

Registration number: 11046212

OVO (S) Energy Services Limited

Annual Report and Unaudited Financial Statements

for the Period from 1 April 2020 to 31 December 2020

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OVO (S) Energy Services Limited

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OVO (S) Energy Services Limited

Company Information

Directors	Vincent Casey Raman Bhatia William Castell Adrian Letts
Company secretary	Vincent Casey

Registered office	1 Rivergate Temple Quay Bristol BS1 6ED
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OVO (S) Energy Services Limited

Strategic Report for the Period from 1 April 2020 to 31 December 2020

The Directors present their strategic report for the period from 1 April 2020 to 31 December 2020.

Business review

The Company is an intermediate holding company for the purpose of holding shares in other fellow group companies. On 15 January 2020, OVO completed the transformational acquisition of SSE plc's GB domestic retail business (the Company).

OVO's investment in scalable operating platforms, smart data capabilities and innovative technology combined with SSE's excellence at scale makes the two businesses a great fit.

Combining the best of both our businesses will enable us to bring OVO's energy technology to millions more customers to provide a market leading customer experience.

Given the simple nature of the Company's business and the fact that the Company is not managed separately from the other companies in the OVO group, the Directors are of the opinion that analysis using KPIs specific to the Company is not necessary or appropriate. The OVO group managements' review of the KPIs are detailed within the OVO Group Ltd's financial statements. These financial statements are available upon request from the registered office 1 Rivergate, Temple Quay, Bristol, England, BS1 6ED.

The profit and loss account for the period from 1 April 2020 to 31 December 2020 is set out on page 7. The reporting period for the Company was shortened from 1 April to 31 March previously to 1 April to 31 December in the current period to align with the reporting period for OVO group of companies. Subsequent periods will end on the same day and month in future years. As a result, the amounts presented in the current period's financial statements are not entirely comparable.

The Company generated a profit during the period 1 April 2020 to 31 December 2020 of £366k (year ended 31 March 2020: loss of £30,906k) and had net assets of £669,067k at 31 December 2020 (31 March 2020: net assets of £668,701k).

The Company's future developments are detailed within the Directors' Report.

Principal risks and uncertainties

Due to the nature of the Company's activities, management do not perceive that there are any principal risks or uncertainties within OVO (S) Energy Services Limited financial statements, other than those disclosed in the financial statements of OVO Group Ltd. The consolidated financial statements of OVO Group Ltd are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its registered office 1 Rivergate, Temple Quay, Bristol, England, BS1 6ED.

OVO Group Ltd manages its cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

OVO (S) Energy Services Limited

Strategic Report for the Period from 1 April 2020 to 31 December 2020 (continued)

S172 Statement

Stakeholders are at the heart of our strategy and business model. Engaging with them helps us to understand their evolving needs and informs our strategic decision-making. In light of our purpose and our strategy to create a world without carbon and create long term value for customers, our Directors take steps to understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement or via committees and forums. The relevance of each stakeholder may change depending on the matter at hand. In line with requirements of the UK Companies Act 2006, we provide a high-level summary of how our Directors engaged with our stakeholders and had regard to their interests when setting OVO's strategy and taking decisions concerning the business in 2020.

Stakeholders

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 people

Without talented and committed employees, we could never deliver on our ambitions. We aspire to create the UK's best place to work in order for our people to 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 Chief People Officer attends OVO Group Board meetings regularly in order to communicate and make recommendations following employee feedback.

Our customers

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 planet

The climate crisis is the greatest challenge we face and awareness of the environmental impact of human activity on the planet is growing. Key concerns include air pollution, climate change and the destruction of nature and biodiversity. We're seeing growing movements for change around the world, as well as a real desire for businesses to limit their impact on the planet and take bold action on climate. Since the launch of Plan Zero, we have committed to reporting quarterly to the OVO Group Board - with a summary of each Plan Zero Steering Committee meeting.

Governments and regulators

Our Board members engage regularly with key stakeholders within the UK Government, devolved administrations, respective Parliaments and Ofgem. They also share platforms at conferences and roundtables, discussing and obtaining feedback on regulatory, policy and political priorities. We also have a dedicated Policy and Public Affairs team who 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.

