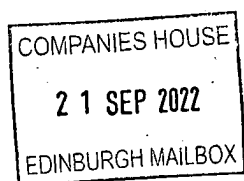


Registration number: SC292102



OVO (S) Home Services Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021



OVO (S) Home Services Limited

Contents

	Page(s)
Company Information	1
Strategic Report	2 to 6
Directors' Report	7 to 11
Profit and Loss Account	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Unaudited Financial Statements	15 to 33

OVO (S) Home Services Limited

Company Information

Directors	Jason Howie Joe Gordon
Registered office	Grampian House 200 Dunkeld Road Perth Scotland PH1 3GH
Registered number	SC292102

OVO (S) Home Services Limited

Strategic Report for the Year Ended 31 December 2021

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

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform shareholders and help them assess how the Directors have performed their duty to promote the success of OVO (S) Home Services Limited.

The Business review sets out the main trends and factors underlying the development and performance of OVO (S) Home Services Limited (the "Company") during the year ended 31 December 2021, as well as those matters which are likely to affect its future development and performance.

1 Business review

The Company provides a range of boiler, central heating and electrical wiring services, breakdown cover and installation services through 3rd party suppliers.

During the year the Company generated revenues of £25.9m (the period from 1 April 2020 to 31 December 2020: £26.2m). The Company made a profit in the year of £4.4m (the period 1 April 2020 to 31 December 2020: a loss of £2.6m). The net liabilities of the Company as at 31 December 2021 were £1.2m (2020: £5.6m).

During the year, the Company's policy book declined by 8%, reflecting the challenge of retaining customers on lower value products bundled with energy tariffs and a strategic decision to reduce customer acquisition activity and prioritise the integration of OVO (S) Home Services Limited with CORGI HomePlan Ltd, a subsidiary within the OVO Group providing similar products and services as the Company.

Although customer numbers reduced during the year, gross margin materially improved as the business saw a full year's benefit of moving from a directly employed field workforce to a fully outsourced subcontractor operating model, a key improvement delivered in 2020 as part of the integration with CORGI HomePlan Ltd.

In February the business commenced a change of underwriter from AmTrust to OVO Group's insurance captive. This transition will take place over 12 months as the customer book renews and represents a key strategic milestone that will improve business flexibility and profitability moving forwards.

Our priorities for the year ahead are to continue to provide excellent customer service and fair outcomes for our customers, progress the integration with CORGI HomePlan Ltd and enhance business performance.

The key risks and uncertainties for OVO (S) Home Services Limited are set out in the Directors Report on page 7.

2 Key performance indicators

The Directors believe that the following indicators will provide shareholders with sufficient information to assess how effectively the Company is performing.

OVO (S) Home Services Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

2 Key performance indicators (continued)

	Unit	Year ended 31 December 2021	Period from 1 April 2020 to 31 December 2020
Customers	Number	174,085	188,492
Turnover	£m	25.9	26.2
Gross profit	£m	16.0	14.6
Adjusted EBITDA*	£m	6.4	5.8

*Earnings before interest, taxation, depreciation, amortisation and exceptional expenses.

3 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.

OVO (S) Home Services Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

3 Section 172 Statement (continued)

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.

Governments and regulators

Our Board members engage regularly with key stakeholders within the UK Government, devolved administrations, respective Parliaments and the regulator. 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.

OVO (S) Home Services Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

3 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.

OVO (S) Home Services Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

3 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.

4 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 15 September 2022 and signed on its behalf by:

Jason Howie

Jason Howie
Director

OVO (S) Home Services Limited

Directors' Report for the Year Ended 31 December 2021

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

Reporting requirements on the Company's business review and its key performance indicators can be found in the Strategic Report on page 2.

1 Principal activities

At 31 December 2021, OVO (S) Home Services Limited is a private company limited by its shares and the Company was a wholly owned subsidiary of OVO (S) Energy Services Limited and part of the OVO Group.

