

**Kensington Meter Assets Ltd**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 December 2024**

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**Kensington Meter Assets Ltd**  
**Contents of the Financial Statements**  
**for the year ended 31 December 2024**

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**Kensington Meter Assets Ltd**  
**Company Information**  
**for the year ended 31 December 2024**

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**DIRECTORS:**

B B Kalar  
P E Rawson  
R F Paynter Bryant  
A J Perkins  
J C Glasgow

**REGISTERED OFFICE:**

CPK House  
2 Horizon Place  
Mellors Way  
Nottingham Business Park  
Nottingham  
Nottinghamshire  
NG8 6PY

**REGISTERED NUMBER:**

14306708 (England and Wales)

**AUDITORS:**

Bates Weston Audit Ltd  
The Mills  
Canal Street  
Derby  
DE1 2RJ

**Kensington Meter Assets Ltd**  
**Directors' Report**  
**for the year ended 31 December 2024**

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The directors present their report and the audited financial statements for the year ended 31 December 2024.

**Principal activity and business review**

The Company's principal activity is the ownership and rental of smart meter assets to gas and electricity energy suppliers.

The results of the Company for the year are set out in the statement of profit and loss and other comprehensive income on page 8.

Yü Group PLC ("Group") is the ultimate controlling party and manages the Group's operations on a segmental basis. The development, performance and position of the Group's activities are discussed in the Group's annual report, which does not form part of this report.

**Dividends**

The directors do not recommend the payment of a dividend (2023: £nil).

**Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2023: £nil).

**Post balance sheet events**

There are no significant post balance sheet events.

**Directors**

The following directors have held office during the whole of the period from 1 January 2024 to the date of this report.

B B Kalar  
P E Rawson  
R F Paynter Bryant  
A J Perkins  
J C Glasgow

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed, and Bates Weston Audit Ltd will therefore continue in office.

**Small companies' exemption**

In preparing this report, the directors' have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board:

*P Rawson*

P E Rawson  
Director

01 May 2025

**Kensington Meter Assets Ltd**  
**Statement of Directors' Responsibilities**  
**for the year ended 31 December 2024**

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**In respect of the annual report and the financial statements**

*The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosures Framework.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 prevention and detection of fraud and other irregularities.

**Kensington Meter Assets Ltd**  
**Independent Auditor's Report**  
**to the members of Kensington Meter Assets Ltd**

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**Opinion**

We have audited the financial statements of Kensington Meter Assets Ltd (the 'company') for the year ended 31 December 2024 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

**Kensington Meter Assets Ltd**  
**Independent Auditor's Report (continued)**  
**to the members of Kensington Meter Assets Ltd**

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**Matters on which we are required to report by exception (continued)**

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

**Responsibilities of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design

procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry in which it operates, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. Audit procedures performed by the engagement team included:

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Kensington Meter Assets Ltd**  
**Independent Auditor's Report (continued)**  
**to the members of Kensington Meter Assets Ltd**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Wayne Thomas FCA (Senior Statutory Auditor)**

For and behalf of Bates Weston Audit Ltd  
Statutory Auditors  
Chartered Accountants  
The Mills  
Canal Street  
Derby  
DE1 2RJ

8 May 2025

**Kensington Meter Assets Ltd**  
**Statement of Profit and Loss and Other Comprehensive Income**  
**For the year ended 31 December 2024**

|                                                          |       | 31 December<br>2024 | 31 December<br>2023 |
|----------------------------------------------------------|-------|---------------------|---------------------|
|                                                          | Notes | £'000               | £'000               |
| Revenue                                                  | 3     | 664                 | 77                  |
| Cost of sales                                            |       | –                   | –                   |
| <b>Gross profit</b>                                      |       | <b>664</b>          | <b>77</b>           |
| Operating costs                                          | 5     | (337)               | (89)                |
| Net impairment losses on financial and contract assets   |       | (9)                 | –                   |
| <b>Operating profit / (loss)</b>                         |       | <b>318</b>          | <b>(12)</b>         |
| Finance income                                           | 6     | 4                   | –                   |
| Finance expense                                          | 6     | (239)               | (4)                 |
| <b>Profit / (loss) before tax</b>                        |       | <b>83</b>           | <b>(16)</b>         |
| Taxation                                                 | 7     | (465)               | (144)               |
| <b>Loss and total comprehensive expense for the year</b> |       | <b>(382)</b>        | <b>(160)</b>        |

