Company, the Directors have considered the future prospects available to the Company, and subsequent to this do not expect to make further investments in the medium term. In the intervening period, Moneysupermarket.com Group PLC (the 'Group') will continue to provide support to the Company. Thus they continue to adopt the going concern basis in preparing the financial statements.

#### *Revenue recognition*

The Company generates fees from internet lead generation through a variety of contractual arrangements. The Company's policy is to recognise turnover and associated costs in the period that the lead was generated and transferred to the end customer.

#### *Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates in force for the year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or less tax in the future have occurred at the balance sheet date, except as otherwise required by FRS 19. Timing differences are differences between the Company's taxable profits or losses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### *Website development costs*

Website development expenditure has been expensed during the period as it did not meet the criteria for capitalisation.

## Notes to the financial statements (continued)

### 3 Turnover

Of the £163,307 of revenue generated by the Company, £163,307 was generated in the UK

### 4 Operating loss

	2012 £	2011 £
<i>Operating loss is stated after charging</i>		
Depreciation	-	-
Auditor's remuneration		
Audit of these financial statements	9,000	9 000
Amounts receivable by auditors and their associates in respect of		
Taxation compliance services	1,000	9,000
Recharged expenses		
Payroll costs	1,368,054	1 147,549
Other costs	1,141,227	177,195
	<u>          </u>	<u>          </u>

### 5 Directors' remuneration and transactions

Since the acquisition of the Company by Moneysupermarket com Financial Group Limited on 14 October 2010 the Directors have been remunerated by the ultimate parent undertaking Moneysupermarket com Group PLC

### 6 Taxation

Analysis of charge for the year

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax on losses for the year	-	-
	<u>          </u>	<u>          </u>
	-	-
<i>Deferred tax</i>		
Adjustment due to change in the rate of corporation tax	-	2 447
Origination and reversal of timing differences	30,142	451
	<u>          </u>	<u>          </u>
Tax charge on loss on ordinary activities	30,142	2,898
	<u>          </u>	<u>          </u>

## Notes to the financial statements (continued)

### 6 Taxation (continued)

Factors affecting the tax for the current year

The current tax charge for the period is higher (2011: higher) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	(2,484,043)	(1,929,364)
Current tax credit at 24.5% (2011: 26.5%)	(608,590)	(511,281)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	279	194
Capital allowances in excess of depreciation	(1,372)	(1,077)
Losses surrendered for group relief	609,683	512,164
Total current tax (see above)	-	-

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

### 7 Debtors

	2012 £	2011 £
<b>Amounts falling due within one year:</b>		
Trade debtors	18,414	124,402
Prepayments	1,345	-
VAT	2,442	-
	22,201	124,402
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 9)	-	30,142
	22,201	154,544

## Notes to the financial statements (continued)

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

	2012 £	2011 £
Trade creditors	1,500	1 500
Amounts owed to other group entities	5,129,849	2 715 575
VAT	-	6 864
Accruals and deferred income	84,818	89,711
	<u>5,216,167</u>	<u>2 813 650</u>

### 9 Deferred tax asset

	2012 £	2011 £
At beginning of year	30,142	33 040
Profit and loss account charge	(30,142)	(2 898)
	<u>-</u>	<u>30 142</u>

	2012 £	2011 £
The elements of deferred taxation are as follows		
Trading losses	-	29 126
Capital allowances in excess of depreciation	-	1,016
	<u>-</u>	<u>30 142</u>

### 10 Related party transactions

The Company is exempt from the requirement of FRS8 'Related Party Disclosures' to disclose related party transactions with Moneysupermarket.com Group PLC and its associated undertakings on the grounds that the Company is a wholly owned subsidiary

## Notes to the financial statements (continued)

### 11 Called up share capital

	2012 Number of shares	2011 Number of shares
<i>Allotted</i>		
A ordinary shares of £1 each	125	125
Ordinary shares of £1 each	1,262	1 262
	<hr/>	<hr/>
<i>Called up and fully paid</i>		
A ordinary shares of £1 each	125	125
Ordinary shares of £1 each	1,262	1 262
	<hr/>	<hr/>

### 12 Reserves

	Share capital £	Share premium £	Profit and loss account £	Total £
<b>At 1 January 2012</b>	1 387	798	(2,449 994)	<b>(2,447,809)</b>
Loss for the financial year	-	-	(2 514 185)	<b>(2,514,185)</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2012</b>	<b>1,387</b>	<b>798</b>	<b>(4 964 179)</b>	<b>(4,961,994)</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 13 Reconciliation of movements in shareholders' deficit

	2012 £	2011 £
Loss for the financial year	(2,514,185)	(1 932 262)
	<hr/>	<hr/>
Net subtraction from shareholders' deficit	(2,514,185)	(1,932 262)
Opening shareholders' deficit	(2,447,809)	(515 547)
	<hr/>	<hr/>
Closing shareholders' deficit	<b>(4,961,994)</b>	<b>(2 447 809)</b>
	<hr/>	<hr/>

## Notes to the financial statements (continued)

### 14 Ultimate parent company

The ultimate parent company and controlling party is Moneysupermarket.com Group PLC, a company incorporated in England and Wales. Copies of Moneysupermarket.com Group PLC accounts can be obtained from Companies House Crown Way Cardiff CF14 3UZ.

### 15 Post balance sheet events

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