

Registration number: 11681210

Kantan Ltd.

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2022

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Kantan Ltd.

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Kantan Ltd.

Company Information

Directors	Stephen Fitzpatrick
	Vincent Casey
Registered office	9 Pembridge Road London England W11 3JY

Kantan Ltd.

Directors' Report for the Year Ended 31 December 2022

The Directors present their report and the unaudited financial statements for the year ended 31 December 2022.

The Directors have taken advantage of the exemption from preparing a Strategic report available under section 414B of the Companies Act 2006.

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:

Stephen Fitzpatrick

Vincent Casey

Fouzan Ali (resigned 1 April 2023)

Principal activity

The principal activity of the Company is the provision of home installation and maintenance services via an in-house software application which connects customers with trade professionals.

Financial instruments

The Company is exposed to credit risk on trade and other debtors and is also dependent on other group companies to provide liquidity. 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 do not consider that the Company will be used for any other purpose than that of the principal activity of the business for the foreseeable future.

Research and development

The Company engages in the development of technology solutions to support trade professionals.

Going concern

The Company made a loss for the year ended 31 December 2022 and has net liabilities as at the balance sheet date. 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.

OVO Group Ltd has sufficient liquidity over the full going concern period under both its base case and stress-tested forecast. Accordingly 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.

Subsequent events since the end of the year ended 31 December 2022

There are no subsequent events that have a material impact on these financial statements.

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 year and is currently in force.

Kantan Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

Small companies provision statement

In preparing this report, the Directors have taken advantage of the exemptions provided by section 414B and 415A of the Companies Act 2006.

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 1 September 2023 and signed on its behalf by:



.....
Vincent Casey
Director

Kantan Ltd.

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	3	291,870	-
Cost of sales		<u>(470,894)</u>	<u>-</u>
Gross loss		(179,024)	-
Administrative expenses		(2,580,955)	(2,274,951)
Other operating (expense)/income	4	<u>(14,301)</u>	<u>74,986</u>
Operating loss	5	<u>(2,774,280)</u>	<u>(2,199,965)</u>
Loss before tax		(2,774,280)	(2,199,965)
Tax on loss	8	<u>499,869</u>	<u>585,813</u>
Loss for the financial year		<u><u>(2,274,411)</u></u>	<u><u>(1,614,152)</u></u>

The above results were derived from continuing operations.

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

The notes on pages 7 to 16 form an integral part of these financial statements.

Kantan Ltd.

(Registration number: 11681210)
Balance Sheet as at 31 December 2022

	Note	31 December 2022 £	31 December 2021 £
Fixed assets			
Tangible assets	9	3,155	2,845
Current assets			
Debtors	10	916,101	1,150,721
Cash at bank and in hand	11	<u>36,481</u>	<u>12,424</u>
		952,582	1,163,145
Creditors: Amounts falling due within one year	12	<u>(7,198,040)</u>	<u>(5,133,882)</u>
Net current liabilities		<u>(6,245,458)</u>	<u>(3,970,737)</u>
Total assets less current liabilities		<u>(6,242,303)</u>	<u>(3,967,892)</u>
Net liabilities		<u>(6,242,303)</u>	<u>(3,967,892)</u>
Capital and reserves			
Called up share capital	13	92	92
Profit and loss account		<u>(6,242,395)</u>	<u>(3,967,984)</u>
Total shareholders' deficit		<u>(6,242,303)</u>	<u>(3,967,892)</u>

For the financial year ending 31 December 2022 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 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 accounts.

The financial statements on pages 4 to 16 were approved by the Board on 1 September 2023 and signed on its behalf by:



.....
Vincent Casey
Director

Kantan Ltd.

Statement of Changes in Equity for the Year Ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2022	92	(3,967,984)	(3,967,892)
Loss for the year	<u>-</u>	<u>(2,274,411)</u>	<u>(2,274,411)</u>
Total comprehensive expense		<u>(2,274,411)</u>	<u>(2,274,411)</u>
At 31 December 2022	<u>92</u>	<u>(6,242,395)</u>	<u>(6,242,303)</u>

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2021	91	(2,353,832)	(2,353,741)
Loss for the year	<u>-</u>	<u>(1,614,152)</u>	<u>(1,614,152)</u>
Total comprehensive expense		<u>(1,614,152)</u>	<u>(1,614,152)</u>
New share capital subscribed	<u>1</u>	<u>-</u>	<u>1</u>
At 31 December 2021	<u>92</u>	<u>(3,967,984)</u>	<u>(3,967,892)</u>

The notes on pages 7 to 16 form an integral part of these financial statements.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The nature of the Company's operations and principal activities is set out in the Directors' Report.

The address of its registered office is:
9 Pembridge Road
London
England
W11 3JY
United Kingdom

These financial statements were authorised for issue by the Board on 1 September 2023.

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 for 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.

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

The Company's parent undertaking, OVO Group Ltd, includes the Company in its consolidated financial statements. 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 1 Rivergate, Temple Quay, Bristol, England, BS1 6ED.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

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;
- Comparative period reconciliations for tangible fixed assets;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures in respect of capital management; and
- Related party disclosures.

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

- 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 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.

Going concern

The Company made a loss of for the year ended 31 December 2022 and has net liabilities as at the balance sheet date. 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.

OVO Group Ltd has sufficient liquidity over the full going concern period under both its base case and stress-tested forecast. Accordingly 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.

Changes in accounting policy

New and amended standards adopted by the Company

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

7 Accounting policies (continued)

Revenue recognition

The Company earns revenue from the provision of home installation and maintenance services. Revenue is recognised at a point in time when the performance obligation to the installation or maintenance service is satisfied.

Tax

The tax (credit)/expense for the period comprises current 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.

Tangible assets

Property, plant and equipment is stated in the balance sheet, 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 over their estimated useful lives as follows:

Asset class	Depreciation method and rate
IT hardware equipment	3 years straight line

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.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (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 profit or loss 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 charges.

Borrowings are classified as amounts falling due within one year 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.

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:

	2022	2021
	£	£
Rendering of services	291,870	-

All turnover is generated in the UK.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

4 Other operating (expense)/income

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

	2022	2021
	£	£
(Reversal of)/research and development tax credit	<u>(14,301)</u>	<u>74,986</u>

5 Operating loss

Arrived at after charging

	2022	2021
	£	£
Depreciation expense	<u>-</u>	<u>529</u>

6 Staff costs

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

	2022	2021
	£	£
Wages and salaries	1,436,361	1,342,799
Social security costs	184,897	163,420
Pension costs, defined contribution scheme	<u>37,849</u>	<u>33,258</u>
	<u>1,659,107</u>	<u>1,539,477</u>

The average number of persons who carry out work for the Company (including Directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Technology & business change	<u>16</u>	<u>12</u>

7 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	221,846	210,313
Company contributions to defined contribution pension schemes	<u>10,000</u>	<u>10,000</u>
	<u>231,846</u>	<u>220,313</u>

In respect of the highest paid Director:

Kantan Ltd.

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022
(continued)**

7 Directors' remuneration (continued)

	2022	2021
	£	£
Remuneration	221,846	210,313
Company contributions to defined contribution pension schemes	10,000	10,000
	<u>231,846</u>	<u>220,313</u>

The above value for the financial year was for 1 Director, who was remunerated directly by the Company. The remaining two Directors' remuneration was recognised in OVO Energy Ltd (2021: OVO Energy Ltd). No shares were received or receivable in the year by the Director in respect of qualifying services under the Company's long term incentive scheme (2021: shares were received).

During the year, retirement benefits were accruing to 1 Director (2021: 1) in respect of defined contribution pension schemes.

The other Directors' compensation is paid by OVO Energy Ltd (2021: OVO Energy Ltd), which makes no recharge 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 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 (2021: OVO Energy Ltd).

Kantan Ltd.

**Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022
(continued)**

8 Tax on loss

Tax credited in the profit or loss

	2022 £	2021 £
Current taxation		
Current taxation	(520,558)	(422,740)
Adjustments in respect of prior periods	<u>20,689</u>	<u>(163,073)</u>
	<u>(499,869)</u>	<u>(585,813)</u>

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Loss before tax	<u>(2,774,280)</u>	<u>(2,199,965)</u>
Corporation tax at standard rate	(527,113)	(417,993)
Adjustments in respect of prior periods	20,689	(163,073)
Effect of expenses not deductible in determining tax loss	<u>6,555</u>	<u>(4,747)</u>
Total tax credit	<u>(499,869)</u>	<u>(585,813)</u>

The tax rate for the current year is the same as the prior year.

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 25% increased from the current rate of 19%. This has no impact on these financial statements as the Company has no deferred tax.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

9 Tangible assets

	IT hardware equipment £
Cost	
At 1 January 2022	4,400
Additions	310
At 31 December 2022	4,710
Accumulated depreciation	
At 1 January 2022	1,555
At 31 December 2022	1,555
Carrying amount	
At 31 December 2022	3,155
At 31 December 2021	2,845

10 Debtors

	31 December 2022 £	31 December 2021 £
Prepayments	188,744	-
Income tax asset	650,886	1,100,723
Other debtors	76,471	49,998
	916,101	1,150,721

11 Cash at bank and in hand

	31 December 2022 £	31 December 2021 £
Cash at bank and in hand	36,481	12,424

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

12 Creditors: amount falling due within one year

	31 December 2022 £	31 December 2021 £
Trade creditors	249,067	88,755
Accrued expenses	108,405	344,104
Amounts due to group undertakings	6,836,350	4,695,986
Other creditors	4,218	5,037
	<u>7,198,040</u>	<u>5,133,882</u>

13 Called up share capital

Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
A Ordinary of £0.0001 each	850,000	85.00	850,000	85.00
B1 Ordinary of £0.0001 each	62,500	6.25	62,500	6.25
B2 Ordinary of £0.0001 each	13,000	1.30	13,000	1.30
	<u>925,500</u>	<u>92.55</u>	<u>925,500</u>	<u>92.55</u>

During the year ended 31 December 2021, 13,000 B2 shares were issued for a value of £0.0001 each.

Rights, preferences and restrictions

A Ordinary shares have attached to them full voting rights and full dividend rights. On return of capital, the A Ordinary shares have rights pari passu with B Ordinary shares.

B1 Ordinary shares have attached to them no voting and no dividend rights. On return of capital, the B1 Ordinary shares have rights pari passu with A Ordinary shares.

B2 Ordinary shares have attached to them no voting and no dividend rights. On return of capital, the B2 Ordinary shares have rights pari passu with A Ordinary shares.

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.

Kantan Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

15 Parent and ultimate parent undertaking

The Company's immediate parent is OVO Group Ltd.

As at 31 December 2022, the ultimate parent was 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 9 Pembridge Road, Notting Hill, London, W11 3JY.

The ultimate parent as at the balance sheet date was Imagination Industries Ltd. Following a group restructure on 7 March 2023, Energy Transition Holdings Ltd became the Company's ultimate parent company.

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

The ultimate controlling party is Stephen Fitzpatrick.

16 Subsequent events since the end of the year ended 31 December 2022

There are no subsequent events that have a material impact on these financial statements.