HomeServe Limited

Annual Report and Accounts

31 December 2024

Company Registration No: 02648297

Registered number	02648297
Registered office	Cable Drive Walsall WS2 7BN
Auditors	Deloitte LLP Four Brindleyplace Birmingham United Kingdom B1 2HZ

Strategic Report

At a glance

HomeServe's purpose is to make home repairs and improvements easy, and our vision is to become the European leader in home energy efficiency. We aspire to be able to do every job, in every home.

We run our business in two largely autonomous divisions, which benefit from shared expertise and experience. Capital allocation decisions are made by the HomeServe EMEA Board, for the benefit of the business as a whole.

We expect to achieve strong earnings growth by maintaining and growing our Membership & HVAC businesses in EMEA and continuing to develop our new business model in Home Experts. Our responsible business framework spans our divisions and defines the way we work. We share expertise in managing environmental, social and governance risks. We are passionate about contributing to positive change in our industry – for example by promoting environmentally friendly sources of heating and cooling and creating trades apprenticeships.

Revenue[1]

£1,172.8m (2023: £774.0m)[2]

Operating profit[1]

£3.4m (2023: £17.9m)[2]

Adjusted profit before tax[1]

£62.9m (2023: £129.3m)[2]

Loss before tax[1]

£31.7m (2023: profit of £87.9m)[2]

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Financial statements

[1] All income statement items in the current period relate to the 12 month period ended 31 December 2024. All comparatives are for the 9 month period from 1 April 2023 to 31 December 2023.
[2] FY24 profit measures include the impact of £64.7m of other adjusting items and exceptional charges (nine month period ended 31 December 2023: £23.0m), see note 7. Profit metrics are discussed in the Financial Review in the Strategic Report, see pages 4 - 5. Adjusted metrics are non-statutory and defined in note 2.

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2024.

Principal activities

HomeServe Limited and its subsidiaries (the Group) provide various consumer-facing products within the home emergency repair and improvement markets.

Our Membership business offers policies to insurance-minded homeowners covering a range of home emergencies via subscription. The cost of repairs covered by our policies are underwritten by third-party insurers which insulates us from surges in demand, ensuring that we can always put our customers' needs first.

Our HVAC installation, repairs and servicing business offers customers a range of products across the home heating/cooling space. Our HVAC operations are increasingly focussed on proactive participation in the 'green revolution' as we invest in the development of products that encourage domestic decarbonisation.

Finally, our Home Experts businesses service the segment of the market that prefers to either deal with issues as they arise ('DIYers' who need specialist help) or are focussed instead on home improvement. Our businesses operate on-demand online platforms that match homeowners with local trades (tradespeople) and include Checkatrade in the UK, eLocal in North America and Habitissimo, across Spain, Portugal and Italy.

There have not been any significant changes in the Company's principal trading activity in the period under review. 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.

The Group is headed by HomeServe Limited. Its immediate parent company is Hestia Bidco Limited, incorporated in the United Kingdom, and registered at 1 Canada Square, Level 25, Canary Wharf, London, E14 5AA. The ultimate parent company is Brookfield Corporation, incorporated in Canada, its registered address is Brookfield Place, Suite 100, 181 Bay Street, Toronto, ON M5J 2T3.

Business review

Revenue is up 52% to £1,172.8m principally due to the comparative period to 31 December 2023 being only 9 months in length. Revenue performance on a like-for-like[3] basis has been good in the period, with our Membership & HVAC businesses having seen revenue growth of 7% to £938.5m, driven by the benefit of a full year of revenue from the Group's December 2023 acquisition of BOXT Limited as well as the continued impact of our 'buy & build' M&A strategy, particularly in Germany. Our Home Experts businesses have also performed well with revenues up 20% at £234.3m, primarily driven by eLocal's acquisition of Bunker Hill and growth in average revenue per trade in Checkatrade.

Operating profit reduced to £3.4m in the year to 31 December 2024 (9 month period to 31 December 2023: £17.9m) reflecting softer trading in certain markets and the impact of a full 12-month reporting period. The period-on-period fluctuation was primarily driven by one-off challenging conditions in France and Spain, alongside the full-year impact of FY23 M&A, particularly the acquisition of BOXT. In France the temporary impact of legislative uncertainty drove a 22% deterioration in operating performance (on a like for like basis). This was principally driven by certain HVAC businesses as approvals for government subsidised projects ceased around the 2024 elections. In addition the adverse impact of one-off flooding events reduced the ability of our Spanish Claims business to operate during Q4 in the Valencian Community and surrounding areas causing overall Spanish operating results for the year to be restricted to 2% growth on a like for like basis. Additionally an increase in the level of one-off impairments by £49.1m to £56.9m, associated with Habitissimo, following the decision not to invest further in the business, and the impairment of intangible IT software assets in our Spanish business (see note 7) were consequential to operating performance.

Key performance indicators

Our KPIs are the measures we use to track progress against strategic priorities and sources of value. They help us analyse past performance and give us insight into future prospects.

Our principal Membership & HVAC KPIs are:

- Customers[4] – our core Membership business is built on our ability to attract customers from our addressable markets by offering great products and services.
- Retention rate – reflects our ability to deliver fit-for-purpose products and great service to our customers.
- HVAC installations – measures the number of heating, ventilation and air conditioning units we have installed.

[3] 'Like-for-like' being a comparison of the same 12 month period ended 31 December in 2024 and 2023, unadjusted for the impact of acquisitions.
[4] For operational management purposes, a customer is classified as the end consumer of our products. This differs to our 'IFRS 15' definition of a customer (which is the underwriter, by whom the Group has been contracted to sell policies).

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Our customer book closed the year at 3,420k, down on a December 2023 'like for like' equivalent of 3,539k reflecting the natural run off of our more mature books in the UK and Spain. Headline retention rates have remained very strong at over 80% (consistent with prior periods) and although our new customer volumes fell 8% vs. the prior period on a like for like basis (Year to 31 December 2024: 479k, Year to 31 December 2023: 521k), largely driven by our Spanish business, the same trends were not seen in our UK or French Membership businesses which represent our two largest geographies for this line.

Regarding HVAC installations, volumes were up 84% on a like for like basis at 49k driven by the acquisition of BOXT Limited and the Group's continued 'buy & build' M&A strategy. The level of growth was good considering the HVAC market headwinds across key territories, including restricted consumer spending, political uncertainty (with elections in Germany, France & the UK) and regulatory change in France.

Our principal Home Experts KPIs are:

- Trade volumes – our Home Experts platforms are dependent on attracting professionals (Trades) to provide excellent service to homeowners.
- Average revenue per Trade ('ARPT') – this measures our ability to monetise Trades on our platforms.

Total Trades has grown to 60k (December 2023: 57k) and ARPT has improved by 22% to £1,925, driven by cross-selling of additional products to the trade base. The deepening relationship with our trade base, highlighted by the significant growth in revenue per trade, is particularly encouraging as it demonstrates that we are able to deliver increasing levels of value to trades and that they positively view the platforms as a growth enabler for their businesses.

Financial review

The Group's results are shown in the Group income statement on page 28. The loss after tax, other adjusting items and exceptional items in the year was £34.9m (31 December 2023: profit of £54.2m).

Revenue increased by 52% to £1,172.8m, reflecting the longer duration of the current 12 month period versus the comparative 9 month period following the change of period end date to 31 December in 2023. Adjusted metrics are calculated before the amortisation of acquisition intangibles, other adjusting items, exceptional items and certain transaction related income or costs as described in note 2 to the financial statements. Loss before tax is reported after these items and on this basis the loss before tax was £31.7m (31 December 2023: profit of £87.9m). The key drivers of this adverse movement were due to a £49.1m increase in other adjusting items (see note 7), and £108.2m decrease in investment income due to there being no interest on loans receivable from parent companies in the current year (see note 8).

Acquisition amortisation relates to customer and other contracts held by third-party businesses which were acquired by HomeServe as part of business combinations and asset purchases. The amortisation of acquisition intangibles of £31.5m (31 December 2023: £21.5m) when adjusted to reflect the longer period, is up approximately 10% period on period. This is due to the impact of the Group's continued M&A program, including the 'buy and build' strategy in our HVAC line of business (see note 15).

Certain transaction related income of £1.6m (31 December 2023: £3.1m) was received, in relation to a decrease in the fair values of option obligations and contingent consideration liabilities related to previous M&A, offset by the unwinding of interest on put options and contingent consideration.

The Group's tax charge in the financial year was £3.2m (31 December 2023: £33.7m). The pre-exceptional effective tax rate for the year ended 31 December 2024 was (21)% (31 December 2023: 34%). The post-exceptional effective tax rate for the same period was (10)% (31 December 2023: 38%).

UK corporation tax is calculated at 25% (31 December 2023: 25%) of the estimated assessable profit for the period. The post-exceptional effective tax rate differs from the statutory rate primarily due to the impact of losses for which no tax relief is currently available together with non tax-deductible impairment costs.

HomeServe's business model continued to be highly cash generative with cash generated from operations of £133.7m (31 December 2023: £64.5m). The fluctuation in this metric period on period was overwhelmingly driven by the timing of renewal receipts in our UK business which happen in the first quarter of the calendar year which is not included in the nine month comparative period to 31 December 2023. Alongside this working capital absorption decreased by £20.1m to £13.9m, primarily reflecting the seasonal nature of HomeServe's operations, particularly within its Membership businesses which experience a strong weighting in policy sales from October to March, which leads to significant fluctuations in working capital requirements across different times of the year.

Free cash flow (see note 2) improved to £12.6m (2023: £(8.8m)). The aforementioned reduction in working capital absorption, combined with a full 12 months of

Strategic Report

trading compared to 9 months in the comparative period contributed to an overall £69.2m increase in cash generated from operations to £133.7m. This was partially offset by higher net interest and borrowing costs, which increased by £14.9m to £21.2m, mainly as a result of the Group entering into a €290.0m (£240.3m) loan facility with its immediate parent company, Hestia BidCo Limited on 1 January 2024. Noteworthy movements were also observed in income taxes paid, which increased to £20.8m principally due to HomeServe Limited cash settling the usage of prior period group losses with its direct parent and an increase in purchases of intangible assets of £18.3m to £57.8m. This increased charge was largely reflective of a full 12 months of intangible capital expenditure compared to only 9 months in the comparative period presented.

M&A activity continued to support HomeServe's growth ambitions, as the Group incurred a total net cash outflow, excluding deferred payments during the year of £56.8m (2023: £27.4m). In 2024 there were three acquisitions with material fair values of total consideration:

- High Tech Solar, a HVAC business specialising in renewable and efficient energy solutions in Belgium, giving rise to a £5.4m net cash outflow;
- Schneider, a HVAC business in Germany, giving rise to a £5.3m net cash outflow;
- Natelberg, a HVAC business in Germany, giving rise to a cash inflow of £1.4m, by virtue of the fact that the upfront cash outflow of £5.4m associated with this deal did not occur until FY25.

A further 21 acquisitions were completed in the year for a net cash outflow of £42.5m. The total cash outflow on acquisitions, excluding deferred payments, of £56.8m consisted of £51.8m net cash paid on current year acquisitions, as well as £5.0m (2023: £4.7m) paid on contingent consideration relating to business combinations completed during prior periods. Payments of deferred consideration, recognised as financing cash flows, totalled £3.1m (2023: £3.7m).

In the year, funding has been provided in Sterling, Euros and US Dollars. Total bank and other loans outstanding were £397.5m (2023: £332.8m) at the balance sheet date.

People

At HomeServe we take a People first approach and aim to build a workforce that is skilled, adaptable, and future focused, to enable our business to grow. We know that if we take care of our people, our people will take care of our customers and our business.

We have a diverse international workforce with over 7,000 people globally across our EMEA Membership & HVAC and Home Expert businesses. We want to be an employer of choice to enable us to attract, recruit and retain the best people. Our businesses operate on strong foundations, championing human rights, equal opportunities, diversity, equality, and inclusion, fair pay, and a strong Health & Safety culture. We encourage our people to engage in the communities where they live and work, and support them when they do so.

Employee engagement and satisfaction is measured via an annual engagement survey. The average Group engagement score for 2024 was 72% (2023: 73%).

Developing our culture

The HomeServe Way defines how we operate, built around our core values developed from lessons learnt over our years of operating. These also play a decisive role in our hiring, promotion, and recognition activity. Our HomeServe Way values are;

I lead with Courage

- I believe in our strategy, keep things simple and strive for great results and continuous improvement.
- I am decisive, speak my mind and confront challenges.
- I value innovation, "failing fast" and learning from experiences.

I lead with Persistence

- I work hard, do my best, take responsibility and am accountable for delivering results.
- I am optimistic, have a "can do attitude", choose action and make things happen.
- I am resilient when faced with setbacks, collaborate and find solutions.

I lead with Integrity

- I am honest, act with integrity and seek the truth.
- I value open communication and debate and listen respectfully to challenges and opinions.
- I act with humility and openness and embrace diversity to build great teams.

Across the Group, we are committed to building a fair, inclusive and diverse culture and are confident that we reward jobs of equal value equitably and fairly.

Corporate responsibility programmes

Each of our EMEA businesses has their own community programmes. In Spain, Llevando Sonrisas (Bringing Smiles) enables employees to get support for their chosen causes within the pillars of the programme: taking care of people's homes, helping vulnerable groups, the environment, and building healthy habits.

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France's CSR strategy, Empreinte 2030, focuses on three pillars: the customer, our social footprint, and the environment and in the UK business their Charity and Community Strategy enables employees to make a difference individually, locally, and nationally. The business chooses one national charity partner, our regional offices choose a local partner, and then individuals can support causes through the Nominate a Good Cause platform.

Strategic Report - Non-financial and sustainability information statement

The climate-related financial disclosures made below comply with the requirements of the Companies Act 2006 as amended by the Companies Strategic Report Climate-related Financial Disclosure Regulations 2022.

Management and governance

At a Group level, the Board has ultimate responsibility for the oversight of climate-related risks and opportunities. An annual update on climate related risks and an overview of the key climate related initiatives for the year are presented to the Audit and Risk Committee, a sub-committee to support the Board. The CFO is the nominated Director for activity on an operational basis. Group climate related risks and opportunities are identified through the Group risk function with support from our environmental advisors, and members of the Group team. Risks and opportunities are reviewed following material changes to the business or every three years. A review was performed in 2023 following our acquisition and separation from the US business.

At a local level, the respective management teams are responsible for managing and delivering on climate related risks and opportunities. The local risk teams identify and manage local level risks through their business risk management processes.

In addition, HomeServe has a Group Enterprise Risk that considers the below identified risks and opportunities 'Climate change and the environment'. These R&Os are further mitigated through other Group Enterprise risks such as, 'Business Resilience', 'Strategic Business Model' and 'Legal and Regulatory Compliance'. More information on these risks and their management is set out on page 15.

Climate scenarios

Climate change scenario analysis, summarised below, was used to assess our risks and opportunities described in this section where applicable. Climate scenario data was obtained from databases including the IEA, KNMI Climate Explorer, DESNZ and EU Impact Assessments.

Transition scenarios

Scenario	Indicative °C rise	Summary description	Justification
Paris-aligned, transition scenario	<2°C	The transition scenario (2DS) each sets out a rapid decarbonisation pathway in line with international policy goals. The scenario is aligned to the Paris Agreement objective of "holding the increase in global average temperatures to well below 2°C [by 2100]".	This scenario has been selected to provide a scenario where high levels of climate regulation and mitigation technologies are implemented to limit global warming to not exceeding 2°C. This provides a stress-test scenario when evaluating the greatest potential impact of a transition risk. It also provides an indication of the maximum opportunity that could be available for transition opportunities. We believe the business model is resilient under this scenario.
Stated policies scenario	>2°C	The stated policies scenario is a scenario in which global average temperatures are projected to rise by around 2.5 °C by 2100. This scenario is reflecting current global ambitions and is not consistent with achieving global climate mitigation goals. However it does represent a scenario that is more ambitious than a "business as usual" approach.	This pathway is a less ambitious climate scenario (to the above) but does provides an indication of risk or opportunity impact based on what policies have been stated by governments currently. We believe the business model is resilient under this scenario.

Strategic Report - Non-financial and sustainability information statement

Physical scenarios

Scenario reference name	Indicative °C rise	Summary description	Justification
RCP 8.5	>4°C	The RCP 8.5 scenario is a high emissions scenario in which no climate change mitigation occurs, and global temperatures rise above 4°C by 2100.	The range from RCP 2.6 to RCP 8.5 scenarios has been used in order to stress physical risk parameters under varying degrees of warming between worse and best-case scenarios. RCP 8.5 is the worst-case scenario as this translates to the highest level of warming (>4°C), resulting in the most severe physical risk impacts. We believe the business model is resilient under all of these scenarios.
RCP 4.5	>2°C	The RCP 4.5 scenario is a scenario in which some climate change mitigation occurs, and global temperatures rise above 2°C by 2100.	
RCP 2.6	1.6°C	The RCP 2.6 scenario is a scenario in which GHG emissions are strongly reduced and global temperatures rise to 1.6°C by 2100 compared to the pre-industrial period.	

The below risks and opportunities have been assessed on the basis of:

- **Likelihood** – the probability of a climate-related risk or opportunity taking place, considering outcomes across all scenarios assessed. The direction of travel of each relevant scenario parameter was assessed (i.e., whether under each scenario, a parameter is projected to increase, decrease, or not change).
  - For transition risks and opportunities, projections based on current commitments and trends were compared to the accelerated transition aligned to a 2-degrees, Paris Agreement aligned scenario.
  - For physical risks and opportunities projections were based on current commitments and trends were compared to a RCP 8.5 scenario with failure of climate mitigation actions and correspondingly high emissions.

- **Velocity –** assessing the time period in which the exposure to each climate risk or opportunity is expected to become significantly different to today. The purpose of this measure is to assess how fast external pressures are changing. Velocity was assessed using the following time horizons, which are aligned to our 5-year business planning and aligned to environmental scenario planning best practice;
  - Short term – today and 2029
  - Medium term – between 2030 and 2034
  - Long term – beyond 2035

- **Materiality –** the annual financial impact of each identified climate-related risk and opportunity was estimated. To assess financial materiality, the relationship between the driver of each climate-related risk and opportunity (e.g., the external climate scenario), and HomeServe's financial data was modelled. In most instances, the relationship between the scenario parameter and impacted value driver was directly correlated, in that one would change because of a change in the other. To understand and compare the relevant materiality of these financial impacts, thresholds were developed based on HomeServe's risk management financial materiality thresholds.

The nature of assessing climate-related risk and opportunities means that the assessment undertaken is not without its limitations. Some of the key challenges were associated with the estimation of financial materiality and use of climate projections in the prioritisation of risk.

Strategic Report - Non-financial and sustainability information statement

In 2024, following material changes to our business, we qualitatively reviewed the original outputs and the updated climate related risk and opportunities are outlined below. When considering the risks and opportunities identified under the scenarios highlighted, we continue to view the business model as resilient.

Opportunities

	Time horizon	Financial impact	Likelihood	Description and impact on business model resilience
Transition opportunities Installation of heating alternatives	Short term (Today – 2029)	Major (£10-25m)	Very likely (>90%)	The commercialisation, deployment and financing of low carbon heating solutions presents major opportunities for installation, maintenance, and cover. HomeServe can significantly drive revenues from its heating products and services by being the leader in this transition. This opportunity will be most successful under the Paris aligned scenario, as the uptake of new technologies will be driven by both regulation and incentivisation, thus will be most beneficial for our business model resilience if we work towards achieving this opportunity. Under the Stated policies scenario, this opportunity will still be present, but a slower uptake is more likely.
Transition opportunities New products and services	Short term (Today – 2029)	Moderate (£1-£10m)	Likely (65-90%)	The low-carbon transition will create more low-carbon market opportunities for HomeServe. HomeServe will be flexible in adapting its product and technology strategy to local conditions based on market demand, and this will be determined by evolving government regulation and incentivisation. New business lines, such as consumer finance, offer new revenue streams for the business. The different transitional scenarios impact this opportunity in the same way as for the installation of heating alternatives opportunity, as the possibility for opportunity is also driven by government regulation and incentivisation.

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Risks

	Time horizon	Financial impact	Likelihood	Description and mitigations
Physical risk Severe weather	Short - long term (Today – 2035+)	Moderate (£1-£10m)	Remote (<10%)	Severe weather could lead to operational challenges. We could see claims numbers increasing, supply chain disruption and difficulties in scheduling repairs. Potential business model impacts include decreased profit due to increases in claims; and lower customer retention due to dissatisfied customers if there are challenges to our operational capabilities. This is somewhat mitigated by the value customers derive from our other business lines, including evolving product offerings, as recognised in our opportunities listed above. We will work to understand the local impacts of extreme weather events and increase the flexibility and capacity of our networks. Each of our businesses also have operational continuity planning in place. This risk will be most impactful under a >4°C physical scenario, because without climate change mitigation we are going to see the greatest effects of climate change, including severe weather patterns, which will have the greatest impact on our business model resilience. Under a 1.6°C scenario, the physical impacts of climate change will be less, and so the impact on the business model resilience will be less.
Transition risk Capability and capacity gap for the installation of heating alternatives	Short term (Today – 2029)	Moderate (£1-£10m)	Medium (35-65%)	Our HVAC businesses could face a shortage of engineers skilled in low carbon technologies. Regulatory uncertainty may impact market conditions as well as the timeframe and severity of this risk. To enable this transition, the business has to prioritise green businesses in its M&A strategy, and increase financial and time resources into engaging with and understanding the supply chain and market environments. Under the Paris aligned scenario, this risk is most prevalent to our business as stricter regulation will exacerbate the demand and thus shortage for skilled engineers, which could negatively impact our business model resilience. However, this may be mitigated by clear regulatory direction enabling HomeServe to prepare better for the transition, thus supporting our business model resilience. Under the Stated policies scenario these impacts will have a lesser effect.
Transition risk Climate regulation	Short – medium term (Today – 2034)	Moderate (£1-£10m)	Very likely (>90%)	Emerging regulation could impact us in several ways, including increased operating costs caused by higher energy, fuel, and parts costs. These increased costs will impact the business' financials by reducing our profit margin. We have seen this materialise where changes in French regulation have impacted our Energy Go business. To mitigate this, we are developing climate reduction targets and a decarbonisation strategy including engagement with value chain partners. Under the Paris aligned scenario this risk is higher than under the Stated Policies scenario and so to ensure business model resilience, HomeServe will need to invest and prepare for upcoming regulation, as per our mitigation strategy.

Strategic Report - Non-financial and sustainability information statement

Metrics and Targets

This year we decided to withdraw our Scope 1&2 and Scope 3 SBTi targets. This is because, we do not believe that, at present, they can be achieved under current government policy and given the challenges of electric vehicle infrastructure and housing stock appropriateness. We will reassess our targets over the next 12 months to ensure they align with feasible industry and policy developments. Meanwhile, we will continue to identify ways to support making our operations more efficient and to transition our customers to green home heating technologies where is it possible, and in the customer's best interest.

We will be tracking and reporting on our carbon emissions on an annual basis. For our Scope 1&2 emissions we track our gas, electric, and vehicles' fuel and for category 3.6 we track all spend on business travel including hotels, and all modes of public and private travel. This data used includes activity-based data (utility bills and readings, and fuel reports and cards) and financial-based data to ensure complete data for fuel and business travel. Our carbon emissions modelling is developed in line with the GHG protocol.

Comparing the 2023 data prorated for 12 months against the 2024 data, shows an increase in total emissions driven by increases in fuel and electricity consumption. The reason for the increased consumption across the Group is our high acquisition rate of new businesses. The data shows a decrease in business travel from the previous year.

Scopes 1, 2 & 3.6

	Year ended 31 December 2024		9 month period ended 31 December 2023	
Global tonnes of CO2e	**Group**	**UK**	Group	UK
Scope 1				
Combustion of fuel and operation of facilities	**13,381**	**6,290**	7,393	4,061
Scope 2 (location-based)				
Electricity, heat, steam, and cooling purchased for own use	**3,171**	**590**	755	452
Scope 3.6				
Emissions from business travel	**872**	**417**	1,562	1,165
Total Scope 1, 2 (location-based) & 3.6	**17,424**	**7,297**	9,710	5,678

Tonnes of CO2e per employee	**2.46**	**2.85**	1.56	2.26

	Year ended 31 December 2024		9 month period ended 31 December 2023	
KwH	**Group**	**UK**	Group	UK
Combustion of fuel and operation of facilities	**59,729,256**	**27,648,902**	33,392,337	18,498,915
Electricity, heat, steam, and cooling purchased for own use	**11,831,413**	**2,999,247**	4,039,198	2,183,278
Total	**71,560,669**	**30,648,149**	37,431,535	20,682,193

We have reported on all the emissions sources required under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 – commonly referred to as Streamlined Energy and Carbon Reporting (SECR).

Strategic Report – Corporate governance

As a Board, we believe that good corporate governance underpins good business performance. We are accountable to our shareholder for ensuring that governance processes are in place and are effective and we are fully committed to meeting the required standards.

The Board has adopted the Wates Corporate Governance Principles for Large Private Companies, and this report will provide an insight into how those Principles are applied.

Purpose and leadership
We have a clearly defined strategy to become the European leader in home efficiency. This strategy has been communicated throughout the organisation.

The Board is responsible for the effective leadership and long-term success of the Group and our strategy is at the heart of Board discussions. The approach taken by the Board is intended to deliver performance and growth whilst maintaining high standards of business conduct. The Board monitors performance against the strategic objectives and plan and reviews the implementation of the strategy.

Our values and culture are articulated locally in each business through people and customer promises and the Board receives regular updates in respect of employee engagement. The Board gains valuable insight and feedback from the Executive Directors in respect of the culture and behaviour across the business and the internal audit function also considers culture as part of their reviews.

Board composition
As at 31 December 2024, the Board comprised three HomeServe Directors and three Brookfield Directors. During the year, the Chair, Richard Harpin, was responsible for the effective operation of the Board and the Board is supported by the Company Secretary. The roles of Chair and Chief Executive are separated. There are quarterly Board meetings with the agenda being balanced between strategic discussions, business performance and control matters.

The Board believes that its composition is appropriate given the ownership structure and that it has an appropriate balance of skills, experience and knowledge with individual directors able to make a contribution to discussions.

Director responsibilities
The Board is responsible for the effective leadership and long-term success of the Company. Clear terms of reference and delegated authorities are in place with certain matters such as significant capital expenditure being referred up to the shareholder for approval.

