Registration number: SC358475

Corgi Homeplan Ltd

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

Corgi Homeplan Ltd

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Corgi Homeplan Ltd

Company Information

Directors	Jason Howie Joe Gordon
Registered office	1 Masterton Park South Castle Drive Dunfermline Fife Scotland KY11 8NX

Corgi Homeplan Ltd

Strategic Report for the Year Ended 31 December 2021

The Directors present their strategic report for the year ended 31 December 2021.

Business review
The Company's principal activity during the year was the provision of home services insurance policies, boiler maintenance contracts and boiler installations. The Company is a wholly owned subsidiary of OVO Finance Ltd and part of the OVO Group which primarily operates in the energy supply sector.

During the year the Company generated revenues of £26,760,000 (2020: £32,773,000). The Company made a profit in the year of £2,033,000 (2020: a profit of £3,402,000). The net assets of the Company as at 31 December 2021 were £11,207,000 (2020: £9,174,000).

During the year, the Company's policy book declined by 10%, reflecting a strategic decision to reduce customer acquisition activity and prioritise the integration of the SSE Home Services business (OVO (S) Home Services Limited) acquired by OVO Group in 2020.

In July 2021 'Corgi HomeHeat' boiler installation activities were reorganised into another OVO Group Ltd entity, further contributing to the reduction in revenue reported for 2021.

The Company's insurance products are underwritten by a 3rd party and in November 2021 the policy book completed its migration from RSA to OVO Group's insurance captive. This was a key strategic milestone that will facilitate improved flexibility and profitability moving forwards.

Despite 2021 being a period of significant change, the Company's highly effective operating model and proprietary technology platform continued to support excellent customer service and a market-leading Trustpilot score.

Our priorities for the year ahead are to continue to provide excellent customer service and fair outcomes for our customers, progress the integration of SSE Home Services and enhance business performance.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Total homeplan policies	Policy	146,390	163,350

Principal risks and uncertainties

The Directors of the Company acknowledge that they have responsibility for the systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company. No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the Directors have regard to what controls, in their judgement, are appropriate to the Company's businesses, to the materiality of the risks inherent in these businesses, and to the relative costs and benefits of implementing specific controls.

Control is maintained through an organisation structure with clearly defined responsibilities, authority levels and lines of reporting; the appointment of suitably qualified staff in specialised business areas; and continuing investment in high quality information systems. These controls are subject to periodic review as to their implementation and continued suitability.

The main risks that the Company could face are as follows:

- Compliance with FCA regulations;
- The ability to win and retain customers;
- Speed of technology development to support best practice solutions; and
- System or process failure in the Company's operations.

The Board reviews and agrees the policies for addressing each of these risks.

There are established procedures in place for regular budgeting and reporting of financial information. The Company's performance is reviewed by the OVO Group Board and Group Executive Committee. Reports include variance analysis and projected forecasts of the period compared to approved budgets and non-financial indicators. There are Company policies in place covering a wide range of issues and risks including financial authorisations, IT procedures, health and safety, and environmental risks, crisis management and a policy on ethical principles.

Section 172 statement

The Company's operations are integrated within the wider OVO group and therefore the strategic decisions made by the Directors are made in parallel with those of the OVO group board. The summary of stakeholder engagement discussed therefore applies to the wider OVO group and not just the Company.

Stakeholders are at the heart of our strategy and business model and our Board aims to uphold the highest standard of conduct while ensuring that all decisions are taken with consideration of the long term interests of stakeholders.

Plan Zero sets out our purpose to drive progress to zero carbon living, generate long term value for members and is core to our company culture. The need to transition from fossil fuels to renewable energy is the biggest, most pressing challenge facing humankind. In an increasingly complex, changing and competitive market environment, our Board recognises that the business will only grow, prosper and successfully deliver on the ambitions set out in Plan Zero if it understands, respects and responds to the views and needs of our key stakeholders.

Our stakeholders

Our members

OVO was founded with the ambition to make energy cheaper, greener and simpler and with the commitment to make every decision as if the customer was in the room. Our communications to customers are designed to mobilise a community around our Plan Zero objective to drive progress to zero carbon living and to support all of our customers in reducing their individual carbon footprint by 50% by 2030. Our Board receives direct updates from each of OVO's customer facing businesses and regularly discusses customer performance, Net Promoter Scores and feedback.

