2014/15 Financial Statements
Independent Experts
Making Consumers Powerful

Contents

Council of Trustees' report

for the year ended 30 June 2015

Council of Trustees is pleased to present its report together with the audited consolidated financial statements of the Consumers' Association for the year ended 30 June 2015. Consumers' Association (CA) is a registered charity (No 296072) and a private company limited by guarantee. It is registered in England (No 580128) and its registered office is at 2 Marylebone Road, London, NW1 4DF. The governing document of the company is its Articles of Association.

CA's charitable work is funded by the taxable profits of its trading subsidiary, Which? Limited and receives no government or external funding. During the financial year 2014/15, the Group was primarily made up of Consumers' Association, Which? Limited and Which? Financial Services Limited.

The financial statements, including the Strategic Report comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 and the Charities Act 2011.

The organisation

The governing body of Consumers' Association (CA) is the Council of Trustees (Council), the members of which are also its company directors and charity trustees. A Group Chief Executive oversees the day-to-day operations of the charity.

Council has six members who have been elected both by ordinary members of the Consumers' Association and by associate members who have been paid up for at least a year. Members can choose to vote via post, telephone or over the internet. There were also three appointed and three co-opted council members.

New Council members are encouraged to attend a half day induction to familiarise themselves with the organisation and the context within which it operates. An information pack which includes background of the organisation as well as duties and responsibilities of being on Council is distributed to all new members. Ongoing training is also arranged for individual trustees when required.

CA's principal trading subsidiary, Which? Limited, is governed by its own board, which is made up of Council members, senior employees and independent non-executive directors. The board of the other active subsidiary (Which? Financial Services Limited) includes a mix of senior employees and non-executive directors, who are either independent or senior employees elsewhere within the Group.

Council responsibilities statement

Council is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires Council to prepare financial statements for each financial year. Under that law, Council has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, Council must not approve the financial statements unless it is satisfied that they give a true and fair view of CA and the Group and of the surplus or deficit of the Group for that year. In preparing these financial statements, Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities Statement of Recommended Practice (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed subject to any material departures being disclosed and effected in the financial statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company will continue in business.

Council is 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 CA and the Group and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for safeguarding the assets of CA and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Payments to members of Council

As required by the Articles of Association, members of Council do not receive any payment for their services. They are reimbursed for travel and accommodation expenses incurred when attending Council meetings and other official events. Claims were made by 11 of 16 (2013/14: 10 of 17) members during the year, totaling £8,494 (2013/14: £8,365). Insurance costs for the year to protect Council members against liabilities arising from their office totalled £4,441 (2013/14: £4,441).

Group Audit Committee

A further mechanism through which Council mitigates risk is the existence of the Group Audit Committee, which oversees the activities of the extended group of companies. The Group Audit Committee is made up of three members. Of the three, one was solely a member of Council, one was both a member of Council and a non-executive director of Which? Limited, while the other was also a non-executive director of Which? Financial Services Limited.

The duties of the Group Audit Committee are to consider the appointment, fee, scope and results of audits with independent auditors (both internal and external). This includes responsibility for reviewing the financial statements. The Committee is also responsible for business continuity planning and reviewing the internal control systems to ensure they mitigate the risks that have been highlighted within the business. It also ensures that the information security policy meets the organisation's requirements.

The Committee met three times during the year, and continued to be satisfied that the reports presented to it identified no significant concerns about internal controls within the Group. The Committee also conducts an annual review of its effectiveness.

Going-concern

After making enquiries, Council has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, it continues to adopt a going-concern basis in preparing the financial statements. Further details regarding the adoption of the going-concern basis can be found in the principal accounting policies in the financial statements (note 1).

Financial statements

Our financial statements are made up of:

- A consolidated statement of financial activities (SOFA), specifically for charities, which shows the resources available for charitable activities and how these resources have been used during the year (page 14);
- Balance sheets for the Group and the Consumers' Association, showing what we own, what we owe or are owed as well as the level of our reserves (page 15); and
- A consolidated cash flow statement, showing how we received and spent money during the year (page 16).

These principal statements are supplemented by extensive notes, providing further details on the financial performance of the organisation.

Strategic report

As we don't receive any donations or government funding, we continually need to expand our commercial activities in order to further increase investment in both our charitable work and in providing reliable and trusted products and services in markets where there is currently consumer detriment. Controlled diversification into these new markets is also expected to lower overall risk across the Group in the long-term, by reducing reliance on our core publishing business.

For the first time, our Group revenues have exceeded £100m, reflecting improved results from our core publishing business, and also an increasing share from our new ventures. We expect that this latter trend will continue as we become a more diversified Group.

Business review – Core publishing business

In what continues to be a very tough market, our key metrics of subscriptions, revenue and profits have all delivered year-on-year growth.

As the adjacent graph (top left) shows, the June 2015 subscription volume of 1,491,000 (up 11,000 on 2013/14) represented an all-time-high level.

In the context of recent years, overall subscriptions were 22% higher than five years ago (2010) and 77% above the level achieved ten years ago (2005).

We have achieved this growth through enhancing the value that we give to our subscribers. In our magazines, this means ensuring that our content is always relevant to the issues our members face and expanding our research activity to ensure we provide greater coverage across key product lines. Online, this has meant continual investment in our digital products and an ability for subscribers to access Which? in more convenient ways such as on their smartphone or tablet. For those members in need of more one-to-one support on certain issues, specialist advice helpdesks are available to provide assistance.

On an individual product level, Which? magazine showed a small year-on-year increase, closing the year on 669,000 subscribers. Which? Money had an extremely successful year delivering 30% annual growth, with a record 86,000 subscribers at the year-end. The other lifestyle magazines (Which? Computing, Gardening and Travel) were down overall, but still delivered very healthy numbers in the context of their individual specialised magazine markets. Which? Computing for example was still the market leader within the computing sector. Which? Legal service also continued its recent growth and closed the year on 69,000 subscriptions (up from 66,000 the previous year).

These subscription sales represent the vast majority of our core publishing revenue. The remaining non-subscription revenue relates to other services such as Which? Switch or Which? Best Buy, which licenses use of our 'Best Buy' icon to companies whose products or services have scored highly in our testing.

As the graph opposite (top right) shows, we have grown core publishing revenue year-on-year within Which? Limited (excluding new ventures) by £5.1m (6%) to £94.6m. This level is £24.7m (35%) higher than 2009/10 and £39.8m (73%) above 2004/05.

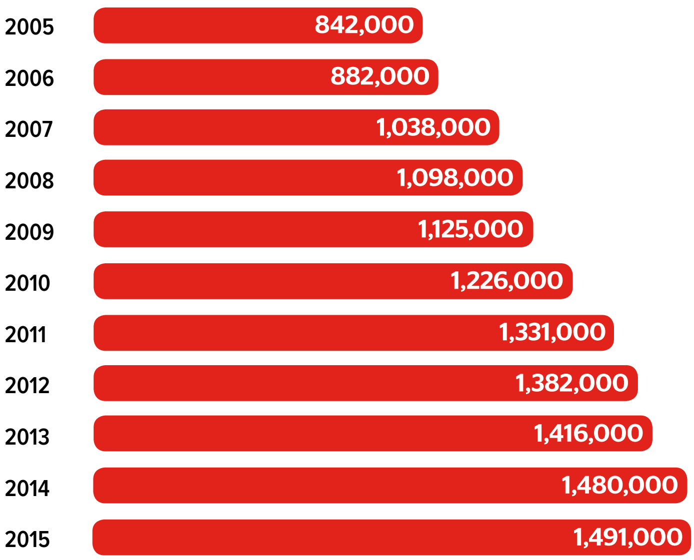
While growing our revenues is of course very important, it is also essential that we manage our cost base to ensure that our publishing profits are maintained at the right level. This enables sufficient funds to be available for investment in both our charitable work and within our new ventures.

The adjacent chart (bottom left) summarises the underlying core publishing profits contributed from Which? Limited over the last ten years. We can see over a ten year period that profits have increased by £17.2m. The trend is even more noticeable however, when looking at the last five years, with profits more than doubling since 2009/10.

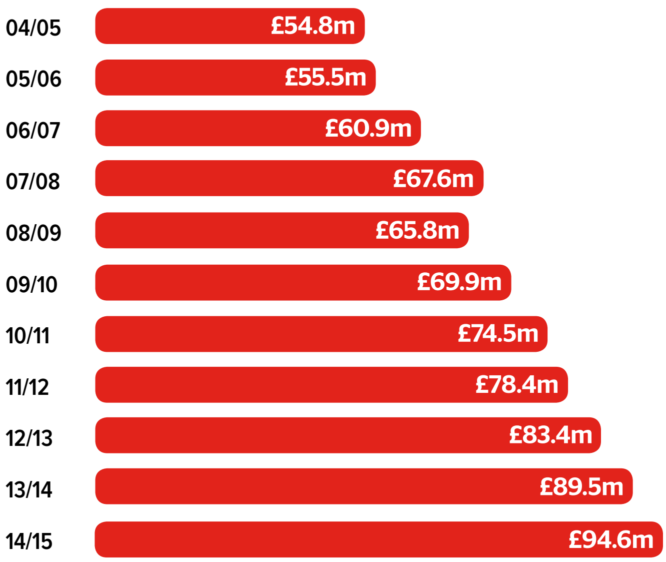
As the chart opposite (bottom right) shows, most of these profits are then invested across the organisation. The largest part (49%) was spent on charitable activities that promote consumer interests (for all consumers), while 37% was invested into the new ventures.