The notes form part of these financial statements

Kensington Meter Assets Ltd (Registered number: 14306708)

Statement of Financial Position

As at 31 December 2024

|                                |       | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|--------------------------------|-------|------------------------------|------------------------------|
|                                | Notes |                              |                              |
| <b>ASSETS</b>                  |       |                              |                              |
| <b>Non-current assets</b>      |       |                              |                              |
| Intangibles assets             | 9     | 4                            | 6                            |
| Property, plant and equipment  | 10    | 7,363                        | 1,155                        |
|                                |       | <b>7,367</b>                 | <b>1,161</b>                 |
| <b>Current assets</b>          |       |                              |                              |
| Trade and other receivables    | 11    | 516                          | 82                           |
| Cash and cash equivalents      | 12    | 65                           | 108                          |
|                                |       | <b>581</b>                   | <b>190</b>                   |
| <b>Total assets</b>            |       | <b>7,948</b>                 | <b>1,351</b>                 |
| <b>LIABILITIES</b>             |       |                              |                              |
| <b>Current liabilities</b>     |       |                              |                              |
| Trade and other payables       | 13    | (2,918)                      | (1,016)                      |
| Borrowings                     | 14    | (222)                        | (3)                          |
|                                |       | <b>(3,140)</b>               | <b>(1,019)</b>               |
| <b>Non-current liabilities</b> |       |                              |                              |
| Borrowings                     | 14    | (4,745)                      | (352)                        |
| Deferred tax liability         | 8     | (609)                        | (144)                        |
|                                |       | <b>(5,354)</b>               | <b>(496)</b>                 |
| <b>Total liabilities</b>       |       | <b>(8,494)</b>               | <b>(1,515)</b>               |
| <b>Net liabilities</b>         |       | <b>(546)</b>                 | <b>(164)</b>                 |
| <b>EQUITY</b>                  |       |                              |                              |
| Share capital                  | 15    | –                            | –                            |
| Retained earnings              | 15    | (546)                        | (164)                        |
| <b>Total equity</b>            |       | <b>(546)</b>                 | <b>(164)</b>                 |

The financial statements on pages 8 to 19 were approved and authorised for issue by the Board of Directors on 01 May 2025 and were signed on its behalf by:

*P Rawson*

P E Rawson  
Director

The notes form part of these financial statements

Kensington Meter Assets Ltd  
Statement of Changes in Equity  
For the year ended 31 December 2024

|                                                   | Share capital<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>£'000 |
|---------------------------------------------------|------------------------|-------------------------------|----------------|
| <b>Balance at 1 January 2023</b>                  | –                      | (4)                           | (4)            |
| Loss for the year and other comprehensive expense | –                      | (160)                         | (160)          |
| <b>Balance at 31 December 2023</b>                | –                      | (164)                         | (164)          |
| Loss for the year and other comprehensive expense | –                      | (382)                         | (382)          |
| <b>Balance at 31 December 2024</b>                | –                      | (546)                         | (546)          |

The notes form part of these financial statements

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2024**

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**1. Statutory Information**

Kensington Meter Assets Ltd is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the company information page and the nature of the Company's operations, and its principal activities are set out in the directors' report.

**2. Significant Accounting Policies**

**Basis of preparation**

These financial statements are prepared in accordance with UK accounting standards (UK Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework". The financial statements have been prepared on a historical cost basis and in accordance with the Companies Act 2006.

The Company's ultimate parent undertaking, Yü Group PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Yü Group PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from CPK House, 2 Horizon Place, Nottingham Business Park, Mellors Way, Nottingham, NG8 6PY.