The Company's principal activity during the period was the provision of home services insurance policies and boiler maintenance contracts

2 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 business, to the materiality of the risks inherent in the business, and to the relative costs and benefits of implementing specific controls.

Control is maintained through an organisational 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 which the Company could face have been considered by the Directors are as follows:

- The ability to win and retain customers in a challenging economic climate;
- Speed of technology development to support best practice solutions;
- System or process failure in the Company's operations; and
- Non-compliance with FCA and PRA regulatory requirements.

The Board reviews and agrees 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 the Group Executive Committee. Reports include variance analysis and projected forecasts of the year compared to approved budgets and non-financial performance indicators. There are Company policies in place covering a wide range of issues and risks such as financial authorisations, IT procedures, health, safety and environmental risks, crisis management, and a policy on ethical principles. The effectiveness of the Company's systems of internal control is monitored by the internal audit department which distributes reports and, where appropriate, action plans to senior managers, Directors and the external auditor.

OVO (S) Home Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

3 Financial risk management

The Company's activities expose it to a variety of financial risks including credit risk and liquidity risk. Risk management is carried out by the OVO Group Risk Committee, under policies approved by the Directors and the Group management team.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations.

The Company's principal financial assets are trade and other debtors. The amounts presented in the balance sheet are net of expected credit losses, and the carrying amount of financial assets represents the maximum exposure. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Group management team uses short and long-term cash flow forecasts to manage liquidity risk. Forecasts are supplemented by sensitivity analysis which is used to assess funding adequacy for at least a 12 month period.

4 Results and dividends

The profit for the year ended 31 December 2021 amounted to £4.5m (Period from 1 April 2020 to 31 December 2020: Loss of £2.6m).

The Directors do not recommend the payment of a dividend in the year ended 31 December 2021 (Period from 1 April 2020 to 31 December 2020: £nil).

5 Directors

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

Adrian Letts (resigned 3 September 2021)

David Walter (resigned 30 November 2021)

Thomas Rebel (resigned 12 January 2021)

Jason Howie

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)

In accordance with the Articles of Association of the Company the Directors are not required to retire by rotation.

OVO (S) Home Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

6 Political and charitable donations

The Company did not make any political or charitable donations during the year ended 31 December 2021 (Period from 1 April 2020 to 31 December 2020: £nil).

7 Employee policies

Employee engagement

We aspire to be the leading place to work for people who will change the world. In pursuit of this goal, we regularly engage with our people, and have regard for their interests in our decision making. Employee engagement is further discussed in the Strategic Report under the heading 'Stakeholders'.

Other stakeholder engagement

We have regard for our business relationships with suppliers, customers and other stakeholders, and take formal consideration of any stakeholders which are relevant to any major decisions taken by the Board throughout the period. Other stakeholder engagement is further discussed in the Strategic Report under the heading 'Stakeholders'.

Employment of disabled persons

One of the Company's core values is treating people fairly, giving equal opportunities to all employees and applicants. The Company ensures all employees get the same chances for training, development and career progression depending on their performance, including any disabled employees. If an employee becomes disabled whilst in employment, the Company will make every effort to give the employee suitable responsibilities with reasonable adjustments in their current role, in line with the Equality Act 2010. Where this is not possible, the Company will try to find the employee another role within OVO and provide additional training (as necessary).

8 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 last financial period and is currently in force.

OVO (S) Home Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

9 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.

10 Future developments

The Company will continue its integration within the OVO Group which will see customers migrated to CORGI HomePlan Ltd over time.

OVO (S) Home Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

11 Statement of Directors' responsibilities

The Directors acknowledge their responsibilities for preparing the Strategic report, Directors' 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 responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard 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

Jason Howie
Director

OVO (S) Home Services Limited

Profit and Loss Account for the Year Ended 31 December 2021

		Total	Underlying Period from 1 April 2020 to 31 December 2020 £ m	Exceptional Period from 1 April 2020 to 31 December 2020* £ m	Total Period from 1 April 2020 to 31 December 2020 £ m
	Note	Year ended 31 December 2021 £ m			
Turnover	4	25.9	26.2	-	26.2
Cost of sales		<u>(9.9)</u>	<u>(11.6)</u>	<u>-</u>	<u>(11.6)</u>
Gross profit		16.0	14.6	-	14.6
Administrative expenses		(10.2)	(9.5)	(8.1)	(17.6)
Other operating income	5	<u>-</u>	<u>0.5</u>	<u>-</u>	<u>0.5</u>
Operating profit/(loss)	6	5.8	5.6	(8.1)	(2.5)
Interest payable and similar expenses	8	<u>(0.3)</u>	<u>(0.6)</u>	<u>-</u>	<u>(0.6)</u>
Profit/(loss) before tax		5.5	5.0	(8.1)	(3.1)
Tax on profit/(loss)	10	<u>(1.1)</u>	<u>(1.0)</u>	<u>1.5</u>	<u>0.5</u>
Profit/(loss) for the financial year		<u><u>4.4</u></u>	<u><u>4.0</u></u>	<u><u>(6.6)</u></u>	<u><u>(2.6)</u></u>

The above results were derived from continuing operations.

* Refer to Note 7 for details of exceptional items.

Total other comprehensive income

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

The notes on pages 15 to 33 form an integral part of these financial statements.

OVO (S) Home Services Limited
(Registration number: SC292102)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £ m	31 December 2020 £ m
Fixed assets			
Right-of-use assets	11	-	0.7
Current assets			
Debtors	12	9.0	28.4
Creditors: Amounts falling due within one year	13	<u>(10.0)</u>	<u>(34.4)</u>
Net current liabilities		<u>(1.0)</u>	<u>(6.0)</u>
Total assets less current liabilities		(1.0)	(5.3)
Creditors: Amounts falling due after more than one year	14	-	(0.1)
Provisions for liabilities	16	<u>(0.2)</u>	<u>(0.2)</u>
Net liabilities		<u>(1.2)</u>	<u>(5.6)</u>
Capital and reserves			
Called up share capital	17	-	-
Capital contribution reserve		83.9	83.9
Profit and loss account		<u>(85.1)</u>	<u>(89.5)</u>
Total shareholders' deficit		<u>(1.2)</u>	<u>(5.6)</u>

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 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 12 to 33 were approved by the Board on 15 September 2022 and signed on its behalf by:

Jason Howie

Jason Howie
Director

OVO (S) Home Services Limited

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

	Capital contribution reserve £ m	Accumulated losses £ m	Total £ m
At 1 April 2020	83.9	(86.9)	(3.0)
Loss for the year	<u>-</u>	<u>(2.6)</u>	<u>(2.6)</u>
Total comprehensive expense	<u>-</u>	<u>(2.6)</u>	<u>(2.6)</u>
At 31 December 2020	<u><u>83.9</u></u>	<u><u>(89.5)</u></u>	<u><u>(5.6)</u></u>

	Capital contribution reserve £ m	Accumulated losses £ m	Total £ m
At 1 January 2021	83.9	(89.5)	(5.6)
Profit for the year	<u>-</u>	<u>4.4</u>	<u>4.4</u>
Total comprehensive income	<u>-</u>	<u>4.4</u>	<u>4.4</u>
At 31 December 2021	<u><u>83.9</u></u>	<u><u>(85.1)</u></u>	<u><u>(1.2)</u></u>

The notes on pages 15 to 33 form an integral part of these financial statements.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

1 General information

OVO (S) Home Services Limited ("the Company") is a private company limited by share capital, and incorporated and domiciled in the United Kingdom. The registered number is SC292102.

The address of its registered office is:

Grampian House
200 Dunkeld Road
Perth
Scotland
PH1 3GH
United Kingdom

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.