We would expect in future years as the new ventures require less investment, that the proportion of publishing profits invested in charitable activity will increase further. Likewise, when the new ventures themselves become profitable, they will then provide an additional source of funding for expanded charitable work within the Group.

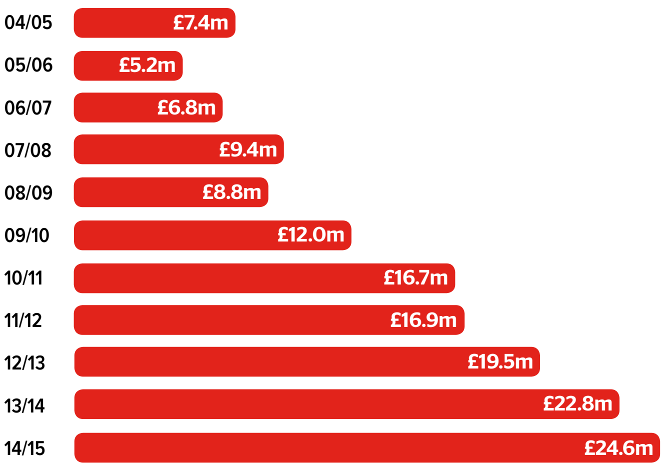
Total UK subscriptions (June)



Which? Limited core publishing revenue

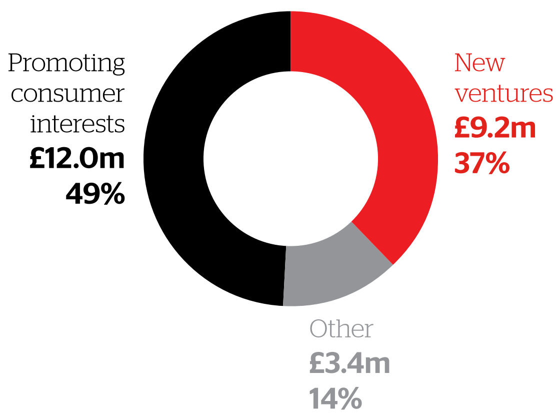


Which? Limited core publishing profits*



* Publishing profits present an underlying view of performance and are derived from the Which? Limited operating profits and excludes all costs and revenues within the new ventures and the in-year provision of the LTIP scheme.

How we spend these profits



* Other relates primarily to profits retained in the business and the in-year provision of the LTIP scheme. Promoting consumer interests relates to charitable work, as discussed in pages 9–10.

Strategic report continued

Business review – New ventures

As outlined previously, we believe that the successful development of our new ventures will reduce the risk and reliance on our core publishing business which currently is providing all the funds required for our charitable work.

We have been careful in deciding which markets to invest in. Firstly, we are choosing markets where we believe there is currently a customer detriment and where, through entering the market, Which? can make a real difference for the consumer. Secondly, we believe there is scope to use the Which? brand to build profitable businesses that will enable us to spend more on our charitable activity to benefit all consumers.

Which? Mortgage Advisers (part of Which? Financial Services Limited), which advises customers on the best deals across the full mortgage market, has maintained its recent growth. As the adjacent graph shows, the number of mortgages submitted on behalf of our customers increased by a further 25% year-on-year to 4,597. We have focused on growing volumes during the year, while building a sustainable cost base. There has been considerable work this year to optimise systems and processes within the business and strengthen further the overall quality of our mortgage adviser base. As a result, the total loss in Which? Financial Services Limited (£4.3m) was £1.6m less than the previous year. We expect that this will continue to fall substantially as the business approaches breakeven.

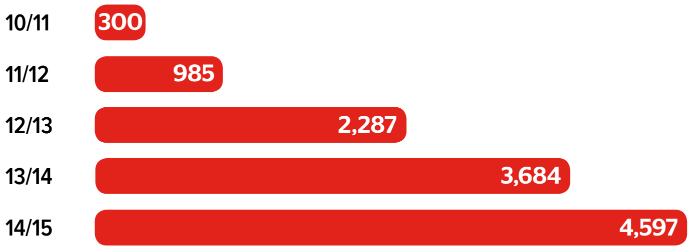
Which? Trusted Traders, which enables people to find local traders who have been independently audited and verified, continues to expand in a measured and controlled manner across selected parts of the country. We believe that this business has significant potential for the Group, enabling members of the public to select local traders with the comfort that they have been independently verified by Which?.

As highlighted in the 2013/14 Strategic Report, although the decision was made to close the **'Right Choice'** magazine in India, it was decided at the time to maintain an online presence that required a much lower level of investment. However, after reviewing the performance and effectiveness of the website, it was decided during the year to cease all operations in India.

Which? Legal continues to advise its members on a wide range of legal issues. Over the last year, we have taken the opportunity to invest further in the Legal team, expanding our expertise. Our helpline handled nearly 110,000 calls over the year and customer satisfaction remains high at 92%, with 72% saying they would recommend the service to family and friends.

Our new improved **Which? Wills** service was re-launched in September 2014 and this year the number of wills made has significantly increased. The service is also now open to consumers in Scotland and Northern Ireland.

Number of mortgages submitted



Business review – Promoting consumer interests

The growth of our commercial operations has enabled us to broaden our charitable work. As the graph (right) shows, we have again spent more than ever on promoting consumer interests and the total of £12.0m for 2014/15 was 10% up on the previous year. If we compare further back, the trend is clear. Ten years ago we spent only £2.0m – this year we spent six times as much. Further information on our charitable work can be found in the Promoting consumer interests section of the Council of Trustees report on page 9.

Business review – Group balance sheet

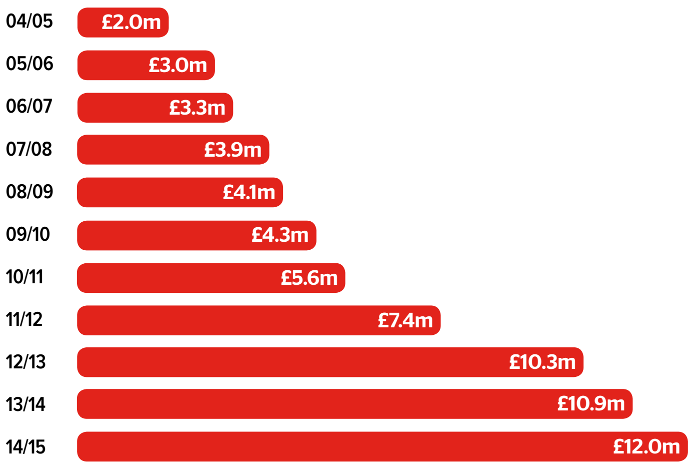
Following a very successful year, the Group balance sheet has continued to grow in strength. As noted below right, year-end Group reserves of £52.9m represented an all-time-high level and are a £3.4m increase over 2014. Five years ago in 2010 the reserves were £34.5m, while ten years ago in 2005 they totalled £20.8m.

Main highlights across the balance sheet that account for the £3.4m Group reserves increase were:

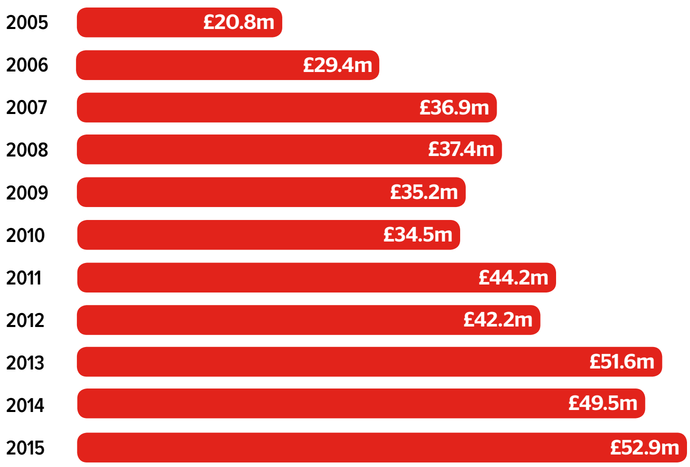
- Further growth in the investment fund. The £8.0m growth reflected a £5.0m cash injection and £3.0 of growth generated by capital gains and investment income.
- Net current assets (working capital) down £4.2m to £2.1m reflecting primarily the cash transfer of £5m to the investment fund.
- An increase in the FRS17 pension liability to £2.3m (from £1.9m at June 2014).

