Registration number: SC358475

Corgi Homeplan Ltd

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Corgi Homeplan Ltd

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Corgi Homeplan Ltd

Company Information

Directors	Vincent Casey Thomas Rebel Jason Howie
Registered office	1 Masterton Park South Castle Drive Dunfermline Fife Scotland KY11 8NX
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

Corgi Homeplan Ltd

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Fair review of the business

The Company's principal activity during the period was the retailing of 'home services' such as gas boiler, central heating and electrical plumbing maintenance plans. During the year, the company grew the 'home services' policy book from 156,215 to 159,753 policies, with 3,538 net policy additions in the period, a growth of 2.3%. The principal strategy for the year was centred around transforming the business through investment in system technology, senior management and support functions to create the capability for the business to grow in future years. In order to support this strategy CORGI HomePlan have tested new marketing channels such as Digital and also seen progress on cross-selling to OVO Energy's customer base.

The Company plans to continue investing through system capability and product growth to enhance its competitive position in the markets. For 2018, CLCB Holdings Limited generated profits of £4,768,000 with net assets of £5,849,000.

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

	Unit	2018	2017
Total homeplan policies	Policy	159,753	156,215

Principal risks and uncertainties

The directors acknowledge that they have responsibility for the Company's systems and internal control and risk management and for monitoring their effectiveness. The purpose 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 and to the relative costs and benefits of implementing specific controls.

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

The main risks that the company could face have been considered by the directors as follows:

• Compliance with FCA regulations, Appointed Representative Deed and Lloyds and RSA Coverholder Agreements;
• The ability to win and retain customers;
• Speed of technology development to support best practice solutions; and
• Process failure in the company's operations

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

Approved by the Board on 5 August 2019 and signed on its behalf by:

....
Vincent Casey
Director

Corgi Homeplan Ltd

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Directors' of the company
The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Vincent Casey (appointed 21 February 2018)

Thomas Rebel (appointed 25 June 2018)

Thomas Hatfield (appointed 21 February 2018 and resigned 12 July 2019)

Peter Southcott (resigned 20 February 2019)

Alan Stevenson (appointed 21 February 2018 and resigned 5 March 2018)

Mark Leslie (resigned 26 February 2018)

Neil Carnaffan (resigned 11 July 2019)

The following director was appointed after the year end:

Jason Howie (appointed 16 April 2019)

Dividend
The directors propose a dividend for the current year of £nil (2017: 7,069,000).

Financial instruments

Objectives and policies

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 and cash flow risk, as discussed in note 15 of the financial statements.

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 isn't possible, the Company will try to find the employee another role within OVO Group and provide additional training (as necessary).

Employee involvement
The Company actively encourages employee involvement throughout the organisation. The company holds regular company wide briefings where the latest information is shared, including financial and economic factors that affect the performance of the company. Employee performance and development is reviewed on a quarterly basis and ensured it is in line with the overall company's objectives. The Company's employee forum is chaired by its employees for its employees.

Going concern
The Company made a profit for the period ending 31 December 2018 and has net assets. The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Corgi Homeplan Ltd

Directors' Report for the Year Ended 31 December 2018 (continued)

Directors' liabilities

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

Statement of Directors' Responsibilities in respect of the financial statements

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

The financial statements on pages 8 to 36 were approved by the Board of Directors on 5 August 2019 and signed on its behalf by:

....

Vincent Casey
Director

Independent Auditors' Report to the Members of Corgi Homeplan Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Corgi Homeplan Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flowsfor the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Income Statement, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Reporting on other information (continued)
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Independent Auditors' Report to the Members of Corgi Homeplan Ltd (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

KE Finn

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Katharine Finn (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors

2 Glass Wharf
Bristol
BS2 0FR

5 August 2019

Corgi Homeplan Ltd

Income Statement for the Year Ended 31 December 2018

	Note	2018 £ 000	14 *month* period ended 31 December 2017 £ 000
Revenue	3	19,784	19,257
Cost of sales		(4,277)	(7,368)
Gross profit		15,507	11,889
Administrative expenses		(10,718)	(7,375)
Operating profit	4	4,789	4,514
Finance income		97	12
Finance costs		(122)	(133)
Net finance (costs)/income	5	(25)	(121)
Profit before tax		4,764	4,393
Income tax receipt/(expense)	8	259	(616)
Profit for the year		5,023	3,777

The above results were derived from continuing operations.