Our people

Without talented and committed employees, we could never deliver on our ambitions. We aspire to be the leading place to work for people who will change the world. When our people thrive, they better serve our customers and partner with them on their journey to zero carbon living. Our quarterly employee survey gives employees at all levels the chance to share views with line managers, colleagues and leadership. Our Board also engages regularly with our people through a number of employee forums, company wide town halls and smaller village halls.

Our planet

OVO's impacts on the environment and our planet are central to OVO's business strategy to deliver Plan Zero. We recognise that our business operations have environmental impacts, including carbon emissions, air pollution, natural resource use, water consumption, and generation of waste. In 2021, we established a formal Environment Policy, applicable across the OVO Group, to codify our commitment to minimise the negative impacts of our business activities on the environment across our entire value chain. In addition, we commit to increasing the positive impact of our business on the planet, for example by developing products and services that help our customers to decarbonise home energy use. We have taken action to embed sustainable business practices across our OVO Retail business through the implementation of Plan Zero. For example, in 2021, we rolled out mandatory training on climate change to all our people to encourage them to consider Plan Zero in strategic and operational decision-making across all areas of our business. During 2021, we reported environmental performance periodically to OVO's Leadership Team and annually to the Board. In October 2021, we published key environmental, social and governance metrics for the first time in our Plan Zero 2020 progress report.

Section 172 Statement (continued)

Governments and regulators
Our Board members engage regularly with key stakeholders within the UK Government, devolved administrations, respective Parliaments and the regulators. Our activity is across a range of mediums including conferences, roundtables, and media to engage effectively with key regulatory, policy and political priorities. Our dedicated Policy and Public Affairs team actively manage our stakeholder plan and regularly update Board members on policy developments and coordinate a regular engagement programme to discuss issues such as Plan Zero, market design, consumer protection and the decarbonisation of heat.

As an FCA regulated and authorised Company there is a comprehensive governance and controls framework to ensure compliance with all regulatory requirements and the delivery of fair outcomes for customers. The Company has a dedicated Risk and Compliance function that supports, oversees and monitors regulatory performance and external regulatory developments, with regular reporting provided to the Board to ensure that Directors have appropriate oversight. Where required, the Company engages proactively and openly with the FCA and any other relevant regulatory bodies.

Our communities
The OVO Charitable Foundation ("OVO Foundation") was created in 2014 with the mission of ensuring all children and young people have equitable access to a sustainable future. OVO Foundation invests in projects that address a real and genuine need, can demonstrate measurable and meaningful impact, and provide a high return on investment. It is also committed to funding projects that have potential to bring about long-term systemic change and can be scaled wherever possible.

Our suppliers
We build trusted relationships with our suppliers to enable us to provide the best quality products and services at optimum pricing for our customers, whilst mitigating data, social and environmental risks in our upward supply chain. In 2021, our Procurement team continued to implement a central procurement system and process across the OVO Retail business, to improve and standardise the way in which we assess and engage with our suppliers during on-boarding and contract renewal. We continued to implement our Supplier Code of Conduct for all new key suppliers as part of the standard procurement process. We also strengthened our sustainable procurement controls through the introduction of sustainability risk screening and assessments for new suppliers and contract renewals, and where applicable mandated that sustainability criteria was considered as part of any supplier selection.

Section 172 Statement (continued)

Embedding Section 172 in Board decision-making

Having met the threshold requirements to report against Section 172 of the UK's Companies Act 2006, a number of steps have been taken to ensure we are embedding the duties in Board decision-making. Our Chairman sets the agenda for each Board meeting and has taken steps to ensure that we are meeting the requirements and carefully considering our stakeholders through a combination of the following:

• Strategically significant topics are reviewed through the newly established Risk and Audit Committees e.g. regular consideration of regulatory and political risks are provided via this forum and feedback from priority government and regulatory stakeholders is shared.
• Board papers ensure that stakeholder considerations are considered where relevant.
• Formal consideration of any stakeholders which are relevant to any major decisions taken by the Board throughout the year.
• Direct engagement by the Chairman and members of the Board with appropriate stakeholders via a mix of bilateral meetings, committees, forums and conferences on key strategic decisions for the Group.
• Regularly scheduled Board presentations and reports on issues such as: customer engagement, risk register reports, health & safety reports, investment updates, and developments related to our people and culture.
• The Directors also fulfil their Section 172 duties partly through the delegation of day-to-day decision making to the employees of the Group and regularly receive and consider feedback on stakeholders' views from dedicated teams within Corporate Affairs.

