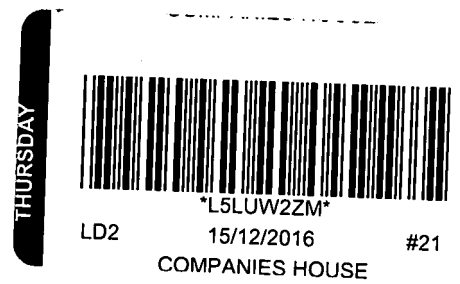


Which? Financial Services Limited

Registration number 7239342

Abbreviated financial statements

for the year ended 30 June 2016



Which? Financial Services Limited
Registration number 7239342

Directors

Michael Barley (Chair)
Jacques Cadranel
Nick Castro
Brian Cole (appointed 2 July 2015)
Christopher Gardner
Michael Lawton
Jan Smith (appointed 1 November 2015)
Paul Smith
Peter Vicary-Smith (resigned 15 September 2016)

Registered Office

2 Marylebone Road
London
NW1 4DF

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Which? Financial Services Limited

Independent auditors' report to Which? Financial Services Limited under section 449 of the Companies Act 2006

Our opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

What we have examined

We have examined the abbreviated accounts set out on pages 3 to 9, together with the financial statements of Which? Financial Services Limited for the year ended 30 June 2016 prepared under section 396 of the Companies Act 2006.

Our responsibilities and those of the directors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4, 'The special auditor's report on abbreviated accounts in the United Kingdom', issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 November 2016

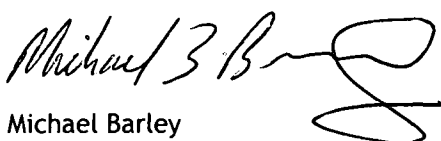
Which? Financial Services Limited

Abbreviated Statement of financial position as at 30 June 2016

	Note	£	2016 £	2015 £
Fixed assets				
Tangible assets	2		18,013	45,032
Current assets				
Debtors	3	376,120		553,393
Cash at bank and in hand		<u>2,150,794</u>		<u>1,158,310</u>
		2,526,914		1,711,703
Creditors: amounts falling due within one year	4	(1,723,009)		(2,352,077)
Net current assets / (liabilities)			<u>803,905</u>	<u>(640,374)</u>
Total assets less current liabilities			821,918	(595,342)
Net assets / (liabilities)			<u>821,918</u>	<u>(595,342)</u>
Capital and reserves				
Called-up share capital	5		18,000,000	13,250,000
Retained earnings			<u>(17,178,082)</u>	<u>(13,845,342)</u>
Total shareholder's funds / (deficit)			<u>821,918</u>	<u>(595,342)</u>

The abbreviated financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and SI 2008/409.

The abbreviated financial statements on pages 3 to 9 were approved by the Board of Directors on 22 November 16. They were signed on its behalf by



Michael Barley
Director

Which? Financial Services Limited

Notes to the abbreviated financial statements for the year ended 30 June 2016

1 Principal accounting policies

The financial statements have been prepared on a going-concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102).

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year unless otherwise stated. This is the first year in which the financial statements have been prepared under FRS 102. See note 8 for an explanation of the transition.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the company's accounting policies.

Basis of accounting

These financial statements present information about the Company as an individual undertaking.

The company has taken advantage of the following exemptions:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the information is provided in the consolidated group financial statements; and
- From the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.16 to 12.19, as the information is provided in the consolidated financial statement disclosures.

Turnover

Turnover, all of which comes from the Company's principal activity in the UK, represents fees and commission earned on the sale of mortgages and other related products. Turnover related to commission is recognised when the mortgage has been completed. Turnover on other fees is recognised when the associated work has been completed and consideration can be reliably measured.

Tangible assets and depreciation

Tangible assets are stated on the Statement of financial position at cost less accumulated depreciation and provision for impairment. Depreciation is calculated on tangible assets in order to write off their cost less residual value in equal instalments over their estimated useful lives. Assets are capitalised if the cost exceeds £10,000 and they are considered to have a useful life of two years or more. An impairment review is conducted on an annual basis and any asset found to have a carrying value materially higher than its recoverable amount is written down accordingly.

Asset lives are estimated as follows:

- | | | |
|---|----------------------------------|-------------|
| • | Fixtures, fittings and equipment | 2 - 5 years |
|---|----------------------------------|-------------|

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected.

Leases

Payments under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

Notes to the abbreviated financial statements for the year ended 30 June 2016 (continued)

Foreign exchange

Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

Transactions and balances

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the year-end date are retranslated at the rates ruling at that date. These translation differences are recognised within the income statement.

Employee Benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Pension costs

The Company participates in a Group pension scheme with two sections - a hybrid scheme that combines the features of a defined benefit and a defined contribution scheme and provides benefit based on the higher of a final salary pension and a money purchase pension, and a defined contribution only section. The hybrid scheme was closed to new entrants on 1 April 2004.

As it is not possible for the Company to identify its share of the underlying assets and liabilities of the Group scheme, therefore as allowed under FRS 102, the Company has accounted for the scheme as a defined contribution scheme.

For the defined contribution schemes the amount charged to the Income statement account in respect of pension costs and other post-retirement benefits is the total of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of financial position.

Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Going-concern

The Company is currently dependent on funding from its parent, Which? Limited. The Group is funded primarily by retained earnings and has significant cash reserves and liquid investments. The Group generates the majority of its cash in the form of subscription income. The Group does not rely on external funding for day-to-day working capital requirements. Management do not expect that it will be necessary to rely on external sources of debt finance in the foreseeable future.