There is no other comprehensive income other than the profit for the year.

Corgi Homeplan Ltd

(Registration number: SC358475)
Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 £ 000	31 December 2017 £ 000
Assets			
Non-current assets			
Property, plant and equipment	9	342	118
Current assets			
Trade and other receivables	10	10,275	3,987
Income tax asset		408	72
Cash and cash equivalents	11	1,117	1,687
		11,800	5,746
Total assets		12,142	5,864
Current liabilities			
Trade and other payables	14	(4,033)	(2,797)
Deferred income		(2,002)	(1,964)
		(6,035)	(4,761)
Non-current liabilities			
Deferred tax liabilities	8	-	(19)
Total liabilities		(6,035)	(4,780)
Net assets		6,107	1,084
Equity			
Share capital	12	-	-
Retained earnings		6,107	1,084
Total equity		6,107	1,084

The financial statements on pages 8 to 36 were approved by the Board on 5 August 2019 and signed on its behalf by:

....
Vincent Casey
Director

Corgi Homeplan Ltd

Statement of Changes in Equity for the Year Ended 31 December 2018

	Retained earnings £ 000	Total £ 000
At 1 January 2018	1,084	1,084
Profit for the year	5,023	5,023
At 31 December 2018	6,107	6,107

	Retained earnings £ 000	Total £ 000
At 1 November 2016	4,376	4,376
Profit for the period	3,777	3,777
Dividends	(7,069)	(7,069)
At 31 December 2017	1,084	1,084

The notes on pages 12 to 36 form an integral part of these financial statements.

Corgi Homeplan Ltd

Statement of Cash Flows for the Year Ended 31 December 2018

	Note	31 December 2018 £ 000	14 month period ended 31 December 2017 £ 000
Cash flows from operating activities			
Profit for the year		5,023	3,777
Adjustments to cash flows from non-cash items			
Depreciation	4	89	67
Finance income	5	(97)	(12)
Finance costs	5	122	133
Income tax (receipt)/expense	8	(259)	616
		4,878	4,581
Working capital adjustments			
Increase in trade and other receivables	10	(6,288)	(1,252)
Increase in trade and other payables	14	1,218	541
Increase in deferred income, including government grants		38	1,964
Cash (used in)/generated from operations		(154)	5,834
Income taxes paid	8	(77)	(1,493)
Net cash flow (used in)/generated from operating activities		(231)	4,341
Cash flows from investing activities			
Interest received	5	97	12
Acquisitions of property plant and equipment		(314)	(41)
Net cash flows used in investing activities		(217)	(29)
Cash flows from financing activities			
Interest paid	5	(122)	(133)
Dividends paid		-	(7,069)
Net cash flows used in financing activities		(122)	(7,202)
Net decrease in cash and cash equivalents		(570)	(2,890)
Cash and cash equivalents at opening		1,687	4,577
Cash and cash equivalents at closing		1,117	1,687

The notes on pages 12 to 36 form an integral part of these financial statements.

Corgi Homeplan Ltd

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

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

These financial statements were authorised for issue by the Board on 5 August 2019.

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.

Critical accounting judgements and key sources of estimation uncertainty
The key estimates and judgements made by the directors in the preparation of the financial statements are in respect of impairment of trade receivables and recognition of deferred tax assets.

Deferred tax assets
Deferred tax assets are only recognised when it is considered more likely than not that the Group will make future taxable profits against which the deferred tax asset can be utilised. Having assessed the level of profits made by the Group since the year end and forecasts of revenue and costs for the coming years, the directors believe it is probable that the Group will generate sustainable profits and therefore a deferred tax asset has been recognised.

Impairment of trade receivables
Impairments against trade receivables are recognised where the loss is probable. The Directors have based their assessment of the level of impairment on collection rates experienced by the Group to date. The estimates and assumptions used to determine the level of provision will continue to be reviewed periodically and could lead to changes in the impairment provision methodology which would impact the income statement in future years.

Basis of preparation
The Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

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 group'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 the 'Critical accounting estimates and judgements ' section above.

2 Accounting policies (continued)

The financial statements are presented in 'Pounds Sterling' (£), which is the Company's functional and the Company's presentation currency.

Going concern

The company made a profit for the period ended 31 December 2018 and has net assets. The financial statements have been prepared on a going concern basis. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Imagination Industries Ltd.

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2018 and have had an effect on the financial statements:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.The Group applied the modified retrospective approach for IFRS 15 as a transition method for first-time application as of 1 January 2018. Prior year figures have not been restated following an assessment performed by management concluding the impact to be immaterial. Management have concluded the inpact of the application of the new standard to have an immaterial impact on the current year.

2 Accounting policies (continued)

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.The Group applied IFRS 9 retrospectively, with an initial application date of 1 January 2018.

The Group has not restated the comparative information, which continues to be reported under IAS 39.

IFRS 9 includes new rules for classifying financial instruments, which basically envisage four valuation categories:
- Debt instruments measured at amortised cost
- Debt instruments measured at fair value through other comprehensive income, the changes in value of which are recognised with an effect on income (recycling) upon disposal
- Equity instruments measured at fair value through other comprehensive income, the changes in value of which remain in equity and are not recognised in profit or loss (no recycling) upon disposal
- Financial instruments measured at fair value through profit or loss

Financial receivables which were classified in the category 'Loans and receivables' pursuant to IAS 39 are now assigned to the category 'Financial assets measured at fair value through profit or loss' due to the first time application of IFRS 9, as the contractually agreed cash flows from these financial instruments do not solely consist of interest and principal on the outstanding capital amount. IFRS 9 also contains new regulations on the impairment of financial assets, which stipulate that such be based on expected losses.

The adoption of IFRS 9 has not changed the Group's accounting for impairment losses for financial assets, the Company previously calculated a provision for impairment under IAS 39 based on an expected credit loss approach using a provision matrix. The new standard has not had a material effect on the Group's impairment provision.

Other Standards

None of the other standards, interpretations and amendments effective for the first time from January 2018 have had a material effect on the financial statements.

IFRS 16 Leases

In January 2016, the IASB published the accounting standard IFRS 16, "Leases," which replaces the previous standard IAS 17, "Leases," and IFRIC 4, "Determining Whether an Arrangement Contains a Lease". IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

2 Accounting policies (continued)

The group will apply the standard from its mandatory adoption date of 1 January 2019. The group plans to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The first-time application of the standard will lead to an increase in both property, plant and equipment (accounting for the rights of use) and financial liabilities (recognition of the corresponding lease liabilities) in the balance sheet, particularly taking into account the financial obligations arising from operating leases reported under Note 17. Taking into account existing accruals and deferrals, the net impact of the transition on the balance sheet is expected to be immaterial.

Other Standards
None of the other standards, interpretations and amendments which are effective for periods beginning after 1 January 2018 and which have not been adopted early, are expected to have a material effect on the financial statements.

Revenue recognition

Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Group.

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

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.

Contract assets and receivables

Contract asset is the right to consideration in exchange for goods or services provided to the customer. If the Group provides goods or services to a customer before the customer pays consideration or before payment is due, a contract asset, accrued income, is recognised for the earned consideration that is conditional.

A receivable represents the Group'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).

2 Accounting policies (continued)

Contract liabilities

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

Net basis of measurement of contract balances

Contract asset and contract liability 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 contract assets and liabilities are inter-dependent and if so, contract balances are reported net.

Finance income and costs policy

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

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

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

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

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

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

2 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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

Asset class	Depreciation method and rate
Leasehold improvements	Period of the lease
Office equipment	3 - 5 years straight line
Computer equipment	3 years straight line

Cash and cash equivalents

Cash and cash equivalents 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 receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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 payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2 Accounting policies (continued)

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

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

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

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 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.

Financial assets
Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables'and 'cash and cash equivalents' in the balance sheet.

2 Accounting policies (continued)

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date; the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Cost of sales' in the period in which they arise.

Impairment
(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

2 Accounting policies (continued)

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

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

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

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

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

Financial assets are classified into one of the following three categories:-
· financial assets at amortised cost;
· financial assets at fair value through other comprehensive income (FVTOCI); or
· financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-
· financial liabilities at amortised cost; or
· financial liabilities at fair value through the profit or loss (FVTPL).

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

2 Accounting policies (continued)

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVPTL:-
· the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the statement of income.

Financial assets at fair value through the profit or loss (FVTPL)
Financial assets not otherwise classified above are classified and measured as FVTPL.

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

Financial liabilities at fair value through the profit or loss
Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

2 Accounting policies (continued)

Derecognition

Financial assets

The company derecognises a financial asset when;
- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as FVTOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the company is recognised as a separate asset or liability.

The company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

When the company derecognises transferred financial assets in their entirety, but has continuing involvement in them then the entity should disclose for each type of continuing involvement at the reporting date:

(a) The carrying amount of the assets and liabilities that are recognised in the entity's statement of financial position and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which those assets and liabilities are recognised.

(b) The fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets;

(c) The amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and how the maximum exposure to loss is determined

(d) The undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee for the transferred assets

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

2 Accounting policies (continued)

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Financial liabilities

If the terms of a financial liabilities are modified, the company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

2 Accounting policies (continued)

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVPTL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

The company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the company recognises the lifetime ECL.

The company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the company on terms that the company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company, or economic conditions that correlate with defaults in the company.

2 Accounting policies (continued)

For trade receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2018 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Derivative financial instruments
Derivative financial instruments are contracts, the value of which is derived from one or more underlying financial instruments or indices, and include futures, forwards, swaps and options in the interest rate, foreign exchange, equity and credit markets.

Derivative financial instruments are recognised in the statement of financial position at fair value. Fair values are derived from prevailing market prices, discounted cash flow models or option pricing models as appropriate.

In statement of financial position, derivative financial instruments with positive fair values (unrealised gains) are included as assets and derivative financial instruments with negative fair values (unrealised losses) are included as liabilities.

The changes in the fair values of derivative financial instruments entered into for trading purposes are included in trading income.

Hedge accounting
Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets and liabilities.

The company designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the company formally documents the relationship between the hedging instruments and hedge items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The company makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting that changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated.

These hedging relationships are discussed below.

2 Accounting policies (continued)

Fair value hedges

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised assets or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss, together with changes in the fair value of the hedged item that are attributable to the hedged risk (in the same line item in the statement of profit or loss and OCI as the hedged item).

If hedging derivatives expire or are sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. However, if the derivative is novated to a central clearing counterparty by both parties as a consequence of laws or regulations without changes in its terms except for those that are necessary for the novation, then the derivative is not considered expired or terminated.#

Any adjustment up to the point of discontinuation of a hedged item for which the effective interest method is used is amortised to profit of loss as part of the recalculated effective interest rate of the item over its remaining life.

Cash flow hedges

The company makes an assessment for a cash flow hedge of a forecast transaction, of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, then the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. However, if the derivative is novated to a central clearing counterparty by both parties as a consequence of laws or regulations without changes in its terms except for those that are necessary for the novation, then the derivative is not considered expired or terminated.

Hedges of a net investment in a foreign operation

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a foreign investment, the effective portion of changes in the fair value of the hedging instrument is recognised in OCI and presented as a separate reserve within equity.

Any ineffective portion of the changes in the fair value of the hedge instrument is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign investment.

2 Accounting policies (continued)

Accounting estimates and assumptions
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and assumptions is principally limited to the determination of provisions for impairment, the valuation of financial instruments and as explained in more detail below:-

Provisions for impairment
In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Fair value of financial assets and liabilities
Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of judgement is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £ 000	14 month period ended December 2017 £ 000
Servicing and Commission Income	19,784	19,257

4 Operating profit

Arrived at after charging

	2018 £ 000	14 month period ended December 2017 £ 000
Depreciation expense	89	67
Operating lease expense - property	49	70

5 Net finance costs

	2018 £ 000	14 month period ended December 2017 £ 000
Finance income		
Interest income on bank deposits	5	8
Other finance income	92	4
Total finance income	97	12
Finance costs		
Interest on bank overdrafts and borrowings	(16)	(84)
Other finance costs	(106)	(49)
Total finance costs	(122)	(133)
Net finance costs	(25)	(121)

6 Staff costs

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

	2018 £ 000	14 month period ended December 2017 £ 000
Wages and salaries	3,011	3,589
Social security costs	253	222
Other Pension costs	91	36
	3,355	3,847

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

	2018 No.	2017 No.
Sales, marketing and distribution	118	93
Administrative	2	2
Management	5	5
	125	100

6 Staff costs (continued)

The Directors' remuneration and salary cost for 2018 is recognised in OVO Group Ltd. No salary cost was recharged for their services. The Directors emoluments for OVO Group Ltd for the year ended 31 December 2018 was £624,857 (2017: £233,000). The highest paid Director's emoluments totalled £280,301 (2017: £233,000).

The Directors of the Group are deemed to be the key management personnel.

7 Auditors' remuneration

Fees for the audit of £18,500 (14 month period ended 31 December 2017: £25,000) and taxation services of £nil (14 month period ended 31 December 2017: £5,000) are now borne by Ovo Energy Ltd.

8 Income tax receipt/(expense)

Tax (credited)/charged in the income statement

	2018 £ 000	14 month period ended December 2017 £ 000
Current taxation		
UK corporation tax	(1)	621
UK corporation tax adjustment to prior periods	(239)	-
	(240)	621
Deferred taxation		
Arising from origination and reversal of temporary differences	(19)	(5)
Tax (receipt)/expense in the income statement	(259)	616

The tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

8 Income tax receipt/(expense) (continued)

	2018 £ 000	14 month period ended December 2017 £ 000
Profit before tax	4,764	4,393
Corporation tax at standard rate	905	846
Increase (decrease) in current tax from adjustment for prior periods	(259)	-
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	-	(2)
Group loss relief received without payment	(905)	(233)
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	-	5
Total tax (credit)/charge	(259)	616

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Deferred tax

Deferred tax assets and liabilities

2017	Liability £ 000
Accelerated tax depreciation	(19)

Deferred tax movement during the year:

	At 1 January 2018 £ 000	Recognised in income £ 000	At 31 December 2018 £ 000
Accelerated tax depreciation	(19)	19	-

Deferred tax movement during the prior period:

	At 1 November 2016 £ 000	Recognised in income £ 000	At 31 December 2017 £ 000
Accelerated tax depreciation	(24)	5	(19)

9 Property, plant and equipment

	Leasehold improvements £ 000	Office Equipment £ 000	Computer equipment £ 000	Total £ 000
Cost or valuation				
At 1 November 2016	32	185	122	339
Additions	-	27	14	41
Disposals	(9)	(13)	(3)	(25)
At 31 December 2017	23	199	133	355
Additions	123	82	-	314
Disposals	(2)	(7)	(51)	(60)
At 31 December 2018	144	273	191	609
Accumulated Depreciation				
At 1 November 2016	16	89	90	195
Charge for period	6	39	22	67
Eliminated on disposal	(9)	(13)	(3)	(25)
At 31 December 2017	13	115	109	237
Charge for the year	24	42	24	90
Eliminated on disposal	(2)	(7)	(51)	(60)
At 31 December 2018	36	150	82	267
Carrying amount				
At 31 December 2018	108	123	109	342
At 31 December 2017	10	84	24	118
At 1 November 2016	16	96	32	144

10 Trade and other receivables

	31 December 2018 £ 000	31 December 2017 £ 000
Trade receivables	-	3,074
Receivables from related parties	5,293	304
Accrued income	414	300
Prepayments	631	309
Other receivables	3,937	-
	10,275	3,987

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in the financial instruments note.

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 16 "Financial risk management and impairment of financial assets".

The terms of the related party loans are included within Note 16.

11 Cash and cash equivalents

	31 December 2018 £ 000	31 December 2017 £ 000
Cash at bank	1,117	1,687

12 Share capital

Allotted, called up and fully paid shares

	31 December 2018		31 December 2017	
	No.	£	No.	£
Ordinary A shares of £1 each	300	300	300	300
Ordinary B shares of £1 each	1	1	1	1
Ordinary C shares of £1 each	1	1	1	1
Ordinary D shares of £1 each	1	1	1	1
Ordinary E shares of £1 each	1	1	1	1
	304	304	304	304

13 Obligations under leases and hire purchase contracts

Operating leases

The total future value of minimum lease payments is as follows:

	31 December 2018 £ 000	31 December 2017 £ 000
Within one year	184	118
In two to five years	368	355
	552	473

The amount of non-cancellable operating lease payments recognised as an expense during the year was £49,000 (2017: £70,000) .

14 Trade and other payables

	31 December 2018 £ 000	31 December 2017 £ 000
Trade payables	272	-
Accrued expenses	627	197
Amounts due to related parties	2,698	2,477
Social security and other taxes	79	113
Other payables	357	10
	4,033	2,797

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk review note.

15 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 £91,000 (2017 - £36,000).

The policies applied under the Company's previous accounting framework are not materially different to IFRS and have not materially impacted equity or profit or loss.

16 Financial risk management and impairment of financial assets

Credit risk and impairment

16 Financial risk management and impairment of financial assets (continued)

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, from security deposits and prepayments to suppliers and distributors and deposits with the Group's bank.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £10,761,000 (31 December 2017: £5,365,000) being the total of the carrying amount of financial assets, excluding equity investments, which include trade receivables and accrued income, derivative financial assets and cash. All the receivables are with parties in the UK.

The allowance account of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly. There were no transactions written off in the year. The Group provides for impairment losses based on estimated irrecoverable amounts determined by reference to specific circumstances and the experience of management of debtor default in the energy industry.

16 Financial risk management and impairment of financial assets (continued)

Past due and impaired financial assets

Analysis of items past due or impaired
Loans and receivables

2018	Carrying value of items neither past due nor impaired £ 000	Carrying value of items past due but not impaired £ 000	Carrying value of items past due and/or impaired £ 000	Pre impairment value £ 000	Impairment recognised to date £ 000
Loans and receivables	10,275	-	-	-	-

2017	Carrying value of items neither past due nor impaired £ 000	Carrying value of items past due but not impaired £ 000	Carrying value of items past due and/or impaired £ 000	Pre impairment value £ 000	Impairment recognised to date £ 000
Loans and receivables	3,952	-	-	-	-

Liquidity risk

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

The biggest threat to the company's liquidity would arise from unusually cold weather or other factors causing home care claims to be much higher than anticipated. This could place a strain on the company's working capital as payments due to supplier invoices could become due before customer renewal payments are received.

The company manages its cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

Maturity analysis

2018	Within 1 year £ 000	Total £ 000
Trade and other payables	3,954	3,954

2017	Within 1 year £ 000	Total £ 000
Trade and other payables	2,684	2,684

16 Financial risk management and impairment of financial assets (continued)

Capital risk management

Capital risk is managed to ensure the company continues as a going concern and grows in a sustainable manner.

The wider OVO group maintains a consolidated financial model to monitor the development of the Group's capital structure, which has the ability to model various scenarios and sensitivities. Key outputs from this model are regularly presented to the board.

17 Related party transactions

Summary of transactions with other related parties

As at 31 December 2018, CORGI Homeplan Ltd was owed £3,291,000 (2017: £nil) from CLCB Holdings Limited, inclusive of £12,000 interest accrued during the period at a rate of 7%.

In addition, as at 31 December 2018, CORGI Homeplan Ltd was owed £1,542,000 (2017: £340,000) from CORGI Homeheat Limited, inclusive of £62,000 interest accrued during the period at a rate of 7%.

In addition, as at 31 December 2018, CORGI Homeplan Ltd was owed £460,000 (2017: £nil) from Lilibet Finance Ltd.

As at 31 December 2018, CORGI Homeplan Ltd owed OVO Energy Ltd £101,000 (2017: £34,000) inclusive of £11,000 interest accrued during the period at a rate of 7%.

In addition, as at 31 December 2018, CORGI Homeplan Ltd owed OVO Group Ltd £2,597,000 (2017: £1,208,000) inclusive of £122,000 interest accrued during the period at a rate of 7%.

All related party balances are repayable on demand.

18 Parent and ultimate parent undertaking

The company's immediate parent is CLCB Holdings Limited.

The ultimate parent is Imagination Industries Limited. These financial statements are available upon request from the registered office shown in note 1.

The smallest consolidated statements that incorporate Corgi Homeplan Ltd are those of CLCB Holdings Limited, which are available upon request from the registered office shown in Note 1.

The largest consolidated statements that incorporate Corgi Homeplan Ltd are those of Imagination Industries Limited, which are available upon request from the registered office shown in Note 1.

The ultimate controlling party is Stephen Fitzpatrick.