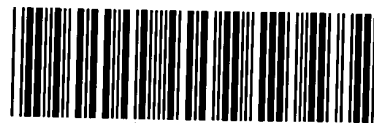


Which? Financial Services Limited

Registration number 07239342

Directors' report
and audited financial statements
for the year ended 30 June 2017

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Which? Financial Services Limited
Registration number 07239342

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Directors' report
for the year ended 30 June 2017

The directors present their report and the audited financial statements of Which? Financial Services Limited ('Company') for the year ended 30 June 2017. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Business review and principal activities

This Company is a wholly owned subsidiary of Which? Limited. The ultimate parent company is Consumers' Association.

The Company's principal activity is providing a mortgage broking service (Which? Mortgage Advisers) offering customers the best deals on every mortgage from all available lenders. Since inception in 2010, we have helped over 22,000 people arrange their mortgages. In 2016/17 we helped to arrange 6,050 mortgages for our customers, a 34% increase on the previous year. This volume increase was the prime reason for the £1.3m (28%) rise in turnover and although underlying performance within the business was positive, there was an adverse impact on house prices (and thus commission values) in the aftermath of the Brexit decision. There was a recovery in the second part of the year but the average mortgage advance was still 2% down year-on-year.

The loss for the financial year on the Company's Income statement account of £3.9 million (2015-16: £3.3 million) reflected the cost of expanding the business and its allocation of the costs of the Group brand advertising campaign. Through a combination of increased scale and continued improvements in underlying performance matrices, we anticipate that 2017/18 will see the Which? Mortgage Advice business move closer towards profitability.

The statement of financial position on page 7 of the financial statements shows the Company's financial position at the end of the year. Net assets were £0.9 million (2016: £0.8million).

Which? is the business name of the Group including Consumers' Association, Which? Limited and Which? Financial Services Limited. Which? manages its operations on a group basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes the Company, is discussed in the Consumers' Association Annual Report which does not form part of this report.

Future Development

The Which? Mortgage Advisers business is expected to expand further its mortgage submission volumes in the 2017/18 financial year as it moves towards profitability. It is also planned to expand the range of products and services offered to customers as they progress through their mortgage application journey.

Our People

Our people are at the heart of our business success and we aim to attract, retain and motivate employees of the highest calibre at all levels to sustain the high performance levels. This involves:

- Making Which? a recommended employer brand, supporting the delivery of the Which? organisation culture, values, organisation design, communication, remuneration and performance;
- Enabling an excellent customer experience through and with our people;
- Building management competence and effectiveness;
- Driving sustainable employee engagement; and
- Developing leadership experience and talent for the future.

Diversity and inclusion within the Company means respecting and celebrating difference and encouraging a culture and environment where everyone can thrive. This means that individuals are supported, respected and engaged and this commitment is lived through the Which? culture and values. As an equal opportunity employer that values diversity across our organisation, we ensure this is brought to life through our approach to attracting, recruiting and selection, training and career development and employment and working practices for all employees.

Going-concern

After making enquiries, and taking into account the letter of support received from Which? Limited, the directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future and as such they continue to adopt the going-concern basis in preparing the financial statements. Further details regarding the adoption of the going-concern basis can be found in the statement of accounting policies in the financial statements.

Environment

Which? recognises the importance of its environmental responsibilities and monitors its impact on the environment. It designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with Group policies. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption.

Qualifying third party provisions

The company has provided an indemnity for the directors and the secretary of the company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Which? Financial Services Limited
Registration Number 07239342

Directors' report (continued)
for the year ended 30 June 2017

Political and charitable contributions

There were no donations made to political organisations or charities during the year (2015-16: none).

