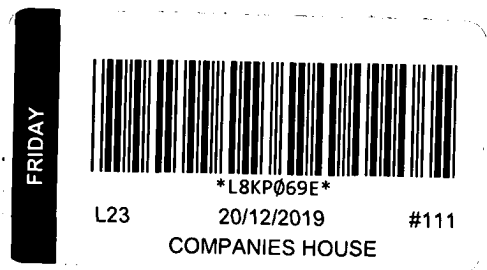


Which? Financial Services Limited

Registration number 07239342

Directors' report  
and audited financial statements  
for the year ended 30 June 2019



**Which? Financial Services Limited**  
**Registration number 07239342**

	Page(s)
Directors' report	1 - 3
Independent auditors' report	4 - 5
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 14

**Directors' report**  
**for the year ended 30 June 2019**

The Directors present their report and the audited financial statements of Which? Financial Services Limited ('the Company') for the year ended 30 June 2019. 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 was providing a mortgage broking service (Which? Mortgage Advisers) offering customers the best deals on every mortgage from all available lenders. The Company also provided an insurance advice service (Which? Insurance Advisers); an advice and application service for customers for all their protection needs, including life insurance, critical illness cover and income protection.

Following a consultation period with affected staff, the decision was made to close both the mortgage and insurance advice businesses within the Company. This difficult decision reflected the view that these businesses were not financially sustainable within an external mortgage market that was both increasingly competitive and also very challenging, particularly in a period of continued economic uncertainty in the UK with a stagnant housing market.

Both the mortgage and insurance advice businesses will be wound down during 2019-20 to ensure that all outstanding customer applications are fulfilled. However, no new customer applications are being processed. All relevant costs of closure have been provided for at 30 June 2019. The total loss for the financial year, including these closure costs was £3.3m (2017-18: loss of £2.7m). Total net assets at 30 June 2019 were £0.9m (30 June 2018: £0.7m).

**Future Development**

During 2019/20 the focus will be on managing a successful wind down of the mortgage and insurance advice services ensuring that customers receive the same high quality level of service on outstanding applications and that the Company's staff are treated fairly during this time of transition.

We will also investigate future options for the Company during 2019-20 as to how it can best support the Which? group objectives a regulated financial services environment.

**Our People**

Following the difficult decision to close the mortgage and insurance advice businesses, our focus has been to ensure that employees are treated fairly and to support them in their career transitions. The majority of staff left the business in July 2019 and we expect a continued wind down in staff numbers during 2019-20.

We are committed to ensuring that all employees are fairly paid and we continue to be members of the Living Wage Foundation. Diversity and inclusion at Which? means respecting and celebrating difference and encouraging a culture and environment where everyone can thrive. As an equal opportunities employer that values diversity across our organisation, we ensure this is brought to life through our approach to attraction, recruitment and selection, training and career development and all employment and working practices for our employees.

We adopt a total remuneration approach, (ie. the total of base salary, variable pay and benefits) and aim to be around the median of the relevant market. As a commercial trading company, we need to recruit people from a competitive commercial landscape. With the assistance of external independent experts, we benchmark our roles using a variety of established and robust market data sources that enable us to select the right comparator group for our range of roles.

**Going-concern**

During the year, Which? Limited subscribed to 3,440,000 ordinary shares of £1 each in the Company. This included amounts expected to fund the current wind-down plan of both advice services. Despite the closure of these businesses we expect that the Company will continue to operate in regulated activity and therefore should be treated as a 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 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.

**Which? Financial Services Limited**  
**Registration Number 07239342**

**Directors' report (continued)**  
**for the year ended 30 June 2019**

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, 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 (2017-18: 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)		
Stephen Britain	12 September 2018	
Jacques Cadranel		31 December 2018
Martin Potkins		
Jan Smith		
Paul Smith		

**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.

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.

**Which? Financial Services Limited**  
**Registration Number 07239342**

**Directors' report (continued)**  
**for the year ended 30 June 2019**

**Statement of directors' responsibilities in respect of the 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 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:

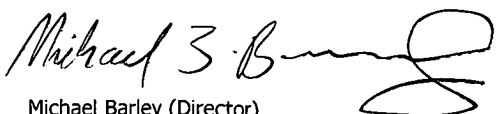
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates 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 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.

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.

