

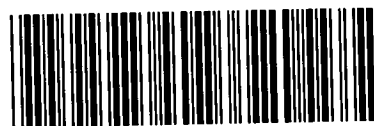
Registration number: 01046906

Dyno-Rod Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

WEDNESDAY



ABCIM7W0

A04

14/09/2022

#74

COMPANIES HOUSE

Dyno-Rod Limited

Contents

	Page(s)
Strategic Report	1 to 4
Directors' Report	5 to 7
Statement of Directors' Responsibilities	6
Independent Auditors' Report	8 to 11
Income Statement	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 to 29

Dyno-Rod Limited

Strategic Report for the Year Ended 31 December 2021

The Directors present their Strategic Report for Dyno-Rod Limited (the 'Company') for the year ended 31 December 2021.

Principal activity

The principal activities of the Company are the operation of a franchise network of service centres for the provision of plumbing services and the clearing, tracing, inspecting and repairing of drains, sewers, culverts, ducting and piping.

Section 172(1) Statement

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

(a) The likely consequences of any decision in the long term

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

(b) The interests of the company's employees

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

(c) The need to foster the company's business relationships with suppliers, customers and others

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

Dyno-Rod Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

(d) The impact of the company's operations on the community and the environment

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

(f) The need to act fairly as between members of the company

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

Culture

The Company's culture is set by the Group and embedded in all we do. Further information on the Group's culture can be found on pages 26 to 36 of Centrica plc's Annual Report and Accounts 2021.

Stakeholder engagement

As is normal for large companies, the Directors delegate authority for day to day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. While there may be cases where the Directors judge that the Company should engage directly with certain stakeholder groups or on specific issues, the size and spread of both our stakeholders and the Group means that generally, stakeholder engagement best takes place at an operational or Group level. The Directors consider that as well as being a more efficient and effective approach, this also helps achieve a greater positive impact on environmental, social and other issues than working alone as an individual company. A description of how the Group engages with its stakeholders is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

Review of the business

The Company had a very successful year in 2021, completing just over 1 million customer visits for domestic and commercial premises across our British Gas Plumbing & Drains, Central Heating leaks, Upgrades, On Demand and Key Account channels. The business protocols around our approach to both serving our customers and protecting our team members during the Covid pandemic held strong and allowed us to continue to deliver across the year on customer needs with engineer Net Promoter Score at 77 and our Trustpilot score for the year at 4.6. Both strong and stable. We continued to work from home but also introduced the ability for Flexible working between home/local office bases to cater for the individual needs of our teams and colleagues. This has proven a positive move with team engagement up over 20 points on the year.

Growth in top line and contribution year on year was very strong as we extended our existing product channels and grew into new areas. We saw a 17% growth in top line and a 15% growth in Contribution, with overall Contribution strong at 20%.

Dyno-Rod Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Centrica plc group (the 'Group') and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are disclosed on pages 38-43 of the Group's Annual Report and Accounts 2021, which does not form part of this report.

A large proportion of the franchisees' business involves working in domestic and commercial premises. With this in mind, health and safety issues are the main areas of non-financial risk upon which the Company focuses. The ultimate customer is served by the franchisee, and the franchise agreements between the Company and the franchisees stipulate the standards that they are required to uphold. However, the Company retains overall responsibility for customer service and brand.

To mitigate these risks, the health and safety team provides regular training and support to enable franchisees to keep up-to-date with best practice and also to ensure that the Company has sufficiently robust systems and procedures that are continuously reviewed.

Ukraine conflict

The Company is a subsidiary of the Centrica group, and as such is impacted by the energy crisis and Ukraine conflict. The energy markets remain very volatile, but the Centrica group continues to maintain a hedging strategy aligned to the price cap to minimise the exposure to market prices. The Company does not own any businesses or operate in Russia or Ukraine and so has no direct impacts from those two countries. Furthermore, the Company has no investments in Russian entities or bonds. The Company is not expecting any direct material impacts but will keep monitoring the position.

Key performance indicators ('KPIs')

Given the nature of the business, the Company's Directors are of the opinion that the KPIs necessary for an understanding of the development, performance and position of the Company are net assets and profit after tax, and these are shown in the Directors' Report.

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are disclosed on pages 14-15 of the Group's Annual Report and Accounts 2021, which does not form part of this report. The results of the Company are disclosed in the Directors' Report on page 5.

Future developments

The business growth trajectory and range of delivery channels continues into 2022 with particular focus on Central Heating leaks, Key Accounts, and On Demand. Going forward, cost management and efficiency focus remains strong alongside business growth, ensuring we balance our delivery model as we scale.

