

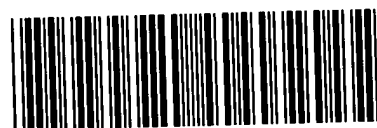
HomeServe Assistance Limited

**Annual Report and Financial Statements for the year
ended**

31 March 2021

Company Registration No: 03763084

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Strategic Report

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

Principal Activity

The Company is a wholly owned subsidiary of its ultimate parent company, HomeServe plc.

The Company's principal activity is to act as an intermediate holding company. There have not been any significant changes in the Company's principal activity in the year under review.

Financial Review

During the year profit before tax was £71,817,000 (2020: £104,469,000). The decrease in profit is primarily due to a £28,000,000 impairment in the investment of HomeServe Labs Limited during the year following an equivalent investment into HomeServe Labs Limited as part of a recapitalisation project. The impairment has been recorded as exceptional due to its size, nature and incidence.

The balance sheet on page 10 of the financial statements shows the Company's financial position at the year end. At the year end, there were net assets of £766,817,000 (2020: £721,855,000). This increase was largely due to a capital injection during the year of £73,000,000 (2020: £715,000,000) by the immediate parent company HomeServe Enterprises Limited. The additional capital initially increased the share capital by £73,000,000 and then, following a capital reduction, £28,000,000 was transferred to retained earnings resulting in a net increase to share capital of £45,000,000.

Principal Risks and Uncertainties

There are a number of risks and uncertainties that could have a material impact on the Company's future 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 pandemic and are satisfied that the impact on the Company will be limited based on the resilience of the Group's operating model and consumer behavior. Through FY21, trading in the Group's Membership businesses remained very resilient against the backdrop of the COVID pandemic, with the Group customer retention rate increasing compared to FY20. The initial impact of stay-at-home restrictions on the Group's Home Experts businesses was more pronounced, with the core customer base - tradespeople providing largely non-emergency services – unable to access homes, and therefore work. However, whilst the Group's territories have subsequently seen further rolling stay-at-home restrictions since the initial lockdown measures of spring 2020, tradespeople have been able to access homes to perform non-emergency services. Coupled with this, consumer demand in the Group's Home Experts businesses returned very strongly through summer 2020 and onwards. Nevertheless, uncertainty related to the future course of the pandemic, and indeed future public health crises, remains an area of focus. With respect to the current COVID pandemic, due to differences by country in impact and restrictions, the risk and response is being managed locally with consideration on the specific risk environment for each business.

Brexit has never featured as one of the Company's enterprise risks, but it continued to be monitored at a Group level up until the end of the transition period on 31 December 2020. The Company notes the Trade and Cooperation Agreement reached between the UK and the EU at the end of 2020. Although the full range, scale and timing of outcomes of the UK leaving the EU continue to be somewhat uncertain, as expected, the impact on the underlying performance of the Company has, to date, been limited and is expected to remain so.

Environment and Community

The Company is committed to environmental sustainability and engaging with local communities. We recognise that the Company has a responsibility to act in a way that respects the environment and local community and, as such, the Directors are encouraged to incorporate an awareness of environmental and local community 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 Annual Report.

Strategic 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.

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.

Business Relationships

The Company's key business relationships are with other subsidiaries in the Group. The Directors ensure that the subsidiary companies receive the operational and financial support required to ensure that the Group as a whole operates effectively. The Company also has key business relationships with other suppliers and customers and engages with them as necessary. The Directors operate a Code of Conduct in order to set high standards to maintain the Company's reputation.

Financial Results

The Company's results are shown in the Profit and loss account on page 9. The Directors paid a dividend to ordinary shareholders of £99,816,000 (2020: £105,000,000).

Key Performance Indicators

The HomeServe plc Group manages its operations on a divisional basis. For this reason, the Company's 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 HomeServe plc, which includes the Company, is discussed in the Group's Annual Report which does not form part of this Annual Report. A copy of the Group Annual Report can be found at www.homeserveplc.com.

Going Concern and Future Outlook

The Directors confirm that, after reviewing the Company's budget and projected cash flows, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. As part of the review of the Company's budget and projected cash flows, the Directors have considered the impact of the COVID pandemic and are satisfied that the longer term prospects of the business remain unchanged. For this reason, the Directors have adopted and will continue to adopt the going concern basis in preparing the financial statements.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Strategic Report

Section 172 (1) Statement

This statement aligns to the Section 172(1) statement requirements contained in Section 414CZA of the Companies Act 2006 ('the Act'). It focuses on how the Directors have had regard during the year to the matters set out in Section 172(1) (a) to (f) of the Act when performing their duties. It incorporates information from the Strategic Report to avoid unnecessary duplication.

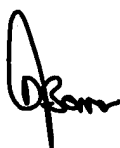
In the performance of its duty to promote the success of the Company, the Directors have regard to a number of matters, including considering the views of shareholders and the Company's other key stakeholders to ensure it fully understands the potential impacts of the decisions it makes for stakeholders, the environment and communities in which it operates.

The Company's key stakeholders are generally managed on a day-to-day basis by the Directors. Matters discussed in the year and their impacts on key stakeholders are discussed in the Strategic Report. The governance and processes that the Company operates ensures that relevant matters are considered by the Directors.

The table below identifies where, in the Strategic Report, the Directors have considered the requirements of Section 172(1) with regard to relevant matters and stakeholders.

The Board has had regard to the following matters:	More information in the following sections of the Strategic Report:
Long term results – the likely consequences of any decision in the long-term	Principal Activity Financial Review Principal Risks and Uncertainties Financial Results Key Performance Indicators Going Concern and Future Outlook
Work force – the interests of our people	Employment Policies
Our business relationships – the importance of supporting our subsidiaries	Business Relationships
Our environment and community – the impact of the Company on the environment	Environment and Community
Our reputation – our desire to maintain our reputation for high standards of business conduct	Business Relationships
Our shareholders – the need to act fairly between members of the Company	Directors' Report

By order of the Board



Mr David Jonathan Bower
Director

29 June 2021

Directors' Report

The Directors have pleasure in presenting their Annual Report and Financial Statements for the year ended 31 March 2021, together with the auditor's report.

These financial statements have been prepared in accordance with FRS 101: Reduced Disclosure Framework (FRS 101).

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

Directors

The Directors who held office during the year, and to the date of this report, were as follows:

Mr Richard David Harpin
Mr David Jonathan Bower

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 proposed and paid an interim dividend to ordinary shareholders of £99,816,000 (2020: £105,000,000). There is no final proposed dividend for the year ended 31 March 2021 (2020: £nil).

Political contributions

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

Auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself 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(2) of the Companies Act 2006.

Deloitte LLP were appointed as auditor for the current year and have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an AGM.

By Order of the Board



Mr David Jonathan Bower
Director

29 June 2021

Registered Office: Cable Drive, Walsall, United Kingdom, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then 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.

Independent Auditor's Report

Independent auditor's report to the members of HomeServe Assistance Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of HomeServe Assistance Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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.

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.

Independent Auditor's Report

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks 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 UK Companies Act and local 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 such as tax, valuations and IT 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.

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, internal audit and in-house legal counsel 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 and reviewing internal audit reports.

Independent Auditor's Report

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 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.

DocuSigned by:

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Neil Reed FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

Birmingham, United Kingdom

29 June 2021

Profit and Loss Account

For the year ended 31 March 2021

	Note	2021 £000	2020 £000
Continuing operations			
Operating expense		(28,000)	(531)
Operating loss		(28,000)	(531)
Income from shares in Group undertakings	4	99,817	105,000
Interest receivable and similar income	7	162	-
Interest payable and similar expenses	8	(162)	-
Adjusted profit before tax		99,817	104,469
Exceptional items			
Impairment in Investment	5	(28,000)	-
Profit before tax	5	71,817	104,469
Tax (charge)/credit	9	(39)	559
Profit for the year and total comprehensive income		71,778	105,028

Balance Sheet

As at 31 March 2021

	Note	2021 £000	2020 £000
Fixed assets			
Fixed assets investments	10	787,371	718,322
		787,371	718,322
Current assets			
Debtors	11	-	130
Cash at bank and in hand	11	4,108	4,147
		4,108	4,277
Total assets		791,479	722,599
Creditors: Amounts falling due within one year	12	(740)	(744)
Net current assets		3,368	3,533
Total assets less current liabilities		790,739	721,855
Creditors: Amounts falling due after more than one year	13	(23,922)	-
Total liabilities		(24,662)	(744)
Net assets		766,817	721,855
Equity			
Called up share capital	14	760,109	715,109
Profit and loss account		6,708	6,746
Total equity		766,817	721,855

The financial statements of HomeServe Assistance Limited, registered number 03763084, were approved by the Board of Directors and authorized for issue on 29 June 2021. They were signed on its behalf by:



Mr David Jonathan Bower
Director

29 June 2021

Statement of Changes in Equity

For the year ended 31 March 2021

	Called up Share Capital £000	Profit and Loss account £000	Total Equity £000
Balance at 1 April 2020	715,109	6,746	721,855
Profit for the year and total comprehensive income	-	71,778	71,778
Dividends paid (note 6)	-	(99,816)	(99,816)
Issue of shares	73,000	-	73,000
Capital reduction (note 14)	(28,000)	28,000	-
Balance at 31 March 2021	760,109	6,708	766,817

	Called up Share Capital £000	Profit and Loss account £000	Total Equity £000
Balance at 1 April 2019	109	6,718	6,827
Profit for the year and total comprehensive income	-	105,028	105,028
Dividends paid (note 6)	-	(105,000)	(105,000)
Issue of shares	715,000	-	715,000
Balance at 31 March 2020	715,109	6,746	721,855

Notes to financial statements

For the year ended 31 March 2021

1. General information

HomeServe Assistance Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in note 16.

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

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 and IFRS 10 because it is a wholly owned subsidiary of HomeServe plc which prepares consolidated financial statements which are publicly available.

Going concern

The Directors confirm that, after reviewing the Company's budget and projected cash flows, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. As part of the review of the Company's budget and projected cash flows, the Directors have considered the impact of the COVID pandemic and are satisfied that the longer term prospects of the business remain unchanged. For this reason, the Directors have adopted and will continue to adopt the going concern basis in preparing the financial statements.

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

Adoption of new or revised standards

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 IFRS 7	Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 16	COVID-19 Related Rent Concessions
Conceptual Framework	Amendments to References to the Conceptual Framework on IFRS Standards

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

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard:

- Cash Flow Statement and related notes
- Related party disclosures for transactions with parent or wholly owned members of the group
- Disclosure of the effects of new International Financial Reporting Standards in issue but not yet effective at the reporting date
- Disclosure of the categories of financial instruments, fair value measurement and nature and extent of the risks arising on these financial instruments
- Disclosure of the objectives, policies and processes for managing capital
- Comparative year reconciliations for share capital and investments
- Disclosure of the valuation technique and key assumptions used to measure an impairment loss

Notes to financial statements

For the year ended 31 March 2021

2. Significant accounting policies (continued)

The financial statements have been prepared on a going concern basis as set out in the Strategic Report. The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below:

Income from shares in group undertakings

Income from shares in group undertakings is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest receivable and similar income

Interest receivable and similar income is recognised in the Profit and loss account in the year in which it is earned.

Interest payable and similar expenses

Interest payable and similar expenses are recognised in the Profit and loss account in the year in which they are incurred.

Operating profit/(loss)

Operating profit/(loss) is stated after charging all operating costs but before other interest receivable and similar income and interest payable and similar charges.

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.

Taxation

The tax expense represents the sum of the tax currently payable / receivable.

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

Investments

Investments in subsidiary undertakings and associates are shown at cost less provision for impairment. At each balance sheet date, the Company conducts an impairment review of the carrying value of its subsidiaries and associates in order to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an estimate is made of the recoverable amount of the investment. If the recoverable amount is less than its carrying value, an impairment loss is recognised as an expense immediately. The methodology used is either fair value less costs to sell or value in use.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The classification depends on the nature and purpose of the financial assets or liabilities and is determined at the time of initial recognition.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). The classification is based on two criteria:

- the Company's business model for managing the assets; and
- whether the instruments' contractual cash flows represent "Solely Payments of Principal and Interest" on the principal amount outstanding (the "SPPI criterion").

Notes to financial statements

For the year ended 31 March 2021

2. Significant accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Cash at bank and in hand

Cash at bank and in hand comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Debtors

Debtors include amounts owed by third parties and Group undertakings. Amounts owed by Group undertakings are both interest bearing and non interest bearing. Amounts owed by third parties and Group undertakings that are not interest bearing are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts and are receivable on demand. Amounts owed by Group undertakings that are interest bearing are stated at amortised cost and reduced by appropriate allowances for estimated recoverable amounts. In both circumstances an amortised cost basis is adopted because the business model of the Company is to collect contractual cash flows and therefore the debt meets the SPPI criterion. Amounts due within 12 months are disclosed within current assets and amounts due after 12 months are disclosed within fixed assets. Allowances for estimated irrecoverable amounts incorporate an expectation of life-time credit losses from initial recognition and are determined using an expected credit loss approach.

Creditors

Creditors include amounts owed to third parties and Group undertakings. Amounts owed to Group undertakings are both interest bearing and non interest bearing. Amounts owed to third parties and Group undertakings that are not interest bearing are stated at amortised cost and are repayable on demand. Amounts owed to Group undertakings that are interest bearing are stated at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Significant judgements and key sources of estimation uncertainty

The Directors believe there are no significant judgements in applying the Company's accounting policies. Key sources of estimation uncertainty include the annual assessment of Group investments for impairment. The Company annually checks its investments for impairment, which involves assessing the recoverable amount of each investment. For the investment in Sherrington Mews Limited (the immediate parent of Checktrade, hereafter referred to as Checktrade), the recoverable amount has been based on future cash flows with the business modelling scenarios with varying levels of severity as a result of the COVID pandemic. Key sources of estimation uncertainty include different timelines for emerging from lockdowns and the resultant impacts on customer, employee and supplier mobility and how this impacts profits and cash flows. In addition, the business has also considered potential upside factors such as increased demand as situations ease. The analyses, which management believe are based on reasonably plausible assumptions, do not result in the carrying amount of goodwill exceeding the recoverable amount.

Although the recoverable amount of Checktrade exceeds the carrying value by £26m, the business model sees the entity move towards profitability in FY23 with substantial growth thereafter and, as a result, management have applied a number of sensitivities to understand the impact of reasonably possible changes to future cash flows and discount rates over the period. With respect to changes in cash flows, a reduction in the year 3 modelled cash flows of 40%, reflecting management's judgement of the highest level of reasonably possible potential uncertainty which could arise as a result of COVID, would result in an impairment of £51m. No reasonably possible changes in discount rate resulted in an impairment. The carrying value of Checktrade is £124.3m (FY20: £79.3m).

Notes to financial statements

For the year ended 31 March 2021

3. Business and geographical segments

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

4. Income from shares in Group undertakings

	2021 £000	2020 £000
Dividend income	99,817	105,000

5. Profit before tax

Exceptional item

During the year the Company injected £28,000,000 of capital into HomeServe Labs Limited, an immediate subsidiary of HomeServe Assistance Limited. Following the investment in HomeServe Labs Limited, an impairment review was undertaken and an impairment of £28,000,000 was recorded in the operating expenses line of the profit and loss account for the year. The impairment resulted in the carrying value HomeServe Labs Limited being reduced to £nil.

Audit fees

The fee payable to the Company's auditor for the audit of the Company's annual financial statements was £10,000 (2020: £10,000) and was borne by a fellow group undertaking with no right of recourse. No fees were payable for non-audit fees in either the current or prior year.

Staff costs

Excluding Directors, no persons were employed by the Company during the current or preceding financial year. Directors' emoluments were borne by fellow Group undertakings and no part of their remuneration is specifically attributable to services provided to HomeServe Assistance Limited.

6. Dividends

The Company paid a dividend of £0.13 per share (2020: £0.15 per share) to ordinary shareholders during the year amounting to £99,816,000, (2020: £105,000,000).

7. Interest receivable and similar income

	2021 £000	2020 £000
Interest from loans to other Group undertakings	162	-

8. Interest payable and similar expenses

	2021 £000	2020 £000
Interest on loans from other Group undertakings	162	-

Notes to financial statements

For the year ended 31 March 2021

9. Tax

	2021 £000	2020 £000
Current tax credit	-	(559)
Adjustments in respect of prior year	39	-
Total tax charge/(credit)	39	(559)

UK corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year in accordance with applicable statutory rates.

The charge/(credit) for the year can be reconciled to the profit per the profit and loss account as follows:

	2021 £000	2020 £000
Profit before tax	71,817	104,469
Tax at the UK corporation rate of 19% (2020: 19%)	13,645	19,849
Tax effect of items that are not deductible/(taxable) in determining taxable profit	5,320	(458)
Non-taxable dividend income	(18,965)	(19,950)
Adjustment in respect of prior years – current tax	39	-
Tax charge/(credit) for the year	39	(559)

The UK Government in its 2021 Budget announced that the main UK corporate rate would be maintained at 19% until 31 March 2023, before being increased to 25% from 1 April 2023. This proposal was substantively enacted on 24 May 2021.

10. Fixed assets investments

All companies listed below are owned (directly or indirectly) by HomeServe Assistance Limited and all interests are in the ordinary share capital. Details of all the Company's subsidiaries and other investments at 31 March 2021 are as follows:

Name of legal entity	Activity	Place of incorporation ownership (or registration) and operation	Proportion of voting interest and power %	Registered address
Holding Companies				
HomeServe International Limited*	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe France Holding SAS	Trading	France	100	9, rue Anna Marly ,CS 80510 , 69365 LYON Cedex 7
HomeServe Energy Services SAS	Trading	France	100	9, rue Anna Marly ,CS 80510 , 69365 LYON Cedex 7
HomeServe USA Holdings Corp	Trading	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
HomeServe Beteiligungs GmbH	Trading	Germany	100	Rheinstr. 30-32, 65185, Wiesbaden
Sherrington Mews Limited*	Trading	England	100	Building 2000, Lakeside North Harbour, Western Road, Portsmouth PO6 3EN
Mouse Holding SAS**	Trading	France	20	73 Boulevard Hausmann, 75008 Paris

Notes to financial statements

For the year ended 31 March 2021

10. Fixed assets investments (continued)

UK

HomeServe Membership Limited*	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Servowarm Limited*	Non-trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe At Home Limited	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
Vetted Limited	Trading	England	100	Building 2000, Lakeside North Harbour, Western Road, Portsmouth PO6 3EN
247999 Limited	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
Home Energy Services Limited	Non-trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Heating Services Limited	Non-trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe France Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe USA Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Now Limited*	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Labs Limited*	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Help-Link UK Limited	Trading	England	100	3310 Century Way, Thorpe Park, Colton Leeds, LS15 8ZB
Energy Insurance Services Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Aqua Plumbing & Heating Services Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN

Continental Europe

HomeServe SAS	Trading	France	100	9, rue Anna Marly ,CS 80510 , 69007 LYON Cedex 7
Electro Gaz Service SA	Trading	France	100	17, rue Bavastro, 06300, NICE
ID Energies SAS	Trading	France	100	ZA d'Armanville, route de la brique, 50700 Valognes
Sylvain Brun Froid SAS	Trading	France	100	401 rue des Champagnes 73290 La Motte-Servolex
HomeServe on Demand SAS	Trading	France	100	9, rue Anna Marly ,CS 80510 , 69007 LYON Cedex 7
Groupe Maison.fr SAS** (formerly HomeServe Home Experts SAS)	Trading	France	20	350 avenue JRGG de la Lauzière, 13290 Aix-en-Provence
Societe V.B. Gaz	Trading	France	100	1 rue George Sand, 94000 Creteil
Aujard SAS	Trading	France	100	37 Quater 1 route d'Hericy 77870 Vulaines sur Seine
Conviflamme SAS	Trading	France	100	Chemin des Carrières 14123 Fleury-sur-Orne
Lesage SAS	Trading	France	100	ZA d'Armanville secteur de prémesnil 50700 Valognes
Réseau Energies SAS	Trading	France	100	Chemin des Carrières 14123 Fleury-sur-Orne
Société de Maintenance Thermique SAS	Trading	France	100	117 avenue du 8 mai 1945 42340 Veauche

Notes to financial statements

For the year ended 31 March 2021

10. Fixed assets investments (continued)

G2M SAS	Trading	France	100	41 route de la libération 69110 Ste Foy les Lyon
PH Energies SAS	Trading	France	100	318 rue des digues, 14123 Fleury-sur-Orne
PH9 SAS	Trading	France	100	318 rue des digues, 14123 Fleury-sur-Orne
Pack SD SAS	Trading	France	100	318 rue des digues, 14123 Fleury-sur-Orne
Roussin Energies SAS	Trading	France	100	34, allée des Balmes, 38600 Fontaines
HomeServe Belgium SRL	Trading	Belgium	100	Square de Meeûs 38/40 1000 Bruxelles
HomeServe Assistencia Spain SAU	Trading	Spain	100	Camino del Cerro de los Gamos 1, Parque empresarial – Edificios 5 y 6, 28224 Pozuelo de Alarcon
HomeServe Spain S.L.U	Trading	Spain	100	Camino del Cerro de los Gamos 1, Parque empresarial – Edificios 5 y 6, 28224 Pozuelo de Alarcon
Seguragua SAU	Trading	Spain	100	Camino del Cerro de los Gamos 1, Parque empresarial – Edificios 5 y 6, 28224 Pozuelo de Alarcon
Habitissimo S.L.	Trading	Spain	100	c/ Rita Levi, Edificio Blue - Parc Bit CP 07121, Palma de Mallorca
Bit Advanced Marketing S.L.	Trading	Spain	100	Passeig Mallorca 17C, 07011 Palma de Mallorca
Oscagas Hogar SLU	Trading	Spain	100	Rafael Alberti No 8, Zaragoza CP 50018
Somgas Hogar S.L.	Trading	Spain	100	Paseo Can Feu Num14, 08205 Sabadell, Barcelona
Linacal S.L.U.	Trading	Spain	100	Polig. Las Labradas, C. Estella S/N. 31500 Tudela, Navarra
Tecno Arasat Servicios de Mantenimiento S.L.	Trading	Spain	100	Calle Barón de eroles num. 31, 2400 Monzón, Huesca
Servicios Tecnicos Sate S.L.	Trading	Spain	100	Calle Anselmo Pie Sopena 1-Local 4, Esquina Avenida Monegros No 31, Huesca
Solusat Asistencia Tecnica S.L.	Trading	Spain	100	Avda Ingeniero Torres Quevedo 6, 28022 Madrid
Servicio Tecnico Uruña S.L.	Trading	Spain	100	Calle Orixe 54 48015 Bilbao,Vizcaya
Aragonesa De Postventa S.L.U.	Trading	Spain	100	Calle Centro, N° 40 Parque Tecnologico Nave 40 50298 Pinseque, Zaragoza
Infocale Navarra S.L.U.	Trading	Spain	100	Plaza De Los Sauces, 2, Trasera 31010 Baranain, Navarra
Técnica del frío Landaluce S.L.U.	Trading	Spain	100	Calle Quinta (La) Num 29-A 39750 Colindres, Cantabria
Mantenimientos Holguín S.L.U.	Trading	Spain	100	Plaza De Los Tilos S/N 31010 Baranain, Navarra
Mesos Gestión y Servicios S.L.	Trading	Spain	100	Avda Industria18 28820 Coslada, Madrid
Mesos Portugal, Unipessoal LDA	Trading	Portugal	100	Praça Duque De.Saldanha 1, EDIF. Atrium, 4º H-O.1069-244, Lisbon
Preventivi SRL	Trading	Italy	100	Via Martiri di Bologna, 13, 76123 Andria
North America				
HomeServeUSA Corp	Trading	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851

Notes to financial statements

For the year ended 31 March 2021

10. Fixed assets investments (continued)

HomeServe USA Repair Management Corp	Trading	USA	100	1232 Premier Drive, Suite 100, Chattanooga, TN 37421
HomeServe USA Repair Management (Florida)	Trading	USA	100	1232 Premier Drive, Suite 100, Chattanooga, TN 37421
Leakguard Inc	Dormant	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
Leakguard Repair Services Inc	Dormant	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
HomeServe USA Repair Management Corp (Iowa)	Dormant	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
HomeServe USA Repair Management Corp (California)	Dormant	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
HomeServe USA Repair Management Corp (Virginia)	Dormant	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
HomeServe USA Repair Management Corp (Wisconsin)	Trading	USA	100	601 Merritt 7, 6th floor Norwalk, CT 06851
HomeServe USA Energy Services LLC	Trading	USA	100	500 Bi-County Blvd, Suite 121 Farmingdale, NY 11735
HomeServe USA Energy Services (New England) LLC	Trading	USA	100	5 Constitution Way, Suite B Woburn, MA 01801
LI PH Enterprises LLC**	Trading	USA	49	1307 Manatuck Blvd Bay Shore, NY 11706
NYC PH Enterprises LLC**	Trading	USA	49	4295 Arthur Kill Rd, Staten Island, NY 10309
SJESP Plumbing Services LLC	Trading	USA	90	420 N. 2 nd Road, Unit 1, Hammonton, NJ 08037
USP Holding 1 LLC	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
USP Holdings 2 LLC	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Utility Service Partners Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Utility Service Partners Private Label, Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
USP Water Heater Rentals LLC	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Utility Service Partners Private Label of Virginia, Inc	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317

Notes to financial statements

For the year ended 31 March 2021

10. Fixed assets investments (continued)

Columbia Service Partners Inc	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Service Line Warranties of America, Inc - Delaware.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Service Line Warranties of America, Inc-California.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Service Line Warranties of Canada Holdings, Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Columbia Service Partners of Pennsylvania, Inc	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Columbia Service Partners of Kentucky, Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Columbia Service Partners of Ohio, Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Columbia Service Partners of West Virginia, Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
Service Line Warranties of Canada Inc.	Trading	USA	100	4000 Town Centre, Boulevard Suite 400, Canonsburg, PA 15317
HomeServe HVAC LLC	Trading	USA	100	601 Merritt 7, Norwalk, CT 06851
Gregg Mechanical Corp	Trading	USA	100	198 Pulaski Avenue, Staten Island, New York 10303
Geisel Heating and Air Conditioning Inc	Trading	USA	100	633 Broad Street, Elyria, Ohio 44035
Cropp-Metcalf Air Conditioning and Heating Company	Trading	USA	100	8421 Hilltop Road, Fairfax, VA 22031
American Home Guardian Inc	Trading	USA	100	1839 S Alma School Rd, Mesa, AZ 85210
Nations Preferred Home Warranty Inc	Trading	USA	100	3530 Forest Lane, Dallas, TX 75234
Fab Electric Inc	Trading	USA	100	25-B Chestnut St. Gaithersburg, MD 20877
Newcore Inc	Trading	USA	100	24750 Lakeland Blvd., Euclid, OH 44132
Crawford Services, Inc	Trading	USA	100	1405 Avenue T. Grand Prairie, TX 75050
eLocal Holdings LLC	Trading	USA	79	1100 East Hector Street, Suite 101, Conshohocken, PA 19428
eLocal USA LLC	Trading	USA	79	1100 East Hector Street, Suite 101, Conshohocken, PA 19428
HomeServe SEM LLC	Trading	USA	100	2300 East Lincoln Highway, Suite 317 Langhorne, PA 19047
Hays Cooling and Heating LLC	Trading	USA	100	24825 N 16th Ave #115, Phoenix, AZ 85085

Notes to financial statements

For the year ended 31 March 2021

10. Fixed assets investments (continued)

Worry Free Comfort Systems Inc	Trading	USA	100	630 20th St. N, Bessemer, AL 35020
Arizona's Dukes of Air LLC	Trading	USA	100	6938 E. Parkway Norte Mesa, AZ 85212
Canyon State Air Conditioning & Heating LLC	Trading	USA	100	13632 West Camino Del Sol, Sun City West, AZ 85375
Sterling Air Services LLC	Trading	USA	100	7256 89th Place, Suite 101 & 103 Mesa, AZ 85212
Environmental Systems Associates, Inc	Trading	USA	100	9375 Gerwig Ln J, Columbia, MD 21046
Asia				
HomeServe Japan Corporation**	Trading	Japan	50	MH-KIYA BLDG. 12-1, Mikuracho Kanda, Chiyoda-ku, Tokyo 101-0038 Japan

* Directly held investment. All other investments are held indirectly through intermediary holding companies.

** Associate or joint venture investment. Held by other intermediary holding companies.

Fixed assets investments

	2021 £000	2020 £000
Shares in Group undertakings	763,332	718,322
Amounts owed by other Group undertakings after 12 months	24,039	-
	787,371	718,322

The Directors consider that the carrying amount of amounts owed by other Group undertakings is approximately equal to their fair value.

Notes to financial statements

For the year ended 31 March 2021

10. Fixed assets investments (continued)

Carrying value of directly held investments

	Shares in subsidiary undertakings £000
Cost	
At 1 April 2019	134,115
Addition	590,000
At 1 April 2020	724,115
Addition	73,010
At 31 March 2021	797,125
Provision for impairment	
At 1 April 2019	5,468
Impairment	325
At 1 April 2020	5,793
Impairment	28,000
At 31 March 2021	33,793
Net Book Value	
At 31 March 2021	763,332
At 31 March 2020	718,322

During the year, a capital injection of £73,000,000 was made into the Company by its immediate parent company HomeServe Enterprises Limited. The Company subsequently injected £28,000,000 into HomeServe Labs Limited, £45,000,000 into Sherrington Mews Limited, and £10,000 into HomeServe Now Limited. All entities are immediate subsidiaries of HomeServe Assistance Limited. Following the investment in HomeServe Labs Limited, an impairment review was undertaken and an impairment of £28,000,000 was recorded in the operating expenses line of the profit and loss account for the year. The impairment resulted in the carrying value HomeServe Labs Limited being reduced to £nil.

During the prior year, a capital injection of £590,000,000 was made into the Company by its immediate parent company HomeServe Enterprises Limited. The Company subsequently injected £590,000,000 into HomeServe International Limited, its immediate subsidiary.

Also during the prior year, and as a result of the annual budgeting process and subsequent updates in light of COVID, a decision was taken to impair the investment in HomeServe Labs. The impairment loss of £325,000 is included within the operating expenses line of the profit and loss account resulting in a carrying value of £nil at the prior year end.

Notes to financial statements

For the year ended 31 March 2021

11. Current assets

Debtors

	2021 £000	2020 £000
Current tax asset	-	130

Cash at bank and in hand

Cash at bank and in hand of £4,108,000 (2020: £4,147,000) comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less.

12. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Other creditors	740	744

The Directors consider that the carrying amount of creditors falling due within one year is approximately equal to their fair value.

13. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Amounts owed to other Group undertakings	23,922	-

The Directors consider that the carrying amount of creditors falling due after more than one year is approximately equal to their fair value.

14. Called up Share Capital

	2021 £000	2020 £000
Authorised, issued and fully paid:		
789,871,292 ordinary shares of £0.96232 each (2020: 715,109,300 ordinary shares of £1 each)	760,109	715,109

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 £0.96232 (FY20: £1) per share on all issued and fully paid shares.

On 8 February 2021, in order to fund an investment in HomeServe Labs Limited, there was an issue of 28,000,000 ordinary shares with a nominal value of £1 each. The share issue was fully paid up and £28,000,000 was received from its immediate parent company HomeServe Enterprises Limited. On 17 February 2021, there was a reduction in capital of £28,000,000 whereby the nominal value of each issued fully paid up ordinary share was reduced from £1 to £0.96232. On 1 March 2021, in order to fund an investment in Sherrington Mews Limited, there was an issue of 46,761,992 ordinary shares with a nominal value of £0.96232 each. The share issue was fully paid up and £45,000,000 was received from its immediate parent company HomeServe Enterprises Limited.

During the prior year and as a result of a recapitalisation exercise, there was an issue of 715,000,000 ordinary shares with a nominal value of £1 each. The share issue was fully paid up and £715,000,000 was received from its immediate parent company HomeServe Enterprises Limited.

Notes to financial statements

For the year ended 31 March 2021

15. Related parties

The Company has taken advantage of the exemption provided by Section 8 of FRS 101 'Related Party Disclosures' and has not disclosed transactions with other Group companies.

16. Ultimate parent company

The immediate parent company is HomeServe Enterprises Limited registered in England and Wales. The ultimate parent and controlling party is HomeServe plc, registered in England and Wales. The only group in which the results of HomeServe Assistance Limited are consolidated is that headed by HomeServe plc. The consolidated financial statements of the Group are available to the public and may be obtained from Cable Drive, Walsall, United Kingdom, WS2 7BN, which is the registered office of both the Company and the ultimate parent company.