OVO (S) Energy Services Limited

Strategic Report for the Period from 1 April 2020 to 31 December 2020 (continued)

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

Building trusted partnerships with our suppliers is important in enabling us to provide the best products at the best prices for our customers. Suppliers are engaged with Plan Zero by adhering to our Supplier Code of Conduct and we have plans to further engage suppliers by including sustainability assessments as part of the procurement process and ensuring sustainability criteria forms a minimum part of weighted assessment scoring when new suppliers are being selected.

Streamlined Energy and Carbon Reporting Framework Regulations

Disclosures in relation to the Streamlined Energy and Carbon Reporting Framework Regulations are included in the group financial statements of OVO Finance Ltd, which is the smallest group of undertakings for which group financial statement are drawn up and of which the Company is a member.

Approved by the Board on 27 September 2021 and signed on its behalf by:



William Castell
Director

OVO (S) Energy Services Limited

Directors' Report for the Period from 1 April 2020 to 31 December 2020

The Directors present their report and the unaudited financial statements for the period from 1 April 2020 to 31 December 2020.

Directors of the Company

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

Vincent Casey

Adrian Letts

Stephen Fitzpatrick (resigned 18 January 2021)

Anthony Keeling (resigned 15 January 2021)

The following Directors were appointed after the period end:

Raman Bhatia (appointed 18 January 2021)

William Castell (appointed 18 January 2021)

Principal activity

The principal activity of the Company is a holding company.

Results and dividends

The profit for the financial period from 1 April 2020 to 31 December 2020 amounted to £366k (Year ended 31 March 2020: a loss of £30,906k).

The balance sheet at 31 December 2020 is set out on page 8 and indicates net assets of £669,067k (At 31 March 2020: £668,701k).

The Directors do not propose a dividend for the period ended 31 December 2020 (Year ended 31 March 2020: no dividends proposed).

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 credit risk and liquidity risk. Financial risk management objectives and policies are established and maintained at the OVO Group level. This is discussed in further details in Note 30 of the OVO Group Ltd's financial statements.

Future developments

The Directors do not consider that the Company will be used for any other purpose than that of a holding company.

OVO (S) Energy Services Limited

Directors' Report for the Period from 1 April 2020 to 31 December 2020 (continued)

Going concern

The Company made a profit for the year ending 31 December 2020 and has net assets. The financial statements have been prepared on a going concern basis.

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company OVO Group Ltd. The Directors have received confirmation that OVO Group Ltd intend to support the Company for at least one year after these financial statements were signed.

The ability of OVO Group Ltd to provide this support has been considered within the OVO Group Ltd financial statements, available on request from the registered office showing in note 1, where the OVO Group Ltd directors concluded that the Group has sufficient liquidity to continue as a going concern.

Directors' liabilities

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

Statement of Directors' Responsibilities

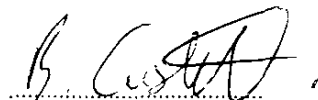
The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether 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 27 September 2021 and signed on its behalf by:



William Castell
Director

OVO (S) Energy Services Limited

Profit and Loss Account for the Period from 1 April 2020 to 31 December 2020

		Period from 1 April 2020 to 31 December 2020 £ 000	Year ended 31 March 2020 £ 000
	Note		
Administrative expenses		(112)	-
Operating loss		(112)	-
Interest receivable and similar income	3	459	-
Interest payable and similar charges	4	-	(33,172)
Profit/(loss) before tax		347	(33,172)
Tax on profit/(loss)	8	19	2,266
Profit/(loss) for the financial period		366	(30,906)

The above results were derived from continuing operations.

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

The notes on pages 10 to 21 form an integral part of these financial statements.

OVO (S) Energy Services Limited

(Registration number: 11046212)

Balance Sheet as at 31 December 2020

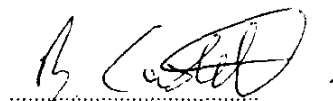
	Note	31 December 2020 £ 000	31 March 2020 £ 000
Fixed assets			
Investments	9	493,282	493,282
Current assets			
Debtors	10	593,214	167,902
Cash at bank and in hand	11	<u>4,557</u>	<u>10,000</u>
		597,771	177,902
Creditors: Amounts falling due within one year	12	<u>(421,986)</u>	<u>(2,483)</u>
Net current assets		<u>175,785</u>	<u>175,419</u>
Net assets		<u>669,067</u>	<u>668,701</u>
Capital and reserves			
Called up share capital	13	608,770	608,770
Capital contribution reserve		20,833	20,833
Profit and loss account		<u>39,464</u>	<u>39,098</u>
Total shareholders' funds		<u>669,067</u>	<u>668,701</u>

For the financial period ending 31 December 2020 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 accounts for the period 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 accounts.

The financial statements on pages 7 to 21 were approved by the Board on 27 September 2021 and signed on its behalf by:



William Castell
Director

The notes on pages 10 to 21 form an integral part of these financial statements.

OVO (S) Energy Services Limited

Statement of Changes in Equity for the Period from 1 April 2020 to 31 December 2020

	Share capital £ 000	Capital contribution reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2020	608,770	20,833	39,098	668,701
Profit for the period	-	-	366	366
Total comprehensive income	-	-	366	366
At 31 December 2020	608,770	20,833	39,464	669,067

	Share capital £ 000	Capital contribution reserve £ 000	(Accumulated losses)/Retained earnings £ 000	Total £ 000
At 1 April 2019	-	-	(538,496)	(538,496)
Loss for the period	-	-	(30,906)	(30,906)
Total comprehensive expense	-	-	(30,906)	(30,906)
New share capital subscribed	1,217,270	-	-	1,217,270
Capital reduction	(608,500)	-	608,500	-
Capital contribution reserve movements	-	20,833	-	20,833
At 31 March 2020	608,770	20,833	39,098	668,701

The notes on pages 10 to 21 form an integral part of these financial statements.

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020

1 General information

OVO (S) Energy Services Limited ("the Company") is a private company limited by shares and incorporated, domiciled and registered in England and Wales. The registered number is 11046212 and the registered office is 1 Rivergate, Temple Quay, Bristol, BS1 6ED.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

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 financial periods presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101") and the Companies Act 2006 as applicable to companies using FRS 101. The Company transitioned from EU-adopted IFRS to FRS 101 for all periods presented. There were no material amendments on the adoption of FRS 101. These financial statements have been prepared under the historical cost convention.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

OVO Finance Ltd is the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member. The consolidated financial statements of OVO Finance Ltd which include the Company 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.

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

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

2 Accounting policies (continued)

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

- Certain disclosures required by IFRS 13 Fair value measurement and 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 the Company's presentation currency.

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

Change in reporting period

The reporting period for the Company was shortened from 1 April to 31 March previously to 1 April to 31 December in the current period to align with the reporting period for OVO group of companies. The financial statements have been prepared for the period from 1 April 2020 to 31 December 2020. Subsequent periods will end on the same day and month in future years. As a result, the amounts presented in the current period's financial statements are not entirely comparable.

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern

The Company made a profit for the period ended 31 December 2020 and had closing net assets.

These financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future as a result of continued trading with OVO Group companies. The Directors have additionally received confirmation that OVO Group Ltd intend to support the Company for at least 12 months from the date of approval of these financial statements.

The ability of OVO Group Ltd to provide this support has been considered within the OVO Group Ltd financial statements, available on request from the registered office showing in note 1, where the OVO Group Ltd directors concluded that the Group has sufficient liquidity to continue as a going concern.

Under the base case, and the severe downside scenarios considered, the Group has sufficient liquidity to continue as a going concern and is compliant with all financial covenants throughout 2021 and 2022. Accordingly, the Directors have a reasonable expectation that the Group has adequate liquidity, and resources to continue operating for a period of at least 12 months from the date of approval of the financial statements, and therefore the financial statements have been prepared on a going concern basis.

Having considered these matters, the Directors do not believe there are any material uncertainties to disclose in relation to the Company's ability to continue as a going concern.

Exemption from preparing group accounts

These financial statements contain information about OVO (S) Energy Services Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, OVO Finance Ltd, a company incorporated in United Kingdom.

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 April 2020:

- Definition of Material - amendments to IAS 1 and IAS 8
- Definition of a Business - amendments to IFRS 3
- Interest Rate Benchmark Reform - amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

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

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

2 Accounting policies (continued)

Finance income and costs policy

Interest payable and similar expenses comprises interest payable on loans and is recognised in profit or loss using the effective interest method. Interest receivable and similar income comprises interest receivable on funds invested and on loans to group undertakings.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Investments

The Company only policy is that investments in subsidiaries are carried at cost, less any impairment.

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 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.

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

2 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar expense.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the balance sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

2 Accounting policies (continued)

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-

- financial liabilities at amortised cost; or
- financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

As at 31 Decemeber 2020, the Company had no financial assets or liabilities measured at FVTPL or FVTOCI.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

3 Interest receivable and similar income

	Period from 1 April 2020 to 31 December 2020 £ 000	Year ended 31 March 2020 £ 000
Interest receivable from group undertakings	459	-

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

4 Interest payable and similar charges

	Period from 1 April 2020 to 31 December 2020 £ 000	Year ended 31 March 2020 £ 000
Interest payable to group undertakings	-	33,172

5 Staff costs

No staff are directly employed by the Company (Year ended 31 March 2020: none) and no staff costs are recharged to the Company (Year ended 31 March 2020: £nil).

6 Directors' remuneration

The Directors' remuneration and salary costs for the period from 1 April 2020 to 31 December 2020 are recognised in OVO Group Ltd, OVO Energy Ltd and OVO (S) Electricity Limited (Year ended 31 March 2020: other SSE group company until 15 January 2020 and OVO Energy Ltd from 16 January 2020).

The Directors' compensation is paid by OVO Group Ltd, OVO Energy Ltd and OVO (S) Electricity Limited (Year ended 31 March 2020: other SSE group company until 15 January 2020 and OVO Energy Ltd from 16 January 2020), which make no recharge to the entity. The 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 companies 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 and consolidated financial statements of OVO Group Ltd (Year ended 31 March 2020: the consolidated financial statements of OVO (S) Energy Services Ltd).

7 Auditors' remuneration

	Period from 1 April 2020 to 31 December 2020 £ 000	Year ended 31 March 2020 £ 000
Audit of these financial statements	-	500

The Company is exempt from audit for the period from 1 April 2020 to 31 December 2020. There was no audit fee for the period from 1 April 2020 to 31 December 2020. The above audit fee for the year ended 31 March 2020 include total audit fee for the consolidated financial statements of the Company.

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

8 Tax on profit/(loss)

Tax credited in the profit and loss account

	Period from 1 April 2020 to 31 December 2020 £ 000	Year ended 31 March 2020 £ 000
Current taxation		
UK corporation tax	(19)	(2,204)
UK corporation tax adjustment to prior periods	-	(62)
	<u>(19)</u>	<u>(2,266)</u>

The tax on profit/(loss) for the period is lower than the standard rate of corporation tax in the UK (Year ended 31 March 2020 - higher than the standard rate of corporation tax in the UK) of 19% (Year ended: 31 March 2020 - 19%).

The differences are reconciled below:

	Period from 1 April 2020 to 31 December 2020 £ 000	Year ended 31 March 2020 £ 000
Profit/(loss) before tax	<u>347</u>	<u>(33,172)</u>
Corporation tax at standard rate	66	(6,303)
Decrease in current tax from adjustment for prior periods	-	(62)
(Decrease)/increase from effect of expenses not deductible in determining taxable profit/(loss)	<u>(85)</u>	<u>4,099</u>
Total tax credit	<u>(19)</u>	<u>(2,266)</u>

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

9 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 April 2019	933,782
Additions	<u>52,000</u>
At 31 March 2020	<u>985,782</u>
At 1 April 2020	<u>985,782</u>
At 31 December 2020	<u>985,782</u>
Provision	
At 1 April 2019	<u>492,500</u>
At 31 March 2020	<u>492,500</u>
At 1 April 2020	<u>492,500</u>
At 31 December 2020	<u>492,500</u>
Carrying amount	
At 31 December 2020	<u><u>493,282</u></u>
At 31 March 2020	<u><u>493,282</u></u>

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	31 Dec- ember 2020	31 March 2020
OVO Electricity Limited	(S) Supply of electricity to domestic customers in the UK	(i) See below	Ordinary	100%	100%	100%
OVO (S) Gas Limited	The licensed marketing and sale of natural gas to domestic customers in the UK	(i) See below	Ordinary	100%	100%	100%

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

9 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				31 Dec- ember 2020	31 March 2020
OVO (S) Energy Solutions Limited	Manages the installation of energy efficiency measures in domestic properties, mainly social housing	(i) See below	Ordinary	100%	100%
OVO (S) Retail Telecoms Limited	The sale of telephone and broadband connectivity and associated services to consumers in the UK	(i) See below	Ordinary	100%	100%
OVO (S) Metering Limited	Meter reading operations and meter operator work throughout the UK	(ii) See below	Ordinary	100%	100%
OVO (S) Home Services Limited	Provision of a range of boiler, central heating and electrical wiring services, breakdown cover and installation services	(ii) See below	Ordinary	100%	100%

(i) Registered office is 1 Rivergate, Temple Quay, Bristol, England, BS1 6ED, UK.

