Aaron Heating Services Limited

Annual Report and Financial Statements
Registered number 07220432

30 September 2016

AARON HEATING SERVICES LIMITED

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AARON HEATING SERVICES LIMITED

COMPANY INFORMATION

Directors

D Lummis
J J C Simpson
M McMahon

Secretary and registered office

J Charlton
1 King George Close
Romford
Essex
RM7 7LS

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick
United Kingdom

Bankers

The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

Company registration number

07220432

AARON HEATING SERVICES LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for the 18 months ended 30 September 2016.

Aaron Heating Services Limited has adopted FRS 101 – *Reduced Disclosure Framework* for the first time in its financial statements for the period ended 30 September 2016. The company's ultimate parent undertaking, Lakehouse plc, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS 101. Further details are set out in the accounting policies note on page 9 and note 13.

Principal activity

The principal activity of the company continued to be that of an intermediary holding company for a trading company delivering installation and maintenance of plumbing and heating systems.

Business review

The company has no trading activity and its activities arise from dividends received. The profit for the period, before taxation, amounted to £251,069 (year ended 31 March 2015: profit of £430,404).

The directors do not recommend payment of a final dividend (2015: nil).

Principal risks and uncertainties

Due to the nature of the business the principal risks and uncertainties and KPIs are associated with and disclosed in the financial statements of Aaron Services Limited.

Signed by order of the directors

J Charlton
Secretary

1 King George Close
Romford
Essex
RM7 7LS

19 May 2017

AARON HEATING SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 18 months ended 30 September 2016.

Change of ownership

On 30 October 2015, the entire issued share capital of Aaron Heating Services Limited was acquired by Lakehouse Compliance Services Limited, part of the Lakehouse plc Group. The Lakehouse plc Group offers a wide range of services predominantly to public sector clients, primarily in the social housing, education, and public buildings sectors.

The directors believe that the change of ownership of the Aaron Group will provide additional growth opportunities for the company providing access to a wider range of clients within a similar marketplace and geographical area.

Following the acquisition, the Company changed its accounting reference date to 30 September.

Directors and directors' interests

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

D Lummis	
J J C Simpson	*(appointed 30 October 2015)*
M McMahon	*(appointed 1 September 2016)*
A A Wright	*(resigned 30 October 2015)*
N Lummis	*(resigned 30 October 2015)*
S T Birrane	*(appointed 30 October 2015, resigned 14 March 2016)*
S Black	*(appointed 30 October 2015, resigned 21 April 2016)*

None of the directors who held office at the end of the financial period had any interests in the ordinary shares of the Company.

Disclosure of information to auditor

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director 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 of the Companies Act 2006.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing their annual accounts.

Auditor

BDO LLP resigned during the period and Deloitte LLP was appointed in office as auditor. Deloitte LLP has indicated its willingness to be reappointed for another term. A resolution to re-appoint Deloitte LLP as auditor will be proposed at the Annual General Meeting.

Signed by order of the directors

J Charlton
Secretary

1 King George Close
Romford
Essex
RM7 7LS

19 May 2017

AARON HEATING SERVICES LIMITED

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the Financial Statements unless they are satisfied that they; give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 its 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 detection and prevention of fraud and other irregularities.

AARON HEATING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AARON HEATING SERVICES LIMITED

We have audited the financial statements of Aaron Heating Services Limited for the 18 months ended 30 September 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditors

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. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the annual report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit for the 18 month period 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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.

James Wright FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick, United Kingdom
19 May 2017

AARON HEATING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
For the 18 months ended 30 September 2016

	Notes	18 months to 30 September 2016	12 months to 31 March 2015
		£	£
Other income - Income from shares in group undertakings	3	251,069	430,404
Profit on ordinary activities before taxation	4	251,069	430,404
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation and total comprehensive income attributable to the owners of the Company	11	251,069	430,404

All of the activities of the Company are classed as continuing

The notes on pages 9 to 13 form part of these financial statements

AARON HEATING SERVICES LIMITED

BALANCE SHEET
At 30 September 2016

	Notes	30 September 2016	31 March 2015
		£	£
Fixed assets			
Investments	6	**3,524,833**	3,524,833
Current assets			
Debtors - due after more than one year	7	**206,528**	-
Creditors: amounts falling due within one year	8	-	(330,397)
Net current assets / (liabilities)		**206,528**	(330,397)
Total assets less current liabilities		**3,731,361**	3,194,436
Creditors: amounts falling due after more than one year	9	-	(398,932)
Net assets		**3,731,361**	2,795,504
Capital and reserves			
Called up share capital	10	**302,500**	940,500
Capital Contribution reserve		**605,460**	-
Capital redemption reserve		**2,823,401**	1,855,004
Equity shareholders' funds		**3,731,361**	2,795,504

The financial statements of Aaron Heating Services Limited (registered number 07220432) were approved by the board of directors and authorised for issue on 19 May 2017. They were signed on its behalf by:

J J C Simpson
Director

The notes on pages 9 to 13 form part of these financial statements

AARON HEATING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 18 months ended 30 September 2016

	Called up share capital	Capital contribution reserve	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
Balance at 1 April 2014	940,500	-	1,424,600	-	2,365,100
Profit for the year and total comprehensive income for the year	-	-	-	430,404	430,404
Transfer between profit and loss account and capital redemption reserve	-	-	430,404	(430,404)	-
Balance at 31 March 2015	940,500	-	1,855,004	-	2,795,504
Profit for the period and total comprehensive income for the period	-	-	-	251,069	251,069
Transfer between profit and loss account and capital redemption reserve	-	-	251,069	(251,069)	-
Capital contribution / redemption movement	(638,000)	605,460	717,328	-	684,788
Balance at 30 September 2016	**302,500**	**605,460**	**2,823,401**	**-**	**3,731,361**

NOTES TO THE FINANCIAL STATEMENTS
For the 18 months ended 30 September 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

Basis of accounting

Aaron Heating Services Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2.

The prior period results relate to the year ended 31 March 2015.

The company meets the definition of a qualifying entity under FRS 100 ("Financial Reporting Standard 100") issued by the Financial Reporting Council ("FRC"). Accordingly in the period ended 30 September 2016 the company has changed its accounting framework from UK GAAP to FRS 101 ("Financial Reporting Standard 101") as issued by the FRC and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 – *Reduced Disclosure Framework* as issued by the FRC. An exercise has been completed to identify the impact of the change on the results, assets and liabilities reported in prior period financial statements. The exercise concluded that there no material adjustments identified that require prior period financial statements to be restated on adoption of FRS 101 in the current period. For more information see note 13.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Lakehouse plc. These financial statements are available to the public and can be obtained as set out in note 12.

As permitted by section 400 of the Companies Act the Company has not prepared consolidated financial statements.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors regard the foreseeable future as no less than 12 months following publication of its annual financial statements, so in practical terms, twenty months from the balance sheet date. The Directors have considered the Company's working capital forecasts and projections, taking account of reasonably possible changes in trading performance and the current state of its operating market, and are satisfied that the Company should be able to operate within the level of its current facilities and in compliance with the covenants arising from those facilities. Accordingly, they have adopted the going concern basis in preparing the financial information.

Taxation

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

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates prevailing in the year.

Current tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. When current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Impairment of investments

At each balance sheet date, the company tests the carrying amounts of investments to determine whether those investments have suffered an impairment loss. The recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

1. Accounting policies (continued)

Impairment of investments (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Company are as follows:

a) Trade and other payables

Trade and other payables are not interest bearing and are stated initially at fair value and subsequently held at amortised cost.

b) Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

c) Equity instruments

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

2. Critical accounting judgements and key sources of uncertainty

Sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of turnover and expenses during the reporting period.

Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The Directors believe the following to be the key areas of estimation and judgement:

Impairment of investments

The company reviews the valuation of all its investments for impairment annually or if events and changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows. See note 6 for further information.

NOTES TO THE FINANCIAL STATEMENTS
For the 18 months ended 30 September 2016

3. Other operating income

	18 months to 30 September 2016	12 months to 31 March 2015
	£	£
Other income	**251,069**	430,404

4. Profit on ordinary activities before taxation

The audit fees of £1,000 (year ended 31 March 2015: £1,000) were borne by another group company and are not recharged to Aaron Heating Services Limited.

5. Tax on profit on ordinary activities

Analysis of tax charge in the year:

	18 months to 30 September 2016	12 months to 31 March 2015
UK Corporation tax	£	£
Current tax on income for the period	-	-
Total tax on profit on ordinary activities	-	-

The tax charge for the period / year can be reconciled to the profit and loss account as follows:

	18 months to 30 September 2016	12 months to 31 March 2015
UK Corporation tax	£	£
Profit on ordinary activities before taxation	**251,069**	430,404
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.00% (12 months to 31 March 2015: 21.00%)	**50,214**	90,385
Effect of:		
Expenses not deductible for tax purposes	**(50,214)**	(90,385)
Total tax charge for period / year	-	-

6. Investments

	Investments in subsidiaries
	£
Cost	
At 1 April 2015 and 30 September 2016	3,524,833
Net book value	
30 September 2016	3,524,833
31 March 2015	3,524,833

The company holds 20% or more of the share capital of the following companies:

Entity	Country of registration	Nature of business	Shares held class	Proportion of shares held
Aaron Services Limited	UK	Installation and maintenance of plumbing and heating systems	Ordinary and 'A' ordinary shares	100%

7. Debtors

	30 September 2016	31 March 2015
	£	£
Amounts falling due after more than one year		
Amounts owed from group undertakings	206,528	-

8. Creditors – amounts falling due within one year

	30 September 2016	31 March 2015
	£	£
Bank loans and overdrafts	-	5
Share capital treated as debt	-	330,392
	-	330,397

9. Creditors – amounts falling due after more than one year

	30 September 2016	31 March 2015
	£	£
Amounts owed to group undertakings	-	398,932

AARON HEATING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 18 months ended 30 September 2016

10. Called up share capital

	30 September 2016	31 March 2015
	£	£
Allotted, called up and fully paid		
302,500 (31 March 2015: 302,500) Ordinary shares of £1 each	**302,500**	302,500
Nil (31 March 2015: 638,000) 'B' Preference shares of £1 each	**-**	638,000
	302,500	940,500
Shares classified as debt		
Allotted, called up and fully paid		
Nil (31 March 2015: 330,392) 'A' Preference shares of £1 each	**-**	330,392

During the period the company redeemed 251,069 'A' preference shares (year ended 31 March 2015: 430,404 'A' preference shares). The share redemption was funded exclusively out of retained earnings. All remaining 'A' and 'B' Preference shares were reclassified to Capital Contribution Reserve upon acquisition by Lakehouse Compliance Services Limited.

'A' Preference shares

There are no premiums payable on redemption and the shares have no rights to dividends. The shares carry no voting rights.

On a winding up or repayment of capital, the holder of the shares are entitled to repayment of the capital paid up on those shares in priority to repayment of the Ordinary Shares but shall not be entitled to participate in the assets or income of the company.

'B' Preference shares

The 'B' Preference shares are redeemable at the behest of the company and not the holder and have no rights to dividends. They are therefore treated as an equity instrument.

There are no premiums payable on redemption and the shares carry no voting rights.

On a winding up or repayment of capital, the holder of the shares are entitled to repayment of the capital paid up on those shares in priority to repayment of the Ordinary Shares but shall not be entitled to participate in the assets or income of the company.

11. Profit and loss account

	30 September 2016	31 March 2015
	£	£
Balance brought forward	**-**	-
Profit for the financial year	**251,069**	430,404
Transfer to capital redemption reserve	**(251,069)**	(430,404)
Balance carried forward	**-**	-

12. Ultimate control

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party is Lakehouse plc, a company incorporated in Great Britain. The parent undertaking of the largest and smallest group, which includes the company and for which group accounts are prepared is Lakehouse plc.

Copies of the group financial statements of Lakehouse plc, can be obtained from the Company Secretary, Lakehouse plc, 1 King George Close, Romford, Essex RM7 7LS or they are available at www.lakehouse.co.uk.

13. Explanation of transition to FRS 101

In the current period, the company has applied FRS 101 for the first time which has resulted in no material effects on the information in the balance sheet at 31 March 2014 or 31 March 2015. Consequently, a reconciliation of the balance sheet at 31March 2014 or 31 March 2015, together with the profit and loss account for the 12 months ended 31 March 2015, prepared under UK GAAP and FRS 101 is not required.