The Company made a loss of £3,332,740 in the financial year. However, after making enquiries and taking into account the letter of support received from Which? Limited, the directors are of the opinion that there are sufficient assets to support the losses expected and therefore have a

reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going-concern basis in preparing the financial statements of the Company.

Financial Instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 of financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances and investments are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts at a market rate of interest. Such assets are subsequently carried at amortised cost, using the effective interest rate method.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financial transaction. In this case the transaction is measure at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Cash and Cash equivalents

Cash and cash equivalents include cash in hand, and deposits held at call with banks.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant areas where judgements and estimates are disclosed is around the useful life of assets.

Notes to the abbreviated financial statements for the year ended 30 June 2016 (continued)

	Fixtures, fittings and equipment £	Total £
2 Tangible assets		
Cost		
As at 1 July 2015	80,215	80,215
As at 30 June 2016	<u>80,215</u>	<u>80,215</u>
Depreciation		
As at 1 July 2015	35,183	35,183
Depreciation charged	<u>27,019</u>	<u>27,019</u>
As at 30 June 2016	<u>62,202</u>	<u>62,202</u>
Net book value		
As at 30 June 2015	<u>45,032</u>	<u>45,032</u>
As at 30 June 2016	<u>18,013</u>	<u>18,013</u>
3 Debtors	2016	2015
	£	£
Trade debtors	9,211	13,829
Amount due from group undertaking	-	17,042
Other debtors	24,570	17,071
Prepayments and accrued income	<u>342,339</u>	<u>505,451</u>
Total debtors	<u>376,120</u>	<u>553,393</u>
4 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	77,544	243,003
Amount owed to group undertakings	1,101,810	1,801,312
Taxation and social security	87,633	80,575
Other creditors	601	508
Accruals and deferred income	<u>455,421</u>	<u>226,679</u>
Total creditors	<u>1,723,009</u>	<u>2,352,077</u>

Which? Financial Services Limited

Notes to the abbreviated financial statements for the year ended 30 June 2016 (continued)

5 Called up share capital	2016	2015
	£	£
Allotted, called-up and fully-paid 18,000,000 (2015: 13,250,000) ordinary shares of £1 each	18,000,000	13,250,000

6 Ultimate parent undertaking and controlling party

The immediate parent of Which? Financial Services Limited is Which? Limited. The ultimate parent undertaking and controlling party is Consumers' Association, a private company limited by guarantee, incorporated in Great Britain and registered in England and Wales. Consumers' Association is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2016. The consolidated financial statements of Consumers' Association are available from the Company's registered office at 2 Marylebone Road, London, NW1 4DF.

7 Related parties

Which? Financial Services Limited has taken advantage of the exemption in FRS 102 not to disclose any transactions or balances with related parties that are wholly-owned subsidiaries of the group, headed by Consumers' Association.

8 Transition to FRS 102

This is the first year the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. Set out below are the changes in accounting policies which reconcile the loss for the financial year ended 30 June 2015 and the total shareholders' funds / (deficit) as at 1 July 2014 and 30 June 2015 between UK GAAP as previously reported and FRS 102.

A Holiday pay accrual

FRS 102 requires short term employee benefits to be charges to the income statement as the employee service is received. This has resulted in the entity recognising a liability for holiday pay of £17,222 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the Income statement as they were paid. In the year to 30 June 2015 an additional charge of £602 recognised in the Income statement and the liability at 30 June 2015 was £17,824.

Which? Financial Services Limited

Notes to the abbreviated financial statements for the year ended 30 June 2016 (continued)

8 Transition to FRS 102 (continued)

Statement of financial position

Notes	At 1 July 2014			At 30 June 2015		
	As previously Stated £	Effect of transition £	FRS 102 (restated) £	As previously Stated £	Effect of transition £	FRS 102 (restated) £
Fixed Assets						
Tangible assets	73,862	-	73,862	45,032	-	45,032
	<u>73,862</u>	<u>-</u>	<u>73,862</u>	<u>45,032</u>	<u>-</u>	<u>45,032</u>
Current Assets						
Debtors	398,978	-	398,978	553,393	-	553,393
Cash at bank and in hand	2,764,148	-	2,764,148	1,158,310	-	1,158,310
	<u>3,163,126</u>	<u>-</u>	<u>3,163,126</u>	<u>1,711,703</u>	<u>-</u>	<u>1,711,703</u>
Creditors:						
Amounts falling due within one year	A (1,802,310)	(17,222)	(1,819,532)	(2,334,253)	(17,824)	(2,352,077)
Net current assets / (liabilities)	<u>1,360,816</u>	<u>(17,222)</u>	<u>1,343,594</u>	<u>(622,550)</u>	<u>(17,824)</u>	<u>(640,374)</u>
Total assets less current liabilities	<u>1,434,678</u>	<u>(17,222)</u>	<u>1,417,456</u>	<u>(577,518)</u>	<u>(17,824)</u>	<u>(595,342)</u>
Net assets /(liabilities)	<u>1,434,678</u>	<u>(17,222)</u>	<u>1,417,456</u>	<u>(577,518)</u>	<u>(17,824)</u>	<u>(595,342)</u>
Capital and reserves						
Called up share capital	11,000,000	-	11,000,000	13,250,000	-	13,250,000
Income statement	A (9,565,322)	(17,222)	(9,582,544)	(13,827,518)	(17,824)	(13,845,342)
Total shareholders' funds/(deficit)	<u>1,434,678</u>	<u>(17,222)</u>	<u>1,417,456</u>	<u>(577,518)</u>	<u>(17,824)</u>	<u>(595,342)</u>