Case Study: Responding to the energy crisis

Over the past year wholesale energy prices have increased to record highs and the energy market has faced its biggest challenge as demand for energy surged against increasing costs. This was due in part because of the recovery from COVID-19, but also a cold winter in Asia resulting in low levels of storage in Europe, as well as geopolitical risks. The result was 27 energy suppliers ceased trading in 2021.

OVO was in a strong position to manage market volatility due to being well-hedged with sufficient capital to support its customers throughout winter and beyond. Our priority was to reassure our customers that we're here for them and will continue to provide the service we're known for, all while engaging with external stakeholders to tackle the industry challenge.

Towards the end of 2021 the End Fuel Poverty Coalition reported that more than one in four UK households will be in fuel poverty once the April 2022 price cap comes into effect. Throughout the crisis, our leadership team at OVO regularly met with the UK Government, Ofgem and our charity partners to help manage the immediate issues and create solutions that work in the long term.

Section 172 Statement (continued)

To help our customers receive the answers they need immediately, we created a comprehensive guide and FAQ section on our websites. We also launched our Payment Support Product, the industry's first Open Banking digital tool, enabling members looking for support to quickly access a detailed, accurate picture of their affordability and help find a solution tailored personally to suit their current circumstances. The launch has already seen an 80% completion rate for customers taking advantage of a payment plan.

We hosted a roundtable with consumer groups and charities to discuss ways to support households through the energy crisis. One of the outcomes of the roundtable was OVO agreeing to provide a package of support to StepChange worth £2 million. The package included setting up a dedicated team of advisors to be seconded to StepChange from OVO, and the licensing of our Payment Support platform to help support the charity's aspiration to digitise and improve affordability processes and maximise efficiency. While we already work closely with StepChange, we know that helping direct our customers to their services and providing the donation is vital. It's critical we provide more support to the charities helping people get the advice they need.

Over the past year we've continually pushed for environmental levies and social costs to be taken off energy bills and placed into general taxation, delivering an immediate reduction to help solve the inequality of the poorest and richest households paying the same amount. We also engaged with the UK Government on the design and implementation of the £400 rebate for customers announced by the Chancellor. Given the scale of gas price increases, we recommended intervention will need to be targeted at those who most need it, providing direct support until prices eventually come down. Our focus as an industry should be on supporting the most vulnerable during the energy crisis.

As a business we continue to engage with parliamentarians, charities, Ofgem and the wider industry to ensure we have a long term plan in place for the retail energy market. The industry needs to be prepared for extreme volatility to become commonplace and focus on accelerating the transition towards a cleaner, greener and more sustainable energy system for the UK.

Approved by the Board on 15 September 2022 and signed on its behalf by:

Jason Howie

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Jason Howie
Director

The Directors present their report and the unaudited financial statements for the year ended 31 December 2021.

Directors of the Company
The Directors, who held office during the year and up to the date of signing the financial statements, were as follows:

Thomas Rebel (resigned 12 January 2021)

Jason Howie

Adrian Letts (resigned 3 September 2021)

David Walter (resigned 30 November 2021)

Raman Bhatia (appointed 19 July 2021 and resigned 8 September 2022)

The following director was appointed after the year end:

Joe Gordon (appointed 8 September 2022)

Principal activity
The principal activity of the Company is the provision of home services insurance policies and boiler maintenance contracts.

Dividend
The Directors do not recommend the payment of a dividend in the year (2020: £nil).

Financial instruments
Financial risk management objectives and policies have been established making use of financial instruments for the purpose of managing the exposure of the Company to price risk, credit risk, liquidity risk. Financial risk management objectives and policies are established and maintained at the OVO Group level.

Future developments
The Directors believe that the Company remains well positioned in the market place, and is well set to continue to integrate and prioritise existing customers within the wider OVO group. Further information is included in the Strategic Report.