Bankers and professional advisers

Which? Financial Services Limited's principal banker is:

Barclays Bank plc, The Lea Valley Group, 78 Turners Hill, Cheshunt, Herts EN8 9BW

Which? Financial Services Limited's independent auditor and tax adviser is:

PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

	Date of appointment	Date of resignation
Michael Barley (Chair)		
Jacques Cadranel		
Nick Castro		31 December 2016
Brian Cole		
Christopher Gardner		28 February 2017
Mike Lawton		7 June 2017
Martin Potkins	12 June 2017	
Jan Smith		
Paul Smith		
Peter Vicary-Smith		15 September 2016

Statement of disclosure of information to auditors

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

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP has indicated its willingness to be reappointed for another term. An audit tender process is scheduled to commence in late 2017, reflecting five years since the previous review. This is scheduled to be completed in early 2018.

Directors' report (continued)
for the year ended 30 June 2017

Directors' responsibilities statement

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 the directors have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland", and applicable law).

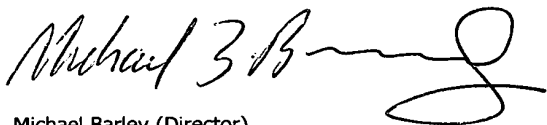
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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. The directors 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.

This report has been produced in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, including the exemption of producing a Strategic report.

Approved by the Board and signed on its behalf by:



Michael Barley (Director)
2 Marylebone Road
London
NW1 4DF
10 October 2017

Which? Financial Services Limited

Independent auditors' report to the members of Which? Financial Services Limited

Report on the financial statements

Opinion

In our opinion, Which? Financial Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and audited financial statements (the "Annual Report"), which comprise:

- the Statement of financial position as at 30 June 2017;
- the Income statement;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements.

Conclusions relating to going-concern

We have nothing to report in respect of the following matters to which ISAs (UK) require us to report to you when:

- the directors' use of the going-concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going-concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going-concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Which? Financial Services Limited**Independent auditors' report to the members of Which? Financial Services Limited (continued)****Director's report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit**Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting**Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 October 2017

Which? Financial Services Limited
Registration Number 07239342

Income statement
for the year ended 30 June 2017

	Note	2016-17 £	2015-16 £
Turnover	1	6,029,949	4,698,489
Cost of sales		(4,837,432)	(3,735,563)
Gross profit		<u>1,192,517</u>	<u>962,926</u>
Administrative expenses		(5,072,515)	(4,295,666)
Loss before taxation	2	<u>(3,879,998)</u>	<u>(3,332,740)</u>
Taxation on loss	4	-	-
Loss for the financial year		<u><u>(3,879,998)</u></u>	<u><u>(3,332,740)</u></u>

There is no difference between the loss before taxation and the loss for the financial year stated above, and their historical cost equivalents, for the current and preceding year.

The figures in the current and preceding years above relate entirely to continuing operations.

There was no other comprehensive income for the current and preceding years other than the loss of £3,879,998 (2015-16: loss of £3,332,740) shown above. Therefore, no separate statement of other comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

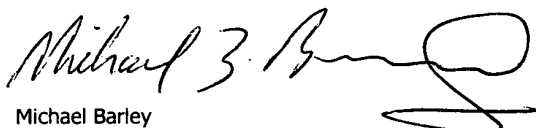
Which? Financial Services Limited
Registration Number 07239342

Statement of financial position as at 30 June 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	5		-		18,013
			<u>-</u>		<u>18,013</u>
Current assets					
Debtors	6	692,022		376,120	
Cash at bank and in hand		3,526,802		2,150,794	
		<u>4,218,824</u>		<u>2,526,914</u>	
Creditors: amounts falling due within one year	7	<u>(3,276,904)</u>		<u>(1,723,009)</u>	
Net current assets			<u>941,920</u>		<u>803,905</u>
Total assets less current liabilities			941,920		821,918
Net assets			<u>941,920</u>		<u>821,918</u>
Capital and reserves					
Called up share capital	9		22,000,000		18,000,000
Accumulated losses			(21,058,080)		(17,178,082)
Total shareholders' funds			<u>941,920</u>		<u>821,918</u>

The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements of Which? Financial Services Limited (registered number 7239342) on pages 6 to 14 were approved by the board of directors and authorised for issue on 10 October 2017. They were signed on its behalf by:


Michael Barley
Director

Statement of changes in equity for the year ended 30 June 2017

	Called up share capital 2016-17 £	Accumulated losses 2016-17 £	Total shareholders' funds 2016-17 £	Total shareholders' funds 2015-16 £
At 1 July	18,000,000	(17,178,082)	821,918	(595,342)
Shares issued	4,000,000	-	4,000,000	4,750,000
Loss for the financial year	-	(3,879,998)	(3,879,998)	(3,332,740)
At 30 June	22,000,000	(21,058,080)	941,920	821,918

Which? Financial Services Limited

Notes to the financial statements for the year ended 30 June 2017

1 General information

The principal activity of Which? Financial Services Limited is providing a mortgage broking service offering customers the best deals on every mortgage from all lenders.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 2 Marylebone Road, London, NW1 4DF.

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.

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 judgement in the process of applying the Company's accounting policies.

Basis of preparation

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 completed. Turnover on other fees, including the referral of life insurance, 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 any 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 more than one year. An impairment indicator assessment 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	1 - 5 years
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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.

Foreign exchange

i) Functional and presentation currency

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

ii) 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.

Which? Financial Services Limited

Notes to the financial statements for the year ended 30 June 2017

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 year-end 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's business activities, together with the factors likely to affect its future development performance and position are set out in the Directors' report. 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. The directors of the Company 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 £3.9 million 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 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 in respect 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 measured 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.

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2017 (continued)

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 are in the following notes:

Allocation of staff time: note 3

Useful life of assets: note 5

2 Loss before taxation

	2016-17 £	2015-16 £
Loss before taxation is stated after charging:		
Operating lease rentals:		
Property rentals	181,755	165,455
Other	16,425	17,592
Depreciation of tangible assets	18,013	27,019

Auditors' remuneration for the audit of the financial statements for the year ended 30 June 2017 was £12,390 (2015-16: £10,025).

3 Directors and employees

a) The average monthly number of employees during the year was:

	2016-17 Number	2015-16 Number
Administration	6	6
Trading activities	119	87
	<u>125</u>	<u>93</u>

b) Employee costs during the year amounted to:

	2016-17 £	2015-16 £
Wages and salaries	4,566,875	3,656,335
Social security costs	471,199	401,950
Other pension costs	275,270	227,702
Compensation for loss of office	5,468	-
Benefits in kind	36,899	36,739
Total	<u>5,355,711</u>	<u>4,322,726</u>

c) Directors' remuneration

	2016-17 £	2015-16 £
The remuneration of the Company's directors was:		
Directors' emoluments	413,789	417,447
Retirement benefits	44,409	38,049
Compensation for loss of office	5,168	-
Total	<u>463,366</u>	<u>455,496</u>

Remuneration of two (2015-16: three) directors was paid by Which? Limited.

This was recharged to the Company based on estimated time spent on company business.

Six (2015-16: six) directors were paid directly by Which? Financial Services Limited.

The remuneration of the highest paid director in relation to services to Which? Financial Services Limited was £230,813 (2015-16: £164,567). This was made up of emoluments of £215,986 (2015-16: £139,683) and company contributions to defined benefit scheme of £14,827 (2015-16: £24,884).

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2017 (continued)

3 Directors and employees (continued)

d) Key employees	2016-17 £	2015-16 £
Wages and salaries	392,602	426,502
Other pension costs - Defined contributions	46,915	39,085
Compensation for loss of office	5,468	-
Benefits in kind	9,098	9,807
	<u>454,083</u>	<u>475,394</u>

Key employees included some directors and members of the Corporate Leadership Team - these costs are allocated on the basis of time spent on the company business.

4 Taxation on loss

	2016-17 £	2015-16 £
UK corporation tax at 19.75% (2015-16: 20%)	-	-

Factors affecting tax charge for the current year

The tax assessed for both years differ from that resulting from applying the effective rate of corporation tax in the UK: 19.75% (2015-16: 20%)

	2016-17 £	2015-16 £
--	--------------	--------------

The differences are explained below:

Loss before taxation	<u>(3,879,998)</u>	<u>(3,332,740)</u>
Tax charge at 19.75% (2015-16: 20%) thereon:	<u>(766,300)</u>	<u>(666,548)</u>

Effects of:

Capital allowances in excess of depreciation	(7,507)	(5,842)
Group relief not paid for	-	672,390
Tax losses carried forward	773,807	-
Tax charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset of £1,508,087 (2016: £747,764) relating to losses carried forward, fixed assets and short term timing differences has not been recognised due to uncertainty over future recoverability. The asset would be recognised if sufficient future tax-adjusted profits were to arise against which it could be offset.

The standard rate of corporation tax in the UK from 1st April 2017 was 19%, (from 1st April 2016: 20%). Therefore the Company's profit for this year is taxed at an effective rate of 19.75%. Further changes to the UK Corporation tax rates were announced in 2016. These changes included reductions to the main rates to 17% from 1 April 2020. As these changes had not been substantively enacted at the year-end date, their effects are not included in these financial statements.

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2017 (continued)

5 Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 July 2016	80,215	80,215
At 30 June 2017	<u>80,215</u>	<u>80,215</u>
Accumulated depreciation		
At 1 July 2016	62,202	62,202
Depreciation charged	18,013	18,013
At 30 June 2017	<u>80,215</u>	<u>80,215</u>
Net book value		
At 30 June 2016	<u>18,013</u>	<u>18,013</u>
At 30 June 2017	<u>-</u>	<u>-</u>

6 Debtors

	2017 £	2016 £
Trade debtors	7,399	9,211
Other debtors	11,645	24,570
Prepayments and accrued income	672,978	342,339
Total debtors	<u>692,022</u>	<u>376,120</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	161,587	77,544
Amounts owed to group undertakings	2,431,831	1,101,810
Taxation and social security	142,124	87,633
Other creditors	384	601
Accruals and deferred income	540,978	455,421
Total creditors	<u>3,276,904</u>	<u>1,723,009</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2017 (continued)

8 Financial commitments

At 30 June the Company had total commitments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than one year	151,573	166,129
Later than one year and not later than five years	663,040	672,616
Later than five years	165,760	331,520
Total lease commitments	<u>980,373</u>	<u>1,170,265</u>

This disclosure above reflects the total (rather than annual) commitment.

9 Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
22,000,000 (2016: 18,000,000) ordinary shares of £1 each	22,000,000	18,000,000

During the year the Company allotted 4,000,000 ordinary shares with a nominal value of £1 to its parent company (Which? Limited) in order to finance the Company's expansion. At the year end, the full total of £22,000,000 had been received in cash.

10 Staff pensions

Pension schemes

The hybrid section of the Consumers' Association pension scheme provides a pension which is the higher of a defined benefit based on a member's pensionable service and salary and the pension that can be provided by a money purchase account which builds up from part of the employer and employee contributions. The hybrid section was closed to new entrants from 1 April 2004.

Pension contributions

Contributions were paid at the rate of 24.7% per annum of pensionable salaries under the hybrid contribution section of the scheme. Contributions for Which? Financial Services Limited employees were paid at the rate of 8% per annum of pensionable salaries under the defined contribution section of the scheme. Total contributions to pension funds during the year were £275,270 (2015-16: £227,702).

Accounting treatment

As set out above, the Company participates in a Group pension scheme. As it is not possible for the Company to identify its share of the underlying assets and liabilities of the group scheme, under FRS 102 the Company has accounted for the scheme as a defined contribution scheme. The amounts required to be disclosed under FRS 102 in respect of the Group are set out in the financial statements of the parent company, Consumers' Association.

11 Ultimate parent company and ultimate 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 2017. The consolidated financial statements of Consumers' Association are available from the Company's registered office at 2 Marylebone Road, London, NW1 4DF.

12 Related party transactions

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.