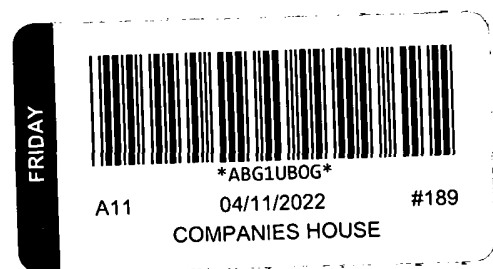


Which? Financial Services Limited

Registration number 07239342

Directors' report
and audited financial statements
for the year ended 30 June 2022



Which? Financial Services Limited
Registration number 07239342

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Which? Financial Services Limited
Registration Number 07239342

Directors' report
for the year ended 30 June 2022

The Directors present their report and the audited financial statements of Which? Financial Services Limited ('the Company') for the year ended 30 June 2022. 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 the Consumers' Association.

As noted in the going concern section below, the Company is no longer trading having transferred its trade and assets to its parent company as part of an operational restructure. The Company applied to the FCA in year to have its Part 4A permission cancelled and the Company is now dormant.

The total profit for the financial year was £67k (2020-21: £66k).

Total net assets at 30 June 2022 were £1 (2021: £953k).

Future Development

The Company ceased trading and is expecting the FCA to confirm Part 4A permission is cancelled in the forthcoming year. The Company is now dormant.

Going concern

The Company is no longer trading as a going concern as the Company ceased trading during the year and is now dormant. There were no assets or liabilities that required a reduction to their realisable value or that required reclassification from non-current assets and liabilities to current assets and liabilities and no provision has been made for any future costs or termination that the business were not committed to at the balance sheet date. The comparative financial information continues to be prepared on a comparable basis.

Environment

Which? recognises the importance of its environmental responsibilities, monitors its impact on the environment, and 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.

Political and charitable contributions

There were no donations made to political organisations or charities during the year (2020-21: 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 auditors 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:

Stephen Britain (Chair)
Anabel Hoult

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- (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.

Which? Financial Services Limited
Registration Number 07239342

Directors' report (continued)
for the year ended 30 June 2022

Independent auditors

PricewaterhouseCoopers LLP has indicated its willingness to be reappointed for another term.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and the audited 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 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", 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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

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 from producing a Strategic report.

Approved by the Board and signed on its behalf by:



Anabel Hault
2 Marylebone Road
London
NW1 4DF
5 October 2022

Which? Financial Services Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHICH? FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF 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 2022 and of its profit 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", 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 2022; the Income statement and 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 other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.9 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than 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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' 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 2022 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 Statement of directors' responsibilities in respect to the financial statements, 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.

Which? Financial Services Limited

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the regulations of the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting, specifically the posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular those entries posted with unusual account combinations;
- enquiry of management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the Group Audit and Risk Committee and related governance bodies of the Group and charitable company, and of the company board; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. 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 obtained 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 in preparing the Directors' report; and 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
5 October 2022

Which? Financial Services Limited
Registration Number 07239342

Income statement
for the year ended 30 June 2022

	Note	2021-22 £	2020-21 £
Turnover	1	195,924	207,174
Cost of sales		(624)	(4,754)
Gross profit		<u>195,300</u>	<u>202,420</u>
Administrative expenses		(128,438)	(136,368)
Profit before taxation	2	<u>66,862</u>	<u>66,052</u>
Taxation on profit	4	-	-
Profit for the financial year		<u>66,862</u>	<u>66,052</u>
Accumulated loss brought forward at 1 July		(26,986,782)	(27,052,834)
Profit for the financial year		66,862	66,052
Capital Reduction		27,939,999	-
Dividend		(1,020,079)	-
Accumulated loss carried forward at 30 June		<u>-</u>	<u>(26,986,782)</u>

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

The figures in the current and preceding year above relate entirely to discontinued operations.

There was no other comprehensive income for the current and prior years other than the profit of £66,862 (2020-21: £66,052) 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 2022

	Note	£	2022 £	£	2021 £
Current assets					
Debtors	5	1		56,698	
Cash at bank and in hand		-		1,050,476	
			<u>1</u>	<u>1,107,174</u>	
Creditors: amounts falling due within one year	6	-		<u>(153,956)</u>	
Net assets			<u>1</u>	<u>953,218</u>	
Capital and reserves					
Called up share capital	8		1	27,940,000	
Accumulated losses			-	(26,986,782)	
Total shareholders' funds			<u>1</u>	<u>953,218</u>	

The notes on pages 8 to 12 are an integral part of these financial statements.

The Company is no longer trading as a going concern as the Company ceased trading during the year and is now dormant. There were no assets or liabilities that required a reduction to their realisable value or that required reclassification from non-current assets and liabilities to current assets and liabilities and no provision has been made for any future costs or termination that the business were not committed to at the balance sheet date. The comparative financial information continues to be prepared on a comparable basis.