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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (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;
- Comparative period reconciliations for tangible 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.

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:

- Certain disclosures required by IFRS 13-Fair value measurement and the disclosures required by IFRS 7 Financial instrument 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 these 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 3.

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 0.1 million (£ m) except where otherwise stated.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Revenue recognition

Recognition

The company earns revenue from the sale of boiler services and breakdown 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 underwriter. 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. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

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.

Accrued income and receivables

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).

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Deferred revenue

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.

Exceptional items

Exceptional items are those charges or credits that are considered unusual by nature and/or scale and of such significance that separate disclosure is required for the financial statements to be properly understood. The trigger points for exceptional items will tend to be non-recurring.

Government grants

Grants from the government are recognised in the profit and loss account over the period 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 the profit and loss account as it accrues, using the effective interest method.

Tax

The charge/(credit) for taxation is based on the profit/(loss) for the period and takes into account deferred taxation.

Current tax, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

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 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 differences can be utilised.

Tangible assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairments. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for as separate items of property, plant and equipment, and depreciated accordingly.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is provided on tangible fixed assets to write off costs, less residual values, on a straight-line basis over their estimated operational lives as follows:

Asset class	Depreciation method and rate
Right-of-use assets	Over the term of the lease

Trade debtors

Trade debtors are amounts due from customers for merchandise 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 fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtors.

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.

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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

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.

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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Impairment of non-financial assets

Non-financial assets 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.

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 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key estimate made in the preparation of these financial statements is in respect of the profit share arising on the breakdown cover insurance contract. The Company has made an estimate of the profit share it is entitled to based on insurance premiums collected and claims made by customers to date. The final outcome of this arrangement will not be known until subsequent periods. At 31 December 2021, the Company has accrued a receivable of £3.4m (31 December 2020: £2.3m), and although this full amount is at risk, based on performance post year end, the Directors believe there is more upside potential than risk.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

4 Turnover

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

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Services	9.1	6.9
Commissions	12.2	13.1
Breakdown recovery	4.6	3.0
Installations	-	1.3
Other	-	1.9
	<u>25.9</u>	<u>26.2</u>

Other income includes revenue from propositions, upgrade work and on-demand breakdowns and services. 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.

5 Other operating income

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

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Government grants	-	0.5

Government grants relate to grants in respect of furloughed employees under the Coronavirus Job Retention Scheme. During the period from 1 April 2020 to 31 December 2020, 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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

6 Operating profit/(loss)

Arrived at after charging:

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Depreciation expense - right-of-use assets	0.6	0.2
Impairment of financial asset	-	0.6

7 Exceptional items

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Restructuring costs	-	8.1
Exceptional included within operating profit/(loss)	-	8.1
Exceptional included within profit/(loss) before tax	-	8.1
Net taxation on exceptional items	-	1.5

Restructuring costs

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. The amount also included £0.9m relating to fleet termination and van write-off costs as a result of the restructuring.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

7 Exceptional items (continued)

Adjusted EBITDA

Management reported adjusted EBITDA in the annual report as management considers it provides additional useful information on business performance and underlying trends. It is also the primary measure management use to monitor performance internally and is also reported to our lenders as part of covenants reporting.

Adjusted EBITDA is a non-GAAP measure and is not defined by IFRS. The presentation of APMs is a judgment and policy choice made by management and therefore, not comparable.

Adjusted EBITDA is defined as operating profit/(loss), after adjusting for depreciation and amortisation and items that are deemed unusual in nature and of significance.

A reconciliation of the adjusted performance measure to operating profit/(loss) is shown below.

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Operating profit/(loss)	5.8	(2.5)
Exceptional items	-	8.1
Depreciation of right-of-use assets	0.6	0.2
Adjusted EBITDA	<u><u>6.4</u></u>	<u><u>5.8</u></u>

8 Interest payable and similar expenses

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Interest payable to group undertakings	0.3	0.4
Interest expense on leases	-	0.2
	<u><u>0.3</u></u>	<u><u>0.6</u></u>

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

9 Staff costs

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

	Year ended 31 December 2021 £ m	Restated Period from 1 April 2020 to 31 December 2020 £ m
Wages and salaries	3.7	3.1
Social security costs	0.3	0.3
Pension costs, defined contribution scheme	0.3	0.4
	<u>4.3</u>	<u>3.8</u>

Prior year payroll costs have been restated in the current year as certain costs were incorrectly included and excluded from the disclosure.

The majority of the Company's employees are members of defined contribution pension arrangements. A small number of employees are members of a multi-employer defined benefit Electricity Supply Pension Scheme (ESPS). The Company's contribution to this scheme have been treated as contributions to a defined contribution scheme in these financial statements. Further information in relation to the defined benefit pension scheme is included in the financial statements of OVO (S) Electricity Limited.

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

	Year ended 31 December 2021 No.	Restated Period from 1 April 2020 to 31 December 2020 No.
People & operations	118	111
Technology & business change	1	-
Commercial & finance	4	1
	<u>123.0</u>	<u>112.0</u>

Prior year employee numbers have been restated in the current year as the numbers incorrectly included persons under contracts for services. The categories of employees in the prior year have also been restated to better reflect how management regards company activities are organised.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

9 Staff costs (continued)

Directors' remuneration

The Directors are remunerated via other OVO group companies. The Directors' compensation paid by other OVO group companies 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, OVO (S) Electricity Limited, Corgi Homeplan Ltd and the consolidated financial statements of OVO Group Ltd.

10 Tax on profit/(loss)

Tax charged/(credited) in the profit and loss account

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Current taxation		
UK corporation tax	<u>1.1</u>	<u>(0.5)</u>

The tax on profit/(loss) before tax for the year ended 31 December 2021 is the same as the standard rate of corporation tax in the UK of 19% (Period from 1 April 2020 to 31 December 2020 - lower than the standard rate of corporation tax in the UK of 19%).

The differences are reconciled below:

	Year ended 31 December 2021 £ m	Period from 1 April 2020 to 31 December 2020 £ m
Profit/(loss) before tax	<u>5.5</u>	<u>(3.1)</u>
Corporation tax at standard rate	1.0	(0.6)
Increase from effect of expenses not deductible in determining taxable profit	-	0.1
Increase from transfer pricing adjustments	<u>0.1</u>	<u>-</u>
Total tax charge/(credit)	<u>1.1</u>	<u>(0.5)</u>

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%.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 **(continued)**

11 Right-of-use assets

	Vehicles £ m	Total £ m
Cost or valuation		
At 1 April 2020	2.4	2.4
Modification	<u>(0.9)</u>	<u>(0.9)</u>
At 31 December 2020	<u>1.5</u>	<u>1.5</u>
At 1 January 2021	1.5	1.5
Modification	<u>(0.1)</u>	<u>(0.1)</u>
At 31 December 2021	<u>1.4</u>	<u>1.4</u>
Accumulated depreciation		
At 1 April 2020	0.6	0.6
Charge for period	<u>0.2</u>	<u>0.2</u>
At 31 December 2020	<u>0.8</u>	<u>0.8</u>
At 1 January 2021	0.8	0.8
Charge for the year	<u>0.6</u>	<u>0.6</u>
At 31 December 2021	<u>1.4</u>	<u>1.4</u>
Carrying amount		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>0.7</u>	<u>0.7</u>

12 Debtors

	31 December 2021 £ m	31 December 2020 £ m
Trade debtors	-	0.9
Amounts owed by group undertakings	-	17.8
Accrued income	2.6	4.5
Corporation tax debtor	1.1	0.2
Corporation tax - group relief receivable	-	2.2
Other debtors	<u>5.3</u>	<u>2.8</u>
	<u>9.0</u>	<u>28.4</u>

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

12 Debtors (continued)

Amounts owed by group undertakings have decreased significantly in the year ended 31 December 2021 due to intercompany loans rationalisation within the Group.

13 Creditors: Amounts falling due within one year

	31 December 2021 £ m	31 December 2020 £ m
Bank overdrafts	0.3	-
Trade creditors	-	0.3
Accrued expenses	0.7	1.2
Amounts due to group undertakings	8.1	31.9
Social security and other taxes	-	0.1
Other creditors	0.5	0.1
Deferred income	0.4	0.8
	<u>10.0</u>	<u>34.4</u>

Amounts due to group undertakings have decreased significantly in the year ended 31 December 2021 due to intercompany loans rationalisation within the Group.

14 Creditors: Amounts falling due after more than one year

	31 December 2021 £ m	31 December 2020 £ m
Non-current lease liabilities	<u>-</u>	<u>0.1</u>

15 Leases

Leases included in creditors

	31 December 2021 £ m	31 December 2020 £ m
Non-current lease liabilities	<u>-</u>	<u>0.1</u>
	<u>-</u>	<u>0.1</u>

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

15 Leases (continued)

Lease liabilities maturity analysis

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

	31 December 2021 £ m	31 December 2020 £ m
Less than one year	-	0.1
Between one and five years	-	0.1
Total lease liabilities (undiscounted)	<u>-</u>	<u>0.2</u>

The Company leases motor vehicles. The balance sheet amounts relating to leases are shown within Note 11 Right-of-use assets.

The current period interest expense on lease liabilities (included in interest payable and similar expenses) was £nil (Period from 1 April 2020 to 31 December 2020: £0.2m).

Total cash outflows for leases for the year ended 31 December 2021 was £0.1m (Period from 1 April 2020 to 31 December 2020: £0.7m).

16 Provisions for liabilities

	Restructuring provision £ m	Other provisions £ m	Total £ m
At 1 January 2021	0.2	-	0.2
Additional provisions	-	0.2	0.2
Utilised during the period	(0.1)	-	(0.1)
Decrease from transfers and other changes	(0.1)	-	(0.1)
At 31 December 2021	<u>-</u>	<u>0.2</u>	<u>0.2</u>
Current liabilities	<u>-</u>	<u>0.2</u>	<u>0.2</u>

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.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

17 Called up share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	£	No.	£
Ordinary Shares of £1 each	100	100	100	100

Rights, preferences and restrictions

The shares have attached to them full voting rights.

18 Capital contribution reserve

On 17 April 2017, the Company received a subordinated loan of £87.6m from its parent SSE plc, which was used to repay amounts owed to other Group companies. The loan was provided at below market interest rate, therefore the Company treated £2.5m of forgiven interest as a capital contribution. On 28 March 2018 SSE plc waived repayment of £80.0m of this loan, which has been treated as a capital contribution. On the same date the Company received a further subordinated loan of £12.0m from OVO (S) Energy Services Limited, which it used to repay the balance of the SSE plc subordinated loan. The loan was provided at below market rate, therefore the Company treated £1.4m of forgiven interest as a capital contribution.

19 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 amounted to £0.3m (Period from 1 April 2020 to 31 December 2020: £0.4m).

The majority of the Company's employees are members of defined contribution pension arrangements. A small number of employees are members of a multi-employer defined benefit Electricity Supply Pension Scheme (ESPS). The Company's contribution to this scheme have been treated as contributions to a defined contribution scheme in these financial statements. Further information in relation to the defined benefit pension scheme is included in the financial statements of OVO (S) Electricity Limited.

OVO (S) Home Services Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

20 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.

21 Parent and ultimate parent undertaking

The Company's immediate parent is OVO (S) Energy Services Limited.

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 9 Pembridge Road, Notting Hill, London, England, W11 3JY.

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, England, BS1 6ED.

The ultimate controlling party is Stephen Fitzpatrick.