Dyno-Rod Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Approved by the Board on 12/09/2022 and signed on its behalf by:



By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 01046906

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

Dyno-Rod Limited

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Directors of the Company

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements were as follows:

R Roy

S E Mussenden (resigned 30 June 2021)

S D Phillips (appointed 30 June 2021)

Results and dividends

The results of the Company are set out on page 12. The profit for the financial year ended 31 December 2021 is £12,831,000 (2020: profit £9,430,000).

The Company did not pay an interim dividend during the year (2020: £nil) and does not recommend the payment of a final dividend (2020: £nil).

Financial risk management policy

Authority is delegated to management to establish objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed.

Exposure in terms of price risk, credit risk, liquidity risk and cash flow risk

Exposure to counterparty credit risk, liquidity risk and cash flow risk arises in the normal course of the Company's business. Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Liquidity risk is managed through funding arrangements with Group undertakings.

Future developments

Future developments are discussed in the Strategic Report on page 3.

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

In the context of the continuing economic uncertainty caused by commodity price volatility and energy market uncertainty, the Directors have updated their Group going concern assessment as at 30 June 2022 to factor in the Group's updated principal risks, strategy and forecasts, together with modelling further downside sensitivities. The going concern assessment has considered the financial impact on the Group's credit and liquidity headroom of certain stress events impacting the Group's key risks over a 12-18 month horizon. The Group's forecasts show that the Group will maintain sufficient headroom, underpinned by unrestricted cash and cash equivalents, net of bank overdrafts, of c.£3.4 billion as at 30 June 2022, and c.£2.9 billion of undrawn committed facilities, which remain committed until at least 2024.

The Centrica Group interim results were released on 28th July 2022. These demonstrated a resilient financial performance despite a difficult energy supply situation, increases in wholesale gas price, and the ongoing challenges caused by the pandemic. The Group's balance sheet continues to be much stronger than 2020, with a positive cash position of £0.3 billion compared to 2020 when the Group had net debt of £3.0 billion and an overall adjusted operating profit of £1,342m at half year.

Dyno-Rod Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Dyno-Rod Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Approved by the Board on 12/09/2022 and signed on its behalf by:



.....
By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 01046906
Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

Dyno-Rod Limited

Independent Auditors' Report to the Members of Dyno-Rod Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Dyno-Rod Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Dyno-Rod Limited

Independent Auditors' Report to the Members of Dyno-Rod Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the documentation of the policies and procedures relating to fraud and compliance with laws and regulations that has been established by the Company's ultimate parent. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Dyno-Rod Limited

Independent Auditors' Report to the Members of Dyno-Rod Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dyno-Rod Limited

Independent Auditors' Report to the Members of Dyno-Rod Limited (continued)

D. Winstone

Daryl Winstone (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

Date: 12/9/22

Dyno-Rod Limited

Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue	4	75,400	64,269
Cost of sales	6	<u>(55,343)</u>	<u>(46,170)</u>
Gross profit		20,057	18,099
Operating costs	6	(11,238)	(10,282)
Exceptional items - restructuring costs	8	609	(1,758)
Other income	5	<u>572</u>	<u>599</u>
Operating profit		10,000	6,658
Finance income	9	<u>2,835</u>	<u>3,024</u>
Profit before taxation		12,835	9,682
Taxation on profit	12	<u>(4)</u>	<u>(252)</u>
Profit for the year from continuing operations		<u><u>12,831</u></u>	<u><u>9,430</u></u>

There were no recognised gains and losses in either period other than those shown above and accordingly no separate Statement of Comprehensive Income has been included in the Financial Statements.

Dyno-Rod Limited

Statement of Financial Position as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
Non-current assets			
Intangible assets	14	5,283	6,573
Deferred tax assets	12	<u>65</u>	<u>69</u>
		<u>5,348</u>	<u>6,642</u>
Current assets			
Trade and other receivables	15	78,828	74,847
Cash and cash equivalents		<u>17,295</u>	<u>6,983</u>
		<u>96,123</u>	<u>81,830</u>
Total assets		<u>101,471</u>	<u>88,472</u>
Current liabilities			
Trade and other payables	16	(3,473)	(3,221)
Provisions for other liabilities	17	<u>-</u>	<u>(64)</u>
		<u>(3,473)</u>	<u>(3,285)</u>
Net current assets		<u>92,650</u>	<u>78,545</u>
Total assets less current liabilities		<u>97,998</u>	<u>85,187</u>
Net assets		<u>97,998</u>	<u>85,187</u>
Equity			
Share capital	19	150	150
Retained earnings		<u>97,848</u>	<u>85,037</u>
Total equity		<u>97,998</u>	<u>85,187</u>

The financial statement on pages 12 to 29 were approved and authorised for issue by the Board of Directors on 12/09/2022 and signed on its behalf by:



.....
S D Phillips
Director

Company number 01046906

The notes on pages 15 to 29 form an integral part of these financial statements.