(ii) Registered office is Grampain House, 200 Dunkeld Road, Perth, Scotland, PH1 3GH, UK.

10 Debtors

	31 December 2020 £ 000	31 March 2020 £ 000
Amounts owed by group undertakings	590,787	161,223
Prepayments	179	-
Other debtors	25	4,475
Corporation tax debtor	2,223	2,204
	<u>593,214</u>	<u>167,902</u>

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

11 Cash at bank and in hand

	31 December 2020 £ 000	31 March 2020 £ 000
Cash at bank	<u>4,557</u>	<u>10,000</u>

12 Creditors: amounts falling due within one year

	31 December 2020 £ 000	31 March 2020 £ 000
Trade creditors	46	-
Amounts due to group undertakings	419,857	400
Other creditors	<u>2,083</u>	<u>2,083</u>
	<u>421,986</u>	<u>2,483</u>

13 Share capital

Allotted, called up and fully paid shares

	31 December 2020 No. 000	£ 000	31 March 2020 No. 000	£ 000
Ordinary shares of £1 each	<u>608,770</u>	<u>608,770</u>	<u>608,770</u>	<u>608,770</u>

Rights, preferences and restrictions

The shares have attached to them full voting, dividend and capital distribution (including on winding up rights); they do not confer any rights of redemption.

Reduction of capital

On 15 January 2020, the Company reduced its capital by 608,770,361 of its own Ordinary share capital at a nominal value of £608,770,361. The Ordinary share capital were reduced for a consideration of £608,770,361 and represent 50% of the called up share capital of that class of share.

New shares allotted

On 12 December 2019, the Company allotted 1,217,270,359 Ordinary Shares having an aggregate nominal value of £1,217,270,359. They were allotted for an aggregate consideration of £1,217,270,359.

14 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 for the period 1 April 2020 to 31 December 2020. The following are related party transactions in the year ended 31 March 2020.

OVO (S) Energy Services Limited

Notes to the Unaudited Financial Statements for the Period from 1 April 2020 to 31 December 2020 (continued)

14 Related party transactions (continued)

Summary of transactions with parent entities

On 15 January 2020, the Company was acquired by OVO Energy Ltd. As at 31 March 2020, the total balance outstanding due from OVO Energy Ltd was £440,482,637. The loan incurred no interest charge on the capital balance.

From 1 April 2019 to 15 January 2020, the Company was owned by SSE plc. As at 31 March 2020, the total balance outstanding with SSE plc was £nil.

Summary of transactions with subsidiaries

As at 31 March 2020, the total balance outstanding due from OVO (S) Electricity Limited was £102,793,201. The loan incurred interest at a charge of 5.06% which was a total interest cost for the year of £786,362.

As at 31 March 2020, the total balance outstanding due to OVO (S) Gas Limited was £359,717,355. The loan incurred interest an charge of 5.06% which was a total interest income for the year of £176,466.

As at 31 March 2020, the total balance outstanding due to OVO (S) Metering Limited was £18,889,445. The loan incurred interest an charge of 5.06% which was a total interest cost for the year of £5,897.

As at 31 March 2020, the total balance outstanding due from OVO (S) Retail Telecoms Limited was £4,809,893. The loan incurred interest an charge of 5.06% which was a total interest cost for the year of £10,112.

As at 31 March 2020, the total balance outstanding due to OVO (S) Home Services Limited was £3,677,890. The loan incurred interest an charge of 5.06% which was a total interest income for the year of £365,556.

As at 31 March 2020, the total balance outstanding due to OVO (S) Energy Solutions Limited was £5,421,773. The loan incurred interest an charge of 5.06% which was a total interest income for the year of £4,226.

15 Parent and ultimate parent undertaking

The Company's immediate parent is OVO Energy Ltd.

The ultimate parent is Imagination Industries Ltd which is the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. These financial statements are available upon request from the registered office at 140-142 Kensington Church Street, London, England, W8 4BN.

The smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is OVO Finance Ltd, which are available upon request from the registered office 1 Rivergate, Temple Quay, Bristol, BS1 6ED.

The ultimate controlling party is Stephen Fitzpatrick.