

Registration number: 01432640

Thermocomfort Limited

Annual Report

and

Financial Statements

For the year ended 31 December 2019



Thermocomfort Limited

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Thermocomfort Limited

Directors' report for the year ended 31 December 2019

The Directors present their report and the financial statements of Thermocomfort Limited (also referred to as the "Company") for the year ended 31 December 2019. The Company has taken advantage of the small companies' exemption available under section 415A and 414B of the Companies Act 2006 and has not prepared a strategic report nor given certain disclosures in the Directors' report from which it is exempt.

The Company is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies where Royal Dutch Shell plc, either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Royal Dutch Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this report "Shell", "Shell Group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

The Directors' report and audited financial statements of the Company have been prepared in accordance with the Companies Act 2006.

Business review

Prior to cessation in 2011, the principal activity of Thermocomfort Limited was to service cavity wall insulations that were installed in the past.

The Company's result for the financial year is loss of £14,217 (2018: £10,196). This majorly represents the claims settled during the year.

Dividend

No dividends were paid during the year (2018: £nil).

Future Outlook

The Company continues to fulfil the guarantee obligations provided for the cavity wall insulation. Hence there are no immediate plans to liquidate the Company. The Directors believe that the balances held will be realised at their reported carrying value in the normal course of business and so the accounts continue to be prepared on a going concern basis. (Refer Note 1)

Directors of the Company

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

Michael Ashworth

Nicola Simpson (resigned 28 February 2019)

Shell Corporate Director Limited

James Bell (appointed 28 February 2019)

Thermocomfort Limited

Directors' report for the year ended 31 December 2019 (continued)

Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Directors' report and the Company's financial statements in accordance with applicable laws 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

25 February 2020

Approved by the Board on and signed on its behalf by:

DocuSigned by:

Helen Day

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Helen Day
Company secretary

Independent Auditor's report to the Member of Thermocomfort Limited

Opinion

We have audited the financial statements of Thermocomfort Limited (the "Company") for the year ended 31 December 2019, which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss 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.

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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the 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.

Independent Auditor's report to the Member of Thermocomfort Limited (continued)

Other information

The other information comprises the information included in the annual report set out on pages 1 to 2, other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information.

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 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 this regard.

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 Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Independent Auditor's report to the Member of Thermocomfort Limited (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Neil Warnock (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: *2nd March 2020*

Thermocomfort Limited

Profit and loss account for the year ended 31 December 2019

Continuing operations

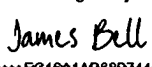
	Note	2019 £	2018 £
Cost of sales		(12,409)	(6,405)
Administrative expenses		<u>(1,808)</u>	<u>(3,786)</u>
LOSS BEFORE TAXATION		(14,217)	(10,191)
Tax on loss	5	<u>-</u>	<u>(5)</u>
LOSS FOR THE YEAR		<u>(14,217)</u>	<u>(10,196)</u>

The loss for the current year and for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

Thermocomfort Limited
(Registration number: 01432640)
Balance sheet as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors	6	35,982	57,686
Cash at bank		<u>5,209</u>	<u>6,249</u>
		41,191	63,935
Creditors: Amounts falling due within one year	7	<u>(58,096)</u>	<u>(57,327)</u>
Net current (liabilities)/assets		(16,905)	6,608
Provisions	8	<u>(15,504)</u>	<u>(24,800)</u>
Net liabilities		<u>(32,409)</u>	<u>(18,192)</u>
Equity			
Called up share capital	9	12,670,100	12,670,100
Profit and loss account		<u>(12,702,509)</u>	<u>(12,688,292)</u>
Total shareholder's deficit		<u>(32,409)</u>	<u>(18,192)</u>

The financial statements on pages 6 to 16 were authorised for issue by the Board of Directors on 25 February 2020 and signed on its behalf by:

DocuSigned by:

 EC10A1AD82B7441.....
 James Bell
 Director

Thermocomfort Limited

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
Balance as at 01 January 2018	12,670,100	(12,678,096)	(7,996)
Loss for the year	-	(10,196)	(10,196)
Total comprehensive income for the year	-	(10,196)	(10,196)
Balance as at 31 December 2018	12,670,100	(12,688,292)	(18,192)
Balance as at 01 January 2019	12,670,100	(12,688,292)	(18,192)
Loss for the year	-	(14,217)	(14,217)
Total comprehensive loss for the year	-	(14,217)	(14,217)
Balance as at 31 December 2019	12,670,100	(12,702,509)	(32,409)

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019

General information

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is: Shell Centre, London, SE1 7NA, United Kingdom.

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which involves the application of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

New standard applied

The adoption of IFRS 16 has had no material impact on the Company's retained earnings or balance sheet as at 1 January 2019.

The accounting policies have been consistently applied.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 'Presentation of financial statements';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d) (statement of cash flows);
 - (ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

- (iii) 16 (statement of compliance with all IFRS);
- (iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
- (v) 38B-D (additional comparative information);
- (vi) 40A-D (requirements for a third balance sheet);
- (vii) 111 (cash flow statement information); and
- (viii) 134-136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

Consolidation

The immediate parent company is Shell Holdings (U.K.) Limited.

The ultimate parent company and controlling party is Royal Dutch Shell plc, which is incorporated in England and Wales. Royal Dutch Shell plc is the parent undertaking of the smallest and largest group to consolidate these accounts.

The consolidated accounts of Royal Dutch Shell plc are available from:

Royal Dutch Shell plc
Tel: +31 888 800 844
email: order@shell.com
Registered office: Shell Centre, London, SE1 7NA

Fundamental accounting concept

The balance sheet at 31 December 2019 reports a net current liability of £16,905 (2018: net current asset of £6,608) and a net liability of £32,409 (2018: £18,192). The financial statements have been prepared under the going concern concept, as Shell Holdings (U.K.) Limited, the parent company, has agreed to provide an equity capital injection of up to £3,000,000 and had already injected £1,920,000 up to 31 December 2019. Based on these arrangements, the Directors consider that the Company will have sufficient funds to pay its debts as and when they fall due, therefore it is considered appropriate to prepare the accounts on a going concern basis.

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

1. Accounting policies (continued)

Taxation

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency.

(ii) Transaction and balances

Income and expense items denominated in foreign currencies are translated into £ at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in £ at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Financial assets

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial Liabilities

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, such as instruments held for trading, or the Company has opted to measure them at FVTPL. Debt and trade creditors are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method and is recognised in income.

Servicing costs of guarantees

The Company has issued guarantees in respect of installations of cavity wall insulation. The costs of servicing these guarantees are charged against the profit and loss account and included in cost of sales, in the year in which the Company receives notification of a valid claim under the terms of the guarantee. No provision is made in respect of future claims that are notified to the Company beyond a reasonable time period after the balance sheet date as considerable uncertainty exists over the number of complaints and the costs of honouring the guarantee and accordingly it is not possible to measure the obligation with sufficient reliability.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value at a rate intended to reflect the time value of money where the effect of time value of money is material.

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Netting off policy

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- Currently there is a legally enforceable right to set off the recognised amounts; and
- There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

3 Operating loss

The Company had no employees during 2019 (2018: none).

None of the Directors received any emoluments (2018: none) in respect of their services to the Company.

4 Auditor's remuneration

The Auditor's remuneration of £3,678 (2018: £5,340) in respect of the statutory audit was borne by the immediate parent company for both the current and preceding years.

Fees paid to the Company's auditor and its associates for non-audit services to the Company itself are not disclosed in the individual accounts of the Company because the Royal Dutch Shell plc consolidated accounts are required to disclose such fees on a consolidated basis.

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

5 Tax on loss

Tax charge in the profit and loss account

The tax charge for the year of £nil (2018: £5) is made up as follows:

	2019 £	2018 £
Current taxation		
UK corporation tax adjustment to prior periods	-	5
Total current tax charge	-	5
Total deferred tax charge	-	-
Tax charge in the profit and loss account	-	5

Reconciliation of total tax

The tax on loss before tax for the year differs from the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%).

The differences are reconciled below:

	2019 £	2018 £
Loss before tax	14,217	10,191
Tax on loss calculated at standard rate (2019:19%) (2018:19%)	(2,701)	(1,936)
Effects of:		
Adjustments in respect of prior periods	-	5
Unrelieved losses on disposal operations	2,701	1,936
Total tax charge	-	5

UK Finance Act (No 2) Act 2015 which introduced reductions in the UK corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020 was enacted on 15 November 2015.

UK Finance Act 2016 which introduced further reductions in the UK corporation tax rate to 17% effective 1 April 2020 was enacted on 15 September 2016.

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

6 Trade and other debtors

Debtors: amounts due within one year

	2019	2018
	£	£
Amounts owed by Group undertakings:		
Fellow subsidiary undertakings	4	-
Other debtors	35,978	57,682
Tax receivable	-	4
	<u>35,982</u>	<u>57,686</u>

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to Group undertakings		
Parent undertakings	57,040	57,040
Accrued expenses	1,056	287
	<u>58,096</u>	<u>57,327</u>

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8 Provisions

	Other provisions
	£
Balance as at 1 January 2019	24,800
Additional provisions	17,831
Provisions used	(21,705)
Released to the profit and loss account	<u>(5,422)</u>
Balance as at 31 December 2019	<u>15,504</u>

Thermocomfort Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

8 Provisions (continued)

Certain installations of the Company's cavity wall insulations carry long-term guarantees. A provision to meet the cost of servicing these guarantees, where claims have been notified to the Company beyond a reasonable time period after the balance sheet date and validated by the Directors, has been charged to the profit and loss account. The movement on the provision is detailed above. No provision is made in respect of future claims that are notified to the Company beyond a reasonable time period after the balance sheet date as considerable uncertainty exists over the number of complaints and the costs of honouring the guarantee and accordingly it is not possible to measure the obligation with sufficient reliability.

The provision will be utilised within a year.

9 Called up share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary Shares of £1 each	<u>12,670,100</u>	<u>12,670,100</u>	<u>12,670,100</u>	<u>12,670,100</u>

10 Contingent liabilities

A liability exists for the cost of honouring guarantees, in respect of the Company's installations of cavity wall insulation, where the Company receives notification of a problem under the terms of the guarantee after the balance sheet date. No provision has been recorded in the financial statements for future claims beyond a reasonable time period after the balance sheet date as there is substantial uncertainty over the timing and the amount of the claim. The Company will only receive notification of a potential fault if the householder discovers a problem.