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:



Michael Barley (Director)  
2 Marylebone Road  
London  
NW1 4DF  
23 October 2019

**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 2019 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", 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 2019; 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**

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**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 2019 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 set out on page 3, 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](http://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: prepare financial statements in accordance with the small companies regime; 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  
23 October 2019

**Which? Financial Services Limited**  
**Registration Number 07239342**

**Income statement**  
**for the year ended 30 June 2019**

	Note	2018-19 £	2017-18 £
Turnover	1	6,938,691	7,360,471
Cost of sales		(5,050,557)	(5,003,929)
Gross profit		<u>1,888,134</u>	<u>2,356,542</u>
Administrative expenses		(5,174,187)	(5,062,811)
Loss before taxation	2	<u>(3,286,053)</u>	<u>(2,706,269)</u>
Taxation on loss	4	-	-
Loss for the financial year		<u><u>(3,286,053)</u></u>	<u><u>(2,706,269)</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 prior years.

There was no other comprehensive income for the current and prior years other than the loss of £3,286,053 (2017-18: loss of £2,706,269) shown above. Therefore, no separate statement of other comprehensive income has been presented.

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

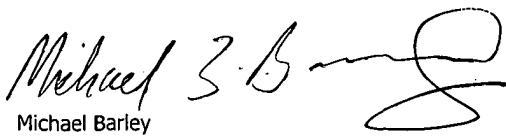


**Statement of financial position as at 30 June 2019**

	Note	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5		-		-
			<u>-</u>		<u>-</u>
<b>Current assets</b>					
Debtors	6	373,790		501,110	
Cash at bank and in hand		4,426,162		3,269,120	
		<u>4,799,952</u>		<u>3,770,230</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(3,314,799)</u>		<u>(3,034,579)</u>	
<b>Net current assets</b>			<u>1,485,153</u>		<u>735,651</u>
<b>Total assets less current liabilities</b>			<u>1,485,153</u>		<u>735,651</u>
Provisions	8	(595,555)			-
<b>Net assets</b>			<u>889,598</u>		<u>735,651</u>
<b>Capital and reserves</b>					
Called up share capital	10	27,940,000		24,500,000	
Accumulated losses		(27,050,402)		(23,764,349)	
<b>Total shareholders' funds</b>			<u>889,598</u>		<u>735,651</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 07239342) on pages 6 to 14 were approved by the board of directors and authorised for issue on 23 October 2019. They were signed on its behalf by:

  
Michael Barley  
Director

**Statement of changes in equity for the year ended 30 June 2019**

	Called up share capital 2018-19 £	Accumulated losses 2018-19 £	Total shareholders' funds 2018-19 £	Total shareholders' funds 2017-18 £
At 1 July	24,500,000	(23,764,349)	735,651	941,920
Shares issued	3,440,000	-	3,440,000	2,500,000
Loss for the financial year	-	(3,286,053)	(3,286,053)	(2,706,269)
At 30 June	<u>27,940,000</u>	<u>(27,050,402)</u>	<u>889,598</u>	<u>735,651</u>

## Which? Financial Services Limited

### Notes to the financial statements for the year ended 30 June 2019

#### 1 General information

The principal activity of Which? Financial Services Limited during the year was providing a mortgage and insurance advice 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.

#### 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.

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.

#### 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.

#### 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 and to future accrual on 31 March 2019.

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.

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. Following the completion of a consultation exercise, the decision was made to close the Which? Mortgage and Which? Insurance advice services. It is expected that closure will take several months as outstanding customer applications are completed. The loss of £3.3m for 2018-19 includes all appropriate costs of closure. As the Company intends to operate in the financial services space, the Company will continue to trade as a going-concern.

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.

**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 allocation of staff time in note 3.

## Which? Financial Services Limited

### Notes to the Financial Statements for the year ended 30 June 2019 (continued)

<b>2 Loss before taxation</b>	2018-19	2017-18
	£	£
Loss before taxation is stated after charging:		
Operating lease rentals:		
Property rentals	502,400	198,912

Auditors' remuneration for the audit of the financial statements for the year ended 30 June 2019 was £22,800 (2017-18: £12,000).

### 3 Directors and employees

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

	2018-19	2017-18
	Number	Number
Administration	4	4
Trading activities	112	127
	<u>116</u>	<u>131</u>

b) Employee costs during the year amounted to:

	2018-19	2017-18
	£	£
Wages and salaries	4,815,552	4,894,982
Social security costs	512,747	524,572
Other pension costs	330,862	304,240
Compensation for loss of office	650,693	-
Benefits in kind	39,161	28,919
Total	<u>6,349,015</u>	<u>5,752,713</u>

c) Directors' remuneration

	2018-19	2017-18
	£	£
The remuneration of the Company's directors was:		
Directors' emoluments	300,273	307,162
Retirement benefits	33,523	35,198
Total	<u>333,796</u>	<u>342,360</u>

Remuneration of one (2017-18: one) director was paid by Which? Limited.