Going concern

The Company made a profit for the period ending 31 December 2021 and has net liabilities. The financial statements have been prepared on a going concern basis.

The Company relies on the continued financial support of the parent company OVO Group Ltd and the continued trading with other companies within the same Group. The Directors have received confirmation that OVO Group Ltd intends to support the Company for at least one year after these financial statements were signed.

The Group has sufficient liquidity over the full going concern period under both its base case and stress-tested forecast. However, as a result of the key uncertainties including short term volatility in wholesale commodity prices, the impact of the UK cost of living crisis and the UK regulatory environment, the Group is forecasting that it will breach certain of its financial covenants within the next 12 months. Breach of these covenants would allow counterparties, if they so decide, to request additional collateral. The counterparty may terminate the contract if appropriate additional collateral is not provided, if requested, within a timely manner. If this were to happen, the Group may not be able to secure an alternative counterparty to facilitate continued trading on a sustainable basis.

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements on the basis of the continued financial support of the parent company. However, the Directors have also concluded that the circumstances surrounding the Group represent a material uncertainty that may cast significant doubt on the Group's and therefore, the Company's ability to continue as a going concern.

The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern should the assumptions referred to above prove not to be correct.

Directors' liabilities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provisions defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the year and is currently in force.

Statement of Directors' responsibilities
The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Approved by the Board on 15 September 2022 and signed on its behalf by:

Jason Howie
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Jason Howie
Director

Corgi Homeplan Ltd

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	26,760	32,773
Cost of sales		(12,252)	(14,540)
Gross profit		14,508	18,233
Administrative expenses		(11,846)	(13,474)
Other operating income	4	-	224
Operating profit	5	2,662	4,983
Interest receivable and similar income	6	981	3
Interest payable and similar charges	7	(998)	(799)
Profit before tax		2,645	4,187
Tax on profit	10	(612)	(785)
Profit for the financial year		2,033	3,402

The above results were derived from continuing operations.

The Company had no other comprehensive income in the current or prior financial years.

Corgi Homeplan Ltd

(Registration number: SC358475)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £ 000	31 December 2020 £ 000
Fixed assets			
Intangible assets	11	2,746	510
Tangible assets	12	217	301
Right-of-use assets	13	192	255
		3,155	1,066
Current assets			
Stocks	14	12	52
Debtors	15	24,767	26,130
Cash at bank and in hand	16	7,058	2,362
		31,837	28,544
Creditors: Amounts falling due within one year	17	(23,500)	(19,841)
Net current assets		8,337	8,703
Total assets less current liabilities		11,492	9,769
Creditors: Amounts falling due after more than one year	18	(11)	(66)
Provisions for liabilities	20	(274)	(529)
Net assets		11,207	9,174
Capital and reserves			
Called up share capital	21	-	-
Profit and loss account		11,207	9,174
Total shareholders' funds		11,207	9,174

For the financial year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Balance Sheet as at 31 December 2021 (continued)

The financial statements on pages 11 to 38 were approved by the Board on 15 September 2022 and signed on its behalf by:

Jason Howie

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Jason Howie
Director

Corgi Homeplan Ltd

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	-	9,174	9,174
Profit for the year	-	2,033	2,033
Total comprehensive income	-	2,033	2,033
At 31 December 2021	-	11,207	11,207

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	-	5,772	5,772
Profit for the year	-	3,402	3,402
Total comprehensive income	-	3,402	3,402
At 31 December 2020	-	9,174	9,174

The notes on pages 15 to 38 form an integral part of these financial statements.

1 General information

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom.

The address of its registered office is:
1 Masterton Park
South Castle Drive
Dunfermline
Fife
Scotland
KY11 8NX
UK

These financial statements were authorised for issue by the Board on 15 September 2022.

2 Accounting policies

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

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 as applicable to companies using FRS 101. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 1 January 2021. There is no impact on recognition, measurement or disclosure in the year reported as a result of this change.

The financial statements have been prepared under the historical cost convention.

The Company's parent undertaking, OVO Finance Ltd, includes the Company in its consolidated financial statements. The consolidated financial statements of OVO Finance Ltd are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 1 Rivergate, Temple Quay, Bristol, England, BS1 6ED.

