

# HomeServe France Limited

## Annual Report and Financial Statements for the year ended

31 March 2022

Company Registration No: 09469168

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# Strategic Report

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The Directors present their Strategic Report for the year to 31 March 2022.

## Principal Activity

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

The Company's principal activity is to provide finance to HomeServe plc Group businesses in France.

## Financial Review

Profit before tax for the year was £1,366,000 (2021 loss: £1,460,000) the increase in profit is mainly due to the favourable movement in the Euro exchange rate against sterling during the year. Net assets at the end of the year were £86,311,000 (2021: £86,932,000) as shown in the balance sheet on page 6 of the financial statements.

## Principal Risks and Uncertainties

There are a number of risks and uncertainties that could have a material impact on the Company's future performance. Group risks are discussed in the HomeServe plc Annual Report which does not form part of this Report.

The Directors have considered the risks associated with the COVID pandemic and are satisfied that the impact on the Company will be limited based on the resilience of the Group's operating model and consumer behavior. Through FY22, trading in the Group's Membership businesses remained very resilient against the backdrop of the COVID pandemic, with the Group retention rate increasing compared to FY21. In Home Experts, consumer demand for home repairs and improvements remains high. Although the continuing public health response to COVID has begun to shift from treatment as a pandemic to being endemic across most of the territories in which the Group operates, it remains an area of focus. Due to differences by country in the specific approach of national governments, and sub-national public bodies, the risk and response to COVID continues to be managed locally with consideration of the specific risk environment for each business.

## Environment

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

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

# Strategic Report

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## Employment Policies

Although the Company currently has no employees, it is the Company's policy that all persons should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

The Company applies employment policies that are fair and equitable for all employees and which ensure entry into and progression within the Company are determined solely by application of job criteria and personal ability and competency.

Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons. The Company's training and development policies make it clear that it will take all steps practicable to ensure that if an employee becomes disabled during the time they are employed by the Company, their employment can continue.

## Financial Results

The Company's results are shown in the profit and loss account on page 5. The Directors paid an interim dividend to ordinary shareholders of £1,595,000 (2021: £1,244,000).

## Key Performance Indicators

The HomeServe plc Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the HomeServe plc Group, which includes the Company, is discussed in the Group's Annual Report, which does not form part of this Report. A copy of the Report can be found at [www.homeserveplc.com](http://www.homeserveplc.com).

## Going Concern and Future Outlook

The Directors confirm that, after reviewing the Company's budget and projected cash flows, they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As part of the review of the Company's budget and projected cash flows, the Directors have considered the impact of the COVID-19 crisis and are satisfied that the longer term prospects of the business remain unchanged. For this reason, the Directors have adopted and will continue to adopt the going concern basis in preparing the financial statements. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

On 19 May 2022, Brookfield Infrastructure announced a recommended cash offer for the entire issued, and to be issued share capital of the Company's ultimate parent company, HomeServe plc, to be effected by means of a court approved scheme of arrangement under Part 26 of the UK Companies Act 2006. The proposed acquisition is subject to shareholder approval, approval of the courts and approval from a number of regulatory authorities.

The Going Concern statement in this report takes no account of the proposed acquisition and has therefore been prepared on a stand-alone basis.

Based on the collective assessment of the information described above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment.

By order of the Board



**Mr David Jonathan Bower**

Director

24 June 2022

# Directors' Report

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The Directors have pleasure in presenting their Annual Report and unaudited Financial Statements for the year ended 31 March 2022.

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

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

## Directors

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

Mr David Jonathan Bower

Mr Richard David Harpin

None of the Directors had a material interest in any trading contract to which the Company was a party during the financial year.

## Dividends

The profit for the year of £974,000 (2021 loss: £1,816,000) was transferred to reserves and accordingly, the Directors proposed and paid an interim dividend to ordinary shareholders of £1,595,000 (2021: £1,244,000). There is no final proposed dividend for the year ended 31 March 2022 (2021: £nil).

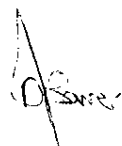
## Political contributions

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

## Directors' indemnities and insurance

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report. The Company maintains directors' and officers' liability insurance for its Directors and officers.

By Order of the Board



**Mr David Jonathan Bower**

Director

24 June 2022

Registered Office: Cable Drive, Walsall, United Kingdom, WS2 7BN

Registered in England and Wales

# Directors' Responsibilities Statement

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The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

# Profit and Loss Account

For the year ended 31 March 2022

Continuing operations	Note	2022 £000	2021 £000
<b>Operating loss</b>		<b>(1)</b>	<b>-</b>
Interest receivable and similar income	6	2,012	1,908
Interest payable and similar expenses	7	(645)	(3,368)
<b>Profit/(loss) before tax</b>		<b>1,366</b>	<b>(1,460)</b>
Tax charge	8	(392)	(356)
<b>Profit/(loss) for the year and total comprehensive income</b>		<b>974</b>	<b>(1,816)</b>

# Balance Sheet

As at 31 March 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Investments	9	85,778	86,448
		<b>85,778</b>	86,448
<b>Current assets</b>			
Cash at bank and in hand	10	555	482
Current tax asset	10	-	2
		<b>555</b>	484
<b>Total assets</b>		<b>86,333</b>	86,932
<b>Current liabilities</b>			
Bank overdraft	11	(15)	-
Current tax liability	11	(7)	-
		<b>(22)</b>	-
<b>Net current assets</b>		<b>533</b>	484
<b>Total liabilities</b>		<b>(22)</b>	-
<b>Net assets</b>		<b>86,311</b>	86,932
<b>Equity</b>			
Called up share capital	12	727	727
Share premium	13	73,021	73,021
Retained earnings		12,563	13,184
<b>Total equity</b>		<b>86,311</b>	86,932

For the year ending 31 March 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of HomeServe France Limited, registered number 09469168, were approved by the board of directors and authorised for issue on 24 June 2022. They were signed on its behalf by:



**Mr David Jonathan Bower**  
Director  
24 June 2022

# Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 April 2021	727	73,021	13,184	86,932
Profit for the year and total comprehensive income	-	-	974	974
Dividends paid (note 5)	-	-	(1,595)	(1,595)
<b>Balance at 31 March 2022</b>	<b>727</b>	<b>73,021</b>	<b>12,563</b>	<b>86,311</b>

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 April 2020	727	73,021	16,244	89,992
Loss for the year and total comprehensive expense	-	-	(1,816)	(1,816)
Dividends paid (note 5)	-	-	(1,244)	(1,244)
<b>Balance at 31 March 2021</b>	<b>727</b>	<b>73,021</b>	<b>13,184</b>	<b>86,932</b>



# Notes to financial statements

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For the year ended 31 March 2022

## 1. General information

HomeServe France Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in note 15.

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

### Going concern

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

On 19 May 2022, Brookfield Infrastructure announced a recommended cash offer for the entire issued, and to be issued share capital of the Company's ultimate parent company, HomeServe plc, to be effected by means of a court approved scheme of arrangement under Part 26 of the UK Companies Act 2006. The proposed acquisition is subject to shareholder approval, approval of the courts and approval from a number of regulatory authorities.

The Going Concern statement in this report takes no account of the proposed acquisition and has therefore been prepared on a stand-alone basis.

Based on the collective assessment of the information described above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment.

## 2. Significant accounting policies

### Basis of accounting

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

### Adoption of new or revised standards

The following accounting standards, interpretations and amendments have been adopted in the year:

Amendments to IFRS 16	COVID-19 Related Rent Concessions and COVID-19 Related Rent Concessions beyond 30 June 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2
IFRIC Agenda Decision	Configuration or customization costs in 'Software as a Service' (SaaS) cloud computing arrangements

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

# Notes to financial statements

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For the year ended 31 March 2022

## 2. Significant accounting policies (continued)

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

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

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

The principal accounting policies adopted are set out below:

### **Interest receivable and similar income**

Other interest receivable and similar income is recognised in the profit and loss account in the period in which it is earned.

### **Interest payable and similar expenses**

Interest payable and similar expenses are recognised in the profit and loss account in the period in which they are incurred.

### **Taxation**

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

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

### **Foreign currencies**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

### **Financial instruments**

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The classification depends on the nature and purpose of the financial assets or liabilities and is determined at the time of initial recognition. The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### **Financial liabilities and equity**

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

# Notes to financial statements

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For the year ended 31 March 2022

## 2. Significant accounting policies (continued)

### **Cash and cash equivalents**

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

### **Debtors**

Debtors include amounts owed by third parties and Group undertakings. Amounts owed by Group undertakings are interest bearing. Amounts owed by Group undertakings that are interest bearing are stated at amortised cost.

### **Creditors**

Creditors include amounts owed to third parties and Group undertakings. Amounts owed to Group undertakings are interest bearing. Amounts owed to Group undertakings that are interest bearing are stated at amortised cost.

### **Equity instruments**

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

### **Critical accounting judgements and key sources of estimation of uncertainty**

The Directors believe there are no critical judgements in applying the Company's accounting policies and no key sources of estimation uncertainty which impact on the financial statements of the Company.

## 3. Business and geographical segments

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

## 4. Profit for the year

### **Audit fees**

In the current and prior year, the Company took the exemption available from audit under section 479A of the Companies Act 2006.

### **Staff costs**

No persons were employed by the Company during the current year or prior period. In the current year and prior period, the remuneration of Directors was paid by other Group undertakings and no part of their remuneration was specifically attributable to services provided to HomeServe France Limited.

## 5. Dividends

The Company paid a dividend of £1.60 per share (2021: £1.24 per share) to ordinary shareholders during the year amounting to £1,595,000 (2021: £1,244,000).

## 6. Interest receivable and similar income

	2022 £000	2021 £000
Interest from loans to other Group undertakings	2,012	1,908

# Notes to financial statements

For the year ended 31 March 2022

## 7. Interest payable and similar expenses

	2022 £000	2021 £000
Exchange rate differences	645	3,368

## 8. Tax

	2022 £000	2021 £000
Current tax charge	382	353
Adjustments in respect of prior year	10	3
Total tax charge	392	356

UK corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year in accordance with applicable statutory rates.

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

	2022 £000	2021 £000
Profit/(loss) before tax	1,366	(1,460)
Tax at the UK corporation rate of 19% (2021: 19%)	260	(277)
Tax effect of items that are not deductible in determining taxable profit	122	630
Adjustments in respect of prior year	10	3
<b>Tax charge for the year</b>	<b>392</b>	<b>356</b>

Foreign exchange movements in the Company are not subject to tax due to a Foreign Currency Election filed with HMRC.

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

## 9. Fixed assets

### Investments

	2022 £000	2021 £000
Amounts owed by other Group undertakings after 12 months	85,778	86,448

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

# Notes to financial statements

For the year ended 31 March 2022

## 10. Current assets

### Current tax asset

	2022 £000	2021 £000
Current tax asset	-	2

The Directors consider that the carrying amount of the current tax asset is approximately equal to its fair value.

### Cash at bank and in hand

Cash balances and cash equivalents of £555,000 (2021: £482,000) comprise cash held by the Company and short term bank deposits with an original maturity of three months or less.

## 11. Current liabilities

	2022 £000	2021 £000
Bank overdraft	15	-
Current tax liability	7	-
	22	-

The Directors consider that the carrying amount of the current tax liability is approximately equal to its fair value.

## 12. Called up share capital

	2022 £000	2021 £000
Authorised, issued and fully paid:		
1,000,000 ordinary shares of €1 each (2021: 1,000,000 ordinary shares of €1 each)	727	727

The Company has one class of ordinary shares, which carry no right to fixed income.

Share capital represents consideration received for the nominal value of £1 per share on all issued and fully paid shares.

## 13. Share premium

	£000
Balance at 1 April 2020, 1 April 2021 and 31 March 2022	73,021

## 14. Related parties

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

## 15. Ultimate parent company

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

# Notes to financial statements

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For the year ended 31 March 2022

## **16. Post Balance Sheet Event**

On 19 May 2022, Brookfield Infrastructure announced a recommended cash offer for the entire issued, and to be issued share capital of the Company's ultimate parent company HomeServe plc, to be effected by means of a court approved scheme of arrangement under Part 26 of the UK Companies Act 2006. The proposed acquisition is subject to shareholder approval, approval of the courts and approval from a number of regulatory authorities.