Our head office at 2 Marylebone Road, London is held on a long lease from the Crown Estate. The head office and our other property at Hertford have a combined book value of £11.9m included within our balance sheet at 30 June 2015.

Promoting consumer interests



Group reserves



Strategic report continued

Reserves policy

Council's policy is to review its reserve levels annually to ensure that they are sufficient to provide suitable funds should a material adverse financial event occur. Whilst allowing for future pension scheme and investment fund fluctuations, Council anticipates that the incremental reserves will be used to fund expanded charitable activity to promote consumer interests and support the growth in new ventures to enable long-term continued success for the Group.

Investment fund

Council delegates responsibility to the Investment Committee to advise it on investment policy. The Investment Committee is made up of four members, three of whom are Council members with a fourth external member in place for his investment expertise.

The portfolio is managed in-house, using Barclays Stockbrokers Limited as an execution-only stockbroker, acting on instructions received from the Investment Committee. On a regular basis the Investment Committee seeks independent external advice on investment policy, which in recent years has been provided by PiRho Investment Consulting Limited.

The Investment Committee met three times during the year, to monitor the portfolio, consider the appropriateness of investment policy and decide on advice on any re-balancing of the portfolio. Updates on these matters were then reported to Council. The rest of CA's surplus funds were held on deposit with leading financial institutions.

Pension schemes

Consumers Association operates a hybrid pension scheme and a defined contribution scheme. The hybrid scheme combines the features of defined benefit (final salary) and defined contribution schemes. As at 30 June 2015, under FRS17 the hybrid scheme had a £2.3m liability (£1.9m liability at 30 June 2014).

The triennial actuarial valuation of the fund in March 2012 estimated a deficit of £11.9m and the recovery plan agreed following this valuation is continuing. Confirmation of the March 2015 valuation is expected in the 2015/16 financial year.

Future financial exposure is limited in that since March 2004, the hybrid pension scheme has been closed to new members. From that date, employees have been permitted to only join the separate defined contribution scheme.

Principal risks & uncertainties

The Which? brand is our primary asset and ensuring that it remains strong is critical to our success. Managing this reputational risk is vital, especially when we enter new markets and sectors. The risk is increased when the sectors are regulated (for example financial services or legal) and it is essential that we are compliant with all applicable rules and regulations.

Across the Group, we have risk and compliance staff to monitor our exposure as well as tried-and-tested review processes that minimise our risk. A detailed risk register is maintained for each entity and consolidated at the overall Group level. Individual risks are discussed regularly at all levels across the Group to ensure that they are properly understood and mitigated wherever possible. We also adopt a robust legal approach to protect our brand reputation where appropriate.

Looking forward to 2015/16, we expect that our primary risks will again continue to be within the new ventures and we will therefore monitor activity within these areas closely and seek to mitigate risks where possible.

Future plans

We expect that the upcoming year will be extremely challenging, both around maintaining the very strong performance within our core publishing business and continuing the growth within our primary new ventures (Which? Mortgage Advice and Which? Trusted Traders). Achieving both of these goals will enable us build further on our recent successes in expanding the charitable work we do that benefits all consumers.

Promoting consumer interests

Which? exists to make individuals as powerful as the organisations they deal with in their daily lives. We are the largest independent consumer body in the UK with more than 1.2 million members and supporters. Profits we make are ploughed back into our campaigning and provision of free advice on behalf of all UK consumers. Over the last year we have invested a record £12.0m in our campaigns and free advice. Our campaigning work has secured victories across a wide range of markets, achieving significant positive change for the benefit of all UK consumers. The continued growth of our free information and advice also means that we are now reaching more people than ever before, providing the tools people need to help make complex decisions.

Public benefit - Our campaigns

Which? campaigns for improvements in markets that are not working well for consumers. From changing the way a market operates to how an industry treats its customers, we campaign with our supporters to make change happen. Our supporter base has grown from 200,000 people in June 2014 to over 437,000 in June 2015. Over the past twelve months, our work has helped deliver change across a range of sectors including financial services, food, retail, utilities and public services.

Last November, thousands of our campaign supporters wrote to their local MPs as part of our 'Sneaky Fees and Charges' campaign calling for action to improve the comparability of mortgage fees and to make the full cost of a mortgage clearer. As a result, the Chancellor asked the Council of Mortgage Lenders to work with Which? to consider practical solutions to tackle this issue. Thanks to the power of our supporters, we expect the industry to have made changes by the end of this year.

Our 'Calling Time' campaign has seen Which? continue to lead the way on tackling nuisance calls and texts, with over 215,000 people supporting the campaign. Over the last year, we chaired a government-backed task force and published a set of recommendations for industry, regulators and the Government to tackle the issue. In March, following calls from Which?, the Government announced that it would lower the threshold so that the regulator, the Information Commissioner's Office (ICO), no longer has to prove that nuisance calls have caused 'substantial damage and distress' before taking action against companies who have broken the rules. We are now pressing the Government to make senior executives accountable by law for their company's nuisance calls. This has received the backing of BT and the energy supplier, SSE.

In April we submitted a super-complaint to the Competition and Markets Authority (CMA) about misleading supermarket pricing practices. This was the first super-complaint to the CMA since its creation in April 2014. More than 110,000 consumers pledged their support for our campaign to put an end to misleading pricing. The CMA responded in July, finding hundreds of potentially misleading special offers on supermarket shelves. The CMA has recommended changes to the guidance covering special offers and unit pricing. The CMA has also stated that if the supermarkets don't clean up their practices, it will take enforcement action where it has evidence. We also influenced the CMA energy market investigation and have submitted evidence to the banking enquiry. We will continue to press the CMA over the next year to fix the broken energy market and to tackle the lack of competition in personal current accounts through its market inquiries.

After a year of campaigning, we secured significant changes for our 'Scrap the Savings Trap' campaign as the Financial Conduct Authority (FCA) announced proposals to make switching savings accounts quicker and easier. Savings providers will be required to provide clearer information on interest rates and better alert customers to the end of bonus rates. Which? research had estimated that savers were losing the equivalent of £4.3bn each year by being stuck in sub-standard savings accounts and that many consumers never switch because they don't think it will make a difference. The FCA listened to our calls and are now making changes to press savings providers to do more to help customers get a better deal.

Public benefit – Influencing

A major part of our work is using our policy expertise to influence decision-makers and opinion formers, helping them understand what matters most to consumers.

In October, ahead of the General Election, we published 'A Government for All Consumers', our agenda for the new government. Our engagement with all major parties led to the inclusion of 24 commitments in the manifestos of all the major parties which were directly influenced by Which? These included commitments on installing smart meters, simplifying energy tariffs, delivering the government's pension reforms, action on pension drawdown product charges, public service complaints and improving telecoms switching.

Promoting consumer interests continued

We also worked closely with a range of businesses and trade bodies to achieve our campaign asks. Lloyds Bank simplified its range of savings products following our 'Scrap the Savings Trap' campaign and AXA responded to our campaign to show last year's price on insurance renewals. EE reduced the cost of unlocking phones in response to our calls and, after years of work, Coca Cola started to put traffic light labelling on the front of its packs. We also secured action plans on campylobactor from eight supermarkets and worked with the British Banking Association to produce a protocol on community banking, participated in the Confederation of British Industry's Great Business Debate and gained the Association of British Insurers' support for the Financial Conduct Authority to look at how last year's premium could be shown on insurance renewals.

Public benefit - Free information and advice

Which? provides information and advice to make complex markets easier to navigate. We now offer four free online advice and information services: Which? Consumer Rights, Which? University, Which? Elderly Care and Which? Birth Choice.

The Consumer Rights website continues to empower even more people to understand their rights and find simple ways to solve their everyday consumer problems. In the last twelve months, the site has seen a 68% increase in traffic from the previous year, with over five million visits.

We have also exceeded five million visits to Which? University - our free website to help prospective students make more informed decisions about their higher education choices. This year has seen new enhancements to the site, including redesigning our course search and allowing students to compare more than 30,000 undergraduate degrees. The site is now used by more than a third of all students applying to university.

It has also been a strong year of growth for Which? Elderly Care, including the continued development of our extensive Care Services Directory, which provides a postcode search of 18,000 care providers and now also includes Care Quality Commission inspection ratings. The site now receives over 30,000 visitors per month.

The profile of Which? Birth Choice continues to grow, with our unique 'Find and Compare' tool now being hosted on a number of partner sites, including The National Childbirth Trust, Babycentre and The Daisy Foundation. Since launch in early 2014, the site has now received over 380,000 visitors. We're also working to establish Which? Birth Choice as an authoritative source of information for the midwife community through our collaboration with The Royal College of Midwives.