Remuneration of no (2017-18: one) director was paid by Consumers' Association.

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

Five (2017-18: Five) 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 £232,129 (2017-18: £208,500). This was made up of emoluments of £198,606 (2017-18: £173,302) and company contributions to the defined benefit scheme of £33,523 (2017-18: £35,198).

<b>d) Key employees</b>	2018-19	2017-18
	£	£
Wages and salaries	414,952	381,508
Other pension costs	52,626	48,018
Compensation for loss of office	143,177	-
Benefits in kind	1,599	1,664
	<u>612,354</u>	<u>431,190</u>

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

Notes to the Financial Statements for the year ended 30 June 2019 (continued)

4 Taxation on loss

	2018-19	2017-18
	£	£
UK corporation tax at 19.00% (2017-18: 19.00%)	-	-

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: 19.00% (2017-18: 19%)

	2018-19	2017-18
	£	£

The differences are explained below:

Loss before taxation	(3,286,053)	(2,706,269)
Tax charge at 19.00% (2017-18: 19%) thereon:	(624,350)	(514,191)

Effects of:

Capital allowances in excess of depreciation	(40,519)	(8,728)
Group relief not paid for	664,869	522,919

Tax charge for the year	<u>-</u>	<u>-</u>
-------------------------	----------	----------

A deferred tax asset of £35,071 (2018: £1,221,558) 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 2019 was 19.00%, (from 1st April 2018: 19.00%). Therefore the Company's loss for this year is taxed at an effective rate of 19.00%. Further changes to the UK Corporation tax rates were announced in 2016. These changes included reductions to the main rates to 17.00% from 1 April 2020, and as the changes have no material impact, their effects are not included in these financial statements.

5 Intangible assets

	Software	Total
	£	£
Cost		
At 1 July 2018	-	-
Additions	51,914	51,914
Disposals	(51,914)	(51,914)
At 30 June 2019	<u>-</u>	<u>-</u>
Accumulated depreciation		
At 1 July 2018	-	-
At 30 June 2019	<u>-</u>	<u>-</u>
Net book value		
At 30 June 2018	<u>-</u>	<u>-</u>
At 30 June 2019	<u>-</u>	<u>-</u>

## Which? Financial Services Limited

### Notes to the Financial Statements for the year ended 30 June 2019 (continued)

#### 6 Debtors

	2019	2018
	£	£
Trade debtors	21,900	34,823
Other debtors	10,561	27,083
Prepayments and accrued income	341,329	439,204
Total debtors	<u>373,790</u>	<u>501,110</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

	2019	2018
	£	£
Trade creditors	73,915	173,914
Amounts owed to group undertakings	1,550,179	2,067,936
Taxation and social security	80,693	109,894
Other creditors	47,465	83,691
Accruals and deferred income	1,562,547	599,144
Total creditors	<u>3,314,799</u>	<u>3,034,579</u>

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

#### 8 Provision for other liabilities

	2019	2018
	£	£
Provision for onerous lease	595,555	-
Total provisions	<u>595,555</u>	<u>-</u>

Included within total provisions is an amount of £539,657 which is due to be utilised within one year.

#### 9 Financial commitments

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

	2019	2018
	£	£
Not later than one year	223,897	165,760
Later than one year and not later than five years	839,613	663,040
Total lease commitments	<u>1,063,510</u>	<u>828,800</u>

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

## Which? Financial Services Limited

### Notes to the Financial Statements for the year ended 30 June 2019 (continued)

<b>10 Called up share capital</b>	2019	2018
	£	£
Allotted, called up and fully paid		
27,940,000 (2018: 24,500,000) ordinary shares of £1 each	27,940,000	24,500,000

During the year the Company allotted 3,440,000 (2017-18: 2,500,000) ordinary shares with a nominal value of £1 to its parent company (Which? Limited) in order to finance the Company's operating and later the appropriate closure costs of the mortgage and insurance advice businesses. At the year end, the full total of £27,940,000 (2018: 24,500,000) had been received in cash.

### 11 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 and to future accrual on 31 March 2019.

#### 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 £330,862 (2017-18: £257,909).

#### 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.

### 12 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 2019. The consolidated financial statements of Consumers' Association are available from the Company's registered office at 2 Marylebone Road, London, NW1 4DF.

### 13 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.