2 Accounting policies (continued)

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;
- The effect of new, but not yet effective, IFRSs;
- Disclosures in respect of the compensation of key management personnel;
- Comparative period reconciliations for tangible and intangible fixed assets;
- Disclosures in respect of capital management; and
- Related party disclosures.

As the consolidated financial statements of OVO Finance Ltd include the equivalent disclosures, the Company has also taken advantage of the exemptions, under FRS 101, available in respect of the following disclosures:

- The disclosures required by IFRS 7 Financial instruments disclosures; and
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Given the simple nature of the Company's operations, the Directors do not consider there to be any key estimates or judgements.

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

The financial statements are rounded to the nearest thousand (£ 000) except where otherwise stated.

2 Accounting policies (continued)

Going concern

The Company made a profit for the period ending 31 December 2021 and has net assets. The financial statements have been prepared on a going concern basis.

The Company relies on the continued financial support of the parent company OVO Group Ltd and the continued trading with other companies within the same Group. The Directors have received confirmation that OVO Group Ltd intends to support the Company for at least one year after these financial statements were signed.

The Group has sufficient liquidity over the full going concern period under both its base case and stress-tested forecast. However, as a result of the key uncertainties including short term volatility in wholesale commodity prices, the impact of the UK cost of living crisis and the UK regulatory environment, the Group is forecasting that it will breach certain of its financial covenants within the next 12 months. Breach of these covenants would allow counterparties, if they so decide, to request additional collateral. The counterparty may terminate the contract if appropriate additional collateral is not provided, if requested, within a timely manner. If this were to happen, the Group may not be able to secure an alternative counterparty to facilitate continued trading on a sustainable basis.

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The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern should the assumptions referred to above prove not to be correct.

2 Accounting policies (continued)

Changes in accounting policy

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

• Covid-19-Related Rent Concessions - amendments to IFRS 16, and
• Interest Rate Benchmark Reform - Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in current or prior periods and are not expected to significantly affect the future periods.

Revenue recognition

Recognition

The Company earns revenue from the sale of home and energy cover which relates to revenue from insurance intermediary commission and claims handling fulfilment. The Company introduces customers to an underwriter and carries out services for which it earns commission as an agent. The Company also provides claims fulfilment, claims handling, and premium collection from the customers on behalf of the agent. Commissions are recognised on a straight line basis over the contract term life whilst all other revenue is recognised at the point the underlying service is completed.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts 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 in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Transaction price

In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration
If the consideration in a contract includes a variable amount, revenue is only recognised in an amount at which a significant reversal is improbable in the future.

(ii) Consideration payable to a customer
If the contract contains consideration payable to a customer, the consideration payable is accounted for as a reduction of the transaction price.

2 Accounting policies (continued)

Accrued income and debtors

Accrued income is the right to consideration in exchange for goods or services provided to the customer. If the Company provides goods or services to a customer before the customer pays consideration or before payment is due, accrued income is recognised for the earned consideration that is conditional. A debtor represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Deferred income

Deferred income is the obligation to provide goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company provides goods or services to the customer, deferred income is recognised when the payment is made or the payment is due (whichever is earlier). Deferred income is recognised as revenue when the Company performs under the contract.

Net basis of measurement of contract balances

Accrued income and deferred income positions are determined for each contract on a net basis. This is because the rights and obligations within each contract are considered inter-dependent. Where two contracts are with the same or related entities, an assessment is made of whether accrued income and deferred income are inter-dependent and if so, contract balances are reported net.

Government grants

Grants from the government are recognised in the profit and loss account over the year in which the related costs are recognised and once the Company complies with all the attached conditions.

Interest income and expense

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

2 Accounting policies (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Tangible assets

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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

Asset class	**Depreciation method and rate**
Leasehold property	Period of the lease
Fixtures and fittings	3 years straight line
Office equipment	3 years straight line

2 Accounting policies (continued)

Intangible assets
Internally developed software costs

Acquired computer software and licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Amortisation method and rate**
IT software and internally developed software costs	3 years straight line

2 Accounting policies (continued)

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and call 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.

Trade debtors

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

Trade debtors do not carry any interest and are held at transaction price less an appropriate impairment recognised where the loss is probable. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade debtors and accrued income.

Stock

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2 Accounting policies (continued)

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

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Definition
A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

· Obtain substantially all the economic benefits from the use of the underlying asset, and;
· Direct the use of the underlying asset (e.g., direct how and for what purpose the asset is used)

Initial recognition and measurement
The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in interest payable and similar expenses in the profit and loss account, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right-of-use asset where the lease liability is re-measured in accordance with the above. Right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases. If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification. For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

2 Accounting policies (continued)

Short term and low value leases
The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the profit and loss account.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, contributions are paid to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

3 Turnover

The analysis of the Company's turnover for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Servicing and other income	14,966	23,176
Commission income	11,794	9,597
	26,760	32,773

All of the opening deferred income balance has been recognised as revenue during the year, with the closing balance relating to new liabilities where the associated performance obligations have not yet been satisfied.

4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Government grants	-	224

Government grants relate to grants in respect of furloughed employees under the Coronavirus Job Retention Scheme. During the prior year, the Company received government grants under the Coronavirus Job Retention Scheme, a scheme introduced by the UK government to support organisations during the COVID-19 pandemic. The scheme offers grants to cover a proportion of the salaries of furloughed staff.

The grants were recognised as other operating income to the extent that management considers the grants will be received.

5 Operating profit

Arrived at after charging/(crediting)

	2021 £ 000	2020 £ 000
Depreciation expense - tangible assets	338	167
Amortisation expense	89	14
Depreciation expenses - right-of-use assets	193	179
Foreign exchange losses	26	2
(Reversal of impairment losses)/impairment losses of financial assets	(79)	89

6 Interest receivable and similar income

	2021 £ 000	2020 £ 000
Interest income on bank deposits	-	3
Interest receivable from group undertakings	981	-
	981	3

7 Interest payable and similar charges

	2021 £ 000	2020 £ 000
Interest payable to group undertakings	987	768
Interest expense on leases	11	31
	998	799

8 Staff costs

The aggregate payroll costs (including Directors' remuneration) are as follows:

	2021 £ 000	Restated 2020 £ 000
Wages and salaries	6,341	5,788
Social security costs	589	546
Pension costs, defined contribution scheme	243	241
	7,173	6,575

Payroll costs of £1,909,000 have been capitalised in the current year (2020: £600,000). Prior year payroll costs have been restated in the current year as certain costs were incorrectly included and excluded from the disclosure.

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

	2021 No.	Restated 2020 No.
People & operations	151	144
Technology & business change	27	25
Commercial & finance	11	17
	189	186

The categories of employees in the prior year have been restated to better reflect how management regards company activities are organised.

9 Directors' remuneration

The Directors' remuneration for the year is as follows:

	2021 £ 000	Restated 2020 £ 000
Remuneration	154	143
Company contributions to defined contribution pension schemes	7	7
	161	150

In respect of the highest paid Director:

	2021 £ 000	Restated 2020 £ 000
Remuneration	154	143
Company contributions to defined contribution pension schemes	7	7
	162	150

The above value for the current financial year was for 1 Director, who was remunerated directly by the Company (Restated 2020: 1 Directors). During the year, retirement benefits in respect of defined contribution pension schemes were accruing to the Director remunerated directly by the Company (Restated 2020: 1 Directors). The Director remunerated directly by the Company received shares under long-term incentive schemes in respect of his qualifying services in both current and prior years. The prior year directors' remuneration disclosures have been restated in the current year as the disclosures incorrectly included a Director not directly remunerated by the Company.

The remaining Directors were remunerated via OVO Energy Ltd and OVO (S) Electricity Limited (2020: OVO Group Ltd, OVO Energy Ltd and OVO (S) Electricity Limited). The Directors' compensation paid by OVO Energy Ltd and OVO (S) Electricity Limited (2020: OVO Group Ltd, OVO Energy Ltd and OVO (S) Electricity Limited) is not recharged to the entity.

These Directors are additionally Directors of a number of parent entities and fellow subsidiaries, and it is not possible to make a reasonable apportionment of their compensation in respect of each of the parent entities and subsidiaries. Accordingly, the total compensation of the Directors is included in the aggregate of Directors' remuneration disclosed in the financial statements of OVO Energy Ltd and OVO (S) Electricity Limited (2020: OVO Energy Ltd and OVO (S) Electricity Limited and the consolidated financial statements of OVO Group Ltd).

10 Tax on profit

Tax charged in the profit and loss account

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	539	827
Adjustments in respect of prior periods	163	-
Total current taxation	702	827
Deferred taxation		
Arising from origination and reversal of temporary differences	(35)	(32)
Arising from changes in tax rates and laws	(35)	(3)
Adjustments in respect of prior periods	(20)	(7)
Total deferred taxation	(90)	(42)
Tax expense in the profit and loss account	612	785

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	2,645	4,187
Corporation tax at standard rate	503	795
Increase in current tax from adjustment for prior periods	143	-
Increase from effect of expenses not deductible in determining taxable loss	1	-
Deferred tax adjustment in respect of prior periods	-	(7)
Deferred tax credit relating to changes in tax rates or laws	(35)	(3)
Total tax charge	612	785

10 Tax on profit (continued)

Deferred tax

Deferred tax assets

2021	**Asset £ 000**
Accelerated tax depreciation	121
Intangibles	2
Other	24
	147

2020	**Asset £ 000**
Accelerated tax depreciation	57
Intangibles	-
Other	-
	57

Deferred tax movement during the year:

	At 1 January 2021 £ 000	**Recognised in income £ 000**	**At 31 December 2021 £ 000**
Accelerated tax depreciation	57	64	121
Intangibles	-	2	2
Other	-	24	24
Net tax assets/(liabilities)	57	90	147

Deferred tax movement during the prior year:

	At 1 January 2020 £ 000	**Recognised in income £ 000**	**At 31 December 2020 £ 000**
Accelerated tax depreciation	15	42	57
Intangibles	-	-	-
Other	-	-	-
Net tax assets/(liabilities)	15	42	57

10 Tax on profit (continued)

The change to the main UK corporation tax rate to 25% announced in the 2021 Finance Bill was substantively enacted on 24 May 2021. The rate effective from 1 April 2023 is now 25% increased from the current rate of 19%. Deferred tax assets and liabilities have been remeasured based on the applicable tax rate in the period that the balances are expected to be realised. The impact of this remeasurement in the period is a tax credit of £35,000.

11 Intangible assets

	Internally generated software development costs £ 000	Total £ 000
Cost or valuation		
At 1 January 2021	524	524
Additions	2,325	2,325
At 31 December 2021	2,849	2,849
Accumulated amortisation		
At 1 January 2021	14	14
Amortisation charge	89	89
At 31 December 2021	103	103
Carrying amount		
At 31 December 2021	2,746	2,746
At 31 December 2020	510	510

The amortisation charge of £89,000 (2020: £14,000) is recognised in administrative expenses.

12 Tangible assets

	Leasehold property £ 000	Fixtures, fittings, and office equipment £ 000	Other property, plant and equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2021	178	680	3	861
Additions	169	85	-	254
At 31 December 2021	347	765	3	1,115
Accumulated depreciation				
At 1 January 2021	119	438	3	560
Charge for the year	201	137	-	338
At 31 December 2021	320	575	3	898
Carrying amount				
At 31 December 2021	27	190	-	217
At 31 December 2020	59	242	-	301

The depreciation charge of £338,000 (2020: £167,000) is recognised in administrative expenses.

13 Right-of-use assets

	Property £ 000
Cost or valuation	
At 1 January 2020	549
Modification	11
At 31 December 2020	560
At 1 January 2021	560
Modification	130
At 31 December 2021	690
Accumulated depreciation	
At 1 January 2020	126
Charge for the year	179
At 31 December 2020	305
At 1 January 2021	305
Charge for the year	193
At 31 December 2021	498
Carrying amount	
At 31 December 2021	192
At 31 December 2020	255

14 Stock

	31 December 2021 £ 000	31 December 2020 £ 000
Finished goods and goods for resale	12	52

The cost of stocks recognised as an expense in the year amounted to £43,000 (2020: £51,000). This is included within cost of sales.

15 Debtors

	31 December 2021 £ 000	31 December 2020 £ 000
Trade debtors	1,811	3,933
Provision for impairment of trade debtors	(29)	(107)
Net trade debtors	1,782	3,826
Amounts owed by group undertakings	21,918	17,840
Accrued income	311	380
Prepayments	517	445
Other debtors	92	3,582
Deferred tax assets	147	57
	24,767	26,130

16 Cash at bank and in hand

	31 December 2021 £ 000	31 December 2020 £ 000
Cash at bank	7,058	2,362

17 Creditors: amounts falling due within one year

	31 December 2021 £ 000	31 December 2020 £ 000
Trade creditors	32	553
Accrued expenses	1,199	1,493
Amounts due to group undertakings	17,763	13,676
Social security and other taxes	160	506
Other creditors	369	291
Current lease liabilities	189	199
Deferred income	2,259	2,296
Income tax liability	1,529	827
	23,500	19,841

18 Creditors: amounts falling due after more than one year

	31 December 2021 £ 000	31 December 2020 £ 000
Non-current lease liabilites	11	66

19 Leases

Leases included in creditors

	31 December 2021 £ 000	31 December 2020 £ 000
Current lease liabilities	189	199
Non-current lease liabilities	11	66
Total lease liabilities	200	265

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	31 December 2021 £ 000	31 December 2020 £ 000
Less than one year	194	208
Between one and five years	11	67
Total lease liabilities (undiscounted)	205	275

The Company leases various offices. The balance sheet amounts relating to leases are shown within Note 13 Right-of-use assets.

The current period interest expense on lease liabilities (included in interest payable and similar expenses) was £11,000 (2020: £31,000).

The total cash outflow for leases for the year ended 31 December 2021 was £208,000 (2020: £208,000).

20 Provisions for liabilities

	Restructuring provision £ 000	Dilapidation provision £ 000	Other provisions £ 000	Total £ 000
At 1 January 2021	165	-	364	529
Additional provisions	-	169	68	237
Utilised during the period	(27)	-	(327)	(354)
Transferred	(138)	-	-	(138)
At 31 December 2021	-	169	105	274
Non-current liabilities	-	-	-	-
Current liabilities	-	169	105	274

Restructuring provision
Following OVO acquisition, the OVO Group has initiated an integration programme which has resulted in the redundancy of a number of employees in the Company. The restructuring plan was announced to the employees in May 2020. The restructuring was completed in 2021.

Dilapidation provision
The Company is required to restore the leased premises of its offices to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

Other provisions
Other provisions relate to provisions for miscellaneous costs and do not include individually material provisions.

21 Share capital

Allotted, called up and fully paid shares

	31 December 2021 No.	31 December 2021 £	31 December 2020 No.	31 December 2020 £
Ordinary A shares of £1 each	300	300	300	300
Ordinary B shares of £1 each	1	1	1	1
Ordinary C shares of £1 each	1	1	1	1
Ordinary D shares of £1 each	1	1	1	1
Ordinary E shares of £1 each	1	1	1	1
	304	304	304	304

Rights, preferences and restrictions
Ordinary A shares have attached to them full voting, dividend and participation rights. The remaining shares have attached to them dividend and participation rights. The shares rank pari passu in all respects.

22 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounts to £243,000 (Restated 2020: £241,000).

23 Related party transactions

In accordance with the exemption available under FRS 101, transactions with other wholly owned undertakings within OVO Group Ltd group have not been disclosed within these financial statements.

24 Parent and ultimate parent undertaking

The Company's immediate parent is OVO Finance Ltd.

The ultimate parent is Imagination Industries Ltd.

The most senior parent entity producing publicly available financial statements is Imagination Industries Ltd. These financial statements are available upon request from the registered office 9 Pembridge Road Notting Hill London W11 3JY.

The smallest consolidated statements that incorporate Corgi Homeplan Ltd are those of OVO Finance Ltd, which are available upon request from the registered office shown 1 Rivergate Temple Quay, Bristol, England, BS1 6ED.

The largest consolidated statements that incorporate Corgi Homeplan Ltd are those of Imagination Industries Ltd, which are available upon request from 9 Pembridge Road Notting Hill London W11 3JY.

The ultimate controlling party is Stephen Fitzpatrick.