Highlights

Which? has seen a fantastic year of growth in our charitable activities this year, with a record investment of £12.0 million in our campaigns and free advice. Some of our highlights include:

- 56 campaign wins achieved;
- Which? was mentioned in 2,094 national media articles, 705 of which were broadcast and 57 were front page mentions;
- Over 437,000 people now support our campaigns, with campaigners taking over one million actions to support campaigns and two campaigns recording 200,000 plus supporters for the first time;
- Which? Convo, our online community website, published 424 conversations with a total of 28,000 comments and three million visits;
- 5.1 million visits to our Consumer Rights website with 70,000 letters downloaded;
- 5.3 million visits to Which? University website - up 70% on last year, with 37% of applicants now using Which? University when making their UCAS choices
- Which? Money helpline handled over 24,000 calls and won £2.6m back for consumers;
- In the last year we published over 300 videos on a range of products and topics including Technology, Home and Garden, Baby and Child and Money;
- We published 60 new free guides ranging from online security and travelling in Britain, to managing tax and growing vegetables;

Employees

Remuneration Policy

The charity, Consumers' Association, receives no donations from the public or funding from Government. All of its charitable activities are funded by the profits from its commercial businesses. As the graphs on pages 5–7 show, our strong commercial performance in the core publishing business is again enabling us to expand further our charitable activity, while also giving us opportunity to invest in new ventures that complement Which?'s core offering to customers. Recruiting, retaining and motivating exceptional commercial management is therefore fundamental to achieving this growth.

Setting remuneration

Council appoints a Remuneration Committee from its trustees plus the Which? Limited Chairman. This Committee makes recommendations to Council on the remuneration for the Group Chief Executive and other executive directors, as well as the annual pay award for employees as a whole across the Group. Remuneration for senior roles in the organisation reflects the performance of the individual and external benchmarking by independent reward consultants against similar roles in the commercial, charitable and regulatory sectors. Remuneration for other roles within the organisation is set with reference to performance and salary ranges benchmarked against other comparable roles.

Long-Term Incentive Plans

2014/15 was the final year of the original three-year Long-Term Incentive Plan, which was designed to incentivise senior employees on delivering transformational growth and long-term success across the Group. Achieving this success allows us to expand our charitable activities and influence to benefit all consumers.

Based on an initial independent valuation of the Group businesses in 2012 by experts in this field, the scheme rewarded the relevant employees on the basis of overall growth across the three years of the scheme. If the value of the Group businesses increased over this period by less than 22% then the individuals would receive zero. Pay-out would increase proportionally up to the maximum level of 33%, whereby any further growth beyond this exceptional level would not be rewarded through this scheme.

Following an external independent valuation in 2015, the actual growth in valuation over the period was 68% (more than double the maximum 33% ceiling), resulting in a full but capped year-end provision for the four employees in the scheme.

Two further schemes are also in place to incentivise growth across the Group in subsequent years. The first scheme, which is from a base valuation in June 2013, rewards individuals for delivering growth of up to 33% across the three years to June 2016. Pay-out is targeted at 50% of one year's commercial salary – (limited to a maximum of one year) and would be payable following the financial year 2015/16. The second scheme, which is from a base valuation in June 2014, rewards individuals for delivering growth of up to 23% across the three years to June 2017. Pay-out for each employee in this scheme is tagreted at 35% of one year's commercial salary (limited to a maximum of 70%) and would be payable following the financial year 2016/17. Four employees are members of both of these schemes.

Schemes are also in place to reward specific individuals within the new ventures if exceptional growth is delivered in the new ventures. At the year-end two employees were included within these schemes.

It is essential for the Group to grow both its core publishing business and new ventures in order to finance the expansion of our charitable and campaigning activities on behalf of all consumers.

External advisers have confirmed that these levels and the terms of the schemes are in line with similar schemes for similar commercial roles.

Group Chief Executive remuneration

To account for the nature of the role, the reward for the Group Chief Executive comprises two elements; charitable and commercial. The charity remuneration is benchmarked against similar large charities and regulators and represents 30% of his role. The commercial remuneration is benchmarked against the median of comparable commercial organisations and represents 70% of his role.

Employee relations

Across the Group, everyone is treated equally, with full and fair consideration given to all employees and applicants with suitable aptitudes and abilities. It is Group policy that the recruitment, appointment, training and career development of disabled persons should as far as possible reflect that of other employees.

A Staff Association and Joint Union is recognised for the purposes of collective bargaining and consultation. Staff representatives may attend Council meetings and also work with management to develop employment policies and practices to enhance employee engagement and drive organisational improvements.

We are committed to communicating effectively with our people, as we recognise that they are the key to our success. We keep our people informed and engaged through regular communications helping them to understand what they need to do to help us to succeed.

Other information

Corporate social responsibility

Which? continues in its efforts to be a more environmentally sustainable company. The paper used for our magazines, accredited by the Pan European Forestry Commission (PEFC) is produced chlorine free, using timber from well managed and sustainable forests. The paper for our books has been certified by the Forest Stewardship Council (FSC), ensuring that it is sourced from well managed forests. The poly-bags that we use to wrap our magazines for despatch are biodegradable, and where possible, our customer mailings are delivered as 'sustainable mail' emphasising the need for subsequent recycling. We have also made considerable effort during the year to remove unnecessary wastage from our production process.

Bankers and professional advisors

The principal banker is:
Barclays Bank plc
The Lea Valley Group
78 Turners Hill
Cheshunt
Herts
EN8 9BW

The independent auditor and tax adviser is:
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

The investment adviser is:
PiRho Investment Consulting Limited
13 Austin Friars
London
EC2N 2HE

In addition to our own legal affairs department, a number of leading firms of solicitors are used for specialist legal advice within the Group.

Other information

The following information is contained elsewhere in the financial statements:

Council members	**Page 30**
Net movement in funds	**Page 14**
Significant relationships, including political and charitable donations	**Page 25**

Statement of disclosure of information to auditors

Each of the persons who is a Council Trustee at the date of approval of this report confirms that:
(1) so far as the Council Trustee is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the Council Trustee has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the forthcoming Annual General Meeting.

The Council of Trustees' report, including the Strategic report (pages 4-8) was approved by the Council of Trustees and signed on its behalf by:

Patrick Barwise

Patrick Barwise
Council Chairman
2 Marylebone Road, London NW1 4DF
14 October 2015

Independent auditors' report
to the members of Consumers' Association

Report on the financial statements

Our opinion

In our opinion, Consumers' Association's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2015 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 30 June 2015;
- the Consolidated statement of financial activities for the year then ended;
- the Consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic report and the Council of Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Council responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 October 2015

Consolidated statement of financial activities

For the year ended 30 June 2015
Incorporating a consolidated income and expenditure account

	Notes	The Charity – Consumers' Association £'000	Subsidiaries £'000	Transactions between the Companies* £'000	Group Total 2014/15 £'000	Group Total 2013/14 £'000
Incoming resources						
Incoming resources from generated funds:						
Activities for generating funds		–	100,054	–	100,054	92,217
Investment income		2,628	31	–	2,659	2,410
Gift aid from subsidiary undertakings	17	18,000	–	(18,000)	–	–
Reversal of prior year gift aid from subsidiary undertakings	17	(12,953)	–	12,953	–	–
Incoming resources from charitable activities:						
Research income		10,804	–	(10,703)	101	93
Other incoming resources		17	–	–	17	9
Total incoming resources		18,496	100,085	(15,750)	102,831	94,729
Resources expended						
Costs of generating funds:						
Fundraising trading	2	–	(86,128)	10,703	(75,425)	(71,776)
Interest payable and other similar charges	2, 6	–	–	–	–	(3)
		–	(86,128)	10,703	(75,425)	(71,779)
Charitable activities:						
Consumer research	2	(10,804)	–	–	(10,804)	(11,009)
Promoting consumer interests	2	(11,992)	–	–	(11,992)	(10,929)
		(22,796)	–	–	(22,796)	(21,938)
Governance costs	2	(474)	–	–	(474)	(479)
Total resources expended		(23,270)	(86,128)	10,703	(98,695)	(94,196)
Net (outgoing)/incoming resources before other recognised gains and losses		(4,774)	13,957	(5,047)	4,136	533
Other recognised gains and losses						
Net gains on investment assets	10				2,182	1,623
Currency translations difference on foreign currency net investments					9	(81)
Actuarial losses on defined benefit pension schemes	18				(2,900)	(4,200)
Net movement in funds	5				3,427	(2,125)
Reconciliation of funds Total funds brought forward at 1 July					49,513	51,638
Total funds carried forward at 30 June					52,940	49,513

*Transactions between the companies reflect intercompany transactions within the Group that eliminate on consolidation of the Group accounts, thus have no impact on Group Results. Note that gift aid payments from subsidiaries are treated as incoming resources by the Charity and distributions from reserves by the paying subsidiary.

The consolidated statement of financial activities includes all gains and losses in the year. There is no difference between net incoming resources and its historical cost equivalent in the current and prior year. The figures above relate entirely to continuing operations.
Note: All funds of the charity are unrestricted.

Balance sheets

As at 30 June 2015

		Group		Consumers' Association	
		2015	2014	2015	2014
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9	14,081	14,847	12,337	11,960
Fixed asset investments	10	39,705	31,708	39,705	31,708
Investments in subsidiary and associated undertakings	11	52	61	20,052	20,052
		53,838	46,616	72,094	63,720
Current assets					
Debtors	13	7,957	8,184	2,713	11,291
Cash at bank and in hand		11,603	10,461	1,326	662
		19,560	18,645	4,039	11,953
Creditors: Amounts falling due within one year	14	(17,507)	(12,412)	(9,229)	(3,677)
Net current assets/(liabilities)		2,053	6,233	(5,190)	8,276
Total assets less current liabilities		55,891	52,849	66,904	71,996
Creditors: Amounts falling due after more than one year Provisions for liabilities and charges	15	(651)	(1,436)	–	–
Net assets before defined pension scheme liability		55,240	51,413	66,904	71,996
Defined benefit pension scheme liability	18	(2,300)	(1,900)	(2,300)	(1,900)
Net assets		52,940	49,513	64,604	70,096
Accumulated surplus	17	57,495	52,757	69,127	73,299
Revaluation reserve	17	6,545	4,956	6,577	4,997
Pension reserve	17	(11,100)	(8,200)	(11,100)	(8,200)
Total unrestricted funds	17	52,940	49,513	64,604	70,096

The financial statements on pages 14 to 29 of Consumers' Association (registered number 580128, charity number 296072) were approved by the Council of Trustees and authorised for issue on 14 October 2015. They were signed on its behalf by:

Patrick Barwise

Patrick Barwise
Council Chairman

Consolidated cash flow statement

		2014/15		2013/14
	£'000	£'000	£'000	£'000
Reconciliation of net incoming resources to net cash inflow/(outflow) from continuing operating activities				
Net incoming resources from continuing activities		4,136		533
Fixed asset depreciation charges	1,420		1,225	
Fixed asset impairment charges	347		–	
Loss on disposal of investments in associated companies	9		–	
Decrease in stock	–		168	
Decrease in debtors	227		920	
Increase/(decrease) in creditors	5,095		(1,744)	
Decrease in mortgage due within 1 year	–		401	
(Decrease)/increase in provisions	(785)		1,075	
Adjustment for pension funding	(2,500)		(2,300)	
Currency translation difference	9		(81)	
Interest received	(31)		(67)	
Interest paid and similar charges	–		3	
Income from fixed asset investments	(828)		(743)	
		2,963		(1,143)
Net cash inflow/(outflow) from continuing operating activities		7,099		(610)
Consolidated cash flow statement				
Net cash inflow/(outflow) from operating activities		7,099		(610)
Returns on investments and servicing of finance				
Interest received	31		67	
Interest paid and similar charges	–		(3)	
Income from fixed asset investments	828		743	
		859		807
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(1,001)		(831)	
Sale of tangible fixed assets	–		24	
Purchase of fixed assets investments	(12,326)		(10,640)	
Sale of fixed assets investments	5,326		10,855	
Decrease/(increase) in deposits awaiting investment	1,185		(958)	
		(6,816)		(1,550)
Cash inflow/(outflow) before use of liquid resources and financing		1,142		(1,353)
Financing				
Loan repayment		–		(401)
Increase/(decrease) in cash		1,142		(1,754)

Analysis of changes in net funds	**Change in year 2014/15**		**Change in year 2013/14**		
	2015	**Cash Flows**	**2014**	**Cash Flows**	**2013**
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	11,603	1,142	10,461	(1,754)	12,215
Loan due within 1 year	–	–	–	401	(401)
	11,603	1,142	10,461	(1,353)	11,814

Notes to the financial statements

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. They also conform to the recommendations contained in the Statement of Recommended Practice: Accounting and Reporting by Charities issued by the Charity Commission published in March 2005 (SORP 2005), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011 (for charities registered in England and Wales and dual registered charities). As permitted under section 408 of the Companies Act 2006, the Company has elected not to present its own Profit and loss account for the period.

A summary of the principal accounting policies, which have been applied consistently in the current and prior years, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments.

Basis of consolidation

The group financial statements consolidate the financial statements of all group companies for the year to 30 June 2015, the statement of financial activities (SOFA) and balance sheet being consolidated on a line-by-line basis. Transactions between group companies are eliminated on consolidation in the SOFA.

Incoming resources

Incoming resources represent the sales value of goods and services supplied excluding value added tax (where applicable) and sales between group companies. The directors are of the opinion that substantially all of the Group's incoming resources originate in the United Kingdom and are from the same class of business. All incoming resources are recognised on the accruals basis of accounting.

Subscription revenue on magazines is recognised when the related product is dispatched to the customer. Subscription revenue on services is recognised in relation to the time period that the payment applies.

Subscriptions received in advance of the product or service being received by the customer are treated as a current liability (subscriptions received in advance) while revenue relating to products or services received by the customer before payment is treated as accrued subscriptions within debtors.

Fees and commission earned on the sale of mortgages and other related products is recognised when the particular mortgage is completed or when the work associated with the fee has been completed.

Resources expended

All expenditure on research is recognised in the year in which it is incurred. Wherever possible, expenditure by the charity is attributed specifically to the purpose for which it is incurred. Costs of generating funds, charitable activities and governance costs comprise direct costs (including attributable staff costs) and an appropriate apportionment of support costs.

Support costs (which include shared costs such as finance, in-house legal, information technology and human resources) are allocated to ensure the indirect costs of products are recovered across the categories of:

- **Costs of generating funds:** primarily expenditure within our commercial operations;
- **Charitable activities:** costs of consumer research and promoting consumer interests; and
- **Governance costs:** costs of statutory compliance.

The basis for the allocation of shared support costs is as follows:

- **Management, Finance & Legal, Human resources and direct support costs:** number of staff;
- **Information technology:** number of staff and number of research and publishing staff.

1 Principal accounting policies continued

Tangible fixed assets

All tangible fixed assets are held at cost less accumulated depreciation and any provision for impairment. Depreciation is calculated on fixed 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 at least two years. An impairment review is conducted on an annual basis and any asset found to have a carrying value materially higher than its recoverable amount is written down accordingly.

Asset lives are estimated as follows:

- **Freehold land:** not depreciated
- **Freehold buildings:** 50 years
- **Long-term leasehold premises** (2 Marylebone Road)**:** 125 years
- **Fixtures, fittings and equipment:** 2-5 years
- **Motor vehicles:** 2-4 years
- **Construction in progress:** not depreciated

Fixed asset investments

Investments held as fixed assets are revalued to market value as at the balance sheet date. Any surplus arising on revaluation is taken to the revaluation reserve. Any temporary deficits arising on revaluation are also transferred to the revaluation reserve. The SOFA includes realised and unrealised gains and losses arising from the revaluation of the investment portfolio in the year.

Investments in subsidiary and associated undertakings

Investments in subsidiary and associated companies are valued at cost. Where the directors consider a subsidiary to have suffered a permanent diminution in value, an appropriate adjustment is made to the value of the investment in the financial statements.

Debtors

Debtors are stated initially at fair value and subsequently at their amortised cost less impairment losses. A provision for impairment of debtors is established when there is objective evidence that the Group will not be able to collect all amounts due.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Pension costs

The Group operates a pension scheme with two sections: a hybrid and a defined contribution scheme. The hybrid scheme combines the features of defined benefit and defined contribution schemes, providing benefit based on the higher of a final salary pension and a money purchase pension. The hybrid scheme was closed to new entrants on 1 April 2004.

For the defined benefit scheme, the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs have been recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the 'Other recognised gains and losses'.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate or return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

The actuarial valuations are obtained at least triennially and are updated for FRS 17 purposes at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Defined benefit assets are recognised only to the extent that the surplus can be recovered, either through reduced contributions in the future or through refunds from the scheme.

1 Principal accounting policies continued

For the defined contribution schemes, the amount charged to the SOFA 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 balance sheet.

Operating leases

The cost of operating leases is charged to the SOFA in equal instalments over the period of the lease.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are accounted for in the SOFA.

Irrecoverable VAT

Any irrecoverable VAT is charged to the SOFA, or capitalised as part of the cost of the related asset where appropriate.

Taxation

The activities of the charity are exempt from the liability to taxation which fall within the scope of Part 11 of the Corporation Tax Act 2010. No current tax liability arose in respect of the trading subsidiary (Which? Limited) because it made a gift aid payment to the charity within the allowable time frame post year end equal to its taxable profit after any applicable group relief.

Deferred taxation in the subsidiary is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of incoming resources and resources expended 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 Group's business activities, together with the factors likely to affect its future development performance and position are set out in the Council of Trustees' report. 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 and does not rely on external funding for day-to-day working capital requirements. Management do not expect that it will be necessary to rely on external sources of debt finance in the foreseeable future.

After making enquiries, Council has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going-concern basis in preparing the annual report and financial statements.

2 Total resources expended

	Direct costs £'000	Support costs £'000	Total 2014/15 £'000	Total 2013/14 £'000
Cost of generating funds				
Cost of sales	(27,387)	–	(27,387)	(27,753)
Distribution costs	(8,292)	–	(8,292)	(8,547)
Other trading expenditure	(28,716)	(11,030)	(39,746)	(35,476)
Total fundraising trading	(64,395)	(11,030)	(75,425)	(71,776)
Interest payable and other similar charges	–	–	–	(3)
	(64,395)	(11,030)	(75,425)	(71,779)
Charitable activities				
Consumer research	(8,343)	(2,461)	(10,804)	(11,009)
Promoting consumer interests	(9,529)	(2,463)	(11,992)	(10,929)
	(17,872)	(4,924)	(22,796)	(21,938)
Governance costs	–	(474)	(474)	(479)
Total resources expended	(82,267)	(16,428)	(98,695)	(94,196)

3 Support costs

	Management £'000	Finance & Legal £'000	Information Technology £'000	Human Resources £'000	Direct Support costs £'000	Total 2014/15 £'000	Total 2013/14 £'000
Cost of generating funds							
Other trading expenditure	(239)	(1,448)	(3,548)	(3,840)	(1,955)	(11,030)	(10,794)
	(239)	(1,448)	(3,548)	(3,840)	(1,955)	(11,030)	(10,794)
Charitable activities							
Consumer research	(260)	(444)	(390)	(683)	(684)	(2,461)	(2,503)
Promoting consumer interests	(260)	(445)	(390)	(683)	(685)	(2,463)	(2,366)
	(520)	(889)	(780)	(1,366)	(1,369)	(4,924)	(4,869)
Governance costs	(110)	(346)	–	–	(18)	(474)	(479)
Total resources expended	(869)	(2,683)	(4,328)	(5,206)	(3,342)	(16,428)	(16,142)

4 Results from trading activities of subsidiaries

	Which? Limited 2014/15 £'000	Which? Financial Services Limited 2014/15 £'000	Other subsidiaries 2014/15 £'000
Profit and loss account			
Turnover	95,893	4,148	13
Impairment of investment in subsidiaries	–	–	(40)
Other expenditure	(77,577)	(8,410)	(110)
Retained profit/(loss) for the year	18,316	(4,262)	(137)
Balance sheet			
Total assets	35,606	1,757	37
Total liabilities	(12,692)	(2,335)	(786)
Total funds/(deficit)	22,914	(578)	(749)

Which? Limited provides education, information and advice to the benefit of consumers through the Which? subscription and other media, while Which? Financial Services Limited provides a mortgage broking service. Included within other subsidiaries are Which? International Limited, Yellowfin Holdings Limited and BGG Information Private Limited (India). The impairment of fixed asset investments is in connection with the write down of the investment in Yellowfin Holdings Limited. There is no impact on the Group numbers as it is eliminated on consolidation.

5 Net movement in funds

	2014/15 £'000	2013/14 £'000
Net movement of funds is stated after charging		
Depreciation of tangible fixed assets	1,420	1,225
Impairment of tangible fixed assets	347	–
Loss on disposal of investments in associated companies	9	–
Loss on foreign exchange	1	1
Expenses of the Council of Trustees (detailed in the Council of Trustees Report)*	8	8
Cost of liability insurance for Council of Trustees	4	4
Payment under operating leases charged to the SOFA:		
Property rentals	352	240
Other	35	48
The analysis of auditor's remuneration for the audit of the Company's annual accounts		
Fees payable to the Company's auditor for the audit of the Company's financial statements		
The audit of CA	22	21
Fees payable to the Company's auditor and their associates for other services to the Group		
The audit of other Company's subsidiaries pursuant to legislation	74	47
Total audit fees	96	68
Tax services	15	14
Other services	32	19
Total non-audit fees	47	33

* Members of Council do not receive any payment for their services, as required by the Memorandum of Association.

6 Interest payable and other similar charges

	2014/15 £'000	2013/14 £'000
Interest on mortgage repayable in instalments over less than five years	–	3
Total interest payable and other similar charges	–	3

7 Employees

	Charitable 2014/15 £'000	Commercial 2014/15 £'000	Total 2014/15 £'000	Total 2013/14 £'000
Employee costs during the year amounted to:				
Wages and salaries	9,155	19,138	28,293	26,716
Social security costs	1,054	2,198	3,252	3,075
Pension costs	846	1,420	2,266	2,017
Long-Term Incentive Plans (see note 15)	–	1,455	1,455	1,075
Benefits in kind	224	399	623	730
Total	11,279	24,610	35,889	33,613

The average monthly number of employees of the Group during the year was:	Charitable number of employees 2014/15	Commercial number of employees 2014/15	Total number of employees 2014/15	Total number of employees 2013/14
Consumer research	87	–	87	89
Promoting consumer interests	89	–	89	89
Support activities	32	64	96	96
Trading activities	–	388	388	387
Total funds	208	452	660	661

7 Employees continued

The numbers of employees of the group who received emoluments. In excess of £60,000 in the year ended 30 June 2015 were:

	Charitable number of employees 2014/15	Commercial number of employees 2014/15
£60,001–£70,000 32 (2013/14: 18) employees	10.2	21.8
£70,001–£80,000 15 (2013/14: 10) employees	3.4	11.6
£80,001–£90,000 12 (2013/14: 9) employees	3.4	8.6
£90,001–£100,000 3 (2013/14: 6) employees	0.5	2.5
£100,001–£110,000 2 (2013/14: 4) employees	–	2.0
£110,001–£120,000 2 (2013/14: 1) employees	0.7	1.3
£120,001–£130,000 3 (2013/14: 2) employees	1.3	1.7
£130,001–£140,000 2 (2013/14: –) employees	–	2.0
£140,001–£150,000 2 (2013/14: 3) employees	1.0	1.0
£150,001–£160,000 1 (2013/14: –) employees	–	1.0
£160,001–£170,000 1 (2013/14: 2) employees	–	1.0
£170,001–£180,000 – (2013/14: 1) employees	–	–
£190,001–£200,000 – (2013/14: 1) employees	–	–
£200,001–£210,000 1 (2013/14: 3) employees	0.9	0.1
£210,001–£220,000 1 (2013/14: –) employees	0.5	0.5
£220,001–£230,000 1 (2013/14: –) employees	–	1.0
£230,001–£240,000 1 (2013/14: –) employees	–	1.0
£250,001–£260,000 – (2013/14: 1) employees	–	–
£270,001–£280,000 2 (2013/14: –) employees	–	2.0
£330,001–£340,000 – (2013/14: 1) employees	–	–
£340,001–£350,000 1 (2013/14: –) employees	0.3	0.7

Emoluments includes salaries and bonuses, but excludes pension contributions and amounts awarded under Long-Term Incentive Plans – see note 15.

As a result of the significant commercial activities of the Group, a number of our higher-paid staff dedicate considerable amounts of time to the Group's commercial activities, which are performed by the subsidiary companies (primarily Which? Limited). As well as showing the total number of individual group employees by the salary bandings, the table above also shows the allocation of higher paid staff between the Group's charitable and commercial activities to one decimal place.

Of the individuals earning over £100,000, only five were employed primarily to perform charitable activity. This highest paid individual working for the charity earned £191,000. In the above banding, the highest paid employee was the Group Chief Executive, who was paid a salary of £81,000 for running the charity and organisation as a whole.

Contributions in the year for the money purchase element of the pension scheme for the above higher paid employees were £559,000 (2013/14: £396,000). Of the above higher paid employees 79 (2013/14: 59) had benefits accruing under the company pension scheme.

8 Taxation

Consumers' Association is a registered charity, and is therefore exempt from the liability to taxation on its current activities which fall within the scope of Part 11 of the Corporation Taxes Act 2010. No taxation, either current or deferred, arose in respect of any subsidiary company of the Consumers' Association.

9 Tangible assets

	Freehold land & buildings £'000	Long-term leasehold premises £'000	Fixtures fittings & equipment £'000	Construction in progress £'000	Total £'000
Tangible fixed assets of the Group					
Cost or valuation					
At 1 July 2014	2,912	13,900	7,128	–	23,940
Additions	–	–	418	583	1,001
Disposals	–	–	(278)	–	(278)
At 30 June 2015	2,912	13,900	7,268	583	24,663
Accumulated depreciation					
At 1 July 2014	624	4,732	3,737	–	9,093
Depreciation charged	39	98	1,283	–	1,420
Impairment	–	–	347	–	347
Disposals	–	–	(278)	–	(278)
At 30 June 2015	663	4,830	5,089	–	10,582
Net book value					
At 1 July 2014	2,288	9,168	3,391	–	14,847
At 30 June 2015	2,249	9,070	2,179	583	14,081
Tangible fixed assets of Consumers' Association					
Cost or valuation					
At 1 July 2014	2,912	13,900	2,107	–	18,919
Additions	–	–	237	583	820
Disposals	–	–	(125)	–	(125)
At 30 June 2015	2,912	13,900	2,219	583	19,614
Accumulated depreciation					
At 1 July 2014	624	4,732	1,603	–	6,959
Depreciation charged	39	98	232	–	369
Impairment	–	–	74	–	74
Disposals	–	–	(125)	–	(125)
At 30 June 2015	663	4,830	1,784	–	7,277
Net book value					
At 1 July 2014	2,288	9,168	504	–	11,960
At 30 June 2015	2,249	9,070	435	583	12,337

'Freehold land and buildings' represents Consumers' Association's property at Gascoyne Way, Hertford. This includes land with a cost of £1,550,000 (2014: £1,550,000) which is not depreciated.

'Long-term leasehold premises' represents Consumers' Association's property at Marylebone Road, London.

'Fixtures, fittings & equipment' includes computer hardware and software and website development costs.

The properties of Consumers' Association, together with associated fixtures and fittings and equipment are used both by staff employed by the charity and by its trading subsidiaries. An appropriate proportion of the operating cost is shared by each company, but it is not considered practicable to divide the value of the assets between those used by the charity for its own purposes and those used for trading.

10 Fixed asset investments

	Deposits awaiting investment £'000	Market value of authorised UK unit trusts £'000	Total £'000
Balance at 1 July 2014	1,335	30,373	31,708
Income from investments	828	–	828
Purchases during the year	(7,339)	12,326	4,987
Sales during the year	5,326	(5,326)	–
Unrealised gains on investments	–	1,580	1,580
Realised gains on investments	–	602	602
Balance at 30 June 2015	150	39,555	39,705
Historical cost			
At 30 June 2014		25,554	
At 30 June 2015		33,155	

Fixed asset investments consist of direct holdings in fixed interest bonds and loans, UK and international equities and cash.

Investments in a security exceeding 5% of the total value of the portfolio:

Ishares MSCI World	44.9%
Charities Property Fund	14.9%
Ishares 1–5YR UCITS GB	10.6%
Ishares Core MSCI World UCITS ETF	13.3%
Ishares Markit Iboxx GBP	9.7%

11 Investments in subsidiary and associated undertakings

Subsidiary undertakings	Holding	Proportion owned	Principal activity
Direct holdings of the company			
Which? Limited	Ordinary shares	100%	Publishing
Indirect holdings of the company			
Which? International Limited	Ordinary shares	100%	Holding company
Which? Financial Services Limited	Ordinary shares	100%	Mortgage broking
Yellowfin Holdings Limited (Mauritius)	Ordinary shares	100%	Holding company
BGG Information Private Limited (India)	Ordinary shares	100%	No longer trading
PP Publishing Limited	Ordinary shares	100%	Dormant
Which? Legal Limited	Ordinary shares	100%	Not yet trading
Other investments			
Direct holdings of the company			
International Consumer Research and Testing Limited	'A' Ordinary shares	17%	Consumer research on international basis

Shares in subsidiary and associated companies	Group £'000	Consumers' Association £'000
Cost and net book value		
At 1 July 2014	61	20,052
Disposals	(9)	–
At 30 June 2015	52	20,052

12 Relationships

Political and charitable contributions and related party transactions

No political donations were made during the year (2013/14: £nil). Total charitable donations were £150,000 (2013/14: £100,000).

Research Institute for Consumer Affairs (RICA)

The group made a donation of £75,000 during the year to the registered independent charity, Research Institute for Consumers Affairs (2013/14: £75,000) as a general grant to cover operating expenses. The level of funds RICA received from the Group represents a material proportion of its own income.

International Consumer Research and Testing Limited (ICRT)

During the year, Consumers' Association paid £96,246 (2013/14: £97,455) in membership fees to ICRT. In addition, a further £571,646 (2013/14: £550,848) was paid in respect of commission for work secured through the offices of ICRT. BGG Information Private Limited made no payment this year (2013/14: £10,361) of membership fees to ICRT. ICRT has one director in common with Which? Limited. The amount payable to ICRT at 30 June 2015 was £196,845 (30 June 2014: £97,246).

Consumers' International (CI)

Throughout the year, Consumers' Association was a member of CI, the international federation of consumer organisations. Consumers' Association contributes a significant proportion of CI's non-grant income and a CA employee serves on the governing council of CI. During the year Consumers' Association paid £386,392 (2013/14: £322,040) in membership fees.

Bureau Européen des Unions de Consommateurs (BEUC)

Throughout the year, Consumers' Association was a member of BEUC, the pan-European federation of consumer organisations. Consumers' Association contributes a significant proportion of BEUC's non-grant income. During the year, Consumers' Association paid £384,968 (2013/14: £310,798) in membership fees.

Council members

There were no material transactions with Council members, their close families or parties with whom Council members are related. Council members do not receive any payment for their services (2013/14: £nil). They are reimbursed for travel and accommodation expenses incurred in the performance of their duties and Consumers' Association purchased indemnity insurance to protect Council members (see note 5).

13 Debtors

	Group		Consumers' Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade debtors	535	636	19	8
Amount owed by group undertakings	–	–	1,235	9,247
Other debtors	1,493	1,251	885	760
Prepayments and accrued income	2,225	2,204	574	1,276
Accrued subscriptions	3,704	4,093	–	–
Total debtors	7,957	8,184	2,713	11,291

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

14 Creditors: Amounts falling due within one year

	Group		Consumers' Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade creditors	5,996	4,167	2,352	1,773
Amount owed to group undertakings	–	–	4,337	–
Taxation and social security	977	1,007	423	408
Other creditors	26	67	17	33
Accruals and deferred income	7,303	4,293	2,100	1,463
Subscriptions received in advance	3,205	2,878	–	–
Total creditors (less than one year)	17,507	12,412	9,229	3,677

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

15 Provision for liabilities and charges

	Group	Consumers' Association
	£'000	£'000
Provision for Long-Term Incentive Plan		
At 1 July 2014	1,436	–
Provided for in year	1,455	–
Transferred to accruals (note 14)	(2,240)	–
At 30 June 2015	651	–

Long Term Incentive Plans are implemented to ensure that senior employees are incentivised appropriately to deliver transformational commercial growth and long-term success for the Group. The charge in year of £1,455,000 (2013/14: £1,075,000) reflects the exceptional growth in value of the Group over one year as confirmed by independent valuation experts. The transfer to current liabilities reflects the 2012–15 scheme being due for pay-out within one year of the balance sheet date. More details on this scheme are disclosed in the employees section of the Council of Trustees' report on page 11.

16 Financial commitments

	Land and buildings		Other	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
At 30 June 2015 the Group had annual commitments under non-cancellable operating leases as follows:				
Group				
Expiring within one year	54	45	–	–
Expiring between two and five years	–	50	7	–
Expiring after five years	276	145	–	–
	330	240	7	–
Consumers' Association				
Expiring within one year	42	45	–	–
Expiring between two and five years	–	–	–	–
Expiring after five years	145	145	–	–
Total lease payments	187	190	–	–

17 Movement of funds during the year

	Accumulated surplus* 2014/15 £'000	Revaluation reserve 2014/15 £'000	Pension reserve 2014/15 £'000	Group funds 2014/15 £'000	Group funds 2013/14 £'000
Balance at 1 July	52,757	4,956	(8,200)	49,513	51,638
Net (outgoing)/incoming resources	4,136	–	–	4,136	533
Revaluation of investment assets (note 10)	–	1,580	–	1,580	694
Realised gains on investments	602	–	–	602	929
Revaluation of monetary assets and liabilities	–	9	–	9	(81)
Actuarial losses on defined benefit pension schemes	–	–	(2,900)	(2,900)	(4,200)
Balance at 30 June	57,495	6,545	(11,100)	52,940	49,513

*Accumulated surplus comprises the following:	Unrestricted charity funds 2014/15 £'000	Accumulated surplus/(deficit) of trading subsidiaries 2014/15 £'000	Consolidation adjustments 2014/15 £'000	Total 2014/15 £'000
Balance at 1 July	73,299	(20,542)	–	52,757
Gift aid adjustment to opening balance	–	12,953	(12,953)	–
Net (outgoing)/incoming resources	(4,774)	13,957	(5,047)	4,136
Realised gains on investments	602	–	–	602
Capital reduction in subsidiary	–	19,000	(19,000)	–
Gift aid distributions from subsidiaries to charity	–	(18,000)	18,000	–
Balance at 30 June	69,127	7,368	(19,000)	57,495

During the year the Institute of Chartered Accountants in England & Wales (ICAEW) issued a technical alert clarifying the treatment of gift aid given to charities. This technical alert stated that all gift aid payments should be made from distributable reserves (like dividends) rather than from total reserves. To ensure that the Group was compliant with the new requirements, CA's primary subsidiary (Which? Limited) underwent a capital reduction to move £19m from share capital to distribution reserves. Furthermore, Which? Limited waived the right to reimbursement of £8.3m of gift aid donated to CA in previous years (that would not now be permitted with the new guidance) and reversed the £13.0m gift aid provided for in the 2013/14 Group financial statements. This enabled £18.0m gift aid to be distributed in the current financial year. None of these adjustments had any impact at overall Group level.

18 Staff pensions

The hybrid section of the 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 assets of the scheme are held separately from those of the employer and are invested on behalf of scheme members by the scheme trustees.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 March 2012 and updated by an independent qualified actuary employed by Punter Southall & Co to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 30 June 2015. The calculations have been based on membership data as at 31 March 2015.

Scheme assets are stated at their market value at 30 June 2015, except that an allowance is made for accrued terminal bonuses in respect of the with-profits contract. Scheme liabilities are calculated using the projected unit method. As per FRS17 the pension scheme deficit is recognised in full on the balance sheet.

The hybrid section was closed to new entrants from 1 April 2004. Under the current Schedule of Contributions dated 1 June 2014, contributions to the hybrid section (including both employer and employee contributions) for the year beginning 1 July 2015 are expected to be £1.2m.

18 Staff pensions continued

	2015	2014
Assumptions		
The major assumptions used by the actuary to calculate the scheme under FRS 17 were (in nominal terms):		
Rate of increase in pensionable salaries	3.4%	3.4%
Rate of increase in pensions in payment – RPI linked	3.4%	3.4%
Discount rate	4.0%	4.4%
Inflation assumption (RPI)	3.4%	3.4%
Inflation assumption (CPI)	2.6%	2.6%
Rate of revaluation of pensions in deferment	2.6%	2.6%
Return on money purchase underpin fund	7.0%	7.0%

		2015	2014
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	22.5	22.4
	Females	24.6	24.5
Retiring in 20 years time	Males	23.8	23.9
	Females	26.1	26.0

Actual and expected rates of return **The assets in the scheme and the expected rates of return were:**	**Long-term rate of return expected at 30 June 2015**	**Value at 30 June 2015**	**Long-term rate of return expected at 30 June 2014**	**Value at 30 June 2014**
	p.a.	£m	p.a.	£m
Equities and property	7.6%	45.5	7.6%	40.8
Bonds and cash	2.9%	29.7	3.6%	28.8
With-profits fund	7.0%	36.0	7.0%	33.6
Fair value of scheme assets		111.2		103.2

The scheme does not hold any ordinary shares issued or property occupied by Consumers' Association		
The actual return on assets over the year was	9.4	9.8

Net pension asset/(liability) **The amounts recognised in the balance sheet are as follows:**	**2015** £m	**2014** £m
Present value of scheme liabilities	(113.5)	(105.1)
Fair value of scheme assets	111.2	103.2
Deficit	(2.3)	(1.9)
Net pension liability recognised before tax	(2.3)	(1.9)

Analysis of the amount charged to net Incoming resources in respect of the hybrid section of the scheme	**2014/15** £m	**2013/14** £m
Current service cost	0.4	0.4
Service cost	–	–
Total net incoming resources charge	0.4	0.4

18 Staff pensions continued

Analysis of the amount credited to other finance income	2014/15 £m	2013/14 £m
Expected return on pension scheme assets	6.4	6.0
Interest on pension scheme liabilities	(4.6)	(4.4)
Net return	1.8	1.6

Reconciliation of opening and closing balances of the fair value of the scheme liabilities	2015 £m	2014 £m
Liabilities at beginning of the year	105.1	93.0
Current service costs	0.4	0.4
Interest cost	4.6	4.4
Contributions by scheme participants	0.1	0.1
Actuarial loss	5.9	10.1
Benefits paid	(2.6)	(2.9)
Liabilities at end of year	113.5	105.1

Reconciliation of opening and closing balances of the fair value of the scheme assets	2015 £m	2014 £m
Fair value of scheme assets at beginning of year	103.2	95.1
Expected return on scheme assets	6.4	6.0
Actuarial gain	3.0	3.8
Contributions by employers	1.1	1.1
Contributions by scheme participants	0.1	0.1
Benefits paid	(2.6)	(2.9)
Fair value of scheme assets at end of year	111.2	103.2

Amount recognised in other recognised gains and losses	2014/15 £m	2013/14 £m
Actuarial losses recognised in other recognised gains and losses	(2.9)	(4.2)

History of scheme assets, obligations and experience adjustments	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Present value of scheme liabilities	(113.5)	(105.1)	(93.0)	(90.5)	(82.6)
Fair value of scheme assets	111.2	103.2	95.1	87.4	81.3
Surplus/ (deficit) in the scheme	(2.3)	(1.9)	2.1	(3.1)	(1.3)
Experience adjustments arising on scheme liabilities	1.6	(0.3)	(0.6)	0.9	(1.1)
Experience item as a percentage of scheme liabilities	1.4%	(0.3%)	(0.6%)	1.0%	(1.3%)
Experience adjustments arising on scheme assets	3.0	3.8	4.9	1.7	4.3
Experience item as a percentage of scheme assets	2.7%	3.7%	5.2%	1.9%	5.3%
Cumulative actuarial losses shown in the STRGL	(14.1)	(11.2)	(7.0)	(9.1)	(5.7)

19 Liability of members

The liability of members is limited. In the event of the Company being wound up during a member's period of membership, or within one year afterwards, an amount not exceeding 50p may be required from that member towards the payment of the costs of winding up the Company and the debts and liabilities of the Company incurred before membership ceased.

2014/15 Council, Board & Committee membership

Council members

Number of meetings for the year / attendance	6
Patrick Barwise (Chair)	6 / 6
Mark Addison CB	6 / 6
Dan Bogler	6 / 6
Tony Burton OBE (from November 2014)	5 / 5
Peter Cartwright (until January 2015)	1 / 3
Jeanie Cruickshank (from January 2015)	4 / 4
Sharon Darcy (from January 2015)	4 / 4
Melanie Dawes CB (until January 2015)	3 / 3
Harriet Kimbell MBE	6 / 6
Jennifer Oscroft (Deputy Chair)	6 / 6
Paul Preston (Deputy Chair) (until January 2015)	3 / 3
Tim Roberson (until January 2015)	2 / 3
Peter Shears	6 / 6
Anna Walker CB	4 / 6
Tony Ward OBE (Deputy Chair)	6 / 6
Chris Willett	4 / 6

Which? Limited Board

Number of meetings for the year / attendance	8
Mike Clasper CBE (Chair)	8 / 8
Claudia Arney (until February 2015)	3 / 4
Patrick Barwise	8 / 8
Jacques Cadranel (Group Finance Director)	8 / 8
Deborah Davis (from January 2015)	4 / 5
Chris Gardner (Managing Director of Which? Publishing)	8 / 8
Julie Harris (from September 2015)	0 / 0
Andrew Mullins	4 / 8
Peter Vicary-Smith (Group Chief Executive)	8 / 8
Kevin Wall	7 / 8
Tony Ward OBE	8 / 8

Note: For those serving for only part of the year the total number of meetings they could have attended is presented alongside the number attended (number attended/total possible).

Which? Financial Services Limited Board

Number of meetings for the year / attendance	7
Michael Barley (Chair)	6 / 7
Kim Brosnan (until May 2015)	7 / 7
Jacques Cadranel	7 / 7
Nick Castro	6 / 7
Brian Cole (from July 2015)	0 / 0
Matt Cooper (until November 2014)	0 / 2
Chris Gardner	7 / 7
Michael Johnson (until October 2014)	1 / 1
Mike Lawton (from October 2014)	5 / 5
Paul Smith (from October 2014)	6 / 6
Peter Vicary-Smith	6 / 7

Group Audit Committee

Number of meetings for the year / attendance	3
Nick Castro (Chair)	3 / 3
Sharon Darcy (from April 2015)	1 / 1
Deborah Davis (from September 2015)	0 / 0
Tim Roberson (until January 2015)	2 / 2
Tony Ward OBE (until September 2015)	3 / 3

Investment Committee

Number of meetings for the year / attendance	3
Tony Ward OBE (Chair)	3 / 3
Patrick Barwise	3 / 3
Jeanie Cruickshank (from June 2015)	0 / 0
Mark Tapley	3 / 3

Remuneration Committee

Number of meetings for the year / attendance	4
Dan Bogler (Chair)	4 / 4
Patrick Barwise	4 / 4
Mike Clasper CBE	3 / 4
Paul Preston (until January 2015)	1 / 2
Anna Walker CB	2 / 4
Tony Ward OBE (from April 2015)	1 / 1

Nomination Committee

Number of meetings for the year / attendance	2
Jennifer Oscroft (Chair)	2 / 2
Mark Addison CB	2 / 2
Tony Burton OBE (from March 2015)	0 / 1
Paul Preston (until January 2015)	1 / 1
Peter Shears (from March 2015)	1 / 1
Tony Ward OBE (until March 2015)	1 / 1

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