

Energy Insurance Services Limited

Annual Report and Financial Statements for the year ended

31 March 2020

Company Registration No: 04792484



Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2020.

Principal Activity

The Company is a wholly owned subsidiary of its immediate parent company, HomeServe Membership Limited and is part of HomeServe plc ("the Group").

The Company's principal activity is the provision of insurance mediation services. The Company is authorised and regulated by the Financial Conduct Authority (firm reference 310297).

Financial Review

During the year, profit before tax was £220,000 (2019: £253,000) due to the reducing policy book. The balance sheet on page 9 of the financial statements shows the Company's financial position at the year end. During the year, net assets have increased from £963,000 to £1,163,000.

The Directors didn't propose or pay a dividend during the year (2019: £Nil).

Principal Risks and Uncertainties

Risks and uncertainties that could have a material impact on the Company's future performance are:

- Market Disruption and policyholder retention;
- Commercial Partnerships;
- M&A strategy;
- IT & Cyber Security;
- Underwriting Capacity and Concentration;
- Regulation & Customer Focus;
- Recruitment & Talent;
- Constraints on Investments on IT systems hindering growth and efficiency;
- Digital & Innovation and
- Financial strategy and treasury risk.

These risks are discussed in detail in the Group's Annual Report which does not form part of this Report. Brexit is not one of the Company's enterprise risks, but does continue to be monitored at a Group level. Brexit is potentially one of the most significant economic events for the UK and at the date of this statement, the full range, scale and timing of potential outcomes and impacts are uncertain. However, the Group continues to believe the impact of the UK's decision to leave the EU on the underlying performance of the Group, and the Company, will be limited.

The Group and Company business model is resilient and in previous periods of consumer uncertainty and economic downturn, for example during the financial crisis in c.2007 to 2009, no negative impact on Group business performance was observed.

Key performance indicators

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

Environment

The Company is committed to environmental sustainability. We recognise that the Company has a responsibility to act in a way that respects the environment and as such, all our employees are encouraged to incorporate an awareness of environmental issues into decision-making processes.

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

Strategic Report

Employment Policies

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 attitudes, 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 attitudes 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 employees who become disabled during the time they are employed by the Company are able to continue to perform their duties.

We use a range of regular communication channels to keep employees briefed on the Company's strategic and financial progress and any ongoing initiatives that may affect them. This is a two way process and employees are actively encouraged to share ideas and opinions with senior management.

Financial Results

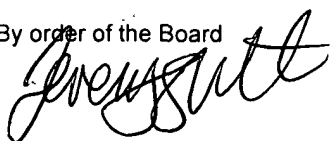
The Company's results are shown in the statement of comprehensive income on page 8. The profit for the year of £200,000 (2019: £31,000) has been transferred to profit and loss account.

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 these 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-19 crisis 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.

By order of the Board



Mr Jeremy Strutt

Director

11/12/2020

Directors' Report

The Directors have pleasure in presenting their Annual Report and Financial Statements for the year ended 31 March 2020, together with the auditor's report.

Future developments

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

Third party indemnity provisions

The Directors confirm that there were no qualifying third party indemnity provisions during the year.

Directors

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

Mr Jeremy Strutt
Mr Richard Shepherd

None of the Directors had a material interest in any trading contract to which the Company was a party during the year. One of the Directors received emoluments in respect of services performed on behalf of the Company.

Dividends

The Directors are not proposing to pay a dividend to ordinary shareholders during the year (2019: £Nil).

Political contributions

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

Auditor

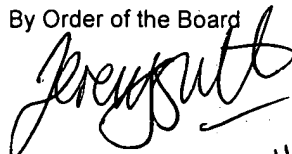
Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- 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


11/12/2020
Mr Jeremy Strutt
Director

Registered Office: HomeServe, Cable Drive, Walsall, West Midlands, England, 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 102 "the financial reporting standard applicable in the UK and Republic of Ireland".

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 Energy Insurance Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Energy Insurance Services Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

Independent Auditor's Report

knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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.

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:

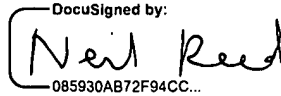
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

Independent Auditor's Report

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:

085930AB72F94CC...

Neil Reed FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham

11 December 2020

Statement of Comprehensive Income

For the year ended 31 March 2020

	Note	12 months to 31 March 2020 £000	12 months to 31 March 2019 £000
Continuing operations			
Turnover		2,663	3,380
Cost of Sales		(1,917)	(2,474)
Gross profit		746	906
Other operating charges		(532)	(657)
Operating Profit	4	214	249
Interest	7	6	4
Profit before tax		220	253
Tax on profit	8	(20)	(222)
Profit for the financial year		200	31

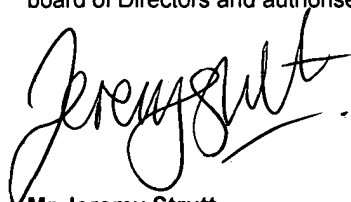
All of the activities of the Company are classified as continuing. There was no other comprehensive income.

Balance Sheet

As at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Tangible assets	9	7	1
		7	1
Current assets			
Cash and cash equivalents		1,635	1,550
Debtors	10	809	928
		2,444	2,478
Total assets		2,451	2,479
Current liabilities			
Creditors: amounts falling due within one year	11	(1,114)	(1,289)
		(1,114)	(1,289)
Net current assets		1,330	1,189
Total assets less current liabilities		1,337	1,190
Non-current liabilities			
Creditors: amounts falling due after one year	12	(174)	(227)
Total liabilities		(1,288)	(1,516)
Net assets		1,163	963
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		1,063	863
Shareholders' funds		1,163	963

The financial statements of Energy Insurance Services Limited, registered number 04792484, were approved by the board of Directors and authorised for issue on 11/12/2020. They were signed on its behalf by:



Mr Jeremy Strutt
Director

Statement of Changes in Equity

For the year ended 31 March 2020

	Share Capital £000	Profit and Loss account £000	Total £000
At 1 April 2018	100	832	932
Profit for the year and total comprehensive income	-	31	31
At 31 March 2019	100	863	963
	Share Capital £000	Profit and Loss account £000	Total £000
At 1 April 2019	100	863	963
Profit for the year and total comprehensive income	-	200	200
At 31 March 2020	100	1,063	1,163

Notes to financial statements

For the year ended 31 March 2020

1. General information

Energy Insurance Services 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 economic environment in which the Company operates.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 March 2020.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

As permitted by FRS 102, the Company, due to it being ultimately controlled by HomeServe plc (see note 16), has taken advantage of the following disclosure exemptions available under that standard:

- Cash Flow Statement and related notes;
- Share based payment disclosures;
- Remuneration of key management personnel and
- Related party transactions

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:

Net financing charge

Interest receivable and Interest payable and similar income are recognised in the statement of comprehensive income in the year in which it is earned and incurred.

Notes to financial statements

For the year ended 31 March 2020

2. Significant accounting policies (continued)

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT, Insurance Premium Tax and other sales related taxes.

Net policy income

Revenue recorded by the Company includes commission receivable in the Company's role as an intermediary for the householder in the policy sale, but as principal in the policy administration process. The Company contracts separately with the policy holder to provide these services. Any third-party costs incurred on behalf of the principal that are rechargeable under the contractual arrangement, or where the Company's role is only as an intermediary in the cash collection process for the principal, are not included in revenue. Consequently, on the sale of a policy, gross revenue consists of only a component of the overall policy price, representing the commission receivable for the marketing and sale of the policy, stated net of sales related taxes.

Where a contractual arrangement consists of two or more separate arrangements that can be provided to customers either on a stand-alone basis or as an optional extra, revenue is recognised for each element as if it were an individual contract. Accordingly, revenue is recognised on the sale of a policy except where an obligation exists to provide future services, typically claims handling and policy administration services. In these situations, a proportion of revenue, sufficient to cover future claims handling costs and margin, is deferred over the life of the policy, as deferred income. The assessment of future claims handling takes account of the expected numbers of claims and the estimated cost of handling those claims, which are validated through experience of historical actual costs. Revenue deferred for the performance of claims handling services is released over the expected profile of anticipated claims.

To the extent that policies are expected to cancel mid-term, and hence all of the economic benefits associated with those policies are not expected to flow to the Company, a provision is made to ensure that the related revenue is not recognised at the point that the policy incepts.

Other revenue

Annual service revenue is recognised on completion of the annual service or where the obligation to provide a service has expired.

Operating profit

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

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Any tax currently payable is based on taxable profit for the year. The Company's asset/(liability) for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Tangible assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Furniture, fittings and equipment – 25% per annum, straight line.

Notes to financial statements

For the year ended 31 March 2020

2. Significant accounting policies (continued)

Operating lease arrangements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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 and cash equivalents

Cash and cash equivalents include cash held on behalf of insurers. Cash held on behalf of insurers is held in separate bank accounts. A corresponding liability in respect of cash held on behalf of insurers is included in Creditors: amounts falling due within one year.

Equity instruments

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

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Statement of Comprehensive Income includes all current and prior period retained profits and losses.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have made a judgement as to whether the risks and rewards of cash held on behalf of insurers lie with the insurers themselves or with the Company and they regard this as a critical accounting judgement. Where the risks and rewards of the cash held are judged to lie with the Company the cash is recognised as an asset. For the year ended 31 March 2020 this was £1,635,000 (2019: £1,550,000).

The directors believe that there are no reasonably possible changes in assumptions which could occur in the next 12 months and have a material impact on the Company.

Other areas of focus

Whilst not considered to be critical accounting judgements or key sources of estimation uncertainty, the following are areas of focus for management.

Notes to financial statements

For the year ended 31 March 2020

2. Significant accounting policies (continued)

Policy Cancellations

A source of estimation uncertainty is in respect of those policies that may be cancelled by the customer part way through the contractual term, which will affect the economic benefits that flow to the Company. To the extent that policies are expected to cancel 'mid-term' and hence all the economic benefits of those policies is not expected to flow to the Company, an estimate of the related revenue is not recognised.

The main source of estimation uncertainty in calculating the provision for policy cancellations are the expected mid-term cancellation percentage and the period of cover remaining on the policy at the point of cancellation. The Company uses historical experience to determine the appropriate assumptions to be used in this calculation. The total amount of revenue not recognised at 31 March 2020 in respect of potential future cancellations is £10,000 (2019: £10,000) and is recognised as a reduction in the value of trade receivables. The most material estimation uncertainty is the mid-term cancellation percentage.

Claims handling obligations

Regarding revenue recognition, a proportion of revenue is deferred to cover the Company's future obligations in respect of handling future claims arising on those policies that are on risk at the year end.

The main sources of estimation uncertainty in determining an appropriate proportion of revenue to defer are the assumptions made with regards to claims frequency and the estimated cost of handling a claim. The Company uses historical experience of claim volumes and forecast activity levels to estimate these assumptions. The total amount of revenue deferred at 31 March 2020 in respect of the Company's future claim handling obligations is £61,000 (2019: £64,000).

3. Business and geographical segments

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

4. Operating Profit

Profit for the current and prior year has been arrived at after charging:

	31 March 2020 £000	31 March 2019 £000
Amortisation	-	5
Depreciation of tangible fixed assets	-	5
Operating leases rentals:		
- Land and buildings	50	44
	50	54

Notes to financial statements

For the year ended 31 March 2020

5. Auditor's remuneration

	31 March 2020 £000	31 March 2019 £000
Fees payable to the Company's auditor for the audit of the Company's financial statements	10	10

6. Employees

The monthly average number of staff employed by the Company, including the Directors, during the financial year amounted to:

	31 March 2020	31 March 2019
Average number of employees	10	11

The aggregated payroll costs of the above were:

	31 March 2020 £000	31 March 2019 £000
Wage and salaries	247	320
Social security costs	20	30
Other pension costs	15	21
	282	371

7. Net financing charge

	31 March 2020 £000	31 March 2019 £000
Bank interest receivable	6	4

Notes to financial statements

For the year ended 31 March 2020

8. Tax

	31 March 2020 £000	31 March 2019 £000
UK corporation tax based on the results for the year	42	48
Adjustment in respect of prior periods	(22)	185
Deferred tax:		
Accelerated Capital allowances	-	(11)
Total tax charge	20	222

UK corporation tax is calculated at 19% (2019: 19%) of the estimated assessable profit for the year in accordance with applicable statutory rates.

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

	31 March 2020 £000	31 March 2019 £000
Profit before tax	220	253
Tax at the UK corporation rate of 19% (2019 19%)	42	48
Effect of:		
Depreciation for period in excess of capital allowances	-	(11)
Adjustment relating to prior periods	(22)	185
Tax charge for the year	20	222

The UK Government in its 2020 Budget announced that the main UK corporate tax rate would be maintained at 19% until 31 March 2022, before being reviewed, and would not be reduced to 17%.

Notes to financial statements

For the year ended 31 March 2020

9. Tangible assets

	Furniture, fittings and equipment £000
At 1 April 2019	122
Additions	6
Disposals	-
At 31 March 2020	128
Accumulated amortisation	
At 1 April 2019	121
Charge for the period	-
Disposals	-
At 31 March 2020	121
Carrying amount	
At 31 March 2020	7
At 31 March 2019	1

10. Debtors

	31 March 2020 £000	31 March 2019 £000
Accrued income	808	840
Prepayments	1	22
Amounts owing from group companies	-	66
	809	928

All debtor balances are none interest bearing, unsecured, repayable on demand and fall due within one year.

Notes to financial statements

For the year ended 31 March 2020

11. Creditors: amounts falling due within one year

	31 March 2020 £000	31 March 2019 £000
Trade creditors	21	23
Deferred income	61	88
Corporation tax	-	19
VAT	55	117
Taxes and social security	4	4
Other creditors	649	765
Accrued expenses	28	38
Amounts owing to group companies	296	235
	1,114	1,289

All creditor balances are none interest bearing, unsecured, repayable on demand and fall due within one year.

12. Creditors: amounts falling due after one year

	31 March 2020 £000	31 March 2019 £000
Other creditors	174	227

13. Financial Instruments

Principal financial instruments

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

- cash and cash equivalents;
- accrued income;
- trade creditors;
- other trade creditors;
- other creditors;
- accrued expenses;
- amounts owed to group companies and
- amounts owing from group companies.

All financial instruments are stated at amortised cost.

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholder.

Notes to financial statements

For the year ended 31 March 2020

13. Financial Instruments (continued)

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

	31 March 2020 £000	31 March 2019 £000
Shareholders' funds	1,163	963

Financial risk management objectives

The Company's principal financial instruments comprise cash and cash equivalents. The Company also has various other financial instruments such as debtors and trade creditors which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has no interest in the trade of financial instruments, interest rate swaps or forward interest rate agreements.

The Company charges or pays interest at market rate on intragroup loans classified as financing transactions.

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

Financial assets that are debt instruments measured at amortised cost	31 March 2020 £000	31 March 2019 £000
Cash and cash equivalent	1,635	1,550
Accrued income	808	840
Amounts owing from group companies	-	66
Total financial assets	2,443	2,456

The maturity profile of the Company's financial liabilities is provided in the following table:

Financial liabilities measured at amortised cost	Trade creditors £000	Other creditors £000	Accrued expenses £000	Amounts owed to group companies £000	Total £000
31 March 2020					
Under 2 months	21	87	28	296	432
Between 2 to 6 months	-	270	-	-	270
Between 6 and 12 months	-	292	-	-	292
Over 12 months	-	174	-	-	174
Total	21	823	28	296	1,168

Notes to financial statements

For the year ended 31 March 2020

13. Financial Instruments (continued)

Financial liabilities measured at amortised cost	Trade creditors	Other creditors	Accrued expenses	Amounts owed to group companies	Total £000
	£000	£000	£000	£000	
31 March 2019					
Under 2 months	23	140	38	235	436
Between 2 to 6 months	-	291	-	-	291
Between 6 and 12 months	-	334	-	-	334
Over 12 months	-	227	-	-	227
Total	23	992	38	235	1,288

Liquidity risk

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company has no overdraft.

Credit risk

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

Accrued income and trade creditors are subject to credit risk exposure, however there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various customers.

The Company has a maximum exposure equal to the carrying amount of the above debtors.

Related party transactions

The Company is a subsidiary of HomeServe Membership Limited with the ultimate parent company and ultimate controlling party being HomeServe plc, the Group financial statements of which are publicly available, see note 16.

Accordingly, the Company has taken advantage of the exemption in section 33 of FRS 102 from disclosing transactions with 100% members or investees of HomeServe plc.

14. Leasing commitments

The total of future minimum lease payments is as follows:

	31 March 2020 £000	31 March 2019 £000
Not later than one year	36	36
Later than one year and not later than five years	74	110

Operating lease payments represent rentals payable by the Company for its office properties. No arrangements have been entered into in respect of contingent rental payments.

Notes to financial statements

For the year ended 31 March 2020

15. Share capital

Allotted, called up and fully paid share capital

	31 March 2020 £000	31 March 2019 £000
100,000 ordinary shares of £1 each	100	100

16. Ultimate parent company

The ultimate parent company and ultimate controlling party is HomeServe plc, registered in England and Wales. The only Group in which the results of Energy Insurance Services 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 HomeServe, Cable Drive, Walsall, West Midlands, England, WS2 7BN, which is the registered office of both the Company and the ultimate parent company.