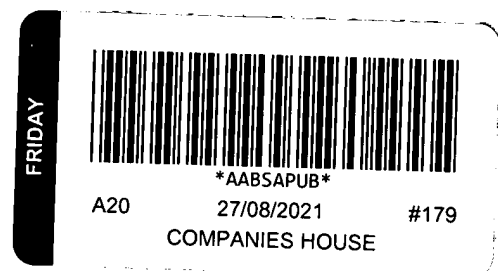


HomeServe Heating Services Limited

**Annual Report and financial statements for the year
ended**

31 March 2021

Company Registration No: 03468609



Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2021.

Business Review and Principal Activity

The Company is a wholly owned subsidiary of its ultimate parent company, HomeServe plc, and operates as part of its UK segment.

The Company's principal activity was the provision of UK based domestic heating franchise services to independent tradesmen and companies before entering into a hive up process in 2018.

During the year, the Company generated revenue of £Nil (2020: £Nil) and incurred an operating loss of £Nil (2020: £Nil). The balance sheet on page 6 of the financial statements shows the Company's financial position at the year end. During the year the balance of net assets remains unchanged at £Nil.

In the prior year net liabilities were reduced to £Nil following the full write off of the net intercompany balance owed to the parent company.

Principal Risks and Uncertainties

There are a number of risks and uncertainties that could have had a material impact on the Company's annual performance. Group risks are discussed in the HomeServe plc Annual Report, which does not form part of this Report.

The Directors have considered the risks associated with the COVID-19 crisis and are satisfied that the impact on the Company will be limited based on the fact that the Company has ceased trading.

Environment

The Company is committed to environmental sustainability. We recognise that the Company has a responsibility to act in a way that respects the environment and as such it incorporates an awareness of environmental issues into decision-making processes.

The Company operates in accordance with Group Policies, which are described in the Group's Annual Report which does not form part of this Report.

Employment Policies

Although the Company currently has no employees, it is the Company's policy that all persons should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

The Company applies employment policies that are fair and equitable for all employees and which ensure entry into and progression within the Company are determined solely by application of job criteria and personal ability and competency.

Strategic Report

Employment Policies (continued)

Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons. The Company's training and development policies make it clear that it will take all steps practicable to ensure that if an employee becomes disabled during the time they are employed by the Company, their employment can continue.

Financial Results

The Company's results are shown in the income statement on page 5.

Key Performance Indicators

The HomeServe plc Group manages its operations on a divisional basis. For this reason, the directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the UK segment of HomeServe plc Group, which includes the Company, is discussed in the Group's Annual Report which does not form part of this Report.

Going Concern and Future Outlook

The Company ceased trading during March 2018. The financial statements have been prepared on a basis other than that of a going concern. The provision for any contractual commitments that have become onerous is £Nil (2020: £Nil).

The financial statements do not include any provisions for the future costs of terminating the business of the Company. No adjustment arose as a result of ceasing to apply the going concern basis. The Directors have no plans currently to dissolve the Company.

By Order of the Board



Richard John Shepherd

Director

24 August 2021

Directors' Report

The Directors have pleasure in submitting the Annual Report and unaudited financial statements for the year ended 31 March 2021.

An indication of likely future developments in the business of the Company alongside discussion of going concern, principal risks and uncertainties and employment policies are included in the Strategic Report.

Information about the use of financial instruments by the Company is given in note 13 to the financial statements.

Directors

The Directors who held office throughout the year, and subsequently, were as follows:

Mr Richard John Shepherd

Mr Michael Gregory Reed (resigned 16 September 2020)

Mr Nicholas Kasmir (appointed 16 September 2020)

None of the Directors had a material interest in any trading contract to which the Company was a party during the financial year.

Dividends

The Directors are not proposing to pay a dividend to ordinary shareholders (2020: £nil).

Political Contributions

No political contributions were made in the current or prior year.

Directors' indemnities and insurance

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report. The Company maintains directors' and officers' liability insurance for its Directors and officers.

By Order of the Board



Richard John Shepherd

Director

24 August 2021

Registered Office: Cable Drive, Walsall, West Midlands, WS2 7BN
Registered in England and Wales

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs'). 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 these financial statements, Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and that 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. They 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.

Income Statement

Year ended 31 March 2021

Discontinued operations	Note	2021 £000	2020 £000
Revenue		-	-
Operating costs		-	-
Operating loss		-	-
Exceptional items			
Gain due to write off of amounts owed to parent company	7	-	4,121
Profit before tax		-	4,121
Tax	6	-	-
Profit for the year		-	4,121

A statement of comprehensive income is not presented, as there are no movements in other comprehensive income for the year (2020: £nil).

Balance Sheet

Year ended 31 March 2021

	Note	2021 £000	2020 £000
Current assets			
Trade and other receivables		-	-
Total assets		-	-
Current liabilities			
Trade and other payables		-	-
Net current liabilities		-	-
Net liabilities		-	-
Equity			
Share capital		-	-
Accumulated loss		-	-
Total equity		-	-

For the year ending 31 March 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of HomeServe Heating Services Limited, registered number 03468609, were approved by the board of directors and authorised for issue on 24 August 2021. They were signed on its behalf by:



Richard John Shepherd
Director
24 August 2021

Statement of Changes in Equity

Year ended 31 March 2021

Year ended 31 March 2021	Share capital £000	Accumulated loss £000	Total equity £000
Balance at 1 April 2020	-	-	-
Profit for the year and total comprehensive income	-	-	-
Balance at 31 March 2021	-	-	-

Year ended 31 March 2020	Share capital £000	Accumulated loss £000	Total equity £000
Balance at 1 April 2019	-	(4,121)	(4,121)
Profit for the year and total comprehensive income	-	4,121	4,121
Balance at 31 March 2020	-	-	-

Cash Flow Statement

Year ended 31 March 2021

	Note	2021 £000	2020 £000
Net cash generated from operating activities	10	-	-
Investing activities			
Net cash from investing activities		-	-
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

Notes to the Accounts

Year ended 31 March 2021

1. General information

HomeServe Heating Services Limited is a private company, limited by shares, incorporated in the UK and registered in England and Wales under the Companies Act 2006. The address of the registered office is given in note 11.

The ultimate parent has provided a guarantee to the Company in accordance with s479c of the Companies Act 2006, in relation to all outstanding liabilities at the end of the financial year.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with IFRSs. The financial statements have been prepared on the historical cost basis.

Adoption of new or revised standards and accounting policies

The following accounting standards, interpretations and amendments have been adopted in the year:

Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS7	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS16	COVID-19 Related Rent Concessions
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

None of the items listed above have had any material impact on the amounts reported in this set of financial statements.

Standards in issue but not yet effective

At the date of authorisation of these financial statements the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 17	Insurance Contracts
Amendments to IFRS 3	Reference to Conceptual Framework
Amendments to IAS 1	Classification of liabilities as Current or Non-Current
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before intended use
Amendments to IAS 37	Onerous Contracts – Costs of Fulfilling a Contract
Annual Improvements to IFRS	Standards 2018-2020 Cycle

The Directors do not expect that the adoption of the other Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future years.

Going concern

The Company ceased trading during the year ended 31 March 2018. The financial statements have been prepared on a basis other than that of a going concern.

The financial statements do not include any provisions for the future costs of terminating the business of the Company. No adjustment arose as a result of ceasing to apply the going concern basis. The Directors have no plans currently to dissolve the Company.

Notes to the Accounts

Year ended 31 March 2021

2. Significant accounting policies (continued)

The principal accounting policies adopted are set out below:

Operating loss

Operating loss is stated after charging all operating costs, but before investment income and finance costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Any tax currently payable is based on taxable profit for the period. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Trade receivables

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate allowances for expected credit losses.

Trade payables

Trade payables are not interest-bearing and are stated at amortised cost.

3. Critical accounting judgments and key sources of estimation uncertainty

The Directors believe there are no critical judgements in applying the Company's accounting policies and no key sources of estimation uncertainty which impact on the financial statements of the Company.

4. Business and geographical segments

The Company operates in one business segment and operates solely within the United Kingdom.

5. Profit for the year

Audit fees

In both the current and prior year, the Company took the exemption available from audit under section 479A of the Companies Act 2006.

Staff costs

In the current or prior year, the remuneration of directors was paid by other group undertakings and no part of their remuneration was specifically attributable to services provided to HomeServe Heating Services Limited. Apart from the Directors, there were no employees in either year.

Notes to the Accounts

Year ended 31 March 2021

6. Tax

	2021 £000	2020 £000
Corporation tax	-	-

UK corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit or loss for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2021 £000	2020 £000
Profit before tax	-	4,121
Tax at the UK corporation rate of 19% (2020: 19%)	-	783
Amounts not taxable	-	(783)
Corporation tax charge for the year	-	-

7. Exceptional items

Write off of amounts owed to Parent Company

In the prior year there was a £4,121,000 exceptional gain incurred during the year ending 31 March 2020 following the write off of the net balance due to the Parent Company, HomeServe Membership Limited (HML). The Parent Company wrote off the net balance as HomeServe Heating Services is no longer trading and had insufficient assets to settle the net debt due.

8. Financial assets

Cash balances and cash equivalents

Cash balances and cash equivalents of £1 (2020: £1) comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

9. Share capital

	2021 £	2020 £
Authorised:		
1 ordinary shares of £1 each (2020: 1 ordinary shares of £1 each)	1	1
Issued and fully paid:		
1 ordinary shares of £1 each (2020: 1 ordinary shares of £1 each)	1	1

The Company has one class of ordinary shares, which carry no right to fixed income. Share capital represents consideration received for the nominal value of £1 per share on all issued and fully paid shares.

Notes to the Accounts

Year ended 31 March 2021

10. Note to the cash flow statement

	2021	2020
	£000	£000
Operating loss	-	-
Adjustments for:		
Impact of exceptional items	-	4,121
Operating cash flows before movements in working capital	-	4,121
Decrease in receivables	-	392
Increase/(decrease) in payables	-	(4,513)
Cash (utilised) in operations	-	-
Income taxes refund	-	-
Cash generated from operating activities	-	-

11. Related party transactions

Ultimate parent company

The immediate parent company is HomeServe Membership Limited. The ultimate parent and controlling party is HomeServe plc, registered in England and Wales. The only group in which the results of HomeServe Heating Services Limited are consolidated is that headed by HomeServe plc. The consolidated accounts of the Group are available to the public and may be obtained from Cable Drive, Walsall, West Midlands, WS2 7BN, which is the registered office of both the Company and the ultimate parent company.

Remuneration of key management personnel

In the current and prior year, the directors have been remunerated by HomeServe plc. No part of their remuneration is specifically attributable to the services they provide to HomeServe Heating Services Limited.

12. Financial instruments

Principal financial instruments

The principal financial instruments used by the Company from which financial instrument risk arises are as follows:

- cash and cash equivalents

All principal financial instruments are stated at amortised cost.

Capital risk management

The Company manages its capital to ensure the appropriate balance of debt and equity. There is no externally imposed capital requirement.

The capital structure of the Company consists of cash and cash equivalents as disclosed in note 8 and equity attributable to equity holders of the parent comprising issued capital, reserves and retained deficit as disclosed in the Statement of Changes in Equity.

Notes to the Accounts

Year ended 31 March 2021

12. Financial instruments (continued)

The table below presents quantitative data for the components the Company manages as capital:

	2021 £000	2020 £000
Shareholders' deficit	-	-
Cash and cash equivalents	-	-

Financial risk management objectives

The Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk.

Credit risk

The Company trades only with creditworthy third parties and fellow subsidiary undertakings. It is the Company's policy that customers who wish to trade on credit terms are reviewed for financial stability.

The Company's principal financial assets are bank balances and trade and other receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Company's Board which sets the framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company, which is a member of the HomeServe plc banking arrangement, manages liquidity risk by HomeServe plc maintaining adequate reserves and banking facilities and the Company continuously monitoring forecast and actual cash flows.

The Company has no financial liabilities.