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and, where relevant, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Yü Group PLC:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period;
- Presentation of a cash flow statement and related notes;
- Disclosures in respect of transactions with the parent or wholly owned subsidiaries;
- IFRS 7 "Financial Instruments: Disclosures";
- Disclosures in relation to the objectives, policies and process for managing capital;
- Disclosure of the effect of future accounting standards not yet adopted;
- The remuneration of key management personnel;
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations;
- Comparative period reconciliations for share capital; and
- Disclosure of the future impact of new IFRS in issue but not yet effective at the reporting date.

The financial statements are presented in British pounds sterling (£), which is the presentational currency of the Company. All values are rounded to the nearest thousand (£'000), except where otherwise indicated.

**Going concern**

The financial statements are prepared on a going concern basis. The Directors assessment of going concern is based upon the going concern status of the Group headed up by Yü Group PLC and as such has received a signed letter of support to the Company to confirm the ongoing availability of such financial support and liquidity as is required for 12 months from the date of signing of these financial statements to enable the Company to meet its obligations as they fall due.

At 31 December 2024 the Group had net assets of £70.3m (2023: £46.8m), cash of £85.2m (2023: £32.5m) and net current assets of £46.3m (2023: £32.4m).

Kensington Meter Assets Ltd as a standalone entity made a loss for the year of £0.4m (2023: loss of £0.2m) and at 31 December 2024 had net liabilities of £0.5m (2023: net liabilities of £0.2m).

The Group continues to demonstrate significant progress in its results. This has led to adjusted EBITDA in 2024 of £48.8m (2023: £43.9m), which continues the momentum in the Group's results occurring since 2018. Management is confident in continuing this improvement in profitability based on its business model.

Profitability metrics remain strong in 2024, and the Group continues to drive sustainable, profitable growth. The Group's hedging strategy, approach to bad debt, and investment in digital technologies all contribute to achieving acceptable levels of profitability over the medium term.

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

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**2. Significant Accounting Policies (continued)**

**Going concern (continued)**

Group cash liquidity is strong. The Group has cash of £85.2m (2023: £32.5m), and net cash (net of borrowings, but before leases) of £80.2m (2023: £32.1m). The five-year commodity trading agreement entered into in February 2024 with Shell Energy Europe Limited ("Shell") provides significant access to commodity markets whilst preserving Group liquidity, and the contract is performing well.

The Board actively seeks to utilise its strong cash reserves to further its strategic operational aims, taking the benefit through a £9.0m early payment of the renewable obligation certificate otherwise due in August 2025 and continued investment in relationships with brokers requiring customer acquisition costs in advance of contract commencement. Significant capital investment continues in smart meter assets to provide a long-term annuity income.

The Board has assessed risks and sensitivities and potential mitigation steps available to it in detail and continues to monitor risk and mitigation strategies in the normal course of business. These considerations include the following:

*Customer receivables and bad debt*

The Board considers customer receivable risks in view of the wider market, the energy price environment and the Group's ability to contract and protect its position in respect of late or non-payment. The performance for 2024 has continued the improvement from 2023, and benefits continue to be provided through new approaches and strategies to debt management.

The Board performed sensitivities on material changes to customer payment behaviour including the timing of payments or if bad debt levels were to increase.

The Group has extensive mitigating actions in place. These include credit checks at point of sale and throughout the customer lifecycle, the requirement for some customers to pay reasonable security deposits at the point of sale, and the offering (ensuring compliance with regulation and good industry practice) of pay as you go products which enable certain customers to access more favourable tariffs. The Group also supports customers with payment plan arrangements, for those customers who will, when able, provide payment, and will ultimately (for some customers, as appropriate based on the circumstances) progress legal and/or disconnection proceedings to mitigate further bad debt.

In view of the reduced market prices, and the Group's ability to manage debt through various mitigating actions, the Board is confident that there will be no material impact relevant to the going concern assumption.

*Hedging arrangements and new Trading Agreement*

A new five-year commodity trading arrangement between Shell and the main entities of the Group (including Yü Group PLC, