

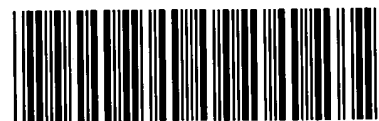
Registration number: 05955557

Home Assistance UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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Home Assistance UK Limited

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Home Assistance UK Limited

Strategic Report for the Year Ended 31 December 2016

The Directors present their Strategic Report for Home Assistance UK Limited (the 'Company') for the year ended 31 December 2016.

Principal activities

The Company provides intermediary services, including claims handling and administration services to third party businesses as well as other companies in the Centrica plc group (the 'Group'). The Company is authorised and regulated by the Financial Conduct Authority ('FCA') to carry out insurance intermediation activities.

Review of the business

The financial performance of the Company is set out on page 9. During 2016, the Company's operating profit reduced from £497,000 to £12,000. This was due in part to exceptional costs of £1,232,000 (2015: £nil) relating to reorganisation costs following the commencement of a restructure program. The restructure was as a result of a strategic review conducted by the Group whereby the Company initiated reduction of its operations from September 2016. Excluding these exceptional costs, the Company's operating profit was £1,244,000 (2015: £497,000), significantly increased due to a £768,000 reduction in operating costs during 2016. The Company's profit for the financial year ended 31 December 2016 was £14,000 (2015: £403,000). In 2017, due to the restructure, the Company no longer undertakes claims handling activities but continues to provide administration services.

The financial position of the Company is presented on page 11. Net assets at 31 December 2016 were £1,982,000 (2015: £1,968,000).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Centrica plc group (the 'Group') and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 56-64 of the Annual Report and Accounts 2016 of the Group which does not form part of this report.

At 31 December 2016, the Company had and continues to have, sufficient capital to meet its regulatory obligations without recourse to its immediate parent undertaking GB Gas Holdings Limited or to its ultimate parent Centrica plc.

Exit from the European Union

The UK referendum vote in June to leave the European Union has added to the uncertainties faced by the business. However, we believe that the direct impact on the business of these events is limited in the short-term. Many details of the implementation process remain unclear. Extricating from the European Union treaties is a task of immense complexity but with that being said, the business is well-positioned to manage any market impacts. There are also potential tax consequences of the withdrawal agreement which we will continue to reassess (at each reporting date) to ensure our tax provisions reflect the most likely outcome following the withdrawal.

Key performance indicators (KPIs)

The Directors of the Company use a number of KPIs to monitor progress against the strategy of the Group. Further information about KPIs, in the context of the Group, which includes the Company, are discussed on pages 18 and 19 of the Centrica plc Annual Report and Accounts 2016, which does not form part of this report.

Close attention will continue to be paid to the effective handling of policy administration and assurance that customers are treated fairly.

Home Assistance UK Limited

Strategic Report for the Year Ended 31 December 2016 (continued)

Future developments

The Group is currently implementing the results of the 2015 strategic review. This implementation includes a review of how the Group's businesses are structured and may result in future changes to underlying subsidiary business operations including those of the Company.

Approved by the Board on 10 August 2017 and signed on its behalf by:



J. ELLIOT

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

Company registered in England and Wales, No. 05955557

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

Home Assistance UK Limited

Directors' Report for the Year Ended 31 December 2016

The Directors present their report and the audited Financial Statements for the year ended 31 December 2016.

Directors of the Company

The directors who held office during the year were as follows:

K D'Arcy (resigned 31 March 2017)

D Kendle

C Stern (resigned 31 March 2017)

M Whitbread (resigned 14 June 2017)

D Alexander

O Smedley

Results and dividends

The results of the Company are set out on page 9. The profit for the financial year ended 31 December 2016 is £14,000 (2015: £403,000). The directors do not recommend the payment of a dividend for the year (2015: nil).

Future developments

Future developments are discussed in the Strategic Report on page 2.

Going concern

The Directors have prepared the financial statements on a going concern basis which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Consequently the directors have reviewed the cash flow projections of the Company taking into account: the forecast revenue and operating cash flows from its operations; the forecast level of capital expenditure; and the overall liquidity position of the Company, including its own cash resources and the need to satisfy its regulatory obligations.

In addition, Centrica plc, the ultimate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after the financial statements were approved.

Financial risk management

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and compliance. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance team and finance department take on an important oversight role in this regard.

Credit risk - Exposure to counterparty credit risk is managed within parameters set by the Directors. Credit worthiness of customers is ascertained before commencing to trade by reviewing an appropriate mix of internal and external information.

Liquidity risk - The Company actively manages its finances to ensure that it has sufficient available funds for its operations. It is the Directors' understanding that the ultimate parent company will continue to provide suitable resources to the Company to meet its needs.

Foreign exchange risk - The Company has no foreign currency assets and liabilities and therefore does not have exposure to foreign exchange rate fluctuations.

Home Assistance UK Limited

Directors' Report for the Year Ended 31 December 2016 (continued)

Financial risk management (continued)

Interest rate risk - The Company can have both interest bearing assets and liabilities, these are generally held at floating rates. The Company monitors its portfolio of interest bearing assets and liabilities and their financial impact.

Post-balance sheet events

There were no significant events after the balance sheet date.

Directors and officers liabilities

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

Home Assistance UK Limited

Directors' Report for the Year Ended 31 December 2016 (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Home Assistance UK Limited

Directors' Report for the Year Ended 31 December 2016 (continued)

Reappointment of auditors

Following a rigorous selection by the Audit Committee of Centrica plc, Deloitte LLP was selected as the Group's external auditor for the financial year commencing from 1 January 2017. Consequently, PricewaterhouseCoopers LLP will remain auditors of Home Assistance UK Limited until the formal resignation process has been completed later in 2017, after which Deloitte LLP will be appointed as auditors of Home Assistance UK Limited.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office, until the formal resignation process has been completed.

Approved by the Board on 10 August 2017 and signed on its behalf by:



J. ELLIOT

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

Company registered in England and Wales, No. 05955557
Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Home Assistance UK Limited

Independent Auditors' Report to the Members of Home Assistance UK Limited

Report on the financial statements

Our opinion

In our opinion, Home Assistance UK Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Home Assistance UK Limited Annual Report and Financial Statements (the 'Annual Report'), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Home Assistance UK Limited

Independent Auditors' Report to the Members of Home Assistance UK Limited (continued)

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

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

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

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



Lee Clarke (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
London

10 August 2017

Home Assistance UK Limited

Income Statement for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Revenue	3	7,301	6,758
Cost of sales		<u>(4,138)</u>	<u>(3,574)</u>
Gross profit		3,163	3,184
Operating costs		(1,919)	(2,687)
Exceptional items - reorganisation costs	6	<u>(1,232)</u>	<u>-</u>
Operating profit		12	497
Finance income	7	<u>5</u>	<u>7</u>
Profit before income tax		17	504
Income tax expense	9	<u>(3)</u>	<u>(101)</u>
Profit for the year		<u><u>14</u></u>	<u><u>403</u></u>

The above results were derived from continuing operations.

Home Assistance UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	2016 £ 000	2015 £ 000
Profit for the year	<u>14</u>	<u>403</u>
Total comprehensive income for the year	<u>14</u>	<u>403</u>

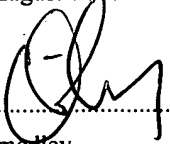
Home Assistance UK Limited

Statement of Financial Position as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Non-current assets			
Property, plant and equipment	10	79	123
Deferred tax assets ⁽ⁱ⁾	9	<u>118</u>	<u>27</u>
		<u>197</u>	<u>150</u>
Current assets			
Trade and other receivables	11	995	1,009
Cash and cash equivalents	12	<u>4,668</u>	<u>4,187</u>
		<u>5,663</u>	<u>5,196</u>
Total assets		<u><u>5,860</u></u>	<u><u>5,346</u></u>
Current liabilities			
Trade and other payables	13	(2,685)	(3,278)
Current tax liabilities	9	(102)	(100)
Provisions for other liabilities and charges	14	<u>(1,091)</u>	<u>-</u>
		<u>(3,878)</u>	<u>(3,378)</u>
Net assets		<u><u>1,982</u></u>	<u><u>1,968</u></u>
Equity			
Share capital	16	1	1
Share premium reserve		499	499
Retained earnings		<u>1,482</u>	<u>1,468</u>
Total equity		<u><u>1,982</u></u>	<u><u>1,968</u></u>

⁽ⁱ⁾ Deferred tax assets of £27,000 as at 31 December 2015 have been reclassified from current assets to non-current assets.

The financial statements on pages 9 to 25 were approved and authorised for issue by the Board of Directors on 10 August 2017 and signed on its behalf by:


.....
O Smedley

Director

Company number 05955557

Home Assistance UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Share premium reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2016	1	499	1,468	1,968
Profit for the year	-	-	14	14
Total comprehensive income	-	-	14	14
At 31 December 2016	1	499	1,482	1,982

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2015	1	499	1,065	1,565
Profit for the year	-	-	403	403
Total comprehensive income	-	-	403	403
At 31 December 2015	1	499	1,468	1,968

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

Home Assistance UK Limited (the 'Company') is a private company limited by share capital incorporated and domiciled in UK.

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

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
England and Wales

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and FRS 101, and sets out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements have been prepared under the historical cost convention and on a going concern basis.

The financial statements have been prepared under the historical cost convention and on a going concern basis.

The Company had early adopted the following amendment to FRS 101 in its financial statements for the year ended 31 December 2015:

- presentation of financial statements in accordance with IAS 1.

From 1 January 2016, the following standards and amendments are effective in the Company's financial statements. Their first time adoption does not have a material impact on the financial statements:

- Amendment to IAS 1: 'Presentation of financial statements' related to the disclosure initiative;
- Amendment to IAS 16: 'Property, plant and equipment' and IAS 38: 'Intangible assets' related to the clarification of acceptable methods of depreciation and amortisation;
- 'Annual Improvement Project 2010-2012'; and
- 'Annual Improvement Project 2012-2014'.

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

- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with Adopted IFRSs;
- the effects of new but not yet effective IFRSs;
- comparative period reconciliations for property, plant and equipment;
- comparative period reconciliations for share capital;
- disclosures in respect of related party transactions with wholly-owned subsidiaries in a group;
- disclosures in respect of the compensation of key management personnel; and
- disclosures in respect of capital management.

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

As the consolidated financial statements of Centrica plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures' have not been provided apart from those which are relevant for the financial instruments which are held at fair value.

These financial statements are presented in pounds sterling with all values rounded to the nearest thousand pounds except when otherwise indicated. Pounds sterling is the functional currency of the Company.

Summary of significant accounting policies and key accounting estimates

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

Going concern

The Directors have prepared the financial statements on a going concern basis which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Consequently the Directors have reviewed the cash flow projections of the Company taking into account: the forecast revenue and operating cash flows from its operations; the forecast level of capital expenditure; and the overall liquidity position of the Company, including its own cash resources and the need to satisfy its regulatory obligations.

In addition, Centrica plc, the ultimate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after the financial statements were approved.

Revenue recognition

Revenue primarily represents the administration and claims handling fees earned on the Company's provision of insurance intermediary services including claims fulfilment. Fees are recognised when earned and exclude any associated tax. Revenue also includes other fees and other income for the provision of unregulated claims handling and other services.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset or assets. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Defined contribution pension obligation

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

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Exceptional items

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

Finance income and costs

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value. Finance costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed in a similar manner.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

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

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

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

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

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

PP&E are depreciated on a straight-line basis at rates sufficient to write off the cost, less estimated residual values, of individual assets over their estimated useful lives.

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and office equipment	Straight line over 5 years
Computer Equipment	Straight line over 3 years

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

Financial assets and liabilities

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

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Insurance assets and liabilities

The Company acts as an intermediary in placing the insurable risks of their clients with insurers and, as such, is not liable as principal for amounts arising from such transactions. Gross receivables and payables arising from insurance intermediary transactions are shown as assets and liabilities, and only fee income is recorded as revenue. This recognises that the Company is entitled to retain the fee income on any future trading arising from these transactions.

Thus, large changes in both receivables and payables can arise from relatively low levels of fee income. For this reason receivables and payables give no indication of future trading and profit.

Cash and cash equivalents

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

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Trade and other payables

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

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

Loans and other borrowings

All interest-bearing and interest-free loans and other borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, discount or premium.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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

Provisions

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

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

3 Revenue

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

	2016 £ 000	2015 £ 000
Administration and fee income - non regulated	630	548
Administration and fee income - regulated	3,720	3,967
Other fees receivable	2,951	2,243
	<u>7,301</u>	<u>6,758</u>

All revenue arose from activities in the UK.

4 Analysis of costs by nature

Arrived at after charging

	2016 £ 000	2015 £ 000
Audit	18	18
Depreciation expense	54	50
Operating Lease	108	86

5 Employees' costs

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

	2016 £ 000	2015 £ 000
Wages and salaries	2,670	2,959
Social security costs	208	254
Pension Costs	78	60
	<u>2,956</u>	<u>3,273</u>

In respect of the Directors' remuneration, refer to note 18 'Related party transactions'.

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

5 Employees' costs (continued)

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

	2016 No. of employees	2015 No. of employees
Administration and support	<u>126</u>	<u>130</u>

6 Exceptional items

Included within the Income Statement are the following exceptional items:

	2016 £ 000	2015 £ 000
Reorganisation costs	<u>1,232</u>	<u>-</u>

The exceptional costs of £1,232,000 in 2016 related to reorganisation costs following the commencement of a restructure program. The restructure was as a result of a strategic review conducted by the Group whereby the Company initiated reduction of its operations from September 2016.

7 Finance Income

	2016 £ 000	2015 £ 000
Interest income on bank and other short-term deposits	<u>5</u>	<u>7</u>

8 Auditors' remuneration

	2016 £000	2015 £000
Audit of the financial statements	<u>18</u>	<u>18</u>

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

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

9 Income tax expense

Tax charged/(credited) in the income statement.

	2016 £ 000	2015 £ 000
Current tax:		
Current tax on profits for the year	102	100
Adjustment in respect of prior years	(8)	-
Total current tax	<u>94</u>	<u>100</u>
Deferred tax:		
Current year	(97)	1
Effect of changes in tax rates	6	-
Total deferred tax	<u>(91)</u>	<u>1</u>
Income tax expense reported in the income statement	<u>3</u>	<u>101</u>

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

9 Income tax expense (continued)

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

	2016 £ 000	2015 £ 000
Profit before tax	17	504
Tax expense at standard UK rate of 20.00% (2015: 20.25%)	3	102
<i>Effects of:</i>		
Adjustments in respect of prior years	(8)	-
Expenses not deductible	2	1
Tax rate changes	6	-
Effects of group relief / other reliefs	-	(2)
Income tax expense reported in the income statement	3	101

The main rate of corporation tax for the year to 31 December 2016 was 20%. The corporation tax rate will reduce to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020 following the enactment of Finance (No. 2) Act 2015 and Finance Act 2016 respectively. These enacted rates have been reflected in these financial statements when providing for deferred tax.

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

9 Income tax expense (continued)

	2016 £ 000	2015 £ 000
Current liabilities:		
Group relief creditor	102	100
	<u>102</u>	<u>100</u>
Deferred tax (assets) / liabilities:		
At 1 January	(27)	(28)
Deferred tax (credit) / charge to income statement for year	(91)	1
At 31 December	<u>(118)</u>	<u>(27)</u>

10 Property, plant and equipment

	Furniture, fittings and equipment £ 000	Computer Equipment £ 000	Total £ 000
Cost			
At 1 January 2016	170	553	723
Additions	<u>1</u>	<u>9</u>	<u>10</u>
At 31 December 2016	<u>171</u>	<u>562</u>	<u>733</u>
Depreciation			
At 1 January 2016	137	463	600
Charge for the year	<u>14</u>	<u>40</u>	<u>54</u>
At 31 December 2016	<u>151</u>	<u>503</u>	<u>654</u>
Carrying amount			
At 31 December 2016	<u>20</u>	<u>59</u>	<u>79</u>
At 31 December 2015	<u>33</u>	<u>90</u>	<u>123</u>

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

11 Trade and other receivables

	2016 Current £ 000	2015 Current £ 000
Trade receivables	236	345
Amounts owed by group undertakings	719	622
Prepayments and accrued income	40	42
	<u>995</u>	<u>1,009</u>

All amounts owed by group undertakings are unsecured and repayable on demand.

12 Cash and cash equivalents

	2016 £ 000	2015 £ 000
Cash at bank	3,592	3,360
Other cash and cash equivalents	1,076	827
	<u>4,668</u>	<u>4,187</u>

Balances held by the Company that are not available for use by the Company

Cash and cash equivalents comprises bank balances of £3,592,000 (2015: £ 3,360,000) and amounts held on trust for insurers of £1,076,000 (2015: £827,000). The amounts held on trust for insurers are restricted cash balances.

13 Trade and other payables

	2016 Current £ 000	2015 Current £ 000
Trade payables	1,084	968
Amounts owed to group undertakings	605	975
Accrued expenses	876	988
Taxation	3	101
Social security and other taxes	117	246
	<u>2,685</u>	<u>3,278</u>

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

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

14 Other provisions

The restructuring provision relates to exceptional costs recognised in the Income Statement in 2016 of £1,232,000 following the commencement of a restructure program (see note 6). £141,000 of the provision has been utilised during the year, with the remaining provision expected to be utilised in 2017.

	Restructuring £ 000	Total £ 000
At 1 January 2016	-	-
Charged to the income statement	1,232	1,232
Provisions used	(141)	(141)
At 31 December 2016	<u>1,091</u>	<u>1,091</u>
Current liabilities	<u>1,091</u>	<u>1,091</u>

15 Post-employment benefits

Defined contribution pension scheme

The total cost charged to the income statement of £78,000 (2015: £60,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the scheme.

16 Capital and reserves

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Share premium reserve

Consideration transferred in excess of the nominal value of ordinary shares is allocated to share premium.

Retained earnings

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

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

17 Operating leases

Leases as lessee

At 31 December 2016 the Company had annual commitments under non-cancellable operating leases for property with the following maturity:

	2016 £ 000	2015 £ 000
Within one year	108	86
In two to five years	13	43
	<u>121</u>	<u>129</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £108,000 (2015: £86,000).

18 Related party transactions

Directors' remuneration

The Directors' remuneration for the year was as follows:

	2016 £ 000	2015 £ 000
Directors' emoluments	691	576
Contributions into pension schemes	69	49
	<u>760</u>	<u>625</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £273,768 (2015 (restated): £195,560), and Company pension contributions of £22,777 were made to a money purchase scheme in 2016 on his behalf. In the previous year a different individual was the highest paid Director, this individual is a member of a defined benefit pension scheme, contributions made by the Company to this scheme on his behalf were £22,530 in 2015. The accrued value of the defined benefit pension scheme at 31 December 2015 for the highest paid director was £97,782. During both the current and prior year the highest paid Director received shares under a long term incentive scheme. During the year the highest paid Director did not exercise any share options, in 2015 the highest paid Director did exercise share options.

During the year the number of Directors who received post-employment benefits and share incentives was as follows:

	2016 No.	2015 No.
Received or were entitled to receive shares under long term incentive schemes	3	3
Exercised share options	1	3
Accruing benefits under defined benefit pension scheme	3	3
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Home Assistance UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

19 Parent and ultimate parent undertaking

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

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