The financial statements of Which? Financial Services Limited (registered number 07239342) on pages 5 to 12 were approved by the board of directors and authorised for issue on 5 October 2022. They were signed on its behalf by:



Anabel Houlton
 Director

Statement of changes in equity for the year ended 30 June 2022

	Called up share capital 2021-22 £	Accumulated losses 2021-22 £	Total shareholders' funds 2021-22 £	Total shareholders' funds 2020-21 £
At 1 July	27,940,000	(26,986,782)	953,218	887,166
Shares issued	-	-	-	-
Capital reduction	(27,939,999)	27,939,999	-	-
Profit for the financial year	-	66,862	66,862	66,052
Dividend	-	(1,020,079)	(1,020,079)	-
At 30 June	1	-	1	953,218

Which? Financial Services Limited

Notes to the financial statements for the year ended 30 June 2022

1 1.1 General information

The principal activity of Which? Financial Services Limited during the year was providing a referral journey for a life insurance broking service.

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.

1.2 Principal accounting policies

The financial statements have been prepared on a basis other than a going concern 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.

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.

1.3 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.

1.4 Turnover

Turnover, all of which comes from the Company's principal activity in the UK, is recognised when the associated work has been completed and consideration can be reliably measured.

1.5 Leases

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

1.6 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.

1.7 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.

Which? Financial Services Limited

Notes to the financial statements for the year ended 30 June 2022

1.8 Going concern

The Company continues to be prepared on a basis other than a going concern, given the transfer of trade and assets and now being dormant. There were no assets or liabilities that required a reduction to their realisable values or that required reclassification from non-current assets and liabilities and no provision has been made for any future costs or termination that the business were not committed to at the balance sheet date. The comparative financial information continues to be prepared on a comparable basis.

1.9 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.

1.10 Cash and cash equivalents

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

1.11 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 allocation of management time in note 3.

2 Profit before tax	2021-22	2020-21
	£	£
Profit before tax is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	5,700	7,200

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2022 (continued)

3 Director and employees

a) The average monthly number of employees (including Non Executive Directors) during the year was:

	2021-22 Number	2020-21 Number
Administration	1	1
	<u>1</u>	<u>1</u>

b) Employee costs during the year amounted to:

	2021-22 £	2020-21 £
Wages and salaries	22,247	30,173
Social security costs	1,953	2,876
Other pension costs	255	509
Benefits in kind	7	1
Total	<u>24,462</u>	<u>33,559</u>

Employee costs included staff of the group - these costs are allocated on the basis of time spent on Company business.

c) Directors' remuneration

	2021-22 £	2020-21 £
The remuneration of the Company's directors was:		
Directors' emoluments	20,733	22,778
Retirement benefits	83	100
Total	<u>20,816</u>	<u>22,878</u>

Remuneration of one (2020-21: one) director was paid by Which? Limited.

These were recharged to the Company based on estimated time spent on company business.

One (2020-21: One) director was paid directly by Which? Financial Services Limited.

The remuneration of the highest paid director in relation to services to Which? Financial Services Limited was £18,333 (2020-21: £20,000). This was made up of emoluments of £18,333 (2020-21: £20,000), compensation for loss of office of £nil (2020-21: £nil) and retirement benefits of £nil (2020-21: £nil).

d) Key employees

	2021-22 £	2020-21 £
Wages and salaries	3,914	10,173
Other pension costs	255	509
Benefits in kind	7	1
	<u>4,176</u>	<u>10,683</u>

Key employees included staff of the group - these costs are allocated on the basis of time spent on Company business.

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2022 (continued)

4 Tax on profit

	2021-22	2020-21
	£	£
UK corporation tax at 19.00% (2020-21: 19.00%)	-	-

Factors affecting tax charge for the current year

The tax assessed for both years differ from that resulting from applying the standard rate of corporation tax in the UK: 19.00% (2020-21: 19%)

2021-22	2020-21
£	£

The differences are explained below:

Profit before tax	66,862	66,052
Tax charge at 19.00% (2020-21: 19%) thereon:	12,704	12,550

Effects of:

Expenses not deductible for tax purposes	5,361	7,281
Capital allowances in excess of depreciation	-	(31,215)
Group relief not paid for	-	11,384
Movement in short term timing differences	(6,883)	-
Tax losses offset in current period	(11,182)	-

Total tax charge for the year	-	-
-------------------------------	---	---

A deferred tax asset of £nil (2021: £27,018) 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.

On 23 September 2022, the UK government announced that the main rate of corporate tax would no longer increase to 25% with effect from 1 April 2023, but would instead stay at 19%. This change was not substantively enacted by the balance sheet date.

5 Debtors

	2022	2021
	£	£
Trade debtors	-	5,950
Prepayments and accrued income	1	50,748
Total debtors	1	56,698

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	12,388
Amounts owed to group undertakings	-	85,895
Other creditors	-	6,165
Accruals and deferred income	-	49,508
Total creditors	-	153,956

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

7 Financial commitments

As at 30 June 22 we no longer have commitments under non-cancellable operating leases.

Which? Financial Services Limited

Notes to the Financial Statements for the year ended 30 June 2022 (continued)

8 Called up share capital	2022	2021
	£	£
Allotted, called up and fully paid		
1 (2021: 27,940,000) ordinary shares of £1 each	1	27,940,000

During the year the Company completed a capital reduction of £27,939,999 (2020-21: nil).

9 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 2022. The consolidated financial statements of Consumers' Association are available from the Company's registered office at 2 Marylebone Road, London, NW1 4DF.

10 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.