The Board has responsibility for defining and executing the strategy, reviewing trading performance, assessing acquisitions and disposals and considering governance matters. The Board also approves the Annual Report and financial statements. The Board has overall responsibility for the Group's systems of internal control, including the financial controls designed to give reasonable assurance against material financial misstatement or loss.

The Board believes the financial controls in place allow it to meet its responsibility for the integrity and accuracy of the Group's accounting records and to provide timely and accurate financial information to enable it to discharge its duties.

Day to day management control of the business is delegated to the HomeServe Directors and they regularly meet together, with other senior managers and with representatives of the shareholder. In particular, monthly meetings are held with each business in the Group to review performance. Representatives of the shareholder attend these meetings. HomeServe Directors then report on business performance at each Board meeting.

Opportunity and risk
The Board's primary responsibility is to promote the long-term success of the Company by creating and delivering sustainable shareholder value. Five-year business plans, annual budgets and investment proposals for each business are formally prepared, reviewed and approved by the Board.

The Board has overall responsibility for the Group's system of risk management and internal control including the setting of risk appetite. During FY23, an Audit & Risk Committee was established to support the Board on risk and assurance matters.

The system of internal control is designed to manage and mitigate rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated the day-to-day management of the Group to the HomeServe Directors.

Strategic Report – Corporate governance

The risk governance model is based on 'three lines of defence' as follows:

1st line of defence
A risk management framework is in place which includes the agreed risk appetite, policies and procedures. The Group's management operates a formal process for identifying, managing and reporting on the strategic, operational and financial risks faced by each of the Group's businesses. Risks are reviewed in detail at local risk committees and support is provided by the 2nd line of defence oversight functions.

2nd line of defence
Oversight is provided by the various control functions including risk, compliance and specialist functions such as health & safety and information security. The 2nd line provides advice to the Board and the Audit & Risk Committee on risk appetites, review of risk ratings and action plans and reports on risk management.

3rd line of defence
The Group has a dedicated internal audit function, and a formal audit plan is in place to address the key risks across the Group and the operation and effectiveness of internal controls. The function reports to the Board.

Remuneration
It is recognised that appropriate and fair levels of remuneration help companies to attract and retain a high quality workforce. The Group's remuneration policy is based on the following principles:

- to align rewards with the Group's financial and operational performance
- to ensure that remuneration, in particular, variable pay, supports the Group's strategy as a customer focused operation
- to attract, retain and motivate high calibre executives.

The management bonus scheme is structured in a consistent way across the Group to reinforce a sense of shared purpose (in particular to ensure that customers and ESG measures are included) but other decisions in respect of pay and conditions are taken locally to ensure that businesses remain competitive in their respective markets.

The Board is responsible for the overall structure of remuneration arrangements, but individual Executive remuneration is approved by the shareholder.

Stakeholder relationships and engagement
Our business environment presents us with opportunities and challenges, and it is vital for the Board to respond to these while continuing to grow our business and maintain our reputation. The Board seeks to understand the views of our stakeholders and engage with many of them to ensure that stakeholder interests can be considered during our discussions and decision making.

The importance and influence of stakeholder groups differs depending on the matter being discussed. It is possible for stakeholder interests to conflict and when this happens, the Board uses its judgement to reach a final decision.

Executives have responsibility for managing key stakeholders including the workforce, customers, contractors, underwriters and suppliers. They ensure that insight from these groups is presented to the Board and considered as part of the decision-making process.

The Board is advised of stakeholder views in a number of different ways:

- The monthly business review
- Business updates
- Presentations on strategic developments
- Customer insight
- Succession plans
- Employee engagement survey results
- Corporate governance and regulatory development updates
- Presentations from external advisers and internal experts.

Our people are one of our most important stakeholders. A Group-wide employee engagement survey is completed annually, and the results are discussed both centrally and locally and used to form the basis of action plans. Questionnaires are completed by employees on an anonymous basis and the process is facilitated by an external provider.

A whistleblowing policy is in place and allows employees, franchisees and sub-contractors who wish to raise any issues of concern relating to the Group's activities to do so on a confidential basis by contacting an external hotline.

A whistleblowing framework is also in place to ensure that the processes underpinning the policy are implemented consistently across the Group. This includes minimum standards in respect of communication and training.

All reports are formally investigated by the Assurance Director with support from relevant functions within the

Strategic Report – Corporate governance

business. Incidents and their outcomes are reported to the Audit & Risk Committee. A number of calls were made to the external hotline during the year and management action was taken where appropriate. No issues were raised that required any direct action from the Committee or the Board.

Going Concern and Future Outlook

The Directors have reviewed the Group budget, forecast and cash flows for 2025 and beyond, and concluded that they are in line with their expectations with regards to the Group strategy and future growth plans. In addition, the Directors have reviewed the Group position in respect of material uncertainties and have concluded that there are no items that would affect going concern or that should be separately disclosed.

The Directors have concluded that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and at least twelve months from the approval of the accounts. For this reason, they 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 Group activities in the next year.

Strategic Report - Risk management

Risk management at HomeServe forms a significant part of the overall governance structure. The overall risk policy and process is set at Group level with the implementation and ownership being adopted by our local businesses.

Our risk management process

The key components of HomeServe's risk management process are:

- Principal risks and uncertainties facing the Group are identified and implemented as Group Enterprise Risks (GERs) across the local businesses.
- Business Unit Specific Risks (BUSRs) are identified, assessed, prioritised, mitigated, controlled, monitored, and reported through local Risk Committees and at a Group level to the Board twice yearly.
- The Group risk function provides oversight, communication, and risk management support to local businesses, particularly for risks that could significantly impact the Group's overall objectives.

Our tolerance to risk

The Group's risk appetite is subject to a bi-annual review of its definition, content, and criteria for assessment scores. The Board's assessment of risk appetite is guided by our vision to become the European leader in home energy efficiency, and by our purpose to make home repairs and improvements easy.

Our risk assessment

All risks are assessed in respect of likelihood and impact based on a materiality matrix. Risks are scored on an inherent and residual basis and rated as red, amber or green. A risk, once identified, can be managed within Group's risk appetite through the effectiveness of controls that will manage the impact and likelihood of a risk crystalising.

Risk management governance

Risk registers are reviewed at local committees across the Group with the Board having oversight of the risks that are outside of the Group Risk Appetite. Oversight of the risk management process is provided by the Group Risk Function, local risk, and compliance teams, and, ultimately, the Board.

Principal Risks and Uncertainties

The following table sets out what HomeServe believes to be the principal risks and uncertainties facing the Group.

Legal and Regulatory Compliance	
RISK DESCRIPTION HomeServe fails to operate in a legally compliant and ethical way. Failure to appropriately recognise and comply with existing legal and regulatory requirements and to prepare appropriately for future legislative or regulatory changes (or failure to effectively engage with regulators) resulting in inability to grow the customer base and/or significant reputational damage adversely affecting the delivery of the business plan.	**OVERVIEW** Each of the Group's Membership businesses continues to operate appropriate governance and compliance processes to ensure compliance with local laws and regulations. HomeServe maintains regular dialogue with relevant regulators in all countries in which it operates as appropriate, and its compliance teams regularly monitor each business' compliance with relevant regulatory requirements and laws.
Culture and Conduct	
RISK DESCRIPTION HomeServe fails to embed a culture that promotes a customer-focused business and reflects the values necessary to attract and retain employees with the skills and principles necessary to support it. Lack of appropriate governance, tolerance of poor practices and behaviours, ultimately leading to poor decisions and outcomes that are to the detriment of its employees and customers.	**OVERVIEW** Each of HomeServe's membership businesses has a clearly articulated Customer Promise and Values and a remuneration strategy that continues to drive ethical and customer-focused behaviours. A Group-wide Code of Conduct and associated policies are widely available and promoted to employees and a 'whistleblowing hotline' is available for all employees to raise concerns of an ethical or legal nature.

Strategic Report - Risk management

Information Security and Cyber Resilience	
RISK DESCRIPTION There is a risk that Homeserve may be unable to prevent, detect, or respond effectively to cyber threats or information security incidents. This includes the potential for data breaches, system disruptions, or prolonged outages due to inadequate security controls, insufficient incident response capabilities, or lack of resilience in critical systems.	**OVERVIEW** HomeServe employs both defensive and proactive measures to manage this risk. The Group's businesses regularly invest in security capabilities as part of their strategic activities to address evolving threats. The business has established comprehensive information security policies and standards, aligning with relevant frameworks and conducting internal audits to monitor compliance. In addition, deliver approved training, perform regular external penetration tests and continual dark web monitoring. Annual tabletop exercises across the business are held with senior crisis teams to prepare for major cyber-attacks.
Data Privacy/Protection (All Data)	
RISK DESCRIPTION Customer, employee, partner, contractor, vendor or commercial data is unlawfully or incorrectly collected, processed, accessed, stored, disclosed, lost, compromised or made unavailable resulting in legal and regulatory action, operational business cessation or disruption, regulatory sanction including significant fines, reputational damage, operational and business interruption and associated costs.	**OVERVIEW** HomeServe has established a Group wide Framework consisting of several mitigating controls to manage the data privacy and security risk. All businesses are required to operate within this Framework and to comply with the Group-wide Data Protection Policy. Expertise within each business is overseen and supported by a centralised expert Group Data Protection function. Oversight is provided through monitoring controls, key risk indicators and data privacy governance committees. The Group's Internal Audit function regularly assesses business' compliance with relevant local regulations.
Health and Safety	
RISK DESCRIPTION Physical harm, injury, illness, or death occurs as a result of not complying with internal or external Health and Safety regulation or standards across all operating territories, subsequently leading to substantial fines, penalties, reputational damage and potential prosecution.	**OVERVIEW** HomeServe set's its H&S Principles at the Group level with robust health and safety policies and standards that are set and complied with at the entity level. The governance structure in place ensures all H&S matters have the appropriate oversight of the EMEA Board. Best practice, oversight and reporting continues to be provided to the local H&S leads within each of the businesses with H&S risks across the Group continuing to be managed within the Group risk appetite.

Strategic Report - Risk management

Strategic Business Model	
RISK DESCRIPTION Lack of focus on innovation resulting in the loss of competitive advantage and the ability to leverage market opportunities, ultimately harming business performance and operational results. Failure to take appropriate actions to diversify, develop a sustainable business model, adapt to internal and external influences and changes in customer behaviour through effective use of existing and new technologies will adversely impact HomeServe's ability to grow and serve customers.	**OVERVIEW** HomeServe continues to respond quickly to changing customer needs with agile product development and shared learning across our markets enabling the transfer of knowledge and product innovation. Climate related risks and opportunities continue to be intrinsically linked into our business strategy enabling us to continue delivering leading products and services that resonate with customers and consumers. All new acquisitions continue to be appraised by dedicated M&A teams and transactions approved by the local and/or EMEA Board.
Business Resilience	
RISK DESCRIPTION Failure to understand the criticality of business processes (including IT systems) and the impact this has on the business should they not be designed, governed, built, operated, maintained, and developed adequately. Failure to prepare for, respond to, or recover from unexpected internal or external events could impact business strategy, objectives, customers, and reputation.	**OVERVIEW** HomeServe takes a proactive approach that anticipates potential disruptions and ensures continuity of critical operations. A Cloud first strategy, with clearly defined policies and processes is in place at Group and Regional level for Incident and Crisis Management, Vendor management and associated Service Management processes.
Strategic Change	
RISK DESCRIPTION HomeServe fails to effectively design, build, and implement strategic business model and system changes. New and existing technology and strategic decision making is not appropriately governed and is not prioritised based on explicit business benefits.	**OVERVIEW** HomeServe's Business Change is managed effectively through a structured change management approach that aligns technology strategy to broader business goals. Governance exists at Regional and Group level including prioritisation and approval processes, and the use of third-party specialist organisations to inform strategy and decision making.
People	
RISK DESCRIPTION Failure to identify, attract, recruit, develop and retain the people required to provide the capability to deliver the long-term business plan. A lack of diversity and insufficient representation leads to poor decision making and strategic direction.	HomeServe embed an employee focused culture and focus on our core values of courage, persistence, and integrity. Employment policies, remuneration and benefits packages and long-term incentives are regularly reviewed with governance and approvals applied at both reginal and Group level and are designed to be competitive with other companies. Processes such as succession planning and PDRs exist to identify high performing individuals and ensure that they have sufficient development opportunities to encourage internal promotions over external hires.

Strategic Report - Risk management

Financial Misstatement	
RISK DESCRIPTION The risk of the organisation's financial statements being misstated to a material degree as a result of ineffective internal controls and non-compliance with local laws and regulations increasing the risk of criminal charges, prosecution, fines, penalties, operational disruption and reputational damage.	**OVERVIEW** Our businesses comply with internal control policies which set out the minimum standards on financial control. These policies have been enhanced by the SOX Compliance programme adding greater control and governance around some of our key processes and further reducing our risk exposure. The financial results for each business are subject to reviews on a monthly basis from local management, Group Finance and the leadership teams of both EMEA and Home Experts.

Climate Change and Environment	
RISK DESCRIPTION HomeServe fails to take appropriate action to adapt to physical and transitional risks associated with climate change. External influences such as increased frequency and severity of extreme weather events, regulatory, market, policy changes and customers' demands and needs driven by climate change, affecting our ability to execute our business strategy and service our customers.	**OVERVIEW** The responsibility of climate related risks and opportunities sit at a Group level with annual updates going to the Group Audit and Risk Committee. The IROs are identified through the Group risk function with support from our environmental advisors, and members of the Group team. These are reviewed following any material changes or every three years. Large compliance activity such as CSRD has been led by the Group team with third party specialist support and regular engagement with the local businesses to ensure compliance with local regulation and laws.

Strategic Report - Section 172 Statement

The Directors are aware of their various duties including those under section 172 of the Companies Act.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole and in doing so, have regard to particular matters. The Directors understand that how they behave matters to the stakeholders that have an interest in our business and that having productive relationships with our stakeholders is key to our ongoing success.

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's strategy and values, together with its business priorities and takes account of its role as a responsible corporate citizen. By doing this, the aim is to ensure that decisions are robust and sustainable.

The Directors have had regard for the matters set out in section 172(1) (a) – (f) of the Companies Act 2006 (s172(1)) when performing their duty under section 172. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also having regard to the s172(1) matters referred to below. The sections below set out our approach to stakeholder engagement.

Long-term results – the likely consequences of any decision in the long-term

Decisions taken during the year are made in the context of the long-term strategy and with regard to the Group's capital allocation model. The shareholder is closely involved in decisions in respect of significant capital expenditure such as technology programmes and strategic investments. Details of M&A activity in the year are set out in the Strategic Report.

Shorter-term expectations in respect of the strategy are approved as part of the budget process, against which performance is then monitored through regular updates to the Board and monthly reviews with each operating business.

Our workforce – the interests of our employees

Our people are critical to the success of our business, and we want them to be successful individually, and as a team. We aim to support an inclusive environment where everyone is treated with respect. We work hard to engage with and listen to our colleagues in a variety of ways. Our Group-wide engagement survey provides detailed insight into the views of our people and is used to develop local engagement plans.

Succession planning is undertaken across the Group, and this informs local plans in respect of learning and development and recruitment. We continue to offer apprenticeships in our UK Membership business to invest in the workforce of the future.

Health & Safety is a key focus in all of our businesses. Training is delivered at a local level, and every effort is made to ensure that our people in the field have the right equipment to do their jobs efficiently and safely.

Communication is delivered at a local level with most of our businesses holding regular briefings to inform staff about performance and strategy.

Our business relationships – the importance of developing the Group's business relationships with suppliers, customers and others

Managing these relationships is critical to ensuring the Group delivers on its strategy. In practice, relationships are managed at a local level. Local management actively seek the views of their customers through reviews and research with customer satisfaction being a key metric in the annual bonus scheme.

Considerable work is done to understand and meet customer needs and there is a focus on helping customers seek greener alternatives for their homes. New products have been introduced with this in mind.

We aim to build strong supplier relationships and develop mutually beneficial partnerships. There are dedicated teams in the businesses to manage contractor networks and other major suppliers. Engagement with suppliers is primarily through a series of local interactions and formal reviews.

The community and our environment – the impact of the Group's operations on the community and the environment

The Group seeks to have a positive impact on the communities in which it operates and reduce its impact on the environment. Key areas of focus include how we can support local causes and issues and create opportunities to recruit and develop local people. Each business has its own community programmes and further details on these can be found in the Strategic Report.

In terms of the environment, we are looking to set new targets in respect of our Scope 1&2 carbon emissions and are working on improving our data collection and monitoring. Further details in respect of climate-related disclosures are set out in the Strategic Report.

Strategic Report - Section 172 Statement

Our reputation – our desire to maintain high standards of business conduct

We expect all of our people to demonstrate the highest standards of integrity. Regardless of role, seniority, or location, they are required to comply with our Code of Business Conduct, our policies, and standards, and with all applicable laws and regulations that relate to their work. Training is provided on the Code and on individual aspects of it such as bribery and corruption, and we have an external whistle blowing hotline through which concerns can be raised on an anonymous basis.

Training is delivered locally and the completion of the required training is tracked and followed up to ensure that everyone undertakes the training relevant to their role.

Our shareholder, investors in the funds held by the ultimate parent and debt holders

It is important that our shareholder and their representatives have a good understanding of our strategy, business model and culture. The Board includes shareholder representatives and in addition to Board meetings, monthly business review meetings are held to discuss business performance. During the year, meetings of the Board were held in Spain and France so that the Board could see the operations and meet the management teams.

Outside of formal Board meetings, the HomeServe Directors are the primary communication route with the shareholder. Shareholder approval is required for significant capital expenditure and strategic investments.

Strategic Report - Non-financial Information Statement

The Group seeks to comply with the Non-financial Reporting requirements as detailed in the Companies Act 2006. The below table and information it refers to, is intended to help stakeholders understand our position on key non-financial matters. Copies of policies referred to in the table can be accessed online:

https://www.homeservegroup.com/who-we-are/corporate-policies/

Requirement	Our policies	Where you can find out more
Anti-bribery and anti-corruption	Financial Crimes and Sanctions Whistleblowing	Strategic Report – Risk Management, Regulation (page 15).
Employees	Code of Business Conduct	Strategic Report – People (page 5).
Environment	Group Environmental Policy	Strategic Report – Non-financial and sustainability information statement (page 7).
Social activities	Responsible Business Policy	Strategic Report – Corporate responsibility programmes (page 5 - 6)
Description of the principal risks and impact of business activity	N/A	Strategic Report – Risk Management (page 15).
Description of the business model	N/A	Strategic Report – Principal Activities (page 3).
Non-financial Key performance indications	N/A	Strategic Report – Key Performance Indicators (page 3).

Strategic Report 2024
for and on behalf of the Board

Signed by:

75CE42E91556456...

Gabriele Montesi
Interim Chief Executive Officer
30 May 2025

Directors' Report

The Directors have pleasure in presenting their Report for the period ended 31 December 2024.

Statutory information contained elsewhere

Information required to be part of this Directors' Report can be found elsewhere as indicated below and is incorporated here by reference:

Information	Location
Employees	Page 5
Diversity	Page 5
Energy and carbon reporting	Pages 7 - 11
Corporate Governance Statement	Pages 12 - 14
Going Concern and future outlook	Page 14
Stakeholder engagement	Page 20
Statements of responsibilities	Page 23
Financial instruments, risk management objectives and policies	Pages 76 - 79
Related party transactions	Pages 52, 80, 86 - 87 & 95 - 101

Directors

The Directors who served during the year and up to the date of this report were as follows:

Ross Clemmow (CEO)
Taylor Hall (CFO)
Paul Sim (resigned 10 March 2025)
Gabriele Montesi
Sikander Rashid
Richard Harpin (resigned 31 December 2024)
Edward Bolus (Group Finance Director) (appointed 22 January 2025)
Mark Murski (appointed 4 March 2025)

Mr Sim, Mr Montesi, Mr Murski and Mr Rashid are Brookfield Directors.

Dividends

During the year ended 31 December 2024 interim dividends of £52.0m were made and fully cash paid (31 December 2023: £152.6m were made - of which £130.0m were a distribution and £22.6m were cash paid). In addition, an interim dividend in specie of £nil (31 December 2023: £2,172.7m) was made in the year.

The Directors are not recommending the payment of a final dividend.

Auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP as existing auditor will be deemed to be reappointed and will continue in office.

Political donations

No political donations were made during the year to 31 December 2024 or in the nine month period to 31 December 2023.

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 and those of its subsidiaries.

Capital structure

Details of the issued share capital, together with details of shares issued during the year, are set out in note 27. There is one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote at a general meeting of the Company.

Fixed Assets

Total cash outflow on capital expenditure for tangible fixed assets relating to continuing operations was £6.9m in the year ended 31 December 2024 (31 December 2023: £4.7m).

Taxation status

The Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

Post balance sheet events

See note 33 for details of post balance sheet events.

Disclosure of information to Auditor

Each of the Directors confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself 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.

By order of the Board

Signed by:
Anna Maughan
A2171A813653482...
Anna Maughan
Company Secretary
30 May 2025

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company 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 the parent company 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.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

To the members of HomeServe Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of HomeServe Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group statement of comprehensive income;
- the group and parent company balance sheets;
- the group and parent company statements of changes in equity;
- the group cash flow statement;
- the material accounting policies; and
- the related notes 1 to 44.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the group's process and relevant controls around management's going concern assessment;
- reviewing management's five-year business plan and regulatory correspondence across the group;
- assessing compliance with the covenant conditions attached to the group's lending facilities;
  reviewing post year end performance and assessing the historical accuracy of forecasts prepared by management; and
- assessing the appropriateness of the disclosures made in the financial statements surrounding going concern and the principal risks and uncertainties that the group is facing.

Independent Auditor's Report

To the members of HomeServe Limited

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

Independent Auditor's Report

To the members of HomeServe Limited

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and local tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority regulation for the UK operating segments and compliance with local legislation for the overseas operating segments.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

The Group defers a portion of the revenue received for a policy sale that is deemed to relate to future claims handling responsibilities, as well as deferring a portion of revenue for future non-recoverable costs incurred by HomeServe's directly employed engineers when performing repairs in the UK. Our risk focuses on the key assumptions used within the Group's claims handling and directly employed operations revenue deferrals, as these represent the most significant areas of judgement or estimation i.e. cost per claim, directly employed engineer ("DEE") rate and claims profiles. We understood and evaluated the key controls within the revenue deferral process at both a Group and component level. We also tested inputs into managements model, challenged the appropriateness of the key assumptions and assessed the model for arithmetical accuracy.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the HMRC and the Financial Conduct Authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion: adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or the parent company financial statements are not in agreement with the accounting records and returns; or

Independent Auditor's Report

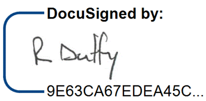
To the members of HomeServe Limited

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ryan Duffy (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, UK
30 May 2025

Group income statement

Year ended 31 December 2024

	Notes	31 December 2024 £m	Nine month period ended 31 December 2023 £m
Continuing operations			
Revenue	4	**1,172.8**	774.0
Operating costs	5	**(1,165.6)**	(752.2)
Share of results of equity accounted investments	17	**(3.8)**	(3.9)
Operating profit		**3.4**	17.9
Investment income	8	**1.9**	110.1
Finance costs	9	**(37.0)**	(40.1)
(Loss)/profit before tax		**(31.7)**	87.9
Tax	10	**(3.2)**	(33.7)
(Loss)/profit for the period		**(34.9)**	54.2
Attributable to:			
Equity holders of the parent		**(34.5)**	55.3
Non-controlling interests		**(0.4)**	(1.1)
		(34.9)	54.2

Non-GAAP Measures

	Notes	31 December 2024 £m	Nine month period ended 31 December 2023 £m
Adjusted profit before tax		**62.9**	129.3
Amortisation of acquisition intangibles	13	**(31.5)**	(21.5)
Certain transaction related income	7	**1.6**	3.1
Other adjusting items	7	**(56.9)**	(7.8)
Exceptional items	7	**(7.8)**	(15.2)
(Loss)/profit before tax		**(31.7)**	87.9

The notes on pages 33 to 87 are an integral part of these financial statements.

Group statement of comprehensive income

Year ended 31 December 2024

	Notes	31 December 2024 £m	Nine month period ended 31 December 2023 £m
(Loss)/profit for the period		**(34.9)**	54.2
Items that will not be reclassified subsequently to profit and loss:			
Re-measurement loss on defined benefit pension schemes	31	**(1.6)**	(0.2)
Deferred tax credit relating to re-measurements	10	**0.4**	–
Fair value gain/(loss) on 'fair value through other comprehensive income' (FVTOCI) investments in equity instruments	16	**4.6**	(0.8)
Deferred tax charge relating to FVTOCI investments in equity instruments	10	**(0.3)**	(0.4)
		3.1	(1.4)
Items that may be reclassified subsequently to profit and loss:			
Exchange movements on translation of foreign operations		**(10.6)**	(6.6)
		(10.6)	(6.6)
Total other comprehensive expense net of tax		**(7.5)**	(8.0)
Total comprehensive (loss)/profit for the period		**(42.4)**	46.2
Attributable to:			
Equity holders of the parent		**(42.0)**	47.3
Non-controlling interests		**(0.4)**	(1.1)
		(42.4)	46.2

Group balance sheet

Year ended 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Goodwill	12	**737.3**	714.2
Other intangible assets and prepaid software	13	**286.9**	297.9
Contract costs	4	**2.6**	3.5
Right of use assets	25	**50.4**	41.8
Property, plant and equipment	14	**36.2**	31.3
Equity accounted investments		**2.1**	4.3
Other investments	16	**19.9**	15.8
Finance receivables	19	**7.6**	4.1
Deferred tax assets	10	**–**	0.2
Retirement benefit assets	31	**7.0**	6.8
		1,150.0	1,119.9
Current assets			
Inventories	18	**37.9**	31.9
Trade and other receivables	19	**318.7**	332.5
Current tax assets		**1.9**	3.1
Cash at bank and in hand	20	**54.1**	74.8
Restricted cash	20	**7.7**	9.4
		420.3	451.7
Total assets		**1,570.3**	1,571.6
Current liabilities			
Trade and other payables	21	**(293.0)**	(283.9)
Bank and other loans	24	**(33.6)**	(34.0)
Current tax liabilities		**(7.3)**	(18.1)
Lease liabilities	24	**(13.3)**	(10.9)
Provisions	23	**(10.4)**	(8.0)
		(357.6)	(354.9)
Net current assets		**62.7**	96.8
Non-current liabilities			
Bank and other loans	24	**(363.9)**	(298.8)
Trade and other payables	22	**(24.2)**	(27.0)
Deferred tax liabilities	10	**(23.5)**	(21.8)
Lease liabilities	24	**(39.8)**	(33.0)
Retirement benefit obligations	31	**(2.6)**	(0.8)
		(454.0)	(381.4)
Total liabilities		**(811.6)**	(736.3)
Net assets		**758.7**	835.3
Equity			
Share capital	27	**9.1**	9.1
Share premium account	28	**214.9**	214.9
Currency translation reserve	28	**10.7**	21.3
Investment revaluation reserve	28	**7.0**	2.7
Other reserves	28	**82.2**	82.2
Retained earnings		**427.4**	498.0
Attributable to equity holders of the parent		**751.3**	828.2
Non-controlling interests	29	**7.4**	7.1
Total equity		**758.7**	835.3

The financial statements of HomeServe Limited, registered number 02648297, were approved by the board of Directors and authorised for issue on 30 May 2025. They were signed on its behalf by:

Signed by:
Taylor Hall
F756BBE517C9499

Taylor Hall, Chief Financial Officer
30 May 2025

Group statement of changes in equity

Year ended 31 December 2024

	Share capital £m	Share premium account £m	Currency translation reserve £m	Investments revaluation reserve £m	Other reserves[1] £m	Retained earnings £m	Attributable to equity holder of the parent £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2024	9.1	214.9	21.3	2.7	82.2	498.0	**828.2**	7.1	**835.3**
Loss for the year	–	–	–	–	–	(34.5)	**(34.5)**	(0.4)	**(34.9)**
Other comprehensive (expense)/income for the year	–	–	(10.6)	4.3	–	(1.2)	**(7.5)**	–	**(7.5)**
Total comprehensive (loss)/income	**–**	**–**	**(10.6)**	**4.3**	**–**	**(35.7)**	**(42.0)**	**(0.4)**	**(42.4)**
Dividend paid (note 11)	–	–	–	–	–	(52.0)	**(52.0)**	(2.5)	**(54.5)**
Business acquisition (note 15)	–	–	–	–	–	–	**–**	0.2	**0.2**
Disposal of non-controlling interest in subsidiary (note 29)	–	–	–	–	–	17.1	**17.1**	3.0	**20.1**
Balance at 31 December 2024	**9.1**	**214.9**	**10.7**	**7.0**	**82.2**	**427.4**	**751.3**	**7.4**	**758.7**

Nine month period ended 31 December 2023

	Share capital £m	Share premium account £m	Currency translation reserve £m	Investments revaluation reserve £m	Other reserves[1] £m	Retained earnings £m	Attributable to equity holder of the parent £m	Non-controlling interests £m	Total equity £m
Balance at 1 April 2023	9.1	214.9	27.9	3.9	82.2	2,760.3	3,098.3	9.5	3,107.8
Profit/(loss) for the period	–	–	–	–	–	55.3	55.3	(1.1)	54.2
Other comprehensive expense for the period	–	–	(6.6)	(1.2)	–	(0.2)	(8.0)	–	(8.0)
Total comprehensive income/(loss)	–	–	(6.6)	(1.2)	–	55.1	47.3	(1.1)	46.2
Dividend paid (note 11)	–	–	–	–	–	(152.6)	(152.6)	(0.6)	(153.2)
Dividend in specie (note 11 & 44)	–	–	–	–	–	(2,172.7)	(2,172.7)	–	(2,172.7)
Business acquisition under common control (note 15)	–	–	–	–	–	6.6	6.6	3.6	10.2
Obligations under put options	–	–	–	–	–	(3.0)	(3.0)	–	(3.0)
Changes in non-controlling interests (note 29)	–	–	–	–	–	4.3	4.3	(4.3)	–
Balance at 31 December 2023	9.1	214.9	21.3	2.7	82.2	498.0	828.2	7.1	835.3

[1] Other reserves comprise the Merger, Capital redemption and Own share reserves. Full details of these reserves are included in note 28.

Group cashflow statement

Year ended 31 December 2024

	Notes	31 December 2024 £m	Nine month period ended 31 December 2023 £m
Net cash inflow from operating activities	30	**90.1**	42.5
Investing activities			
Interest received		**1.6**	2.3
Proceeds on disposal of fixed assets		**0.1**	0.9
Purchases of intangible assets	13	**(57.8)**	(39.5)
Contract costs	4	**(0.4)**	(1.4)
Purchases of property, plant and equipment	14	**(6.9)**	(4.7)
Contribution to equity accounted investee	17	**(3.5)**	(4.0)
Loan to related party		**–**	(3.8)
Loan repayments from related party		**–**	11.3
Business acquisitions	15	**(56.8)**	(27.4)
Net cash used in investing activities		**(123.7)**	(66.3)
Financing activities			
Dividends paid	11	**(52.0)**	(22.6)
Distribution to non-controlling interests	29	**(2.5)**	(0.6)
Repayment of lease principal	24	**(14.1)**	(9.0)
Acquisition of non-controlling interests		**–**	(12.3)
Disposal of non-controlling interests	29	**20.1**	–
New bank and other loans raised	24	**113.1**	16.2
Proceeds from loans and borrowings	24	**2.7**	16.5
Repayment of loans and borrowings	24	**(47.3)**	(12.8)
Borrowings costs on existing loans and borrowings	24	**(1.5)**	–
Payment of deferred consideration	15	**(3.1)**	(3.7)
Net cash generated from/(used in) financing activities		**15.4**	(28.3)
Net decrease in cash and cash equivalents, net of overdrafts		**(18.2)**	(52.1)
Cash and cash equivalents, net of bank overdrafts, at the beginning of the period		**58.9**	111.1
Impact of foreign exchange rate changes		**(1.3)**	(0.1)
Cash and cash equivalents, net of bank overdrafts, at the end of the period	20	**39.4**	58.9

Notes to the financial statements

1. General information
HomeServe Limited (the 'Company') is a private company, limited by shares incorporated and registered in England and Wales under the Companies Act. The address of the Company's registered office is Cable Drive, Walsall, WS2 7BN.

The ultimate parent company and controlling party is Brookfield Corporation, a company incorporated in Canada. The largest group in which the results of the Company are consolidated is that headed by Brookfield Corporation. The smallest group in which the results of the Company are consolidated are those of HomeServe Limited. The consolidated financial statements of Brookfield Corporation are available to the public and may be obtained from Brookfield Place, Suite 300, 181 Bay Street, Toronto, ON M5J 2T3 (the registered office).

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the group operates. Foreign operations are consolidated in accordance with the policies set out in note 2. All comparative information presented in the notes to the financial statements in relation to the Group income statement, Group statement of comprehensive income, Group statement of changes in equity and the Group cashflow statement relates to the nine month period ended 31 December 2023. All equivalent current period information relates to the year to 31 December 2024.

2. Material accounting policies

Basis of accounting
The financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The financial statements also comply with International Financial Reporting Standards as issued by the IASB.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period as explained in note 26.

Adoption of new or revised standards and accounting policies
The following accounting standards, interpretations and amendments have been adopted in the period:

Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Non-current Liabilities with Covenants & Classification of Liabilities as Current or Non-Current

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

Standards in issue but not yet effective
At the date of authorisation of these financial statements the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

Amendments to IAS 21 (effective from 1 January 2025)	Lack of exchangeability
Annual improvements to IFRS Accounting Standards Volume 11 (effective from 1 January 2026)	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure (effective 1 January 2026)	Classification and Measurement of Financial Instruments
Amendments to IFRS 18 (effective 1 January 2027)	Presentation and Disclosure in Financial Statements
Amendments to IFRS 19 (effective 1 January 2027)	Subsidiaries without Public Accountability: Disclosures

With the exception of the Amendments to IFRS 18, the Directors do not expect that the adoption of the other Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future years, although assessment is ongoing.

Notes to the financial statements

2. Significant accounting policies (continued)

Going concern

The immediate parent company of HomeServe Limited, Hestia Bidco Limited, has provided the Directors with a legally binding written obligation that it will continue to provide the Company with financial support for a period of at least 12 months from the date of approval of the financial statements. The Directors are satisfied that the immediate parent company has the ability to provide financial support when necessary, and that HomeServe Limited and its subsidiaries form the key component of the overall operational activities of the investments owned by Hestia Bidco Limited.

The Directors confirm that, after reviewing the Group's business model, budget and projected cash flows, and considering the written obligation received from the immediate parent company as well as other factors likely to affect the Group's future development, including the potential impacts of climate change, they have reasonable expectation that the Group 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. For this reason, the Directors have adopted and will continue to adopt the going concern basis in preparing the financial statements. Based on the collective assessment of the information described above, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment.

The Directors have reviewed the Group's budget, forecast and cash flows for 2025 and beyond, and concluded that they are in line with their expectations with regards to the Group's strategy and future growth plans. In addition, the Directors have reviewed the Group's position in respect of material uncertainties and have concluded that there are no items that would affect going concern or that should be separately disclosed. The Directors have concluded that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Group cannot predict the indirect impact of any potential economic slowdown or other events, and the procedures performed by the directors are deemed sufficiently robust in light of current global macro-economic developments in the US following the market response to state enforced tariffs.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity interest. Non-controlling interests consist of those interests at the date of the original business combination and the minority's share of the changes in equity since the date of the combination.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currencies

Transactions in currencies other than a Group entity's functional currency 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 except for those that are designated as long-term equity investments, are retranslated at the rates prevailing on the balance sheet date, with changes taken to the income statement. Foreign exchange translation movements on monetary assets that are designated as long-term equity investments are transferred to the Group's translation reserve. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Notes to the financial statements

2. Significant accounting policies (continued)
Foreign currencies (continued)

Borrowings in foreign currencies are treated as monetary liabilities and are translated at the rates prevailing on the balance sheet date. Exchange rate movements on foreign currency borrowings are recognised immediately in the income statement. Foreign currency borrowings are not treated as hedges of net investments.

On consolidation, the assets and liabilities of the Group's overseas operations are translated to presentational currency at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange movements, if any, are classified as equity and transferred to the Group's translation reserve. Such cumulative exchange movements are recognised as income or expense in the period in which the operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue recognition

The Group records revenue in accordance with the five-step recognition model outlined in IFRS 15:

1) Identify the contract with the customer
2) Identify the performance obligations in the contract
3) Determine the transaction price
4) Allocate the transaction price to the performance obligations
5) Recognise revenue when (or as) each performance obligation is satisfied

Revenue is recognised, net of discounts, VAT, Insurance Premium Tax and other sales related taxes, either at the point in time a performance obligation has been satisfied or over time as control of the asset associated with the performance obligation is transferred to the customer.

For all contracts identified, the Group determines if the arrangement with the customer creates enforceable rights and obligations. For contracts with multiple components to be delivered, such as those with underwriters to sell policies on behalf of the underwriter as well as deliver claims handling and administration services, management applies judgement to consider whether those promised goods and services are:

i. distinct – to be accounted for as separate performance obligations;
ii. not distinct – to be combined with other promised goods or services until a bundle is identified that is distinct; or
iii. part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has present enforceable rights to under the contract. Where applicable, this includes management's best estimate of any variable consideration to be included in the transaction price based on the expected value or most likely amount approach, and only to the extent that it is highly probable that no significant revenue reversal will occur.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative standalone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

Where available, observable prices of goods or services are utilised, when that good or service is sold separately, to similar customers in similar circumstances. Where a standalone selling price is not directly observable the Group applies judgement to determine an appropriate estimated standalone selling price, typically using an expected cost plus margin, adjusted market assessment or residual approach.

Variable consideration is allocated to an entire contract or a specific part of a contract depending on:

i. whether allocating the variable amount entirely to part of the contract depicts the amount of consideration the Group expects to be entitled to in exchange for transferring the promised good or service to the customer; or
ii. the terms of the variable payment relate specifically to the satisfaction of an individual performance obligation.

Notes to the financial statements

2. Significant accounting policies (continued)
Revenue recognition (continued)

The Group's variable consideration primarily relates to intermediary commissions received on contracts with underwriters to sell policies and provide claims handling and administration services. Amounts are typically allocated to the entire contract.

Discounts are allocated proportionally across all performance obligations in the contract unless directly observable evidence exists that the discount relates to one or more, but not all, performance obligations.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method, typically based on the expected profile of the deferral event (for example claims handling cost through the policy term or time elapsed).

Revenue by category
The Group disaggregates revenue from contracts with customers between Net policy income, Repair income, Home Experts, HVAC installations and Other as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. The following table outlines the principal activities from which the Group derives revenue and how it is recognised:

Revenue Stream	Nature and timing of satisfaction of performance obligations	Significant payment terms
Membership: **Net policy income –** Intermediary commissions	Includes commissions received for the obligation to sell policies, handle claims and provide administration services for underwriters. The Group satisfies its obligation to sell policies over time, recognising revenue as each policyholder is contracted on behalf of the Group's customers, the underwriters. The transaction prices of the Group's arrangements with underwriters are entirely variable and measured based on the commission due to the Group for the number of policies sold, net of a refund liability. This refund liability reflects management's best estimate of mid-term policy cancellations ensuring that a significant reversal of revenue will not arise in the future (see note 3). Claims handling and administration service obligations are satisfied over the term of a policy, which is typically 12 months. The portion of the total transaction price allocated to these performance obligations is deferred, as a deferred income contract liability, and recognised as revenue over the profile of claims throughout the policy term. The determination of the amount of transaction price to allocate to claims handling and administration services takes account of the expected numbers of claims and the estimated cost of handling those claims, which are validated through historic experience of actual costs, as well as incorporating an appropriate profit margin for the service provided to the underwriter (see note 3). Revenue associated with the commissions received for the obligation to sell policies is allocated using the residual method at the point of policy inception or renewal. Where the Group's role on behalf of the underwriter is only as an intermediary in the cash collection process, such amounts are not included in revenue. Consequently, net policy income consists of only a component of the overall policy price, representing the commission receivable for the services the Group provides to the underwriter, stated net of sales related taxes.	HomeServe receives its commission from its customer, the underwriter, in line with the payment terms of the underlying individual policyholder which are typically either billed and paid upfront or over the term of the contract.

Notes to the financial statements

2. Significant accounting policies (continued)
Revenue recognition (continued)

Revenue Stream	Nature and timing of satisfaction of performance obligations	Significant payment terms
Membership: Net policy income – Home assistance	Includes arrangements whereby the Group contracts directly with the end user to provide home assistance services (such as repair network access, emergency assistance, HVAC maintenance contracts and non-urgent engineer visits). Revenue is recognised rateably over the life of the member's contract.	Billed and paid over the term of the contract.
Membership: Repair income	Includes repair services provided to third parties, including underwriters and insurance companies, subject to separate contractual arrangements. Revenue is recognised over time as each repair job is completed.	Billed and paid upon completion of the job.
Home Experts: Web and directory	Includes website subscriptions and directory advertising fees from contracted members (tradespeople). For website subscriptions, revenue is recognised evenly over the contractual term, for directory membership fees, revenue is recognised as each directory is delivered throughout the contractual term.	Billed and paid over the term of the contract.
Home Experts: Lead generation	Includes commissions received for the provision of job leads to trades. Revenue is recognised at the point in time a lead is transferred.	Either billed and paid as leads are delivered or deposits from customers received in advance then reduced as billed when leads are delivered.
HVAC installations	Includes the provision of installation services at the point in time the installation is complete.	Billed and paid upon completion of the installation.
Other	Principally includes services provided to customers who do not hold policies. Revenue is recognised at the point in time the service is complete.	Billed and paid following the performance of the services provided.

As a result of the contracts which the Group enters into with its customers, the following assets and liabilities are recognised on the Group's balance sheet:

- Assets generated from the capitalisation of costs to obtain a contract
- Trade receivables (see financial instruments accounting policies below)
- Accrued income
- Deferred income

Contract costs
The incremental costs of obtaining a contract with the Group's direct customers are recognised as an asset if the Group expects to recover them. Primarily, such costs relate to fees payable to third parties authorised to enter into new contracts on behalf of a Group entity. Only fees which are directly related to acquiring contracts with the Group's direct customers are capitalised as incremental contract costs under IFRS 15.

Accrued and deferred income
Where payments made are greater than the revenue recognised at the period end date, the Group recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Group recognises an accrued income contract asset for this difference.

Marketing expenses
Costs incurred in respect of marketing activity, including for example, direct mail and inbound/outbound telephone costs, which is undertaken to acquire or renew a policy, are charged to the income statement in the period in which the related marketing campaign is performed.

Marketing expenses also include payments made to Affinity Partners in recognition of their support for the Group's selling and policy renewal activities. The terms of their support and related payments are included in contractual agreements with each Affinity Partner. Amounts incurred upon the sale and renewal of an individual policy by the Group, referred to as Affinity Partner Commissions, are recognised as an operating expense when individual policies incept or renew. Commissions are payable to Affinity Partners only when the Group has collected the premium due on behalf of the underwriter from the policyholder.

Notes to the financial statements

2. Significant accounting policies (continued)

Operating profit
Operating profit is stated after charging or crediting all operating costs and incomes, but before investment income and finance costs.

Alternative performance measures
The Group uses the following adjusted profitability and cash flow performance measures:

- adjusted profit before tax
- free cash flow

The Group believes that the consistent presentation of the above adjusted measures provides additional useful information to users on the underlying trends and comparable performance of the Group over time. The adjusted measures are used by HomeServe for internal performance analysis and incentive compensation arrangements for employees. All the adjustments made to the IFRS measures are considered exceptional and/or non-operational in nature. These terms are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures.

A reconciliation of free cash flow to cash generated by operations is provided below. A reconciliation of adjusted profit before tax to (loss)/profit before tax is included on the face of the income statement.

Free cash flow is defined as cash generated from operations less net interest paid, borrowing costs paid, income taxes paid, capital expenditure/proceeds received and lease payments:

	31 December 2024 £m	31 December 2023 £m
Cash generated by operations	**133.7**	64.5
Net interest and associated borrowing costs	**(21.2)**	(6.3)
Income taxes paid	**(20.8)**	(13.3)
Proceeds on disposal of fixed assets	**0.1**	0.9
Purchases of intangible assets	**(57.8)**	(39.5)
Contract costs	**(0.4)**	(1.4)
Purchases of property, plant and equipment	**(6.9)**	(4.7)
Repayment of lease principal	**(14.1)**	(9.0)
Free cash flow	**12.6**	(8.8)

Notes to the financial statements

2. Significant accounting policies (continued)
Alternative performance measures (continued)

Amortisation of acquisition intangibles
Acquisition intangible assets are calculated using the estimated and discounted incremental cash flows resulting from the affinity relationship or future policy renewals as appropriate, which will include the impact of the past actions of the former owners. These past actions will include historic marketing and business development activity, including but not limited to, the staff and operating costs of the business. In addition, the specific construct of the policy terms and conditions and the current and expected future profitability to be derived from the acquired business or asset is also a factor in determining the valuation of the acquisition intangible.

The on-going service and operating costs incurred by the Group in managing the acquired businesses or assets, including but not limited to print, postage, telephony, claims costs and overheads are recognised as operating costs within these adjusted measures in the reporting period in which they are incurred.

Accordingly, excluding the amortisation of acquisition intangibles from the adjusted performance measures reported by the Group in each specific reporting period ensures that these measures only reflect the revenue attributable to, and costs incurred by, the Group in managing and operating those businesses and assets at that time in each reporting period and do not include the impact of the historic costs of the vendor or considerations of the future profits to be derived from the acquired business or assets.

Certain transaction related costs
Certain financial instruments which the Group becomes party to by virtue of its transactional activity (typically, but not limited to, acquisitions and disposals) have the potential to create volatility that is not representative of the underlying performance of the business. These include:

- Fair value movements on financial instruments generated from transaction related activity. Currently the Group's portfolio of such instruments includes contingent consideration arising on business combinations (see note 26) and put options over the acquisition of non-controlling interests (see note 22).
- Unwinding of discount on contingent financial instruments (including options); and
- Charges associated with put options over non-controlling interests, which are expensed through the income statement over time to reflect the requirement for the recipients to remain employed in the business at the payment date. The charges are subject to fair value volatility associated with the non-controlling interest puts and are not representative of the ongoing cost of the recipient remaining in the business.

Excluding these items from the Group's adjusted metrics provides for a consistent measure of underlying profitability on which to assess the Group's performance period on period. Certain transaction related costs do not include deal fees, financing charges on deferred consideration or the market rate salaries and bonuses of employees who hold non-controlling interest puts. All these items are included within the Group's adjusted performance measures. It should be noted that adjusted metrics are not necessarily directly comparable with similar measures presented by peer companies of the Group.

Other adjusting and exceptional items
Other adjusting and exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence.

Notes to the financial statements

2. Significant accounting policies (continued)

Retirement benefit costs
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses and the return on scheme assets (excluding interest) are recognised in full in the period in which they occur. They are recognised outside the income statement and presented in the statement of comprehensive income. Re-measurements recorded in the statement of comprehensive income are not recycled.

Past service costs are recognised in the income statement in the period of scheme amendment, curtailment or when the related restructuring costs or termination benefits are recognised, if earlier. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Any retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from the calculation is limited to past service costs, plus the present value of available refunds and reductions in future contributions to the plan.

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

Any tax currently payable is based on taxable profit for the year along with a small number of provisions in relation to open tax positions. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated income statement, as incurred, in operating costs.

Notes to the financial statements

2. Significant accounting policies (continued)
Business combinations (continued)

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent or deferred consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values that qualify as measurement period adjustments are adjusted against the cost of acquisition. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs and recognised immediately in the consolidated income statement. Changes in the fair value of contingent consideration classified as equity are not recognised. Deferred consideration is subsequently measured at amortised cost. Payments of contingent and deferred consideration are reported within cash flows from investing activities in the Group statement of cash flows.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill
Goodwill arising in a business combination is recognised at cost as an asset at the date control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree, if any, over the net amounts of identifiable assets acquired and liabilities assumed at the acquisition date. The interest of the non-controlling shareholders in the acquiree may initially be measured either at fair value or at the non-controlling shareholders' proportion of the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Goodwill is not amortised but is reviewed for impairment annually, or more frequently if there is an indication that it may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) expected to benefit from the synergies of the combination. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Intangible assets
Acquisition intangible assets
Acquired access rights relate to the contractual agreements entered into with the former owners of businesses acquired as part of a business combination; or where the former owners previously operated a business, and the Group has purchased specific access rights from the former owners. These agreements set out the contractual terms of the Affinity Partnership and provide the contractual framework within which the Group markets, sells and renews policies with the individual customers of the Affinity Partner. Acquired access rights are recorded at fair value by using the estimated and discounted incremental future cash flows resulting from the relationship.

Notes to the financial statements

2. Significant accounting policies (continued)
Intangible assets (continued)

Acquired customer databases represent the value attributable to the portfolios of renewable policies that exist at the date of acquisition and are acquired by the Group as part of a business combination; or where the former owners previously operated a business, and the Group has purchased specific customer databases from the former owners. Acquired customer databases are recorded at fair value using the estimated and discounted incremental future cash flows resulting from the future renewal of the portfolio of acquired policies over their estimated residual lives.

Other acquired intangibles include acquired brands recorded at fair value using the relief from royalty valuation method and technology assets recorded at fair value using a replacement cost approach.

Other intangible assets
Access rights arise from the contractual agreements with Affinity Partners which provide the contractual framework within which the Group markets, sells and renews policies with the individual customers of the Affinity Partner. Access rights are valued at the discounted present value of the contractually committed payments, where such payments are not related to the success or otherwise of activity under the contractual agreements.

Trademarks represent costs incurred to legally protect the established brand names of the Group. Trademarks are stated at cost.

Customer databases represent the value attributable to the portfolios of renewable policies that have been created by our Affinity Partners through their own sales and marketing activity and subsequently purchased by the Group. Such databases are recorded at their fair value based on the amount paid to the Affinity Partner.

Software costs are stated at cost less accumulated amortisation. Capitalised costs comprise third party and internal payroll costs where the employee time is directly attributable to the development of the software. In accordance with the criteria of IAS 38, software costs are capitalised if the Group has control over the asset generated or a separately identifiable asset has been created. External costs incurred as part of a service agreement, which do not meet the criteria of IAS 38 are prepaid and amortised over the period of expected use of the service. Other costs which do not meet the criteria for capitalisation are expensed to the income statement as incurred.

When the software is available for its intended use, these costs are amortised on a straight-line basis over the expected useful economic life.

Amortisation
Amortisation is charged to write off the cost of intangible assets over their estimated useful economic lives, using the straight-line method, on the following bases:

Acquisition intangibles	3 – 10 years
Trademark and access rights	up to a maximum of 20 years
Customer databases	3 – 15 years
Software	3 – 10 years

Notes to the financial statements

2. Significant accounting policies (continued)

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation.

Depreciation is charged to write off the cost of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings and leasehold improvements	3 – 50 years
Furniture, fixtures and equipment	5 – 10 years
Computer equipment	3 – 5 years
Motor vehicles	3 – 5 years

Impairment of tangible and intangible assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order 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 Group estimates the recoverable amount of the CGU to which the asset belongs.

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 assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU 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 or CGU in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventory
Inventories are stated at the lower of cost and net realisable value. Costs comprise direct material cost only. Cost is measured on a weighted average cost basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow moving or defective items where appropriate.

Leases
The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (where the value of the asset is below £4k). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Notes to the financial statements

2. Significant accounting policies (continued)
Leases (continued)

Lease liabilities
Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses a lease specific incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in substance fixed payments), less any lease incentives;
- fixed service costs associated with the Group's property and vehicle lease portfolios (as the Group has elected to apply the expedient available under paragraph 15 of IFRS 16 not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement);
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are subsequently measured at amortised cost using the effective interest method by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the change in lease payments is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

Right-of-use assets
Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at, or before, the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. Depreciation begins at the commencement date of the lease.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset.

Variable rents
Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in operating costs in the income statement.

Notes to the financial statements

2. Significant accounting policies (continued)

Interests in equity accounted investments
The results and assets and liabilities of associates and joint ventures are incorporated into these financial statements using the equity method of accounting. Under the equity method, investments are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the investee. If the Group's share of the profit or loss exceeds the Group's interest in the investee, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

On acquisition of equity accounted investment interests, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included in the carrying amount of the investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

The Group discontinues the use of the equity method of accounting if the investment becomes a subsidiary. Upon becoming a subsidiary, the Group accounts for the entity in accordance with the business combinations policy above. Any fair value gain or loss on re-measurement of an equity accounted investee on acquisition of control is taken to the profit and loss account at the date of acquisition.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are discounted to 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 liability. The amortisation of the discount is recognised as a finance cost.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Financial instruments
Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group 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.

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). The classification is based on two criteria:

- the Group's business model for managing the assets; and
- whether the instruments' contractual cash flows represent "Solely Payments of Principal and Interest" on the principal amount outstanding (the "SPPI criterion").

Trade and other receivables
Trade receivables do not carry any interest and are stated at amortised cost, reduced by appropriate allowances for estimated irrecoverable amounts, as the business model of the Group is to collect contractual cash flows, and the debt meets the SPPI criterion. They are recognised when the Group's right to consideration is only conditional on the passage of time. Allowances incorporate an expectation of life-time credit losses from initial recognition and are determined using an expected credit loss approach.

Notes to the financial statements

2. Significant accounting policies (continued)
Financial instruments (continued)

Cash and cash equivalents
Cash and cash equivalents are held at amortised cost and comprise cash in hand, 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. Cash and cash equivalents in the balance sheet are presented net of outstanding bank overdrafts where the Group has a legally enforceable right of set off and is able to demonstrate the intention to settle on a net basis. All other overdrafts are presented as liabilities within bank and other loans. Cash and cash equivalents may include amounts which are subject to contractual restrictions and not available for general use by the Group.

For the purpose of the Group cashflow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of all outstanding bank overdrafts.

Other investments
At each balance sheet date, the Group conducts a fair value assessment of its investments, the difference between the fair value and carrying value is charged or credited to the Statement of Comprehensive Income accordingly and held in the investment revaluation reserve.

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 Group after deducting all of its liabilities.

Borrowings
Interest-bearing loans and overdrafts are stated at amortised cost and are recorded at the notional amount of the proceeds received, net of direct issue costs. Interest-bearing loans are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Trade and other payables
Trade payables are non-interest-bearing and are stated at amortised cost.

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

'Put' options over the equity of subsidiary companies
The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities. The amounts that may become payable under the option on exercise are initially recognised at the present value of the expected gross obligation with the corresponding entry being recognised in retained earnings. Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable.

The charge arising is recorded as a financing cost. The present value of the expected gross obligation is reassessed at the end of each reporting period and any changes are recorded in the income statement. In the event that an option expires unexercised, the liability is derecognised with a corresponding adjustment to retained earnings.

Other 'put' and 'call' options
Other put and call options are recognised at fair value with any associated benefit being recognised directly in the income statement.

Notes to the financial statements

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Where sensitivity analyses have been prepared below, management determine reasonably possible increases/decreases to primary inputs at appropriate thresholds to illustrate the potential impact on profit in the year. Currently these sensitivities reflect the potential increased volatility and uncertainty of forward-looking judgements and estimates when operating in an 'cost of living' environment.

As set out in the Strategic report - Non-financial and sustainability information statement on page 7, climate change is a global challenge and an emerging risk to businesses, people and the environment. Therefore, in preparing the financial statements, the Group has considered the impact of climate-related risks on its financial position and performance. While the effects of climate change represent a source of uncertainty, the Group does not consider there to be a material impact on its judgements and estimates from the physical or transition risks in the short to medium-term. Accordingly, there is no significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year as a result of climate change.

All key estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The nature of the principal assumptions underlying sources of estimation uncertainty and other areas of focus remain consistent with the prior year.

No critical accounting judgements or key sources of estimation uncertainty have been identified in the application of the Group's accounting policies.

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

Impairment of goodwill and acquisition intangible assets
The annual impairment assessment in respect of goodwill and acquisition intangibles requires estimates of the value in use (or fair value less costs to sell) of the CGU to which goodwill and acquisition intangibles have been allocated. CGUs are aligned to the lines of business within each geographic territory in which the Group operates. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows.

The carrying values of goodwill and acquisition intangibles are £737.3m (2023: £714.2m) and £136.2m (2023: £138.1m) respectively. As set out in note 12, changes in respect of commercial outcomes around sales volumes, prices, margins and discount rates can impact the recoverable value of a cash-generating unit (CGU). At 31 December 2024 all CGUs have recoverable amounts that exceed the carrying value of goodwill by more than 91% (2023: all CGUs by more than 114%). However, following the annual impairment review and the Group's decision to cease further investment in the Habitissimo business (see note 7), the Group has determined that the carrying value of certain assets associated with the Habitissimo CGU should be impaired, resulting in an other adjusting item impairment charge of £18.8m (2023: £7.8m – related to the impairment of intangible assets associated with the CityGrid business within the eLocal CGU).

Valuation of acquisition intangible assets
When acting as the acquirer in a business combination, the Group is required to recognise separately from goodwill all intangibles that are either separable or arise from contractual or other legal rights. The Group's acquired access rights, acquired customer databases and other acquired intangibles are principally valued using the multiple period excess earnings method. This valuation approach can include a variety of judgemental assumptions including, but not limited to, estimates of expected future cash flows, retention or attrition rates and discount rates.

Notes to the financial statements

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Other areas of focus (continued)

Valuation of acquisition intangible assets (continued)

For the year ended 31 December 2024, the Group identified intangible assets associated with business combinations totalling £31.9m (2023: £17.3m). If the various judgements the Group takes in valuing these assets deviated such that the total acquired fair value of 31 December 2024 acquisition intangibles was 15% different to the recorded value, the impact of the variance would be recorded against goodwill in the balance sheet and would unwind through the income statement via the revised carrying value of the intangibles, over their useful lives. Based on an average useful economic life of 11.3 years for in-period acquired intangibles, this would cause a per annum impact of +/- £0.4m to the income statement (2023: average useful economic life of 9.6 years, +/- £0.3m).

Claims handling obligations

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

The principal judgements in determining an appropriate proportion of revenue to defer are the assumptions made with regards to claims frequency and the estimated cost of handling a claim. The Group uses historical experience of claim volumes and forecast activity levels to estimate these assumptions. The total amount of revenue deferred at 31 December 2024 in respect of the Group's future claims handing obligations is £24.6m (2023: £25.6m). If either of these assumptions were individually 15% higher or lower, which reflects management's judgement based on historical experience, the impact to the profit in the year would be £3.7m (2023: £3.8m).

Policy cancellations

Policies may be cancelled by the policyholder part way through the contractual term, which will affect the economic benefits that flow to the Group. Consequently, in accordance with IFRS 15, a refund liability is recognised to ensure that the related revenue is appropriately constrained at the point that the policy incepts in order to ensure that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once the uncertainty associated with the possibility of cancellation is resolved. The total amount of revenue deferred at 31 December 2024 in respect of potential future cancellations is £5.8m (2023: £6.3m).

The Group uses historical experience to ensure revenue is appropriately constrained analysing expected mid-term cancellation percentages and the period of cover remaining on the policy at the point of cancellation. The most significant estimation uncertainty within this judgement is the mid-term cancellation percentage (or, inversely, the rate at which policyholders are retained). In the most recent ten-year period, the Group retention rate consistently remained above 80%, with 31 December 2024 at 80% (2023: 81%), making it highly probable that a significant reversal of cumulative revenue will not occur. Consequently the 'reasonably probable' sensitivity analysis has focused on the 'upside' scenario only. Were cancellation rates to be 15% lower, which reflects management's judgement based on historical experience, the impact to profit in the year would be £0.9m (2023: £0.9m).

Accounting for special purpose entities

During the year, the HomeServe Group has sold consumer finance loans to Thermos One Limited ('Thermos'), a special purpose entity established on 1 July 2024 as part of the process of constructing a consumer finance proposition for the Group, initially in the UK. Thermos is beneficially owned by a third party charitable trust thereby maintaining independence between the entity's assets and the Group entity acting as loan originator. The financial results of Thermos are fully consolidated in the HomeServe Group financial statements on the basis that:

- The entity meets the definition of a structured entity under IFRS 12 meaning that voting or similar rights are not the dominant factor in deciding who controls the entity.
- The structure within which Thermos resides has been established in a prearranged, fixed manner by the Group with the primary purpose of holding the external debt for its consumer finance business within the UK, providing minimal flexibility to the independent board and those holding voting rights (the charitable trust) to deviate from the predetermined operations. In establishing the structure in this manner the Group has demonstrated an ability to direct the relevant activities of Thermos.

Notes to the financial statements

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Other areas of focus (continued)

Accounting for special purpose entities (continued)

- The Group's primary exposure to variable returns is generated by a subordinated loan made to Thermos by HomeServe Limited that permits HomeServe Limited to participate in the residual profits or losses of Thermos after the application of priority payments within the structure's payment waterfall. At 31 December 2024 the balance of this loan was £5.1m (2023: £nil).

4. Revenue

An analysis of the Group's revenue is as follows:

	2024 £m	2023 £m
Revenue		
Net policy income	**382.0**	258.5
Repair income	**248.9**	200.1
HVAC installations	**260.9**	139.1
Home experts	**239.4**	150.5
Other	**43.3**	27.1
Total revenue	**1,174.5**	775.3
Inter-group revenue	**(1.7)**	(1.3)
External revenue	**1,172.8**	774.0

Net policy income includes £51.7m of home assistance revenue (2023: £45.3m) where the Group contracts directly with the end user and not though an underwriter.

Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) on the Group's contractual arrangements is £45.4m (2023: £47.9m). In the Membership & HVAC businesses this balance relates to the Group's contracts with underwriters to sell policies and subsequently provide ancillary services, including claims handling, as well as scenarios where the Group contracts directly with the end user on a non-underwritten basis and is obligated to provide further services after the point of sale. In the Home Experts businesses, our future performance obligations principally include the provision of leads or directory advertising services. The obligations associated with the outstanding transaction price are expected to be fulfilled, and revenue fully recognised, within the next 12 months. Applying the practical expedient of paragraph 121 of IFRS 15, information about remaining performance obligations on these contracts has not been disclosed.

Contract balances

An analysis of the Company's contract balances is as follows:

	2024 £m	2023 £m
Current assets		
Amounts receivable for the provision of services (see note 19)	**243.4**	225.6
Accrued income (see note 19)	**27.6**	24.8
Current liabilities		
Deferred income (see note 21)	**45.4**	47.9

All contract balances are classified as current. Accrued income contract assets primarily relate to services performed for customers in our Spanish claims operations in advance of payment being received or falling due. Accrued income contract assets are transferred to trade receivables when the right to consideration becomes unconditional. Deferred income contract liabilities principally relate to advanced consideration received from customers, for which revenue is recognised as the associated performance obligation is satisfied. Significant deferred income contract liabilities are recorded across the Group in the Membership and Home Experts businesses.

Notes to the financial statements

4. Revenue (continued)

Significant changes in accrued and deferred income balances during the period were as follows:

	Accrued income £m	Deferred income £m
At 1 April 2023	23.9	48.3
Transfers to receivables	(23.9)	–
Revenue recognised from the opening balance	–	(44.8)
Revenue deferred not yet earned	–	41.6
Revenue earned not yet due	21.8	–
Business combinations	2.9	2.8
Foreign exchange	0.1	–
At 1 January 2024	24.8	47.9
Transfers to receivables	(24.8)	–
Revenue recognised from the opening balance	–	(46.7)
Revenue deferred not yet earned	–	43.8
Revenue earned not yet due	25.0	–
Business combinations	2.9	0.9
Foreign exchange	(0.3)	(0.5)
At 31 December 2024	**27.6**	**45.4**

Revenue deferred not yet earned is presented net of amounts created and released within the same reporting period. Revenue recognised in year to December 2024 and in the nine month period to December 2023 in relation to performance obligations satisfied (or partially satisfied) in previous periods was immaterial.

Contract costs

	£m
At 1 April 2023	3.0
Additions	1.4
Amortisation	(0.8)
Foreign exchange	(0.1)
At 1 January 2024	3.5
Additions	0.4
Amortisation	(1.1)
Foreign exchange	(0.2)
At 31 December 2024	**2.6**

Contract costs primarily represent the value attributable to the portfolio of renewable customers created by Affinity Partners through their own sales and marketing activity, subsequently purchased by the Group. Where these capitalised commission costs are incremental to the cost of obtaining the contract with the Group's direct customer they are capitalised under IFRS 15. Management anticipates these costs to be recoverable over the expected life of the associated customer relationship, over which they will be amortised.

Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental cost of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Notes to the financial statements

5. (Loss)/profit for the period

The results for the year to 31 December 2024 and the nine month period to 31 December 2023 have been arrived at after charging:

	Notes	2024 £m	2023 £m
Included in operating costs:			
Staff remuneration	6	**342.8**	235.1
Cost of inventories recognised as an expense		**133.7**	72.7
Depreciation of right-of-use assets	25	**14.5**	9.3
Depreciation of property, plant and equipment	14	**7.2**	5.2
Amortisation of acquisition intangible assets	13	**31.5**	21.5
Amortisation of other intangible assets	13	**41.7**	26.3
Amortisation of contract costs	4	**1.1**	0.8
Loss on disposal of property, plant and equipment		**0.3**	–
Loss allowance on trade receivables excluding other adjusting items	7, 19	**2.5**	2.5
Other adjusting items	7	**56.9**	7.8
Exceptional items	7	**7.8**	15.2
Loss on foreign exchange		**3.4**	28.0
Expenses relating to variable lease payments not included in the measurement of lease liabilities		**1.5**	1.6
Expenses relating to leases of low value assets, excluding short-term leases of low value assets		**0.5**	2.0
Expenses relating to short-term lease		**1.7**	0.5

Analysis of auditor's remuneration is as follows:	2024 £m	2023 £m
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**0.4**	0.4
Fees payable to the company's auditor and their associates for other services to the group		
The audit of the Company's subsidiaries pursuant to legislation	**1.2**	1.3
Other audit services	**1.8**	0.5
Total audit fees	**3.4**	2.2
Audit-related assurance services	–	–
Total non-audit fees	–	–
Total auditor's remuneration	**3.4**	2.2

Audit-related assurance services in the current year amounted to €48k in relation to a review of segregation of duties. In 2023, £9k was incurred for regulatory legal dividend reporting requirements in France.

Fees payable to Deloitte LLP and their member firms for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Notes to the financial statements

6. Staff remuneration

The average monthly number of employees (including Executive Directors) was:

	2024 number	2023 number
UK (including Head Office)	**3,147**	3,354
Continental Europe	**4,115**	3,824
North America	**162**	148
	7,424	7,326

	2024 £m	2023 £m
Their aggregate remuneration comprised:		
Wages and salaries	**287.2**	199.3
Social security costs	**49.0**	31.5
Other pensions costs (note 31)	**6.6**	4.3
	342.8	235.1

The Company only staff numbers and remuneration amounts for HomeServe Limited are disclosed in note 35 to the immediate parent company financial statements.

Directors' Remuneration

Directors' remuneration in respect of services of the Group were as follows:

	2024		2023	
	Total £m	**Highest paid director £m**	Total £m	Highest paid director £m
Aggregate remuneration	**2.3**	**1.3**	2.1	0.9
Termination benefits	**0.9**	**0.9**	–	–
Other pensions costs	**0.1**	**–**	0.1	–
	3.3	**2.2**	2.2	0.9

During the year, loans of £0.4m were made to Directors (2023: £nil).

Remuneration of key management personnel

The remuneration of the Directors and Senior Management, who are the key management personnel of the Group, have authority and responsibility for planning, directing and controlling the activities of the entity, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2024 £m	2023 £m
Short-term employee benefits	**6.9**	5.8
Post-employment benefits	**0.2**	0.1
Long-term incentive plan	**1.8**	1.3
Termination benefits	**0.9**	0.1
	9.8	7.3

During the year, loans of £0.4m were made to key management personnel (2023: £nil) to fund purchases of units under the Brookfield Management Incentive Plan.

Except the transactions noted above and the sale of a 10% non-controlling interest in Sherrington Mews Limited (see note 29), there were no other transactions with Directors or Key Management Personnel requiring disclosure.

Notes to the financial statements

7. Adjusting and exceptional items

Adjusting items

In addition to amortisation of acquired intangibles of £31.5m (2023: £21.5m), adjusting items comprised the following:

Certain transaction related (income)/costs

	2024 £m	2023 £m
Fair value gains on options and contingent consideration	**(4.7)**	(3.9)
Certain transaction related income included with operating costs	**(4.7)**	(3.9)
Unwinding of discount on options and contingent consideration	**3.1**	0.8
Certain transaction related costs included within finance costs	**3.1**	0.8
Total certain transaction related income included in loss/profit before tax	**(1.6)**	(3.1)
Net taxation on certain transaction related income	**0.4**	0.8
Total certain transaction related income after tax	**(1.2)**	(2.3)

Other adjusting items

	2024 £m	2023 £m
Impairment of intangible assets	**27.2**	7.8
Other impairment charges and associated costs	**29.7**	–
Other adjusting items included within operating profit before tax	**56.9**	7.8
Net taxation on other adjusting items	**(9.8)**	–
Other adjusting items after tax	**47.1**	7.8

31 December 2024

Impairment charges

Impairment of HomeServe Iberia IT platforms (Salesforce and CCEP)

In recent years HomeServe Iberia has been developing a Salesforce solution to replace its existing claims management system. Following a group wide review of HomeServe Limited's IT estate, it has been concluded that the solution in development is unlikely to be commercially viable for rollout to the full suite of insurers HomeServe Iberia collaborates with and therefore the decision has been taken to pause the current project and pursue an alternative platform design. Consequently HomeServe have fully impaired £16.7m of intangible software assets associated with the development and written off £9.3m of prepaid software licenses.

Additionally, as a result of the aforementioned review, the Group has also taken the decision to cease operation and further rollout of its CCEP telephony system which is in development in Spain and Portugal to be used by call handling agents in our Membership business in Iberia. The minority of agents already using the CCEP system will be migrated back to the legacy Avaya system. Intangible software assets associated with the development with a carrying value of £4.9m have been fully impaired.

All of the total £30.9m charge as been classified as other adjusting items.

Notes to the financial statements

7. Adjusting and exceptional items (continued)
Adjusting items (continued)
31 December 2024 (continued)

Impairment charges

Impairment of certain assets in the Habitissimo CGU

During the year, the Group reviewed its investment strategy for Habitissimo and concluded that there is now limited appetite for further investment in the business. As a result, Habitissimo is no longer expected to generate significant cash flows on either a value-in-use or fair value less costs to sell basis. Consequently, the Group has recognised the following impairments at 31 December 2024:

	£m
Goodwill	12.2
Intangible assets	5.6
Deferred tax assets	0.9
Right of use assets	0.1

Of the above total charges of £18.8m, £17.9m were recognised as other adjusting items whilst the £0.9m write off of deferred tax assets on unutilised losses in Habitissimo were recorded through the tax line in the income statement.

Impacts associated with evolving French government subsidy legislation in the Energy-Go business

Income within the Group's EnergyGo operations in France is principally driven by whole home renovation work that is eligible for government subsidies. In July 2023 and January 2024 regulatory changes were introduced to the regime which caused the business to incur charges totalling £8.1m associated with ongoing compliance with the revised requirements:

	£m
Impairment of receivables where collectability is now considered uncertain	3.8
Costs associated with review of the contractor network and installations completed prior to HomeServe ownership to ensure compliance with the rules	4.3

All above charges associated with the one-off revision of subsidy legislation in France have been recorded as other adjusting items given their size, nature and incidence.

31 December 2023

Impairment charges

The Group recognised adjusting impairment charges of £7.8m during the nine month period ended 31 December 2023 due to the write down of the acquired CityGrid customer database to its latest value in use calculation. This conclusion was reached following the 2024 budget process for eLocal and the identification of the quicker than anticipated run off in customer revenues in relation to the CityGrid database.

Exceptional items

	2024	2023
	£m	£m
Restructuring costs	**7.8**	15.2
Exceptional items included within operating profit before tax	**7.8**	15.2
Net taxation on exceptional items	**(2.0)**	(1.0)
Net exceptional items after tax	**5.8**	14.2

31 December 2024

Restructuring costs

During the year certain internal reporting lines were restructured to increase efficiency across our businesses resulting in a total of £7.8m one-off redundancy and associated charges across the Group. These amounts are exclusively associated with roles that are not being replaced and therefore have been treated as exceptional given their size, nature and incidence. No restructuring costs associated with roles that are being replaced have been included within exceptional items.

Notes to the financial statements

7. Adjusting and exceptional items (continued)
Exceptional items (continued)

31 December 2023

Restructuring costs

Following the Group's acquisition by Brookfield, the existing activities of the Group were reviewed, and the following decisions were taken during the nine month period ended 31 December 2023.

Firstly, the Group exited its arrangement with Maison.fr with whom it held a 19.2% shareholding (treated as an equity accounted investment held at fair value through OCI), and whom it had provided a loan facility of €10.2m on an arm's length basis too, of which the full amount had been drawn down, with interest accruing. Following the decision to exit the following terms were finalised in February 2024, in which the Group would provide one off additional funding of €1.5m/£1.4m to support a restructuring plan, receive one preference share with a nominal value of €0.1m through the capitalisation of the existing debt facility and accrued interest balance and dispose of our 19.2% shareholding for consideration of €1. As a result, the Group has recognised impairment charges of €10.9m/£9.3m for the write down of the receivable asset as it is no longer recoverable and incurred €1.5m/£1.4m of restructuring costs at the 31 December 2023. In addition, the fair value of the investment was reduced to €0.1m/£0.1m as a charge to OCI and subsequent to the year ended 31 December 2024 the investment has been written off in full (see note 16 for further details).

Secondly, following the acquisition of BOXT in December 2023, the Group wound down Help-Link (a Group company) and transferred the trade and assets of Help-Link to BOXT. As a result, £4.5m of costs were incurred in relation to redundancy charges, onerous contract costs and asset impairments in relation to non-transferrable assets.

Given the size, nature and incidence of the restructuring costs incurred, these costs were treated as exceptional in the consolidated income statement.

8. Investment income

	2024	2023
	£m	£m
Interest on bank deposits	**1.4**	1.4
Other interest	**0.5**	1.0
Interest on loans receivable from parent companies (note 44)	**–**	107.7
	1.9	110.1

9. Finance costs

	2024	2023
	£m	£m
Interest on bank and other loans	**28.0**	9.6
Interest on lease liabilities	**2.1**	0.8
Unwinding of discount on contingent consideration	**1.7**	–
Unwinding of discount on obligations under put options	**1.4**	0.8
Other interest	**0.3**	0.4
Exchange movements	**3.5**	28.5
	37.0	40.1

Exchange movements represents foreign exchange charges primarily incurred on borrowings and in prior year also related to loan receivable balances held with parent companies (see note 44).

Notes to the financial statements

10. Taxation

	2024 £m	2023 £m
Current tax		
Current period charge	**12.5**	35.2
Adjustments in respect of prior periods	**(4.1)**	0.5
Total current tax charge	**8.4**	35.7
Deferred tax credit – origination and reversal of timing differences	**(5.2)**	(2.0)
Total tax charge	**3.2**	33.7

The pre-exceptional effective tax rate for the year ended 31 December 2024 was (21)% (2023: 34%). The post-exceptional effective tax rate for the same period was (10)% (2023: (38)%). UK corporation tax is calculated at 25% (2023: 25%) of the estimated assessable profit for the period.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions, these being a blended (Federal/State) rate of 26% in the US (2023: 26%), 26% in France (2023: 26%), 25% in Spain (2023: 25%), a blended rate of 32% in Germany (2023: 30%), which explains the 'Overseas tax rate differences' below.

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

	2024 £m	2023 £m
(Loss)/profit before tax	**(31.7)**	87.9
Tax at the UK corporation tax rate of 25% (2023: 25%)	**(7.9)**	22.0
Tax effect of items that are not deductible in determining taxable profit	**2.1**	8.0
Adjustments in respect of prior periods – current tax	**(4.1)**	0.5
Movement in unprovided deferred tax	**10.4**	2.8
Adjustments in respect of prior periods – deferred tax	**2.4**	–
Overseas tax rate differences	**0.3**	0.4
Tax expense for the period	**3.2**	33.7

The movement in unprovided deferred tax during the period includes losses arising in Belgium, France, Germany and Japan on which no deferred tax is recognised, as well as the derecognition of deferred tax on certain pre-tax group losses in Habitissimo. This is in the absence of deferred tax liabilities within the same jurisdiction against which a deferred tax asset could potentially be offset, together with uncertainty over the timing of future recovery.

The HomeServe Group has undertaken a impact assessment of its exposure to Pillar Two income taxes based on the results for the 12 months to 31 December 2023. The GloBE ETR, during the financial period tested, is above 15% in each jurisdiction in which the Group operates, and as a result we do not expect an exposure to Pillar Two top-up taxes. The HomeServe Group has also applied the temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

The HomeServe Group will continue to assess the impact of the Pillar Two rules as new guidance is issued, and refinements to the existing rules are made. We will also continue to assess how the Pillar Two rules adopted within the HomeServe Group interact with those of the Group's ultimate parent Brookfield Corporation.

A retirement benefit tax credit of £0.4m (2023: £nil) and investment in equity instrument tax charge of £0.3m (2023: £0.4m) has been recognised directly in other comprehensive income.

Notes to the financial statements

10. Taxation (continued)

Deferred tax

The following are the major deferred tax assets/(liabilities) recognised by the Group and the movements during the current year and prior nine month period:

	Timing differences £m	Elected goodwill deductions £m	Retirement benefit obligation £m	Acquired intangibles assets £m	Unutilised losses £m	Investment revaluation reserve £m	Total £m
At 1 April 2023	1.0	0.4	(1.7)	(20.8)	1.3	(2.0)	(21.8)
Credit/(charge) to income	(1.4)	(1.2)	–	3.5	1.1	–	2.0
Charge to comprehensive income	–	–	–	–	–	(0.4)	(0.4)
Business acquisitions	–	–	–	(8.4)	6.9	–	(1.5)
Exchange movements	(0.2)	–	–	–	0.3	–	0.1
At 1 January 2024	(0.6)	(0.8)	(1.7)	(25.7)	9.6	(2.4)	(21.6)
Credit/(charge) to income	(1.0)	(1.7)	–	5.8	2.1	–	**5.2**
Credit/(charge) to comprehensive income	–	–	0.4	–	–	(0.3)	**0.1**
Business acquisitions	–	–	–	(8.3)	–	–	**(8.3)**
Exchange movements	0.2	–	–	1.0	(0.1)	–	**1.1**
Balance at 31 December 2024	**(1.4)**	**(2.5)**	**(1.3)**	**(27.2)**	**11.6**	**(2.7)**	**(23.5)**

Due to the acquisitive nature of the Group we have recognised deferred tax liabilities in respect of our business acquisitions, to unwind as the associated assets are amortised.

Certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

31 December 2024	**UK £m**	**France £m**	**Spain £m**	**Germany £m**	**North America £m**	**Total £m**
Deferred tax assets	–	–	–	–	–	–
Deferred tax liabilities	(2.0)	(9.8)	–	(10.4)	(1.3)	**(23.5)**
Net deferred tax liabilities	**(2.0)**	**(9.8)**	–	**(10.4)**	**(1.3)**	**(23.5)**

31 December 2023	UK £m	France £m	Spain £m	Germany £m	North America £m	Total £m
Deferred tax assets	0.2	–	–	–	–	0.2
Deferred tax liabilities	–	(13.2)	(1.5)	(5.8)	(1.3)	(21.8)
Net deferred tax liabilities	0.2	(13.2)	(1.5)	(5.8)	(1.3)	(21.6)

Deferred tax has not been recognised on £87.1m (2023: £38.7m) of unused losses in Boxt Limited (those in respect of the transferred trade of Help-Link UK Limited), HomeServe France, HomeServe Belgium, HomeServe Germany, HomeServe Japan and certain pre-tax group losses in Habitissimo due to the uncertainty over the timing of future recovery. There are no expiry dates in respect of the UK, French, Belgian, German and Habitissimo unrecognised tax losses in either period, with a ten-year loss utilisation limitation in Japan.

Notes to the financial statements

11. Dividends

	2024 £m	2023 £m
Amounts recognised as distributions to equity holders in the year/period:		
Interim dividend for the year ended 31 December 2024 of 15.4p per share	**52.0**	–
Interim dividend for the period ended 31 December 2023 of 45.1p per share	–	152.6
Interim dividend in specie for the period ended 31 December 2023 (note 44)	–	2,172.7
	52.0	2,325.3

The Company paid dividends of £52.0m (2023: £152.6m) in the year of which £52.0m was paid in cash (2023: £22.6m was paid in cash and the remaining £130.0m as a distribution). Dividends paid to non-controlling interests of £2.5m (2023: £0.6m) are disclosed further in note 29.

12. Goodwill

	Notes	£m
Cost		
At 1 April 2023		624.2
Recognised on business acquisitions		24.3
Recognised on business acquisitions under common control		70.9
Adjustments related to prior year acquisitions		0.6
Exchange movements		(5.3)
At 31 December 2023		714.7
Recognised on business acquisitions	15	46.4
Adjustments related to prior period acquisitions		1.0
Exchange movements		(12.1)
At 31 December 2024		**750.0**
Accumulated impairment losses		
Impairment losses in the year		12.2
At 31 December 2024	7	**12.7**
At 31 December 2023		0.5
Carrying amount		
At 31 December 2024		**737.3**
At 31 December 2023		714.2

Impairment losses

During the year, the Group reviewed its investment strategy for Habitissimo and concluded it is unlikely that the business will generate meaningful cashflows on a value in use basis, indicating that the existing carrying value could be impaired. As a result £12.2m of associated goodwill was impaired (see note 7).

Adjustments to provisional balances

During the year to 31 December 2024 the provisional fair values for the acquisitions completed in the period ended 31 December 2023 and disclosed as part of the Group's December 2023 Annual Report were updated leading to a total net £1.0m increase to goodwill at 31 December 2024. This increase in goodwill arose due to changes in the provisional opening balance sheets. The fair value adjustments arose across five prior period acquisitions.

Notes to the financial statements

12. Goodwill (continued)

Impairment testing methodology and goodwill allocation
Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The Group's CGUs are defined as the lines of business within each geographic territory in which the Group operates, because they represent the smallest identifiable group of assets that generate independent cash flows. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations.

The key assumptions for the value in use calculations are those regarding growth rates, discount rates and expected changes to selling prices and direct costs during the period. The Group prepares cash flow forecasts derived from the most recent financial budgets and plans for the next five years approved by the Directors and extrapolates the annual cash flows using estimated, long-term growth rates.

The growth rates are based on detailed business plans and although long-term growth rate forecasts may be higher in certain territories, the lowest rate across the Group has been applied to reduce the risk that value in use calculations are overstated. The long-term growth rate utilised is 1.5% (2023: 2.0%). Changes in selling prices and direct costs are based on expectations of future changes in the market.

Management estimates the discount rates using pre-tax rates that reflect current market assessments of the time value of money. The pre-tax cost of capital rates used to discount the forecast pre-tax cash flows are as follows:

Segment	**CGU**	**2024**	2023
Membership & HVAC – EMEA UK	UK	**11.9%**	11.0%
Membership & HVAC – EMEA UK	BOXT	**11.9%**	11.0%
Membership & HVAC – EMEA France	France	**10.5%**	9.8%
Membership & HVAC – EMEA Spain	Spain	**11.6%**	11.7%
Membership & HVAC – EMEA New Markets	Germany	**9.6%**	9.0%
Membership & HVAC – EMEA UK	Consumer Finance	**14.1%**	13.4%
Home Experts – UK	Checkatrade	**14.1%**	13.4%
Home Experts – North America	eLocal	**13.2%**	12.6%
Home Experts – Other	Habitissimo	**-**	14.4%

Pre-tax cost of capital rates reflect the latest cost of debt and equity for a sample of comparable companies in accordance with the market participant premise detailed in IAS 36. At the date of the 2024 impairment test (31 December), following the Group's decision to cease further investment in the business (see note 7), the goodwill attributable to the Habitissimo CGU had a carrying value of £nil and therefore no additional impairment exercise was performed over this balance.

The Group has conducted a sensitivity analysis on the impairment test of each CGU's carrying value, which also reflects the different risk profile of each CGU. Having performed this analysis, the Group believes that there are no reasonably possible changes to the key assumptions in the next year which would result in the carrying amount of goodwill exceeding the recoverable amount.

This view is based upon inherently judgemental assumptions, although the judgements taken are prudent and reasonable, and also takes account of the headroom in the value in use calculation versus the current carrying value.

Notes to the financial statements

12. Goodwill (continued)
Impairment testing methodology and goodwill allocation (continued)

The carrying amount of goodwill has been allocated, by CGU, as follows:

	2024 £m	2023 £m
UK	**236.9**	236.9
BOXT	**70.9**	70.9
France	**166.7**	161.2
Spain	**97.0**	93.5
Germany	**38.7**	16.1
Checkatrade	**58.6**	58.6
eLocal	**67.0**	62.8
Habitissimo	**-**	12.7
Consumer Finance	**1.5**	1.5
	737.3	714.2

The Group's CGUs do not contain any intangible assets with indefinite useful economic lives.

Notes to the financial statements

13. Other intangible assets and prepaid software

Other intangible assets and prepaid software on the balance sheet include £286.4m (2023: £290.4m) of intangible assets and £0.5m (2023: £7.5m) of prepaid software assets related to 'Software as a Service' arrangements. Other intangible assets are categorised as follows:

	Acquired access rights £m	Acquired customer databases[1] £m	Other acquisition intangibles £m	Trademark & access rights £m	Customer Databases[1] £m	Software £m	**Total intangibles £m**
Cost							
At 1 April 2023	91.8	194.6	21.7	24.4	57.6	227.7	**617.8**
Additions	–	1.3	–	–	6.6	30.6	**38.5**
Business acquisitions	0.2	17.1	–	–	–	–	**17.3**
Business acquisitions under common control	–	–	15.4	–	–	13.3	**28.7**
Transfers	(0.4)	0.4	–	–	–	–	–
Disposals	–	(4.0)	–	(21.0)	–	(48.4)	**(73.4)**
Exchange movements	(2.0)	(2.1)	(0.1)	–	(0.8)	(0.7)	**(5.7)**
At 1 January 2024	89.6	207.3	37.0	3.4	63.4	222.5	**623.2**
Additions	–	0.1	–	–	7.5	62.4	**70.0**
Business acquisitions	0.3	25.0	6.6	–	–	–	**31.9**
Disposals	–	(0.4)	–	–	–	(4.7)	**(5.1)**
Exchange movements	(0.2)	(6.6)	(0.1)	–	(3.0)	(4.2)	**(14.1)**
At 31 December 2024	**89.7**	**225.4**	**43.5**	**3.4**	**67.9**	**276.0**	**705.9**
Accumulated amortisation							
At 1 April 2023	43.7	118.4	10.4	23.0	28.3	124.0	**347.8**
Charge for the period	5.5	14.0	2.0	0.2	6.6	19.5	**47.8**
Business acquisitions under common control	–	–	–	–	–	4.7	**4.7**
Disposals	–	(4.0)	–	(21.0)	–	(47.9)	**(72.9)**
Impairment	7.8	–	–	–	–	0.2	**8.0**
Exchange movements	(1.0)	(1.0)	–	–	(0.4)	(0.2)	**(2.6)**
At 1 January 2024	56.0	127.4	12.4	2.2	34.5	100.3	**332.8**
Charge for the year	6.4	20.3	4.8	0.3	9.3	32.1	**73.2**
Disposals	–	(0.4)	–	–	–	(4.7)	**(5.1)**
Impairment	0.3	–	–	–	–	27.3	**27.6**
Exchange movements	(0.4)	(4.4)	–	–	(1.9)	(2.3)	**(9.0)**
At 31 December 2024	**62.3**	**142.9**	**17.2**	**2.5**	**41.9**	**152.7**	**419.5**
Carrying amount							
At 31 December 2024	**27.4**	**82.5**	**26.3**	**0.9**	**26.0**	**123.3**	**286.4**
At 31 December 2023	33.6	79.9	24.6	1.2	28.9	122.2	290.4

[1] Acquired customer databases represent the value attributable to the portfolios of renewable policies that exist at the date of acquisition and are acquired as part of a business combination. Customer databases represent the value attributable to the portfolios of renewable policies that have been created by our Affinity Partners through their own sales and marketing activity and subsequently purchased by the Group.

Notes to the financial statements

13. Other intangible assets and prepaid software (continued)

Acquisition intangibles include acquired customer relationships, databases, brands and technology assets. At the balance sheet date, there are no contractual commitments for the purchase of intangible assets (2023: £nil). The most significant intangible assets are customer database acquired as part of the acquisition of eLocal Holdings LLC in FY20 with a book value of £24.9m (2023: £29.8m), held within acquired intangibles. The assets are being amortised over 10 years on a straight-line basis and have 5 years useful economic life remaining.

Alongside cash additions of £57.8m reflected in the cash flow statement the Group accrued a further £12.2m of additions in the year. These primarily related to licence costs of £10.7m associated with the development of new field service and ERP systems.

31 December 2024

Impairment

At 31 December 2024, as a result of the Group's impairment review of intangible assets, the carrying value of certain IT platforms within HomeServe Iberia were fully impaired resulting in a charge of £21.6m being recorded within software. Additionally, £5.6m of software intangibles in Habitissimo were impaired (see note 7).

In addition, a £0.4m impairment charge was recorded in association with intangible software assets within the Group's French business. This amount was not classified as an adjusting item.

31 December 2023

Impairment

During the nine month period to December 2023, the carrying value of the CityGrid acquired intangible was reviewed for impairment, resulting in an impairment charge of £7.8m being recorded within acquired intangibles. The impairment charges were treated as other adjusting items due to their size, nature, and incidence (see note 7 for further details).

Notes to the financial statements

14. Property, plant and equipment

	Land & building £m	Furniture, fixtures & equipment £m	Computer equipment £m	Motor vehicles £m	**Total £m**
Cost					
At 1 April 2023	38.2	15.0	28.0	2.9	**84.1**
Additions	2.1	1.6	0.9	0.6	**5.2**
Business acquisitions	0.1	1.1	–	0.7	**1.9**
Business acquisitions under common control	0.6	0.1	0.3	–	**1.0**
Disposals	(0.2)	(5.9)	(9.2)	(1.2)	**(16.5)**
Exchange movements	0.1	–	(0.3)	(0.1)	**(0.3)**
At 1 January 2024	40.9	11.9	19.7	2.9	**75.4**
Additions	2.3	1.9	2.7	0.5	**7.4**
Business acquisitions	0.4	3.2	0.1	2.0	**5.7**
Disposals	(0.6)	(3.7)	(5.6)	(0.8)	**(10.7)**
Exchange movements	(0.5)	(0.4)	(0.2)	(0.3)	**(1.4)**
At 31 December 2024	**42.5**	**12.9**	**16.7**	**4.3**	**76.4**
Accumulated depreciation					
At 1 April 2023	18.9	11.2	22.9	1.4	**54.4**
Charge for the period	1.4	1.8	1.8	0.2	**5.2**
Business acquisitions under common control	0.2	0.1	0.2	–	**0.5**
Disposals	(0.1)	(5.9)	(9.2)	(1.0)	**(16.2)**
Impairment	0.4	–	–	–	**0.4**
Exchange movements	0.3	(0.6)	(0.1)	0.2	**(0.2)**
At 1 January 2024	21.1	6.6	15.6	0.8	**44.1**
Charge for the year	2.2	2.0	2.1	0.9	**7.2**
Disposals	(0.5)	(3.6)	(5.6)	(0.6)	**(10.3)**
Exchange movements	(0.5)	(0.1)	(0.1)	(0.1)	**(0.8)**
At 31 December 2024	**22.3**	**4.9**	**12.0**	**1.0**	**40.2**
Carrying amount					
At 31 December 2024	**20.2**	**8.0**	**4.7**	**3.3**	**36.2**
At 31 December 2023	19.8	5.3	4.1	2.1	31.3

At the balance sheet date, there are no contractual commitments for the purchase of property, plant and equipment (2023: £nil).

Alongside cash additions of £6.9m (2023: £4.7m) reflected in the cash flow statement the Group accrued a further £0.5m (2023: £0.5m) of additions in the year.

15. Acquisitions

The Group has incurred a net cash outflow in respect of business combinations of £56.8m in the year (2023: £27.4m) of a net cash outflow of £51.8m (2023: £22.7m) on acquisitions completed during the year to 31 December 2024 and contingent payments relating to previous business combinations of £5.0m (2023: £4.7m). In addition, payment of deferred consideration, recognised through cash flows from financing activities, totalled £3.1m (31 December 2023: £3.7m).

There were three acquisitions accounted for under IFRS 3 in the year to 31 December 2024 where the fair value of total consideration was considered material:

- On 2 January 2024, HomeServe Energy Services Belgium SRL., a Group company, acquired 100% of the issued share capital and obtained control of High Tech Solar Group SRL , (hereafter 'HTS'), for total consideration of £8.7m. HTS operates within the HVAC business line of the Group, specifically in the installation and maintenances services of renewable and efficient energy solutions. The acquisition of HTS expands the scope and scale of the HVAC capabilities in France, specifically in relation to energy efficient solutions.

Notes to the financial statements

15. Acquisitions (continued)

- On 1 November 2024, HomeServe Handwerksdienstleistung Deutschland GmbH, a Group company, acquired 100% of the issued share capital and obtained control of Schneider GmbH, (hereafter 'Schneider'), for total consideration of £11.6m. Schneider operates within the HVAC business line of the Group and expands the scope and scale of the HVAC capabilities in Germany.
- On 1 December 2024, HomeServe Handwerksdienstleistung Deutschland GmbH, a Group company, acquired 100% of the issued share capital and obtained control of Natelberg Gebäudetechnik GmbH, (hereafter 'Natelberg'), for total consideration of £8.5m. Natelberg operates within the HVAC business line of the Group and expands the scope and scale of the HVAC capabilities in Germany.

Additionally, the following individually immaterial HVAC acquisitions which have been combined and presented as 'Other' for the purpose of provisional fair value disclosures, were made during the year ended 31 December 2024:

Date	Acquiree	Acquirer	Acquired
01 January 2024	Horst Latzel GmbH & Co. KG & Latzel Verwaltungsgesellschaft mbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
25 January 2024	Gühring GmbH & Co. KG & Gühring Verwaltungs- und Beteiligungs GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
29 February 2024	Krieger Heizung-Sanitär GmbH & Co. KG & Krieger Verwaltungs GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
30 June 2024	Buse GmbH.	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
31 July 2024	Usinger Wärmdeinst GmbH & Co. KG & Usinger Wärmedienst Beteiligungen GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
31 July 2024	Drieselmann GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
30 September 2024	Haustechnik-Oberland GmbH & Solarzentrum Iberland GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
31 October 2024	WTH GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
31 December 2024	Jäger Sanitär-Heizung GmbH	HomeServe Handwerksdienstleistung Deutschland GmbH	100% share capital
1 April 2024	Asi Servicios Energeticos, S.L.	HomeServe Iberia S.L.U	100% share capital
1 June 2024	Central De Reparacions I Manteiments Clima S.L	HomeServe Iberia S.L.U	100% share capital
1 July 2024	Servigas Valladares S.L.	HomeServe Iberia S.L.U	100% share capital
1 October 2024	Epoch Solutions LDA	HomeServe Iberia S.L.U.	100% share capital
1 October 2024	Calefacciones Felix S.L	HomeServe Iberia S.L.U.	100% share capital
2 April 2024	Ecochauffage SRL	Homeserve Energy Services Belgium SRL	100% share capital
3 April 2024	Lepretre SASU	Homeserve Energies Services SASU	100% share capital
3 June 2024	Cerise SAS	Homeserve Energies Services SASU	100% share capital
4 November 2024	DEC Energies SASU	Homeserve Energies Services SASU	100% share capital
4 November 2024	Comptoir du Climat SASU	Homeserve Energies Services SASU	100% share capital

All HVAC acquisitions made during the period enhance the scale and scope of the Group's HVAC capabilities and increase the opportunity for future growth related to new HVAC system installations.

Other acquisitions

- On 28 March 2024, Homeserve Finance Limited, a Group company, acquired a group of assets constituting a business under IFRS 3 from Fairscore Limited. Homeserve Finance Limited purchased the business that operates the 'Warmly' product from Fairscore Limited. Warmly operates within the Group's Consumer Finance business line.

- On 15 May 2024, eLocal USA LLC, a Group company, acquired a group of assets constituting a Home Experts business under IFRS 3 from Bunker Hill Labs, Inc. (hereafter "Bunker Hill") deemed a business combination under IFRS 3. Bunker Hill is a lead generation platform focused on buying and selling leads in the legal sector, operating within the Group's Home Experts business line.

Notes to the financial statements

15. Acquisitions (continued)

The provisional fair values of identifiable assets acquired, and liabilities assumed are set out in the table below:

At fair value	HTS £m	Schneider £m	Natelberg £m	Other £m	**Total £m**
Property, plant and equipment	0.2	0.4	1.6	3.5	**5.7**
Right-of-use assets	0.6	–	–	2.5	**3.1**
Cash and cash equivalents	1.4	1.7	1.4	5.9	**10.4**
Inventories	0.3	0.5	1.4	4.7	**6.9**
Trade and other receivables	0.7	1.2	1.6	15.0	**18.5**
Trade and other payables, provisions & retirement benefit obligation	(1.2)	(1.3)	(0.9)	(9.5)	**(12.9)**
Deferred income	–	–	–	(0.9)	**(0.9)**
Lease liabilities	(0.6)	–	–	(2.5)	**(3.1)**
Bank and other loans	–	(0.1)	(0.2)	(4.7)	**(5.0)**
Intangible assets identified on acquisition	0.2	1.4	1.8	28.5	**31.9**
Deferred tax liabilities	–	(0.4)	(0.5)	(7.4)	**(8.3)**
Net assets acquired	1.6	3.4	6.2	35.1	**46.3**
Less non-controlling interest	–	–	–	(0.2)	**(0.2)**
Goodwill	7.1	8.2	2.3	28.8	**46.4**
Total	**8.7**	**11.6**	**8.5**	**63.7**	**92.5**
Satisfied by:					
Cash	6.8	7.0	–	48.4	**62.2**
Deferred consideration	–	1.8	7.8	7.1	**16.7**
Contingent consideration at fair value	1.9	2.8	0.7	8.2	**13.6**
Total	**8.7**	**11.6**	**8.5**	**63.7**	**92.5**
Net cash outflow arising on acquisition:					
Cash consideration	6.8	7.0	–	48.4	**62.2**
Less: cash acquired	(1.4)	(1.7)	(1.4)	(5.9)	**(10.4)**
Total	**5.4**	**5.3**	**(1.4)**	**42.5**	**51.8**

The goodwill arising on the excess of consideration over the fair value of the assets and liabilities acquired represents the expectation of future growth, synergistic benefits and efficiencies. Where elections are made to treat an acquisition that is in scope of US tax legislation as an asset purchase for tax, goodwill is deemed deductible for tax purposes. Where goodwill arises on consolidation within the Group it is not deductible for tax purposes, but tax deductions on goodwill amortisation may arise at a local level in certain territories, subject to specific local rules. Deferred tax liabilities associated with elected goodwill deductions are disclosed in note 10. The gross contracted amounts due are equal to the fair value amounts stated above for trade and other receivables.

The post-acquisition revenue, operating profit and acquisition-related costs (included in operating costs) from acquisitions in the year ended 31 December 2024, were as follows:

	HTS £m	Schneider £m	Natelberg £m	Other £m	**Total £m**
Revenue	1.4	0.3	-	51.7	**53.4**
Operating profit/(loss)	(0.6)	(0.2)	-	6.6	**5.8**
Acquisition related costs	0.2	0.4	0.5	2.9	**4.0**

If all of the acquisitions had been completed on the first day of the financial year, Group revenues for the year would have been £1,210.4m and Group adjusted profit before tax would have been £68.6m.

Notes to the financial statements

16. Other investments

Equity investments carried at fair value through other comprehensive income	£m
At 1 April 2023	16.9
Fair value loss on FVTOCI investments	(0.8)
Exchange movements	(0.3)
At 1 January 2024	15.8
Fair value gain on FVTOCI investments	4.6
Exchange movements	(0.5)
At 31 December 2024	**19.9**

HomeServe Assistance Limited ('HAL'), a Group company, retained a 19.99% stake in Ondo InsurTech Plc ('Ondo') in March 2022, following the disposal of 80% of the business. The fair value of the equity investment has been assessed at 31 December 2024 based on the quoted bid price in an active market. The result of this assessment increased the fair value of the investment by £2.3m. (31 December 2023: increase of £2.2m)

At 31 December 2024 the fair value of the Group's investment held in a manufacturer of smart thermostat connected home technology was reassessed in light of the valuation indicated by the investee's latest equity funding round. The result of this reassessment increased the fair value of the Group's investment by £2.3m (31 December 2023: no change).

HomeServe France Holding SAS ('HFH'), a Group company retained a 19.2% holding in Groupe Maison.fr SAS in May 2020. During the prior year, the Group decided to withdraw from our investment in Maison.fr, and negotiated terms to exit as investors. The agreement meant HomeServe Limited, a Group company, would retain a preference share with a market value of €0.1m, for total consideration of €1 (see note 7 for further details). The agreement was finalised in February 2024. The fair value of the equity investment has been assessed at 31 December 2024, the result of this reassessment had no impact on the fair value of the Group's investment (31 December 2023: decrease £3m). Subsequent to the year ended 31 December 2024 Maison.fr was liquidated, resulting in the investment in Maison.fr being fully written off.

17. Equity accounted investments

A list of equity accounted investments, including the name, address, country of incorporation, and proportion of ownership is given in note 44 to the Company's separate financial statements.

Joint venture – HomeServe Japan Corporation

The following amounts relate to the results of the Group's joint venture interest in HomeServe Japan Corporation:

	2024 **£m**	2023 £m
Loss after tax	**(7.6)**	(7.8)
Total comprehensive expense	**(7.6)**	(7.8)
Amounts recognisable	**(3.8)**	(3.9)

The Group made additional contributions to its joint venture investment in HomeServe Japan Corporation during the year of £3.5m (2023: £3.9m).

Interest in associate – Servihogar 24 Horas S.L.U

The Group recognised £nil (2023: £nil) for its share of results in the year. The Group made no additional contributions to its investment during the year (2023: £0.1m).

18. Inventories

	2024 **£m**	2023 £m
Consumables	**37.9**	31.9

Notes to the financial statements

19. Finance, trade and other receivables

Trade and other receivables	2024 £m	2023 £m
Amounts receivable for the provision of services	**243.4**	225.6
Other receivables	**26.6**	56.7
Accrued income	**27.6**	24.8
Prepayments	**21.1**	25.4
	318.7	332.5

Credit risk

Where the Group contracts directly with the consumer of its services, the counterparty to the financial asset in question (the tradesperson or policyholder) is the primary driver of the Group's credit exposure. Where the Group acts as an insurance intermediary, the counterparty to the financial asset in question (the underwriter) is not the primary driver of the Group's credit exposure, rather the risk derives from the creditworthiness of the underlying policyholder. In both instances the relevant credit risk pools are numerous and diverse, thereby mitigating the significance of the Group's exposure to any single pool of risk. Of the at risk balance at the end of the year there is no significant concentration of credit risk within an individual pool, with risk exposure spread across a large number of policyholders or tradespersons. There are no risk exposures that represent more than 5% of the total balance at risk. Note 3 contains further detail regarding the potential risk if policy cancellations were to be higher than expected.

Risks associated with the environments in which customers and policyholders operate may also influence the credit risk. Credit quality of customers is assessed by taking into account the current financial position of the counterparty, past experience and forward looking factors, including economic outlook. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality from the date credit was initially granted up to the reporting date. The Group's exposures are further reduced by its ability, in the event of default, to cease providing member services or to take policyholders "off risk". A default on a trade receivable is when the counterparty fails to make contractual payments within the stated payment terms. Balances are written off when there is no reasonable expectation of recovery and carrying amounts represent the maximum potential credit exposure.

Trade receivables and accrued income are subject to impairment using the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. Consequently the IFRS 9 concept of a significant increase in credit risk is not applicable to the Group's expected credit loss calculations. To assess expected credit losses, balances are either assessed individually or grouped based on similar credit risk characteristics (e.g. type of customer or days past due). Expected losses are then measured using a provisioning matrix approach adjusted, where applicable, to take into account current macro-economic factors or counterparty specific considerations.

The Group trades only with creditworthy third parties and maintains a policy that, with the exception of our membership policyholders, customers who wish to trade on credit terms are reviewed for financial stability.

The Group has provided fully for those balances that it does not expect to recover. This assessment has been undertaken by reviewing the status of all at risk balances in line with the process described above. The Directors believe that there is no further credit provision required in excess of the expected credit loss provision.

Included in the Group's exposure are balances with a carrying amount of £55.4m (2023: £31.0m) which are past due at the reporting date but for which the Group has not provided for as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Notes to the financial statements

19. Finance, trade and other receivables (continued)

Ageing of balances past due net of expected credit losses:

	2024 £m	2023 £m
1 – 30 days	**15.5**	11.9
31 – 60 days	**11.4**	9.0
61 – 90 days	**4.1**	1.4
91 days +	**24.4**	8.7
Balance at 31 December past due	**55.4**	31.0
Current/not yet due	**188.0**	194.6
	243.4	225.6

The increase in balances in the 91+ days category, primarily relates to delays associated with government backed projects in the Group's EnergyGo business in France (see note 7).

Movement in expected credit losses:

	2024 £m	2023 £m
Opening balance	**9.1**	9.0
Impairment losses recognised	**9.6**	2.8
Amounts written off	**(1.9)**	(4.4)
Amounts recovered	**(3.3)**	(0.3)
Business acquisitions	**0.2**	0.4
Other	**-**	1.4
Exchange movements	**0.5**	0.2
	14.2	9.1

Of the provision total £nil relates to accrued income (2023: £nil).

Ageing of impaired balances:

	2024 £m	2023 £m
1 – 30 days	**0.4**	0.2
31 – 60 days	**0.4**	1.1
61 – 90 days	**0.7**	2.0
91 days +	**11.0**	5.3
Current/not yet due	**1.7**	0.5
	14.2	9.1

Other receivables
Other receivables principally comprise deposits, tax balances due to the Group and other non-trading items. No expected credit loss allowance was recognised at 31 December 2024 or 31 December 2023 as there has been no experience of significant historic losses and no charge was reported in the income statement. No other receivable balances were considered past due but not impaired.

Finance receivables
Finance receivables are the amounts due from Customers who have entered into financing, hire purchase or rental agreements for HVAC equipment installed by Homeserve subsidiaries in their homes. The values reported of £7.6m (2023: £4.1m) represent the future cashflows receivable from the customer in respect of rental, capital or interest payments discounted by the implied or explicit contractual interest rate.

Notes to the financial statements

20. Cash and cash equivalents

	Notes	2024 £m	2023 £m
Cash at bank and in hand		**54.1**	74.8
Restricted cash		**7.7**	9.4
Bank overdrafts	24	**(22.4)**	(25.3)
Cash and cash equivalents in the Group cashflow statement		**39.4**	58.9

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the Group cashflow statement can be reconciled to the related items in the Group balance sheet as shown above.

Of the total cash and cash equivalents balance held £7.7m (2023: £9.4m) is not available for use by the Group due to the restrictions stipulated within the Group's contractual relationships with underwriters. These balances principally relate to advances from underwriters received to fund claims payments. No client monies as defined under CASS 5 of the FCA Handbook are held.

With respect to credit risk arising from cash and cash equivalents, the Group's exposure arises from the probability of default of the counterparty. The Group manages the risk associated with cash and cash equivalents through depositing funds only with reputable and creditworthy banking institutions.

21. Trade and other payables – current

	2024 £m	2023 £m
Trade payables and accruals	**128.7**	128.6
Contingent consideration	**7.5**	6.8
Deferred consideration	**15.2**	2.1
Obligations under put options	**16.3**	-
Deferred income	**45.4**	47.9
Refund liabilities	**5.8**	6.3
Taxes and social security, excluding current tax	**15.4**	16.0
Amounts related to policyholders to be remitted to underwriters	**18.7**	27.1
Other payables	**40.0**	49.1
	293.0	283.9

Trade payables, other payables and accruals principally comprise amounts outstanding for trade purchases and other ongoing costs.

Deferred and contingent consideration relate to future amounts payable, or potentially payable, on business combinations and asset purchases.

Obligations under put options in December 2024 relate to the obligation to acquire the remaining 7.86% non-controlling interest in eLocal Holdings LLC, following HomeServe USA Holding Corp's initial 79% acquisition in FY20 and subsequent exercise of 4.8% in the nine month period to 31 December 2023 and 10.5% of the options in FY22. Put options classified as non-current are exercisable by the holder from November 2025.

Deferred income represents revenue where an obligation exists to provide future services. An appropriate proportion of monies received in advance are treated as deferred income and recognised over the relevant period (see note 4).

Refund liabilities are made in respect of those policies that may be cancelled by the policyholder part way through the contractual term, which will affect the economic benefits that flow to the Group. The liability is made to ensure that the related revenue is not recognised at the point that the policy incepts.

Notes to the financial statements

21. Trade and other payables – current (continued)

Amounts related to policyholders to be remitted to underwriters principally relate to the cost of underwriting and Insurance Premium Tax for cash collected or cash to be collected from policyholders for the provision of services, not yet transmitted.

22. Trade and other payables – non-current

	2024 £m	2023 £m
Contingent consideration	**15.3**	9.7
Deferred consideration	**1.5**	0.8
Obligations under put options	**-**	15.7
Other non-current payables	**7.4**	0.8
	24.2	27.0

Deferred and contingent consideration relate to future amounts payable, or potentially payable, on business combinations and asset purchases. See Note 21 for details on obligations under put options.

23. Provisions

Movements in provisions during the year ended 31 December 2024 and nine month period ended 31 December 2023 are disclosed below:

	2024 £m	2023 £m
At start of period	**8.0**	6.1
Created	**4.3**	5.0
Business acquisitions	**0.1**	–
Utilised	**(1.4)**	(2.8)
Released	**(0.5)**	(0.2)
Foreign exchange	**(0.1)**	(0.1)
	10.4	8.0

Provisions include amounts related to potential VAT interest charges (see further comments below), obligations to restore leased properties to agreed conditions at the end of the lease, legal and restructuring provisions, de-fleet costs on leased vehicles and other items. Where material, provisions are discounted based on an approximation for the time value of money. The amount and timing of the cash outflows are subject to variation.

Contingent Liabilities
HomeServe Spain is involved in ongoing litigation with the Spanish Tax Authorities (STA) in respect of the correct VAT rate to apply on supplies of claims repairs to private dwellings. The litigation involves appeals for two separate periods: (a) for calendar years 2016 to 2019 (inclusive) where HomeServe Spain charged the standard rate of VAT and claimed against the STA for overpaid VAT; and (b) for calendar years 2011 to 2015 (inclusive) where HomeServe Spain charged the reduced rate of VAT and the STA assessed for underpaid VAT as part of an audit.

After the balance sheet date of these financial statements, on 21 March 2025, the Supreme Court handed down its judgement in respect of the 2016 to 2019 period, ruling that HomeServe Spain's claims repair services were liable to the standard rate of VAT, and therefore, it had not overpaid VAT. Although the 2011 to 2015 appeal will be shortly heard separately, it will follow the judgment of the 2016 to 2019 period, and means that the STA assessment for underpaid VAT and associated interest will be upheld.

The underpaid VAT and interest exposure in respect of the 2011 to 2015 appeal has been recognised in full within these financial statements. There is a possible risk of incurring associated penalties of €5.7m, but based on the external expert advice the Group has received to date, this risk does not currently represent a present obligation to pay penalties under IAS 37. Therefore it cannot be said that the possible outflow of resources embodying economic benefits has reached the 'probable' threshold for liability recognition on the Group balance sheet under the standard.

Notes to the financial statements

24. Borrowings

Bank and other loans

	2024 £m	2023 £m
Sterling denominated		
Overdrafts	16.7	1.9
Bank loans	–	2.5
Related party loans	–	0.6
Supplier finance arrangements	1.6	1.8
Total sterling denominated due within one year	**18.3**	6.8
Euro denominated		
Overdrafts	3.8	23.4
Bank loans	1.3	2.7
Related party loans	8.3	1.1
Total euro denominated due within one year	**13.4**	27.2
USD denominated		
Overdrafts	1.9	–
Total US dollar denominated due within one year	**1.9**	–
Total due within one year	**33.6**	34.0
Sterling denominated		
Bank loans	1.4	–
Related party loans	96.5	91.3
Supplier finance arrangements	0.3	1.9
Total sterling denominated due more than one year	**98.2**	93.2
Euro denominated		
Bank loans	13.6	11.6
Related party loans	252.1	194.0
Total euro denominated due more than one year	**265.7**	205.6
Total due more than one year	**363.9**	298.8
Total bank and other loans	**397.5**	332.8

Bank and other loans due within one year include borrowings from parent companies, bank and other facilities due within one year of £2.7m (2023: £6.9m), overdrafts in relation to our cash pooling arrangements of £22.4m (2023: £25.3m) and interest due on borrowings of £8.5m (2023: £1.8m).

The Euro denominated borrowings are used to provide debt funding to the Continental Europe operations. Foreign currency borrowings are drawn in the UK, at the parent company level, and passed to the overseas subsidiaries of the Group by way of intercompany loans, denominated in the same currencies. These borrowings and the equivalent intercompany receivable loans are treated as monetary liabilities and assets respectively and, as such, the Group's foreign currency exposure risk is minimised.

Notes to the financial statements

24. Borrowings (continued)

The weighted average interest rates paid on bank and other loans were as follows:

	2024 (%)			2023 (%)		
Fixed	**£**	**€**	**$**	£	€	$
Bank loans	–	**3.6**	–	–	3.1	–
Supplier finance arrangements	**2.2**	–	–	2.2	–	–
Floating	**£**	**€**	**$**	£	€	$
Overdrafts	**5.5**	**4.1**	**5.6**	5.1	3.7	5.4
Bank loans	**6.5**	–	–	–	–	–
Related party loans	**8.9**	**7.1**	–	8.9	5.9	–

The currencies in which the Group's borrowings are denominated reflect the geographical segments for which they have been used.

Principal borrowings

The principal features of the Group's outstanding borrowings and available facilities at 31 December 2024 are as follows:

31 December 2024

On 1 January 2024, the Group, through HomeServe Limited, entered into a €290m (£240.3m) loan facility with its immediate parent company, Hestia BidCo Limited, with €223.6m (£185.3m) being novated from a previous agreement in respect of a balance also owed to Hestia BidCo Limited. The facility limit was subsequently increased to €340m (£281.8m) on 27 June 2024 and further increased to €440m (£364.6m) on 15 December 2024. Interest is charged on the loan facility balance at a floating rate, with a margin of 3.5% above the relevant EURIBOR rate. The facility was drawn €304.2m (£252.1m) at 31 December 2024 (31 December 2023: €223.6m (£193.9m) was due under the previous agreement).

The Group also holds the following Sterling denominated borrowings with Hestia BidCo Limited:

- At 31 December 2024 £85.0m (31 December 2023: £85.0m) was due in relation to a promissory note issued on 4 December 2023 which is redeemable at the expiry of the loan 5 years from the date of issue. Interest is charged at a floating rate with a margin of 3.75% above the relevant SONIA rate remain.

- There is a £100m loan facility charged at a floating rate with a margin of 3.75% above the relevant SONIA rate. The loan has a term of 5 years from the date of the agreement signed on 20 December 2023. The facility was drawn £11.5m at 31 December 2024 (31 December 2023: £6.3m).

31 December 2023

The principal features of the Group's outstanding borrowings and available facilities at 31 December 2023 were as follows:

- On 12 January 2023, the Group borrowed a total of £885.3m from Hestia Bidco Limited, the Group's immediate parent company consisting of the following denominations £344.0m, $425.0m and €215.0m with interest charged at floating rates with a margin of 2% above the relevant reference rate. The margin increased by 0.25% on 26 April 2023 and every 3 months thereafter until the termination of the loan.

- The EUR loan €215.0m (£189.4m), increased to €223.6m (£193.9m) at 31 December 2023, which was initially due by 30 June 2024, has been extended by five years, to 30 June 2029.

- On 4 December 2023, the Group borrowed £85.0m with the interest rate charged at floating rate with a margin of 3.75% above the relevant SONIA rate. The loan has a term of 5 years from the date of agreement.

Notes to the financial statements

24. Borrowings (continued)
Principal borrowings (continued)

- On 20 December 2023, the Group signed an additional £100.0m loan facility of which £6.3m was drawn at 31 December 2023. Under the loan facility, the interest rate is charged at floating rate with a margin of 3.75% above the relevant SONIA rate. The loan has a term of 5 years from the date of agreement.

Other borrowings

Other borrowings held by subsidiaries are as follows:

- On 12 June 2023, HomeServe France Holding SAS entered into a bank loan with a maturity date of 15 December 2031. The loan carries a fixed interest rate of 5.3%. As of 31 December 2024, the outstanding loan balance was £7.2m (31 December 2023: £7.5m).

- On 26 June 2024, Thermos One Limited entered into a new Senior Debt Facility with Barclays Bank PLC as senior lender related to the establishment of the Group's consumer Finance special purpose vehicle. The agreement has an initial commitment of £50m with the ability of the borrower to request incremental £25m increases up to a maximum of £250m total commitment. Floating interest is charged for each interest period with an applicable margin of 1.6% until 25 June 2027 and 2.25% thereafter. There are no covenant compliance requirements to adhere to. Information about liquidity risk is presented in note 26.

- The Group is party to £1.9m (31 December 2023: £3.7m) in financing arrangements for asset purchases. The weighted average interest rate was 2.2% (31 December 2023: 2.2%).

Notes to the financial statements

24. Borrowings (continued)

Reconciliation of movements in liabilities arising from financing

	Lease liabilities £m	Bank and other loans £m	**Total £m**
At 1 April 2023	37.5	207.4	**244.9**
Proceeds from new loans and borrowings	–	16.2	**16.2**
Proceeds from additional borrowings on existing facilities	–	16.5	**16.5**
Repayment of borrowings	–	(12.8)	**(12.8)**
Repayment of overdrafts	–	16.0	**16.0**
Repayment of lease principal	(9.0)	–	**(9.0)**
Interest paid	(0.8)	(7.8)	**(8.6)**
Total changes from cash flows	(9.8)	28.1	**18.3**
Non-cash movements			
Foreign exchange	0.1	(2.4)	**(2.3)**
Interest expense	0.8	9.6	**10.4**
Additions	13.6	85.0	**98.6**
Disposals	(0.9)	–	**(0.9)**
Impairment	(1.2)	–	**(1.2)**
Business acquisitions	2.1	2.8	**4.9**
Business acquisition under common control	1.7	2.3	**4.0**
Total changes from non-cash movements	16.2	97.3	**113.5**
At 1 January 2024	43.9	332.8	**376.7**
Proceeds from new loans and borrowings	–	113.1	**113.1**
Proceeds from additional borrowings on existing facilities	–	2.7	**2.7**
Borrowings costs on existing facilities	–	(1.5)	**(1.5)**
Repayment of borrowings	–	(47.3)	**(47.3)**
Proceeds from overdrafts	–	(2.9)	**(2.9)**
Repayment of lease principal	(14.1)	–	**(14.1)**
Interest paid	(2.1)	(20.7)	**(22.8)**
Total changes from cash flows	**(16.2)**	**43.4**	**27.2**
Non-cash movements			
Foreign exchange	(1.2)	(11.2)	**(12.4)**
Interest expense	2.1	28.0	**30.1**
Additions	24.6	–	**24.6**
Disposals	(3.2)	(0.5)	**(3.7)**
Business acquisitions	3.1	5.0	**8.1**
Total changes from non-cash movements	**25.4**	**21.3**	**46.7**
At 31 December 2024	**53.1**	**397.5**	**450.6**
Analysed as:			
Non-current	33.0	298.8	**331.8**
Current	10.9	34.0	**44.9**
At 31 December 2023	43.9	332.8	**376.7**
Non-current	39.8	363.9	**403.7**
Current	13.3	33.6	**46.9**
At 31 December 2024	**53.1**	**397.5**	**450.6**

A maturity analysis of the contractual undiscounted cash flows associated with lease liabilities and bank and other loans is provided in note 26.

Notes to the financial statements

25. Leasing

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Properties £m	Motor vehicles £m	Other £m	**Total £m**
Cost				
At 1 April 2023	49.2	24.7	0.4	**74.3**
Additions	9.6	4.0	–	**13.6**
Business acquisitions	2.1	–	–	**2.1**
Business acquisition under common control	1.7	–	–	**1.7**
Disposals	(5.8)	(2.5)	(0.2)	**(8.5)**
Exchange movements	(0.1)	0.1	–	–
At 1 January 2024	56.7	26.3	0.2	**83.2**
Additions	10.8	14.6	0.2	**25.6**
Business acquisitions	2.9	0.2	–	**3.1**
Disposals	(6.0)	(10.1)	–	**(16.1)**
Exchange movements	(2.1)	(0.5)	–	**(2.6)**
Balance at 31 December 2024	**62.3**	**30.5**	**0.4**	**93.2**
Accumulated depreciation				
At 1 April 2023	23.8	14.4	0.3	**38.5**
Charge for the period	4.0	5.3	–	**9.3**
Disposals	(5.0)	(2.4)	(0.1)	**(7.5)**
Transfers	1.2	(1.2)	–	–
Impairment	1.1	–	–	**1.1**
Exchange movements	(0.1)	0.2	(0.1)	–
At 1 January 2024	25.0	16.3	0.1	**41.4**
Charge for the year	6.7	7.7	0.1	**14.5**
Disposals	(3.2)	(9.7)	–	**(12.9)**
Transfers	1.0	(1.0)	–	–
Impairment	0.1	–	–	**0.1**
Exchange movements	(0.4)	0.1	–	**(0.3)**
Balance at 31 December 2024	**29.2**	**13.4**	**0.2**	**42.8**
Carrying amount				
At 31 December 2024	**33.1**	**17.1**	**0.2**	**50.4**
At 31 December 2023	31.7	10.0	0.1	41.8

Amounts recognised in the consolidated income statement are disclosed in notes 5 and 9 respectively. A maturity analysis of the contractual undiscounted cash flows associated with lease liabilities is provided in note 26. The total cash outflow for leases for the period ended 31 December 2024 was £16.2m (2023: £9.8m), representing £14.1m (2023 £9.0m) of principal repayments and £2.1m (2023: £0.8m) of interest charges on outstanding lease liabilities (see note 24).

Notes to the financial statements

26 Financial instruments

Classification

Aside from the financial instruments discussed under 'financial instruments subsequently measured at fair value' below, all other financial assets and liabilities to which the Group is party are held at amortised cost and their carrying values approximate their fair values.

Financial instruments subsequently measured at fair value

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those equal to quoted and unadjusted market prices in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

There were no transfers of assets or liabilities between levels during the year. There are no non-recurring fair value measurements. The Group held the following financial instruments at fair value:

	2024	2023
	£m	£m
Level 1		
Assets classified as fair value through other comprehensive income		
Other investments (note 16)	**5.5**	3.2
Level 2		
Assets classified as fair value though other comprehensive income		
Other investments (note 16)	**14.4**	12.6
Level 3		
Contingent consideration at fair value through profit and loss		
Current liabilities (note 21)	**7.5**	6.8
Non-current liabilities (note 22)	**15.3**	9.7

The Group uses the following methods to estimate fair value of its financial instruments:

Financial instruments	**Level**	**Valuation method**
Other investments	1	Quoted bid price in an active market
Other investments	2	Discounted cash flows at current market rates
Contingent consideration	3	Discounted cash flows at current market rates

Notes to the financial statements

26. Financial instruments (continued)
Financial instruments subsequently measured at fair value (continued)

The table below presents a reconciliation of recurring Level 3 fair value measurements. Figures for all periods present exclusively relate to the Group's contingent consideration balances

	2024 £m	2023 £m
At start of period	16.5	13.9
Additions (note 15)	13.6	10.0
Payments	(5.0)	(6.1)
Unwinding of discount rate through the income statement	1.7	0.2
Fair value re-measurements	(3.8)	(1.4)
Foreign exchange	(0.2)	(0.1)
	22.8	**16.5**

If discount rates on contingent consideration were higher/lower than the Group's historical experience by 10%, the change in carrying amount would be negligible. The undiscounted range of outcomes associated with the contingent consideration payments has a floor of £nil (2023: £nil). Payments above the floor vary based on a range of conditional performance metrics, for example future EBITDA performance.

Other financial assets – Level 3

Eneco Belgium NV call option over equity in HomeServe Belgium

On 27 January 2021, HomeServe France Holding SAS (HFH) granted Eneco Belgium NV a call option to acquire 50% of the equity in HomeServe Belgium SRL, a wholly owned subsidiary of HFH, at any time between the first and third anniversaries of the signing date of the call option agreement. The option expired unexercised on 27 January 2024, triggering an automatic extension of the related Affinity Partner Agreement from five to seven years with no impact on the income statement or balance sheet given its £nil carrying value.

Other financial assets – held at amortised cost

Ondo InsurTech Plc ("Ondo") loan notes

HomeServe Assistance Limited ('HAL'), a Group company, holds loan notes in Ondo as part of the total consideration received following disposal in FY22. They represent an originated credit impaired financial asset under IFRS 9 and have been measured at amortised cost less any provision for impairment using the effective interest method. The carrying value at 31 December 2024 was £nil (31 December 2023: £nil).

Capital risk management

The Group manages its capital to ensure that entities in the Group are able to continue as going concerns while maximising the return to stakeholders through the appropriate balance of debt and equity. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 24, cash and cash equivalents in note 20 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 27, 28 and the Group Statement of Changes in Equity.

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

	2024 £m	2023 £m
Attributable to equity holders of the parent	**751.3**	828.2
Cash at bank and in hand	**54.1**	74.8
Restricted cash	**7.7**	9.4
Bank and other loans	**397.5**	332.8

Notes to the financial statements

26. Financial instruments (continued)
Capital risk management (continued)

Certain of the entities in the Group are subject to externally imposed capital requirements from the Financial Conduct Authority. Where such requirements exist, the Group manages the risk through the close monitoring of performance and distributable capital within the entities impacted by the regulations. The Group has complied with all such arrangements throughout the current and preceding year.

Financial risk management objectives

The Group principally utilises cash and cash equivalents and bank and other loans for the purpose of raising finance for its operations. The Group also has various other financial instruments such as trade receivables and trade payables which arise directly from its operations.

Financial risk management is overseen by the Board according to objectives, targets and policies set by the Board. Treasury risk management, including management of currency risk, interest rate risk and liquidity risk is carried out by a central Group Treasury function in accordance with objectives, targets and policies set by the Board. Treasury is not a profit centre and does not enter into speculative transactions.

Classification of financial instruments

The Group's financial assets and liabilities are disclosed in notes 19-22 and note 24. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. Foreign currency risk is minimised by the treasury borrowing approach set out in note 24.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's long-term debt requirements with floating interest rates. The Group's policy is to manage its interest rate risk using a mix of fixed and variable rate debts.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The following table demonstrates the sensitivity to a reasonably possible increase of 100bps in the cost of borrowing, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	2024	2023
Increase in cost of borrowing	**100bps**	100bps
Reduction in profit before tax (£m)	**3.1**	2.7

Credit risk

Credit risk associated with trade receivables and accrued income contract assets is discussed in note 19. Credit risk related to cash and cash equivalents is discussed in note 20.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Group's Board which sets the framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and continuously monitoring forecast and actual cash flows.

Notes to the financial statements

26. Financial instruments (continued)
Liquidity risk (continued)

The maturity profile of the Group's financial liabilities based on contractual maturities, is provided in the table below. Interest is payable on all bank and other loans. All cash flows are presented on an undiscounted basis.

2024	Bank and other loans £m	Trade payables £m	Other payables £m	Deferred and contingent consideration £m	Lease liabilities £m	Obligations under put options £m	**Total £m**
Less than 12 months	35.1	135.6	73.1	23.4	13.5	–	**280.7**
Between 1 and 2 years	39.3	–	2.1	11.1	13.8	18.7	**85.0**
Between 2 and 5 years	404.4	–	6.3	5.8	22.5	–	**439.0**
After 5 years	5.4	–	0.4	1.2	9.8	–	**16.8**
Total	**484.2**	**135.6**	**81.9**	**41.5**	**59.6**	**18.7**	**821.5**

2023	Bank and other loans £m	Trade payables £m	Other payables £m	Deferred and contingent consideration £m	Lease liabilities £m	Obligations under put options £m	Total £m
Less than 12 months	29.5	128.6	98.5	8.9	10.9	–	276.4
Between 1 and 2 years	23.7	–	–	7.0	10.3	–	41.0
Between 2 and 5 years	155.2	–	0.1	4.5	15.5	19.3	194.6
After 5 years	209.0	–	0.7	–	10.1	–	219.8
Total	417.4	128.6	99.3	20.4	46.8	19.3	731.8

27. Share capital

	2024	2023
Issued and fully paid 338,434,441 ordinary shares of 2 9/13p each (2023: 338,434,441)	**9.1**	9.1

The Company has one class of ordinary shares which carry no right to fixed income. Share capital represents consideration received or amounts, based on fair value, allocated to LTIP and One Plan participants on exercise, or amounts, based on fair value of the consideration for acquired entities. The nominal value was 2 9/13p per share on all issued and fully paid shares.

During the year from 1 January 2024 to 31 December 2024 there was no change in issued share capital of the Company (2023: no change).

28. Reserves

Share premium
The share premium account represents consideration received or amounts, based on fair value, allocated to LTIP and One Plan participants on historic exercise for authorised and issued shares in excess of the nominal value of 2 9/13p (2023: 2 9/13p).

Currency translation reserve
The currency translation reserve represents the cumulative foreign currency translation movement on the assets and liabilities of the Group's international operations at period end exchange rates.

Investment revaluation reserve
The investment revaluation reserve represents the movement on revaluation of the Group's fair value through other comprehensive income investments disclosed in note 16.

Notes to the financial statements

28. Reserves (continued)

Other reserves
The movement on other reserves during the current and preceding periods is set out in the table below:

	Capital redemption reserve £m	Merger reserve £m	Total other reserves £m
At 1 April 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**1.2**	**81.0**	**82.2**

The capital redemption reserve arose on the redemption of 1.2m £1 redeemable preference shares on 1 July 2002.

Merger reserve
The merger reserve represents:

- the issue on 6 April 2004 of 11.6m new shares relating to the acquisition of the minority interest held in the Group at that date. The reserve reflects the difference between the nominal value of shares at the date of issue of 12.5p and the share price immediately preceding the issue of 624.5p per share; and

- the issue on 17 November 2017 of 1.2m new shares relating to the acquisition of Checkatrade. The reserve reflects the difference between the nominal value of shares at the date of issue of 2 9/13p and the share price immediately preceding the issue of 838p per share. The shares issued formed part of the consideration for the acquisition of the remaining 60% of the equity of Checkatrade (taking the Group's overall holding to 100%) and therefore qualify for merger relief.

29. Non-controlling interests

Checkatrade (UK) 2024: 10% (2023: 0%)
In January 2024, HomeServe Home Experts UK Limited, the holding company for the Group's Home Experts businesses, disposed of a 10% interest in Vetted Limited (Checkatrade), a subsidiary over which the holding company retains control, to Richard Harpin for a total cash consideration of £20.1m. Richard Harpin was Chairman of the Group and a Director of the parent company of the Group during the current year and prior period, he resigned on 31 December 2024.

A non-controlling interest of £3.0m was recognised against equity attributable to the parent, based on the carrying value of the net assets of Checkatrade at the disposal date. The transaction did not result in a change in control and has been accounted for as an equity transaction in accordance with IFRS 10. The effects of changes in the Group's ownership interest in Checkatrade on the equity attributable to owners of the parent were as follows:

	£m
Consideration received from sale of 10% interest in Checkatrade	**20.1**
Carrying amount of the 10% non-controlling interest	**(3.0)**
Increase in equity attributable to owners of the parent	**17.1**

Dividends paid to the non-controlling shareholder of Checkatrade during the year amounted to £2.0m (2023: £nil)

EnergyGo SAS (France) – 2024: 0% *(2023: 0%)*
In August 2023, the non-controlling shareholders of EnergyGo SAS exercised put options to sell 100% of their 25% non-controlling interest in EnergyGo SAS for cash consideration of €1.1m/£1.0m to HomeServe Energies Services SAS. The transaction increased HomeServe Energies Services SAS interest in EnergyGo to 100% of the issued share capital. On extinguishment of the exercised options, €3.1m/£2.7m of the non-controlling interest was derecognised against equity attributable to the parent.

Notes to the financial statements

29. Non-controlling interests (continued)

eLocal USA Holdings LLC (USA) - 2024: 7.86% *(2023: 7.86%)*

In August 2023, the non-controlling shareholders of eLocal LLC exercised put options to sell 4.8% of their remaining 10.5% non-controlling interest in eLocal LLC for cash consideration of $14.5m/£11.4m to Step 11 Co Inc. The transaction increased Step 11 Co Inc's, interest in eLocal to 94.3% of the issued share capital. On extinguishment of the exercised options, $3.6m/£2.9m of the non-controlling interest was derecognised against equity attributable to the parent.

Options over the remaining 5.7% minority equity instruments were renegotiated in November 2023 leading to the extinguishment of the existing option and a new option being recognised increasing the remaining minority interest to 7.86%. On extinguishment of the existing option and recognition of the new option an additional $1.6m/£1.3m of the non-controlling interest was recognised against equity attributable to the parent.

The ownership of eLocal was transferred to Step 11 Co Inc, a Group company in FY23.

Dividends paid to the non-controlling shareholders of eLocal during the year amounted to £0.5m (2023: £0.6m).

BOXT Limited (UK) – 2024: 15.0% *(2023: 15.0%)*

On 5 December 2023, following the acquisition of 85% of the beneficial interests in BOXT Limited by HomeServe Assistance Limited, a Group company, the Group recognised a 15% non-controlling interest associated with the interest of the acquired entity's minority shareholders.

The summarised financial information below represents amounts before intra-group eliminations.

	2024 £m	2023 £m
Current assets	**47.3**	31.4
Non-current assets	**55.9**	70.4
Current liabilities	**(85.5)**	(32.5)
Non-current liabilities	**(7.7)**	(2.3)
Equity attributable to owners at the Company	**10.0**	67.0
Non-controlling interest	**7.4**	7.1

Notes to the financial statements

30. Notes to the cash flow statement

	Note	2024 £m	2023 £m
Operating profit		**3.4**	17.9
Adjustments for:			
Depreciation of property, plant and equipment	14	**7.2**	5.2
Depreciation of right-of-use assets	25	**14.5**	9.3
Amortisation of acquisition intangible assets	13	**31.5**	21.5
Amortisation of other intangible assets	13	**41.7**	26.3
Amortisation of contract costs	4	**1.1**	0.8
Share of equity accounted investee results	17	**3.8**	3.9
Fair value movements on options and contingent consideration	7	**(4.7)**	(3.9)
Loss/(Gain) on disposal of property, plant and equipment, intangible assets and contract costs		**0.3**	(0.2)
Exceptional non-cash restructuring costs		**–**	9.3
Impairments		**48.8**	7.8
Other non-cash movements		**–**	0.6
Operating cash flow before movements in working capital		**147.6**	98.5
Increase in inventories		**(0.4)**	(3.0)
Decrease in receivables		**16.9**	1.8
Decrease in payables and provisions		**(30.4)**	(32.8)
Net movement in working capital		**(13.9)**	(34.0)
Cash generated by operations		**133.7**	64.5
Income taxes paid		**(20.8)**	(13.4)
Interest paid (inclusive of payments on lease liabilities and non-bank interest)		**(22.8)**	(8.6)
Net cash inflow from operating activities		**90.1**	42.5

Notes to the financial statements

31. Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all UK employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

The total cost charged to income of £6.4m (2023: £4.1m) represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes. At 31 December 2024, contributions of £0.9m (2023: £0.9m) due in respect of the current reporting period had not been paid over to the schemes.

Defined benefit schemes

Water Companies Pension Scheme (WCPS)

In the UK, the Group participates in a defined benefit pension scheme, the Water Companies Pension Scheme, for qualifying employees. This is a sectionalised scheme and the Group participates in the HomeServe Section of the Scheme. The Section's funds are administered by trustees who are independent of the Group's finances.

The Section became closed to the future accrual of benefits with effect from 31 March 2024, with active members becoming entitled to deferred pensions within the scheme.

The weighted average duration of the expected benefit payments from the Section is around 13 years.

The funding target is for the scheme to hold assets equal in value to the accrued benefits. If there is a shortfall against this target, then the Company and trustees will agree on deficit contributions to meet this deficit over a period. There is a risk to the Company that adverse experience could lead to a requirement for the Company to make additional contributions to recover any deficit that arises.

Contributions are set based upon funding valuations carried out every three years; the latest valuation of the Section was as at 31 March 2023. Over the year to 31 December 2024 total employer contributions to the Section were £7,000 (over the nine months to 31 December 2023: £20,000). There are no employer contributions expected to be paid to the Section during 2025.

On 31 March 2023, the trustees of the scheme invested the assets of the scheme in an insurance policy (a buy in annuity policy) to largely match the scheme's obligations meaning that the trustees have removed most of the normal funding and investment pension risks.

The results of the formal actuarial valuation as at 31 March 2023 were updated to the accounting date by an independent qualified actuary in accordance with the accounting standard.

	Valuation at	
	2024	2023
Key assumptions used:		
Discount rate	**5.5%**	4.5%
Consumer price inflation	**3.0%**	2.8%
Retail price inflation	**3.4%**	3.3%
Future pension increases	**3.0%**	2.8%
Life expectancy of female aged 60 at balance sheet date	**28.8yrs**	28.7yrs
Life expectancy of male aged 60 at balance sheet date	**26.7yrs**	26.7yrs

No assumption is required for the general rate of future salary increases as at 31 December 2024 as the Section closed to future accrual.

Notes to the financial statements

31. Retirement benefit schemes (continued)
Defined benefit schemes (continued)
Water Companies Pension Scheme (WCPS) (continued)

The scheme exposes the Group to actuarial risks including interest rate risk, longevity risk and inflationary risk. The following table illustrates the sensitivity of the WCPS defined benefit obligation to some of the significant assumptions as at 31 December 2024, all other things being equal:

	£m
Price inflation -1%	(2.4)
Price inflation +1%	2.9
Discount rate -1%	3.2
Discount rate +1%	(2.6)
Life expectancy -1 year	(0.6)
Life expectancy +1 year	0.6

Management believes that the above sensitivities represent a reasonable approximation of possible changes to key assumptions impacting the defined benefit obligation.

Amounts recognised in the income statement in respect of the WCPS defined benefit scheme are as follows:

	2024 £m	2023 £m
Current service cost and section expenses	**0.1**	0.1
Interest income	**(0.2)**	(0.3)
	(0.1)	(0.2)

The actual return on scheme assets was a loss of £2.4m (2023: loss of £0.7m). The amount included in the balance sheet arising from the Group's obligations in respect of its WCPS defined benefit retirement scheme is as follows:

	2024 £m	2023 £m
Present value of defined benefit obligations	**(22.6)**	(24.7)
Fair value of scheme assets	**29.6**	31.5
Surplus in scheme recognised in the balance sheet in non-current assets	**7.0**	6.8

The net asset recognised in the balance sheet has not been limited as the Group believes that a refund of the surplus assets would be available to it following the final payment to the last beneficiary of the pension scheme.

Movements in the present value of WCPS defined benefit obligations were as follows:

	2024 £m	2023 £m
At 1 January	**24.7**	25.2
Interest cost	**1.1**	0.8
Actuarial (gains)/losses due to:		
Changes in financial assumptions	**(2.4)**	(0.3)
Changes in demographic assumptions	**–**	(0.3)
Experience adjustments on benefit obligations	**–**	0.2
Benefits paid	**(0.8)**	(0.9)
	22.6	24.7

Notes to the financial statements

31. Retirement benefit schemes (continued)

Defined benefit schemes (continued)

Water Companies Pension Scheme (WCPS) (continued)

Movements in the present value of WCPS scheme assets were as follows:

	2024 £m	2023 £m
At 1 April	**31.5**	32.1
Interest on Section assets	**1.4**	1.1
Section expenses	**(0.1)**	(0.1)
Actual return less interest on Section assets	**(2.4)**	(0.7)
Benefits paid	**(0.8)**	(0.9)
	29.6	31.5

The amount recognised outside the income statement in the statement of comprehensive income for 31 December 2024 is £nil (2023: loss of £0.3m). The cumulative amount recognised outside the income statement at 31 December 2024 is a loss of £13.8m (2023: loss of £13.8m).

The analysis of the fair value of WCPS scheme assets at the balance sheet date was as follows:

	2024 £m	2023 £m
Buy-in policy	**22.5**	24.6
Liquidity funds	**6.8**	6.5
Amounts due from insurers	**0.3**	0.4
	29.6	31.5

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023 considered the implications of section 37 of the Pension Schemes Act 1993. Section 37 of the Pension Schemes Act 1993 only allowed the rules of contracted-out schemes in respect to benefits, to be altered where certain requirements were met. The High Court decision was subject to an appeal and this judgment was published on 25 July 2024. There is potential for legislative intervention following industry lobbying efforts that may retrospectively validate certain rule amendments. No allowance has been made for the judgment given that the position remains unclear.

Whilst the Trustee has made preliminary enquiries, the Company will continue to consider whether the ruling has any implications on the UK defined benefit scheme. The Company, along with the Trustee, will monitor further relevant courts cases due to be heard in 2025, as well as updates from the Government as to whether it will issue new regulations in response to this issue.

Indemnité de Fin de Carrière (IFC)

In France, companies are legally obligated by the labour code to provide a retirement indemnity plan or 'Indemnité de Fin de Carrière'. The IFC meets the definition of a defined benefit plan under IAS 19. Upon retiring, employees receive an end of career indemnity paid by their last employer with conditions governed by a collective agreement of each labour sector, or, in the absence of a collective agreement, by the French Law (article L. 122-14-13 al.2 of labour code). The Group's IFC obligations are not supported by any scheme assets.

At each period end, the Group must measure its anticipated obligation by assessing for each employee of in scope entities, an estimation of their date of departure, their expected gross wage as well as the estimated amount of benefits that will be paid to them. Actuarial movements associated with the obligation are recognised through other comprehensive income with all other movements recognised in the income statement.

Notes to the financial statements

31. Retirement benefit schemes (continued)

Defined benefit schemes (continued)

Indemnité de Fin de Carrière (IFC) (continued)

Re-measurement of the Group's IFC obligations was performed at 31 December 2024 in accordance with IAS 19 using the following assumptions:

	Valuation at **2024**	2023
Key assumptions used:		
Discount rate	**3.2%**	3.6%
Employer social charges	**45 - 51%**	37 - 55%
Employee turnover rate	**0.0-20.0%**	14.2%
Expected rate of salary increases	**2.2-2.4%**	1.0 – 1.5%
Mortality rates	**TH/TF 2018-2020**	INSEE 2022
Legal retirement age	**63 - 66yrs**	60 - 64yrs

The following table illustrates the sensitivity of IFC obligations to reasonably possible changes in discount rates at 31 December 2024, all other things being equal:

	£m
Discount rate -0.5%	–
Discount rate +0.5%	–

Amounts recognised in the income statement, within operating costs, in respect of the IFC schemes were costs of £0.1m, (2023: costs of £0.1m), principally related to current service costs.

Movements in the present value of IFC defined benefit obligations were as follows:

	2024 £m	2023 £m
At 1 April	**0.8**	0.7
Employer's part of the current service cost	**0.1**	0.1
Business acquisitions	**0.1**	0.1
Actuarial loss / (gain) due to changes in financial assumptions	**1.6**	(0.1)
	2.6	0.8

The amount recognised outside the income statement in the statement of comprehensive income for 31 December is a loss of £1.6m (2023: £0.1m gain). The cumulative amount recognised outside the income statement at 31 December 2024 is a loss of £1.4m (2023: £0.2m gain).

The estimated amounts of contributions expected to be paid to the scheme during the forthcoming financial year is £nil (2023 actual: £nil).

32. Related party transactions

The Group is headed by HomeServe Limited, a company incorporated in England and Wales. Related party transactions of the Company are disclosed in note 44 to the Company's separate financial statements, alongside a list of its interests in subsidiaries, joint venture interests and associates. These interests, which operate and are incorporated internationally, are held directly and indirectly by HomeServe Limited. Transactions between all other Group entities and their related parties that do not eliminate on consolidation are disclosed in notes 6, 29, 44 and this note.

	2024 £m	2023 £m
Interest charges to investee	**–**	0.6

No charges were incurred during the year (2023: £0.6m). The prior period charge related to funding and associated interest.

Notes to the financial statements

32. Related party transactions (continued)

HomeServe Membership Limited received services of £nil during the year (2023: £0.5m) and had amounts payable of £nil (2023: £0.1m) at the year end, due from HomeServe USA Corp (a company outside of the Group since its disposal but remaining under the common control of Brookfield Corporation).

During the year ended 31 December 2024 Home Assistance Limited recorded interest charges of £7.6m (2023: £0.6m) in association with a loan payable of £85.0m (2023: £85.6m) due to Hestia BidCo Limited, an entity under common control of Brookfield Corporation.

33. Post balance sheet events

Acquisitions

Since the year end, the Homeserve Group has continued to acquire businesses in line with our buy and build strategy. On 10 April 2025, HomeServe Iberia S.L.U, a Group company, completed the acquisition of 100% of the share capital and obtained control of Hidalgas Climatizacion, S.L, a business dedicated to HVAC installations in the residential market across Madrid, Spain, for cash consideration of €7.4m and contingent consideration of up to €500k based on future performance.

Due to the recent nature of this acquisition, it is not possible at the point of authorisation of these consolidated financial statements to include a preliminary assessment of the fair value of the assets and liabilities acquired. Full preliminary IFRS 3 disclosures will be provided in the FY25 Annual Report.

All other acquisitions completed since the year end are not individually material to require disclosure.

Provisions and contingencies – Spanish VAT

HomeServe Spain is involved in ongoing litigation with the Spanish Tax Authorities (STA) in respect of the correct VAT rate to apply on supplies of claims repairs to private dwellings (see note 23). After the balance sheet date of these financial statements, on 21 March 2025, the Supreme Court handed down its judgement in respect of the 2016 to 2019 period, ruling that HomeServe Spain's claims repair services were liable to the standard rate of VAT, and therefore, it had not overpaid VAT. Although the 2011 to 2015 appeal will be shortly heard separately, it will follow the judgment of the 2016 to 2019 period and means that the STA assessment for underpaid VAT and associated interest will be upheld.

The underpaid VAT and interest exposure in respect of the 2011 to 2015 appeal has been recognised in full within these financial statements. There is a possible risk of incurring associated penalties of €5.7m, but based on the external expert advice the Group has received to date, this risk does not currently represent a present obligation to pay penalties under IAS 37. Therefore it cannot be said that the possible outflow of resources embodying economic benefits has reached the 'probable' threshold for liability recognition on the Group balance sheet under the standard.

Company balance sheet

As at 31 December 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Other intangible assets	36	**17.1**	3.9
Right of use assets	42	**1.4**	1.4
Property, plant and equipment	37	**0.1**	0.2
Investment in subsidiaries	38	**1,522.1**	1,213.6
Retirement benefit assets	31	**7.0**	6.8
		1,547.7	1,225.9
Current assets			
Trade and other receivables	39	**8.9**	243.4
Cash and cash equivalents		**1.4**	12.0
		10.3	255.4
Total assets		**1,558.0**	1,481.3
Current liabilities			
Trade and other payables	40	**(11.6)**	(10.4)
Bank and other loans	41	**(13.3)**	(7.0)
Current tax liabilities		**(8.8)**	(18.2)
Lease liabilities	42	**(0.6)**	(0.5)
		(34.3)	(36.1)
Net current (liabilities) / assets		**(24.0)**	219.3
Non-current liabilities			
Trade and other payables	40	**(6.9)**	-
Bank and other loans	41	**(272.2)**	(203.4)
Lease liabilities	42	**(0.9)**	(1.1)
Deferred tax liabilities	43	**(1.3)**	(1.6)
		(281.3)	(206.1)
Total liabilities		**(315.6)**	(242.2)
Net assets		**1,242.4**	1,239.1
Equity			
Share capital	27	**9.1**	9.1
Share premium account	28	**214.9**	214.9
Merger reserve	28	**81.0**	81.0
Capital redemption reserve	28	**1.2**	1.2
Retained earnings		**936.2**	932.9
Total equity		**1,242.4**	1,239.1

As provided by s408 of the Companies Act 2006, the Company has not presented its own income statement. The Company's profit for the year was £34.0m (2023: £97.7m).

The financial statements of HomeServe Limited were approved by the Board of Directors and authorised for issue on 30 May 2025. They were signed on its behalf by:

Signed by:
Taylor Hall
F756BBE517C9499...

Taylor Hall
Chief Financial Officer
30 May 2025
Registered in England No. 2648297

Company statement of changes in equity

Year ended 31 December 2024

	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Retained earnings £m	**Total equity £m**
Balance at 1 January 2024	9.1	214.9	81.0	1.2	932.9	**1,239.1**
Profit for the period	–	–	–	–	34.0	**34.0**
Other comprehensive income for the period						
- Dividends in specie received (note 38)	–	–	–	–	21.3	**21.3**
Total comprehensive income	–	–	–	–	55.3	**55.3**
Dividends in the period (note 11)	–	–	–	–	(52.0)	**(52.0)**
Balance at 31 December 2024	**9.1**	**214.9**	**81.0**	**1.2**	**936.2**	**1,242.4**

9 month period ended 31 December 2023

	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Retained earnings £m	**Total equity £m**
Balance at 1 April 2023	9.1	214.9	81.0	1.2	2,916.0	**3,222.2**
Profit for the period	–	–	–	–	97.7	**97.7**
Other comprehensive income for the period						
- Actuarial loss on defined benefit pension scheme	–	–	–	–	(0.2)	**(0.2)**
- Dividends in specie received (note 38)	–	–	–	–	244.7	**244.7**
Total comprehensive income	–	–	–	–	342.2	**342.2**
Dividends in the period (note 11)	–	–	–	–	(152.6)	**(152.6)**
Dividends in specie in the period (note 44)	–	–	–	–	(2,172.7)	**(2,172.7)**
Balance at 31 December 2023	**9.1**	**214.9**	**81.0**	**1.2**	**932.9**	**1,239.1**

Notes to the company financial statements

Company only
The following notes 34 to 44 relate to the Company only position and performance for the year ended 31 December 2024.

34. Material accounting policies
HomeServe Limited is a private company and registered in England and Wales.

Basis of accounting
The separate financial statements of the Company are presented as required by the Companies Act 2006. The financial statements have been prepared using the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and applicable UK law. The financial statements are presented in Pounds Sterling.

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

- a cash flow statement and related notes;
- presentation of comparative information in respect of certain items;
- the requirements of IAS 24 related party disclosures in respect of transactions with wholly owned subsidiaries;
- disclosure of key management personnel compensation;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs

As the Group financial statements of HomeServe Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13: Fair value measurement and disclosures required by IFRS 7: Financial Instrument Disclosures;
- Certain disclosures required by IFRS 16: Leases provided that the disclosure of indebtedness is presented separately for leases liabilities and other liabilities.

The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except that investments in subsidiaries are stated at cost less impairment.

None of the critical accounting judgements and key sources of estimation uncertainty disclosed in note 3 apply to the Company. There are no other critical accounting judgements or key sources of estimation uncertainty.

Going concern
The immediate parent company of HomeServe Limited, Hestia Bidco Limited, has provided the Directors with a legally binding written obligation that it will continue to provide the Company with financial support for a period of at least 12 months from the date of approval of the financial statements. The Directors are satisfied that the immediate parent company has the ability to provide financial support when necessary, and that HomeServe Limited forms a key component of the overall operational activities of the investments owned by Hestia Bidco Limited.

35. Other information
Staff remuneration

	2024 **number**	9 month period to 31 December 2023 number
UK (all administrative roles)	**68**	63

	2024 **£m**	9 month period to 31 December 2023 £m
Their aggregate remuneration comprised:		
Wages and salaries	**12.0**	8.9
Social security costs	**1.3**	0.9
Other pension costs (note 31)	**0.5**	0.3
	13.8	10.1

Information relating to Directors' Remuneration is disclosed in note 6.

Notes to the company financial statements

35. Other information (continued)

Audit fees

	2024	9 month period to 31 December 2023
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's financial statements	**456**	412
Fees payable to the Company's auditor for the audit of the Company's subsidiaries	**42**	12
Other audit services	**706**	553
Total audit fees	**1,204**	977

36. Other intangible assets

	Trademarks & access rights £m	Software £m	**Total intangibles £m**
Cost			
At 1 January 2024	0.1	6.2	**6.3**
Additions	-	14.3	**14.3**
Disposal	-	(0.1)	**(0.1)**
At 31 December 2024	**0.1**	**20.4**	**20.5**
Accumulated amortisation			
At 1 January 2024	0.1	2.3	**2.4**
Charge for the period	-	1.0	**1.0**
At 31 December 2024	**0.1**	**3.3**	**3.4**
Carrying amount			
At 31 December 2024	**-**	**17.1**	**17.1**

37. Property, plant and equipment

	Leasehold Improvement £m	Computer equipment £m	Motor Vehicles £m	**Total tangibles £m**
Cost				
At 1 January 2024	0.6	0.4	0.1	**1.1**
Additions	–	0.1	–	**0.1**
At 31 December 2024	**0.6**	**0.5**	**0.1**	**1.2**
Accumulated depreciation				
At 1 January 2024	0.5	0.3	0.1	**0.9**
Charge for the period	0.1	0.1	–	**0.2**
At 31 December 2024	**0.6**	**0.4**	**0.1**	**1.1**
Carrying amount				
At 31 December 2024	**–**	**0.1**	**–**	**0.1**

Notes to the company financial statements

38. Investment in subsidiaries

Fixed asset investments	**2024**	2023
	£m	£m
Shares in Group undertakings	**1,025.6**	1,025.6
Amounts owed by other Group undertakings	**496.5**	188.0
	1,522.1	1,213.6

The Company has a policy for providing fully for those receivable balances that it does not expect to recover. This assessment has been undertaken in accordance with the IFRS 9 expected credit loss model as explained more fully in note 19. In determining the recoverability of a loan receivable, the Company considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is mitigated through the close management and regular review of performance of the subsidiary companies.

During the year, the Directors' assessment of the current economic environment resulted in the recognition of an impairment loss of a current intercompany loan of £20.3m (2023: £nil). The total impairment loss provision at the year end was £20.3m (2023: £nil).

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

During the year, a long term subsidiary loan receivable from HomeServe Deutschland Holding GmbH & Co. KG (£21.3m) was transferred from HomeServe France Limited and HomeServe Enterprises Limited to the Company by way of dividends in specie.

During the prior period a Group Reorganisation took place of certain subsidiaries to separate the EMEA Membership & HVAC and the EMEA Home Experts segments. As part of the Group Reorganisation, investments in HomeServe Home Experts Limited (£229.3m) and HomeServe France Limited (£1) were transferred to the Company by way of a dividend in specie from HomeServe Enterprises Limited along with a dividend in specie of a long term subsidiary loan of £15.4m. The total dividend in specie received from these transactions amounted to £244.7m.

Following the transfer in of HomeServe France Limited, 20% of HomeServe Enterprises Limited (£176.4m) was partially disposed to HomeServe France Limited resulting in an increase in the carrying value of HomeServe France Limited of £18.1m and a long term loan of £158.3m.

An analysis of the movement in shares in Group undertakings is given below:

	£m
Cost and net book value	
At 1 April 2023	954.6
Transfer in	229.3
Addition	18.1
Disposal	(176.4)
At 31 December 2023 and 31 December 2024	**1,025.6**

Details of the Company's subsidiaries at 31 December 2024, including the name, address, country of incorporation and proportion of ownership interest is given in note 44.

Notes to the company financial statements

39. Trade and other receivables

	2024 £m	2023 £m
Amounts receivable from Group companies	**2.6**	238.5
Other receivables	**2.5**	2.1
Prepayments and accrued income	**3.8**	2.8
	8.9	243.4

Amounts receivable from Group companies

	2024 £m	2023 £m
Current	**2.6**	238.5
	2.6	238.5

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

40. Trade and other payables

Trade and other payables - current	2024 £m	2023 £m
Other trade payables and accruals	**10.6**	10.1
Taxes and social security, excluding corporation tax	**1.0**	0.3
	11.6	10.4

Trade and other payables - non current	2024 £m	2023 £m
Other trade payables and accruals	**6.9**	-
	6.9	-

The Directors consider that the carrying amount of trade payables approximates to their fair value.

41. Bank and other loans

	2024 £m	2023 £m
Bank and other loans	**13.3**	7.0
Due within one year	**13.3**	7.0
Bank and other loans	**272.2**	203.4
Due after one year	**272.2**	203.4
Total bank and other loans	**285.5**	210.4

Notes to the company financial statements

41. Bank and other loans (continued)

Bank and other loans due within one year of £13.3m (2023: £7.0m) includes bank overdrafts of £11.7m (2023: £5.2m) and other loans of £1.6m (2023: £1.8m). The principal features of these loans are set out in note 24.

Bank and other loans due after more than one year comprise of loans from a Parent Company of £271.9m (2023 £201.5m) and other loans of £0.3m (2023: £1.9m). The principal features of the loan and weighted average of interest rates paid are set out in note 24.

42. Leasing

Right-of-use assets

	Properties £m	Motor vehicles £m	**Total £m**
Cost			
At 1 April 2023	1.6	0.6	**2.2**
Additions	-	0.1	**0.1**
Disposals	-	(0.1)	**(0.1)**
At 31 December 2023	1.6	0.6	**2.2**
Additions	-	0.5	**0.5**
Disposals	-	(0.3)	**(0.3)**
At 31 December 2024	**1.6**	**0.8**	**2.4**
Accumulated depreciation			
At 1 April 2023	0.1	0.3	**0.4**
Charge for the period	0.3	0.1	**0.4**
At 31 December 2023	0.4	0.4	**0.8**
Charge for the period	0.3	0.1	**0.4**
Disposals	-	(0.2)	**(0.2)**
At 31 December 2023	**0.7**	**0.3**	**1.0**
Carrying amount			
At 31 December 2024	**0.9**	**0.5**	**1.4**
At 31 December 2023	1.2	0.2	1.4

Lease liabilities

At the balance sheet date, the maturity analysis of lease liabilities for the Company is set out below:

	2024 £m	2023 £m
Amounts payable under lease liabilities		
Within one year	**0.6**	0.5
Between one and 5 years	**1.0**	1.3
	1.6	1.8
Less future finance charges	**(0.1)**	(0.2)
Total lease liabilities	**1.5**	1.6
Due within one year	**0.6**	0.5
Due after one year	**0.9**	1.1

The total cash outflow for leases for the period ended 31 December 2024 was £0.6m (2023: £0.3m) representing £0.5m (2023: £0.2m) of principal repayments and £0.1m of interest (2023: £0.1m). Non-cash movements on leases include additions of £0.5m (2023: £0.1m), disposals of £0.1m (2023: £0.1m) and interest expense of £0.1m (2023: £0.1m).

Notes to the company financial statements

43. Deferred tax

The following are the major deferred tax assets/(liabilities) recognised by the Company and movements thereon:

	Retirement benefit obligations £m	Timing differences £m	**Total £m**
At 1 April 2023 and 31 December 2023	(1.7)	0.1	**(1.6)**
Credit to income	–	0.3	**0.3**
At 31 December 2024	**(1.7)**	**0.4**	**(1.3)**

44. Related party transactions

The Company has taken advantage of the exemption under FRS101 regarding the requirements under IAS 24 in respect of disclosing remuneration of key management personnel and intra-group transactions with wholly owned subsidiaries.

Transactions between the Company and its other related parties (including non wholly owned subsidiaries) are disclosed below.

Transactions that do not eliminate on consolidation of the HomeServe Limited group financial statements

During the period the Company traded with companies that are not members of the Group but are related parties as they are controlled by or connected to Richard Harpin. Richard Harpin was Chairman of the Group and a Director of the parent company of the Group during the current year and prior period, he resigned on 31 December 2024. These services related to the use by the Group of private aircraft, including the provision of pilots, and all related operating costs that are controlled by the related parties. Employee related services were also provided by the Company to a related entity connected to Richard Harpin. The provision and receipt of all services were made at arm's length prices. The Company received aircraft related services from GB Helicopters amounting to £nil (2023: £0.1m). Amounts outstanding to this company on 31 December 2024 amounted to £nil (2023: £nil). The Company provided employee related services to Growth Partner LLP amounting to £0.2m (2023: £nil). Amounts outstanding by this company on 31 December 2024 amounted to £nil (2023: £nil). No guarantees have been given or received.

The Company provided services of £0.3m (2023: £0.2m) to HomeServe Japan Corporation, a joint venture, during the year. The Company purchased services of £nil (2023: £nil) during the period. The amounts outstanding in either period end with joint ventures was £nil (2023: £nil).

The Company recharged costs of £5.8m (2023: £6.6m) to HomeServe USA Corp (a company under common control) and received costs of £0.7m (2023: £0.4m) during the year. There are amounts receivable of £0.4m (2023: £0.8m) and amounts payable of £nil (2023: £0.1m) at the year end.

The Company had the following loans receivable with parent companies:

	Hestia Bidco Limited £m	**Hestia UK Holdco II Limited £m**
At 1 April 2023	133.6	2,098.5
Amounts lent	3.8	–
Amounts received	(11.3)	–
Interest received	(0.9)	–
Interest income	6.2	101.5
Dividend in specie paid	–	(2,172.7)
Dividend paid	(130.0)	–
Foreign exchange movements	(1.4)	(27.3)
At 31 December 2023 and 31 December 2024	**–**	**–**

Notes to the company financial statements

44. Related party transactions (continued)

The Company had the following borrowings with parent companies:

	Hestia Bidco Limited £m
At 1 April 2023	(186.4)
Amounts borrowed	(24.9)
Amounts repaid	6.6
Interest paid	7.6
Interest expense	(6.7)
Foreign exchange movements	2.3
At 31 December 2023	(201.5)
Amounts borrowed	(112.2)
Amounts repaid	38.6
Interest paid	10.9
Interest expense	(18.4)
Foreign exchange movements	10.7
At 31 December 2024	(271.9)

Transactions that eliminate on consolidation of the HomeServe Limited group financial statements

The Company had the following loans receivable with subsidiaries that are not wholly owned by the HomeServe Limited Group:

	Boxt Limited £m	eLocal USA LLC £m	Vetted Limited £m
At 1 April 2023 and 31 December 2023	–	–	–
Amounts lent	8.0	2.6	6.1
Amounts received	(1.1)	(2.7)	(0.4)
Interest income	0.6	0.1	0.4
At 31 December 2024	**7.5**	**–**	**6.1**

The payment terms and interest rates on the above loans are on standard commercial terms.

The Company had the following trade balances with subsidiaries that are not wholly owned by the HomeServe Limited Group:

	Boxt Limited		eLocal USA LLC		Vetted Limited	
	2024 £m	2023 £m	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Purchased services	**–**	–	**–**	–	**–**	–
Provided services	**0.4**	–	**0.4**	0.5	**2.2**	–
Amounts receivable	**0.3**	–	**–**	0.4	**0.4**	–
Amounts payable	**–**	–	**–**	–	**–**	–

The Company had the following loans receivable with special purpose entities that are not wholly owned by the HomeServe Limited Group:

	Thermos One Limited £m
At 1 April 2023 and 31 December 2023	–
Amounts lent	5.0
Amounts received	(0.1)
Interest income	0.2
At 31 December 2024	**5.1**

The above loan is a subordinated loan made to Thermos One Limited that permits the Company to participate in the residual profits or losses of Thermos after the application of priority payments within the Thermos One Limited's payment waterfall.

Notes to the company financial statements

44. Related party transactions (continued)

Interests held in related companies

All interests in the companies listed below are owned by HomeServe Limited and all interests held are in the ordinary share capital. All companies operate principally in their country of incorporation.

Name of legal entity	Activity	Place of incorporation ownership (or registration) and operation	Proportion of voting interest and power %	Registered address
Holding Companies:				
HomeServe Enterprises Limited (No. 02685939) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe France Limited (No. 9469168) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Assistance Limited (No. 03763084) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe International Limited (No. 03291579) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe France Holding SAS	Trading	France	100	9, rue Anna Marly, CS 80510 , 69007 Lyon Cedex 7
HomeServe Energies Services SAS	Trading	France	100	9, rue Anna Marly,CS 80510 , 69007 Lyon Cedex 7
HomeServe Energy Services Belgium SRL	Trading	Belgium	100	Manhattan Center, Avenue du Boulevard 21 /Bte 5 1210 Bruxelles
HomeServe Beteiligungs GmbH	Trading	Germany	100	Hamburger Allee 14, 60486 Frankfurt
HomeServe Deutschland Verwaltungs GmbH	Trading	Germany	100	Hamburger Allee 14, 60486 Frankfurt
HomeServe Deutschland Holding GmbH & Co. KG	Trading	Germany	100	Hamburger Allee 14, 60486 Frankfurt
HomeServe Handwerksdienstleistung Deutschland GmbH	Trading	Germany	100	Hamburger Allee 14, 60486 Frankfurt
HomeServe Assistance Deutschland GmbH	Trading	Germany	100	Klingholzstraße 7, 65189 Wiesbaden
HomeServe Wärmedienstleistungen GmbH	Trading	Germany	100	Hamburger Allee 14, 60486 Frankfurt
Sherrington Mews Limited (No. 09167024) (4)	Trading	England	90	Focus Point, 21 Caledonian Road, London, N1 9DX
HomeServe North America UK Limited (No. 13965259) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Home Experts UK Limited (No. 13966389) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
UK & Ireland				
HomeServe Membership Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Vetted Limited	Trading	England	90	Focus Point, 21 Caledonian Road, London, N1 9DX
Checkatrade Limited (No. 15911330)(1)	Dormant	England	90	Focus Point, 21 Caledonian Road, London, N1 9DX
Boxt Limited	Trading	England	85	3320 Century Way, Thorpe Park, Leeds LS15 8ZB
HomeServe USA Limited (No. 9468635) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Now Limited (No. 12523412) (4)	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
CET Structures Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Ansa UK Limited (No. 03545210) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Property Assure Limited (No. 03361391) (1)	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
Simplifi Technologies Limited (No. 05643680) (1)	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Servowarm Limited (No. 560810) (1)	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
247999 Limited (No. 7183505) (1)	Dormant	England	100	Cable Drive, Walsall, WS2 7BN
VBF Holdings Limited (No. 12123573) (4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Shermin Finance Limited (No. 01276121)(4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Finance Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN
HomeServe Europe Limited	Dormant	Ireland	100	3rd Floor, 40 Mespil Road, Dublin 4, DO4 C2N4
HomeServe America Limited	Dormant	Ireland	100	3rd Floor, 40 Mespil Road, Dublin 4, DO4 C2N4
Ondo InsurTech Plc	Trading	England	11.24	6th Floor, 60 Gracechurch Street, London, EC3V 0HR
Help-Link UK Limited (No. 03527087)(4)	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Energy Insurance Services Limited	Trading	England	100	Cable Drive, Walsall, WS2 7BN

Notes to the company financial statements

44. Related party transactions (continued)

Interests held in related companies (continued)

Name of legal entity	Activity	Place of incorporation ownership (or registration) and operation	Proportion of voting interest and power %	Registered address
Aqua Plumbing & Heating Services Limited (No. 04121404) [(4)]	Trading	England	100	West Barn, Efford Park, Milford Road, Lymington, Hampshire, SO41 0JD
APG Domestic Services Limited (No. 04277772) [(4)]	Trading	England	100	Unit 1, Jbf Units Dewhurst Row, Bamber Bridge, Preston, PR5 6SW
John Wilkinson Heating Services Limited (No. 07645851)[(4)]	Trading	England	100	Cable Drive, Walsall, WS2 7BN
Hereford Heating Limited (No. 05986904) [(4)]	Trading	England	100	The Watershed, Wye Street, Hereford, HR2 7RB
Logic Plumbing Heating and Electrical (Maintenance) Limited (No. 11056959) [(4)]	Trading	England	100	Unit 6, Cross Croft Industrial Estate, Appleby-In-Westmoreland, CA16 6HX
Koziwarm Plumbing & Heating Limited (No. 10452559) [(4)]	Trading	England	100	Unit 5e, Morses Lane, Brightlingsea, Essex, CO7 0SF
H2 Property Services (London) Limited (No. 05138884) [(4)]	Trading	England	100	Unit 4 Court Farm, Old Kingston Road, Worcester Park, KT4 7QH
SGS Heating and Electrical Limited (No. 03174152) [(4)]	Trading	England	100	19 New Zealand Avenue, Salisbury, SP2 7JX
Continental Europe				
HomeServe SAS	Trading	France	100	9, rue Anna Marly, CS 80510 , 69007 Lyon Cedex 7
HomeServe France Corporate SAS	Trading	France	100	9, rue Anna Marly, CS 80510 , 69007 Lyon Cedex 7
EGS Energies SAS	Trading	France	100	31 Allée Des Architectes ZI Secteur D 06700 Saint-Laurent-du-Var
HES Normandie SAS	Trading	France	100	ZA d'Armanville, route de la brique, 50700 Valognes
SBF Energies SAS	Trading	France	100	401 rue des Champagnes 73290 La Motte-Servolex
V.B. Gaz SAS	Trading	France	100	1 rue George Sand, 94000 Creteil
Aujard SAS	Trading	France	100	12 Av. du Président Paul Séramy, 77870 Vulaines sur Seine
Société de Maintenance Thermique SAS (SMT)	Trading	France	100	117 avenue du 8 mai 1945 42340 Veauche
Mure Energies SAS	Trading	France	100	12 Chemin des Gorges 69570 Dardilly
Roussin Energies SAS	Trading	France	100	34, allée des Balmes, 38600 Fontaine
JCM Confort SAS	Trading	France	100	2 Rue Joseph Fourier 49070 Beaucouze
JC Technique SARL	Trading	France	100	2 Rue Joseph Fourier 49070 Beaucouze
Société de Maintenance et d'exploitation Climatique SAS	Trading	France	100	16 Avenue François Adam 94100 Saint-Maur-des-Fossés
CFP Nord SAS	Trading	France	100	42 avenue Henri Delecroix 59510 Hem
Géo-dis Energies SAS	Trading	France	100	Espace d'Activités de l'Etoile Rue Orion 72650 Trangé
EnergyGo SAS	Trading	France	100	9, rue Anna Marly, CS 80510 , 69007 Lyon Cedex 7
EnergyPose SAS	Trading	France	100	9, rue Anna Marly, CS 80510 , 69007 Lyon Cedex 7
Energile (EnergyStart) SAS	Trading	France	100	Z.A.C. Houelbourg, Lot 1, Immeuble de Jarry – 97122 Baie-Mahault
Gaz Dépannage SAS	Trading	France	100	215 Rue NICOLAS APPERT 30000 Nîmes
Jean-Luc Lepretre SAS[(2)]	Trading	France	100	12 Grand'Rue 62223 Roclincourt
Cerise Techniques SAS[(2)]	Trading	France	100	10 Rue de la Gargouille Carrefour de Bosfraisse 24700 Ménesplet
DEC Energies Dax SAS[(2)]	Trading	France	100	Zone Atlantisud 83 Allée Destanque 40230 Saint-Geours-de-Maremne
Comptoir Du Climat SAS[(2)]	Trading	France	100	Zone Atlantisud 83 Allée Destanque 40230 Saint-Geours-de-Maremne
HomeServe Belgium SRL	Trading	Belgium	100	Manhattan Center, Avenue du Boulevard 21 / Bte 5 1210 Bruxelles
Hainaut Chauffage C.S.T.E. SA	Trading	Belgium	100	sis 25, Rue de la Terre A Briques, 7522 Tournai
Van Der Vurst SRL	Trading	Belgium	100	Gentsesteenweg 274 A 9420 Erpe-Mere
Leuckx Philip SRL	Trading	Belgium	100	Ninoofse Steenweg 56A 1755 Gooik
High Tech Solar Group SRL [(2)]	Trading	Belgium	100	Route du Condroz 3, 4550 Nandrin
Ecochauffage SRL [(2)]	Trading	Belgium	100	Pavé du Roeulx (S-B) 451, 7110, La Louvière

Notes to the company financial statements

44. Related party transactions (continued)

Interests held in related companies (continued)

Name of legal entity	Activity	Place of incorporation ownership (or registration) and operation	Proportion of voting interest and power %	Registered address
HomeServe Assistencia Spain S.A.U.	Trading	Spain	100	Parque empresarial La Finca Paseo del Club Deportivo 1, Edificio 12 28223 Pozuelo de Alarcon Madrid
HomeServe Iberia S.L.U.	Trading	Spain	100	Parque empresarial La Finca Paseo del Club Deportivo 1, Edificio 12 28223 Pozuelo de Alarcon Madrid
Seguragua S.A.U.	Trading	Spain	100	Parque empresarial La Finca Paseo del Club Deportivo 1, Edificio 12 28223 Pozuelo de Alarcon Madrid
Habitissimo S.L.	Trading	Spain	100	c/ Rita Levi, Edificio Blue - Parc Bit CP 07121, Palma de Mallorca
Bit Advanced Marketing S.L.	Trading	Spain	100	Passeig Mallorca 17C, 07011 Palma de Mallorca
Oscagas Hogar S.L.U.	Trading	Spain	100	Rafael Alberti Nº 8, Zaragoza CP 50018
Solusat Asistencia Tecnica S.L.	Trading	Spain	100	Avda Ingeniero Torres Quevedo 6, 28022 Madrid
Aragonesa De Postventa S.L.U.	Trading	Spain	100	Calle Centro, Nº 40 Parque Tecnologico Nave 40 50298 Pinseque, Zaragoza
Mesos Gestión y Servicios S.L.	Trading	Spain	100	Avda Industria18 28820 Coslada, Madrid
Atecal 2001 S.L.U.	Trading	Spain	100	Av. Roma, 10, B, Cerdanyola del Valles, 08290, Barcelona
HS Contact Desk S.L.	Trading	Spain	100	Parque empresarial La Finca Paseo del Club Deportivo 1, Edificio 12 28223 Pozuelo de Alarcon Madrid
Aracor 2000 S.L.	Trading	Spain	100	C/ Hermanos Gambra, 14, Local, 50017, Zaragoza
Instalaciones y Montajes Baladon S.L.	Trading	Spain	100	Carretera del Prat, 50-54, LC 08940 Cornella de Llobregat, Barcelona
Fulldirect BCN S.L.	Trading	Spain	100	Carretera prat, 50 - 54. LOCAL 3, Cornella de Llobregat, 08940, Barcelona
Alme Calefacción S.L.	Trading	Spain	100	Plaza Untzaga, 11 - BJ, 20600, Eibar, Guipúzcoa
Servihogar Gestión 24horas S.L. (3)	Trading	Spain	30	Avenida Vents, 9 - 13 B, 08917, Badalona, Barcelona
HomeServe Solar S.L.U.	Trading	Spain	100	Parque empresarial La Finca Paseo del Club Deportivo 1, Edificio 12 28223 Pozuelo de Alarcon Madrid
Predinsel, S.L.U.	Trading	Spain	100	Calle los Urquiza, Nº33, 28017, Madrid
Rime Energía S.L.	Trading	Spain	100	Calle Bruselas Nº 5G, Las Rozas Madrid
Activa Soluciones Energeticas 2020, S.L.	Trading	Spain	100	Calle Bruselas Nº 5G, Las Rozas Madrid
Gremisat S.L.U.	Trading	Spain	100	Pol. Ind. Villaverde, C. del Valle de Tobalina 26, Madrid
Calefacciones Fénix S.L. (2)	Trading	Spain	100	Calle Padre Risco , 16 bajo. Leon
Servigas Valladares S.L. (2)	Trading	Spain	100	Calle Sant Pere, N32, 08221, Terrassa Barcelona
Central De Reparacions I Manteniments Clima, S.L. (2)	Trading	Spain	100	Calle Joanot Martorell, N67, 08403 Granollers, Barcelona
Asi Servicios Energéticos, S.L. (2)	Trading	Spain	100	Calle Elche, N4 Posterior, Alcorcon, 28922, Madrid
We Repair Assistência Técnica, LDA	Trading	Portugal	100	R. Luís de Camões nº3 loja, 2610-104 Amadora
Mesos Portugal, Unipessoal LDA	Trading	Portugal	100	Praça Duque De Saldanha 1, EDIF. Atrium, 4º H-O.1069-244, Lisbon
Servitis LDA	Trading	Portugal	100	Rua Insdustrial das Lages, 63, 4410-312 Canelas, Vila Nova de Gaia
Templarluz Instalaçoes Electricas LDA	Trading	Portugal	100	Casal Pinheiro 3, 2305-315 Tomar
Epoch Solutions LDA (2)	Trading	Portugal	100	Estrada Otávio Pato, Edifício Epoch, 2785-723 São Domingos de Rana, Portugal
Preventivi SRL	Trading	Italy	100	Via Martiri di Bologna, 13, 76123 Andria

Notes to the company financial statements

44. Related party transactions (continued)

Interests held in related companies (continued)

Name of legal entity	Activity	Place of incorporation ownership (or registration) and operation	Proportion of voting interest and power %	Registered address
Schneider & Steffens GmbH & Co. KG	Trading	Germany	100	Mehlbachstrift 4, 21339 Lüneburg
Schneider und Steffens Management GmbH	Trading	Germany	100	Mehlbachstrift 4, 21339 Lüneburg
Sturm Sanitär-und Heizungstechnik GmbH	Trading	Germany	100	Neckarwiesen 5, 72172 Sulz am Neckar
Sturm Neue Energie GmbH	Trading	Germany	100	Neckarwiesen 5, 72172 Sulz am Neckar
Schulz GmbH	Trading	Germany	100	Neckarwiesen 5, 72172 Sulz am Neckar
Egly Kälte- und Klimatechnik GmbH	Trading	Germany	100	Spelzengasse 26, 65474 Bischofsheim
Barella Gebäude-Energietechnik GmbH	Trading	Germany	99	Soester Strasse 1, 59505 Bad Sassendorf
Helmut Scheel GmbH & Co. KG	Trading	Germany	100	Gasstraße 16, 25524 Itzehoe
Scheel Management GmbH	Trading	Germany	100	Gasstraße 16, 25524 Itzehoe
Saling GmbH	Trading	Germany	100	Am Pfaffenstein 5 55270 Klein-Winternheim
Eckel GmbH	Trading	Germany	100	Edewechter Landstraße 119 26131 Oldenburg
Raff GmbH	Trading	Germany	100	Tränkestraße 20, 70597 Stuttgart
AR Energiesysteme GmbH (2)	Trading	Germany	100	Tränkestraße 70597 Stuttgart
Horst Latzel GmbH & Co. KG (2)	Trading	Germany	100	Klütstraße 82, 31787 Hameln
Latzel Verwaltungsgesellschaft GmbH (2)	Trading	Germany	100	Klütstraße 82, 31787 Hameln
Gühring GmbH & Co. KG (2)	Trading	Germany	100	Junghansring 36,72108 Rottenburg a.N.
Gühring Verwaltungs- und Beteiligungs GmbH (2)	Trading	Germany	100	Junghansring 36,72108 Rottenburg a.N.
Krieger Heizung-Sanitär GmbH & Co. KG (2)	Trading	Germany	100	Vehlberger Kirchweg 25, 91489 Aurach
Krieger Verwaltungs GmbH (2)	Trading	Germany	100	Vehlberger Kirchweg 25, 91489 Aurach
Buse GmbH (2)	Trading	Germany	100	Wohlesbosteler Str. 33, 21279 Hollenstedt
Usinger Wärmedienst GmbH & Co. KG (2)	Trading	Germany	100	Stockheimer Weg 19a, 61250 Usingen
Usinger Wärmedienst Beteiligungen GmbH (2)	Trading	Germany	100	Stockheimer Weg 19a, 61250 Usingen
Drieselmann GmbH (2)	Trading	Germany	100	Max-Eyth-Str. 25, 71088 Holzgerlingen
Haustechnik Oberland GmbH (2)	Trading	Germany	100	Am Weidenbach 1, 82362 Weilheim
Solarzentrum Oberland GmbH (2)	Trading	Germany	100	Am Weidenbach 1, 82362 Weilheim
WTH GmbH (2)	Trading	Germany	100	Carsten-Dreßler-Straße 2, 28279 Bremen
Schneider GmbH (2)	Trading	Germany	100	Gemündener Straße 16, 97753 Karlstadt
Natelberg Gebäudetechnik GmbH (2)	Trading	Germany	100	Schwarzmoorstraße 9, 26817 Rhauderfehn
Fehn Gebäudetechnische Logistik GmbH (2)	Trading	Germany	100	Rhauderwieke 13, 26817 Rhauderfehn
Jäger Heizung-Sanitär GmbH (2)	Trading	Germany	100	Im Mittelfeld 13, 76135 Karlsruhe
Asia				
HomeServe Japan Corporation (3)	Trading	Japan	50	Level 8, The Nihonbashi Daiei Building 1-2-6 Nihonbashi-Muromachi, Chuo-Ku Tokyo, 103-0022
North America				
Step 11 Co Inc.	Trading	USA	100	1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801
eLocal MIPCo LLC	Trading	USA	100	1010 Spring Mill Ave, Suite 200, Conshohocken, PA 19428
eLocal Holdings LLC	Trading	USA	92.1	1010 Spring Mill Ave, Suite 200, Conshohocken, PA 19428
eLocal USA LLC	Trading	USA	92.1	1010 Spring Mill Ave, Suite 200, Conshohocken, PA 19428

[1] The Group has taken advantage of the exemption from audit of the dormant subsidiaries registered in England under s480 of the Companies Act 2006. The registered numbers of the dormant subsidiaries are provided above.

[2] These companies were acquired during the 12 month period ended 31 December 2024, please refer to note 15 for full details.

[3] The Group includes equity accounted investments; please refer to note 17 for full details.

[4] These companies qualify for an exemption to audit for non-dormant entities under the requirements of s479A of the Companies Act 2006. As such, no audit has been conducted for these companies in the current financial year. The registered numbers of the audit exempt subsidiaries are provided above.

Notes to the company financial statements

44. Related party transactions (continued)

Interests held in special purpose entities

During the year, the HomeServe Group has sold consumer finance loans to Thermos One Limited (‘Thermos’), a special purpose entity established on 1 July 2024 as part of the process of constructing a consumer finance proposition for the Group, initially in the UK. Further details relating to this arrangement may be found in note 3.

Name of legal entity	Activity	Place of incorporation ownership (or registration) and operation	Proportion of voting interest %	Registered address
Thermos One Limited	Trading	England	0	10th Floor 5 Churchill Place, London, E14 5HU