Dyno-Rod Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2021	150	85,037	85,187
Profit for the year	-	12,831	12,831
Total comprehensive income	-	12,831	12,831
Exercise of share based payments awards	-	(20)	(20)
At 31 December 2021	150	97,848	97,998

	Share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2020	150	75,625	75,775
Profit for the year	-	9,430	9,430
Total comprehensive income	-	9,430	9,430
Exercise of share based payment awards	-	(18)	(18)
At 31 December 2020	150	85,037	85,187

The notes on pages 15 to 29 form an integral part of these financial statements.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

Dyno-Rod Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales.

The address of its registered office and principal place of business is:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

2 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company financial statements are presented in pounds sterling which is the functional currency of the Company.

Changes in accounting policy

From 1 January 2021, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IFRS 17 and IFRS 4: 'Insurance Contracts' - deferral of IFRS 9; and
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2.

None of these changes or amendments had any material impact on the Company's financial statements.

Summary of disclosure exemptions

In these financial statements, as a qualifying entity the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with Adopted IFRSs;
- the effects of new but not yet effective IFRSs;
- prior year reconciliations for property, plant and equipment and intangible assets;
- the prior year reconciliations in the number of shares outstanding at the beginning and at the end of the year for share capital;
- disclosures in respect of related party transactions with wholly-owned subsidiaries in a group;
- disclosures in respect of the compensation of key management personnel; and
- disclosures in respect of capital management.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

As the consolidated financial statements of the Centrica plc group (the 'Group'), which are available from its registered office, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures' have not been provided apart from those which are relevant for the financial instruments which are held at fair value;
- certain disclosures required by IFRS 3 'Business Combinations' in respect of business combinations undertaken by the Company; and

Measurement convention

The financial statements have been prepared on the historical cost basis.

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

In the context of the continuing economic uncertainty caused by commodity price volatility and energy market uncertainty, the Directors have updated their Group going concern assessment as at 30 June 2022 to factor in the Group's updated principal risks, strategy and forecasts, together with modelling further downside sensitivities. The going concern assessment has considered the financial impact on the Group's credit and liquidity headroom of certain stress events impacting the Group's key risks over a 12-18 month horizon. The Group's forecasts show that the Group will maintain sufficient headroom, underpinned by unrestricted cash and cash equivalents, net of bank overdrafts, of c.£3.4 billion as at 30 June 2022, and c.£2.9 billion of undrawn committed facilities, which remain committed until at least 2024.

The Centrica Group interim results were released on 28th July 2022. These demonstrated a resilient financial performance despite a difficult energy supply situation, increases in wholesale gas price, and the ongoing challenges caused by the pandemic. The Group's balance sheet continues to be much stronger than 2020, with a positive cash position of £0.3 billion compared to 2020 when the Group had net debt of £3.0 billion and an overall adjusted operating profit of £1,342m at half year.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revenue recognition

The company performs drain and plumbing services with revenue recognised at a point in time as drain and plumbing services are performed.

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities, and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

Cost of Sales

Cost of sales relating to fixed-fee service and insurance contracts includes direct labour and related overheads on installation work, repairs and service contracts in the year.

COVID-19 Support Schemes

As a result of the economic impacts of the COVID-19 pandemic, a number of government programmes have been put into place to support businesses and consumers. Examples of such initiatives include the UK's Coronavirus Job Retention Scheme. In accounting for the impacts of these measures, the Company has applied IAS 20: 'Government grants'. Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them, and that the grant will be received. Government grants are recognised in the Income Statement on a systematic basis over the periods in which the related costs that they are intended to compensate are recognised. Grants related to income are reported as Other Income in the Income Statement. Government grants received in advance of the Company meeting the criteria for recognition in the Income Statement are deferred and presented within Trade and other payables. There is no impact of this policy on prior periods.

During the year the Company recognised an amount totalling £nil (2020: £54,000) receivable under the UK Government's Coronavirus Job Retention Scheme. This has been presented as Other Income in the Income Statement.

In February 2022 the Centrica Plc Group repaid the cash received under this scheme.

Franchise income

The Company operates a franchise network model for the provision of nationwide plumbing and drainage services. The franchisees purchase the right to use the Dyno brand for a number of years, and therefore the franchisor "earns" the fee income over the same number of years. The franchise fee applies to the whole period of the franchise, whether the franchisee pays it in a lump sum or in instalments. The income is governed by agreements and is recognised only once it is earned.

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Employee share schemes

The Centrica plc group, to which the Company belongs, operates a number of employee share schemes, detailed in the Remuneration Report on pages 71-94 and in note S2 to the Group financial statements, under which it makes equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant (excluding the effect of non-market based vesting conditions). The fair value determined at the grant date is expensed on a straight-line basis in the Income Statement together with a corresponding increase in equity over the vesting period, based on the Centrica plc group's estimate of the number of awards that will vest, and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using methods appropriate to each of the different schemes detailed in note S2 of the Group financial statements.

Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. To ensure the business performance reflects the underlying results of the Company, these exceptional items are disclosed separately in the income statement. Items which may be considered exceptional in nature include disposals of businesses, business restructurings, significant onerous contract charges and asset write-downs/impairments.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in equity. In this case, the tax is recognised in equity.

Deferred tax is recognised in respect of all temporary differences identified at the reporting date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement using tax rates that have been enacted or substantively enacted at the reporting date.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets include contractual customer relationships, brands, application software, emissions trading schemes, renewable obligation certificates, and certain exploration and evaluation expenditures, the accounting policies for which are dealt with separately below. For purchased application software, for example investments in customer relationship management and billing systems, cost includes contractors' charges, materials, directly attributable labour and directly attributable overheads.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful lives and are tested for impairment annually, otherwise they are assessed for impairment whenever there is an indication that the intangible asset could be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for on a prospective basis by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Capitalisation begins when expenditure for the asset is being incurred and activities necessary to prepare the asset for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to prepare the asset for use are complete. Amortisation commences at the point of commercial deployment. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from their use.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the intangible asset could be impaired, either individually or at the Cash Generating Unit (CGU) level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Amortisation

Intangible assets subject to amortisation are provided so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Application software	Straight line, up to 15 years

Property, plant and equipment ('PP&E')

PP&E is included in the Statement of Financial Position at cost, less accumulated depreciation and any provisions for impairment. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Subsequent expenditure in respect of items of PP&E, such as the replacement of major parts, major inspections or overhauls, are capitalised as part of the cost of the related asset where it is probable that future economic benefits will arise as a result of the expenditure and the cost can be reliably measured. All other subsequent expenditure, including the costs of day-to-day servicing, repairs and maintenance, is expensed as incurred.

Freehold land is not depreciated. Other PP&E, with the exception of upstream production assets (for which the 'unit of production method' is used), are depreciated on a straight-line basis at rates sufficient to write off the cost, less estimated residual values, of individual assets over their estimated useful lives.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Depreciation of PP&E

The depreciation periods for the principal categories of assets are as follows:

Asset class	Depreciation method and rate
Computer equipment	Straight line, between 3 and 10 years

The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and if necessary changes are accounted for prospectively.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, that can be measured reliably, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. Where discounting is used, the increase in the provision due to the passage of time is recognised in the Income Statement within interest expense.

Onerous contract provisions are recognised where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

Pensions and other post-employment benefits

The Company's employees participate in a number of the Group's defined benefit pension schemes. The total Group cost of providing benefits under defined benefit schemes is determined separately for each of the Group's schemes using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in the period in which they occur. The key assumptions used for the actuarial valuation are based on the Group's best estimate of the variables that will determine the ultimate cost of providing post-employment benefits, on which further detail is provided in note 22 to the Group financial statements. The Company's share of the total Group surplus or deficit at the end of the reporting period for each scheme is calculated in proportion to the Company's share of ordinary employer contributions into that scheme during the year; ordinary employer contributions are determined by the pensionable pay of the Company's employees within the scheme and the cash contribution rates set by the scheme trustees. Current service cost is calculated with reference to the pensionable pay of the Company's employees. The Company's share of the total Group interest on scheme liabilities, expected return on scheme assets and actuarial gains or losses is calculated in proportion to ordinary employer contributions in the prior accounting period. Changes in the surplus or deficit arising as a result of the changes in the Company's share of total ordinary employer contributions are also treated as actuarial gains or losses.

Payments to defined contribution retirement benefit schemes are recognised in the Company's Income Statement as they fall due.

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss in respect of goodwill shall not be reversed in a subsequent period. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

The Company provides for impairments of financial assets when there is objective evidence of impairment as a result of events that impact the estimated future cash flows of the financial assets.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

- Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are initially recognised at fair value, which is usually the original invoice amount, and are subsequently held at amortised cost using the effective interest method less an allowance for expected credit losses.

- Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method (although, in practice, the discount is often immaterial). If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

- Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Company's Income Statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

- Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience or other factors that are considered to be relevant. Actual results may differ from these estimates.

In the Directors' opinion there are no critical judgements or key sources of estimation uncertainty.

4 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Plumbing	54,640	48,861
Drains	20,760	15,408
	<u>75,400</u>	<u>64,269</u>

All services were provided in the United Kingdom and Ireland.

5 Other income

The analysis of the Company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Franchise income	572	545
Cost recovery via Coronavirus government support programmes	-	54
	<u>572</u>	<u>599</u>

COVID-19 Support Schemes

During 2021 the Company recognised an amount totalling £nil (2020: £54,000) receivable under the UK Government's Coronavirus Job Retention Scheme. This was presented as Other Income in the Income Statement.

In February 2022 the Centrica Plc Group repaid the cash received under this scheme.

Franchise income

During 2021 the Company recognised £572,000 (2020: £545,000) of franchise income representing the recharge of overheads to the franchise network.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Analysis of costs by nature

	Cost of sales £ 000	2021 Operating costs £ 000	Total costs £ 000	Cost of sales £ 000	2020 Operating costs £ 000	Total costs £ 000
Employee costs	-	(4,520)	(4,520)	-	(4,360)	(4,360)
Depreciation, amortisation, impairment and write-downs	-	(1,408)	(1,408)	-	(332)	(332)
Engineering costs	(55,343)	-	(55,343)	(46,170)	-	(46,170)
Impairment of trade receivables	-	(199)	(199)	-	23	23
Other operating costs	-	(5,111)	(5,111)	-	(5,613)	(5,613)
Total costs by nature	<u>(55,343)</u>	<u>(11,238)</u>	<u>(66,581)</u>	<u>(46,170)</u>	<u>(10,282)</u>	<u>(56,452)</u>

7 Employee costs

The aggregate employee costs (including Directors' remuneration) were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	(3,635)	(3,577)
Social security costs	(361)	(370)
Pension and other post-employment benefits	(568)	(536)
Share-based payment expenses	(30)	(11)
Capitalisation of employee costs	-	211
Employee costs included in exceptional items	122	64
Other employee expense	<u>(48)</u>	<u>(141)</u>
	<u>(4,520)</u>	<u>(4,360)</u>

The average number of persons employed by the company (including Directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	75	75
Sales, marketing and distribution	<u>24</u>	<u>26</u>
	<u>99</u>	<u>101</u>

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

8 Exceptional items

The following exceptional items were recognised in arriving at operating profit for the reporting year:

	2021	2020
	£ 000	£ 000
Exceptional items - restructuring costs	<u>609</u>	<u>(1,758)</u>

9 Net finance income/cost

Finance income

	2021	2020
	£ 000	£ 000
Interest income from amounts owed by Group undertakings	<u>2,835</u>	<u>3,024</u>
Total finance income	<u>2,835</u>	<u>3,024</u>

10 Directors' remuneration

The Directors were remunerated as employees of Centrica plc Group and did not receive any remuneration, from any source, for their services as Directors of the Company during the current or preceding financial year. Accordingly, no details in respect of their emoluments have therefore been included in these financial statements.

11 Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the Financial Statements provided to the Company.

	2021	2020
	£ 000	£ 000
Audit fees	<u>(30)</u>	<u>(30)</u>

Auditors' remuneration relates to fees for the audit of the financial statements of the Company.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group Financial accounts of its ultimate parent, Centrica plc.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

12 Income tax

Tax charged in the Income Statement

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	-	(10)
Deferred taxation		
Origination and reversal of temporary differences	(20)	(50)
Changes in tax rates	16	12
Adjustment in respect of prior period	-	(204)
Total deferred taxation	(4)	(242)
Taxation on profit	(4)	(252)

The UK rate of corporation tax for the year to 31 December 2021 was 19% (2020: 19%).

The UK corporation tax rate will increase to 25% with effect from 1 April 2023. At 31 December 2021, the relevant UK deferred tax assets and liabilities included in these Financial Statements were measured at the prevailing rate applicable for the period when the underlying temporary differences are expected to reverse.

The differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before tax are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	12,835	9,682
Tax on profit at standard UK corporation tax rate of 19% (2020: 19%)	(2,439)	(1,840)
Increase (decrease) in current tax from adjustment for prior periods	-	(214)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	(1)	(272)
Increase (decrease) arising from group relief tax reconciliation	2,458	2,082
Increase (decrease) from transfer pricing adjustments	(38)	(20)
Deferred tax expense (credit) relating to changes in tax rates or laws	16	12
Total tax charge	(4)	(252)

Deferred tax

The movements in respect of the deferred income tax assets and liabilities that occurred during the financial year are as follows:

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

12 Income tax (continued)

	Accelerated tax depreciation £000
1 January 2021	69
Charged to the Income Statement	<u>(4)</u>
31 December 2021	<u><u>65</u></u>

	Accelerated tax depreciation £000
1 January 2020	311
Charged to the Income Statement	(38)
Prior period adjustments	<u>(204)</u>
31 December 2020	<u><u>69</u></u>

13 Property, plant and equipment

	Computer equipment £ 000
Cost	
At 1 January 2021	<u>1,553</u>
At 31 December 2021	<u>1,553</u>
Accumulated depreciation and impairment	
At 1 January 2021	<u>(1,553)</u>
At 31 December 2021	<u>(1,553)</u>
Net book value	
At 31 December 2021	<u><u>-</u></u>
At 31 December 2020	<u><u>-</u></u>

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

14 Intangible assets

	Application software £ 000
Cost or valuation	
At 1 January 2021	12,108
Additions and capitalised borrowing costs	<u>118</u>
At 31 December 2021	<u>12,226</u>
Amortisation	
At 1 January 2021	(5,535)
Amortisation	<u>(1,408)</u>
At 31 December 2021	<u>(6,943)</u>
Carrying amount	
At 31 December 2021	<u>5,283</u>
At 31 December 2020	<u>6,573</u>

15 Trade and other receivables

	2021 Current £ 000	2020 Current £ 000
Trade and other receivables	3,792	2,840
Provision for impairment of trade and other receivables	<u>(821)</u>	<u>(645)</u>
Net trade receivables	2,971	2,195
Amounts owed by Group undertakings	74,452	71,385
Accrued income	607	616
Other receivables	<u>798</u>	<u>651</u>
	<u>78,828</u>	<u>74,847</u>

The amounts owed by Group undertakings have been presented on a net basis as there is a legal right of offset, and the intent is to settle amounts on a net basis. Included within the net amounts owed by Group undertakings disclosed above is £69,421,000 (2020: £65,949,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 3.61 and 4.23% per annum during 2021 (2020: 4.42 and 4.73%). The other net amounts owed by Group undertakings are interest-free. All amounts owed by Group undertakings are unsecured and repayable on demand.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

16 Trade and other payables

	2021 Current £ 000	2020 Current £ 000
Trade payables	(1,480)	(891)
Accrued expenses	(1,480)	(1,748)
Social security and other taxes	(511)	(574)
Other payables	(2)	(8)
	<u>(3,473)</u>	<u>(3,221)</u>

17 Provisions for other liabilities

	Restructuring £ 000
At 1 January 2021	(64)
Unused provision reversed to the Income Statement	19
Provisions used	<u>45</u>
At 31 December 2021	<u>-</u>

Restructuring

The restructuring provision relates to the implementation of the Group's strategic review and cost reduction programmes.

18 Post-retirement benefits

Defined benefit pension schemes

The Company's employees participate in a number of Group defined benefit pension schemes. Information on these schemes is provided in note 22 to the Group financial statements. The Company is unable to accurately identify its share of the overall pension scheme surplus or deficit and therefore accounts for the schemes as if they were a defined contribution scheme. Contributions payable of £202,000 (2020: £191,000) were recognised as an expense payable in the Income Statement.

Defined contribution pension scheme

The total cost charged to Income Statement of £366,000 (2020: £345,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the scheme.

Dyno-Rod Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

19 Capital and reserves

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>

Retained earnings

The balance classified as retained earnings includes the profits and losses realised by the Company in previous periods that were not distributed to the shareholders of the Company at the reporting date.

20 Parent and ultimate parent undertaking

The immediate parent undertaking is British Gas Services Limited, a company registered in England and Wales.

The ultimate parent undertaking is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from www.centrica.com.

The registered address of Centrica plc is Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD.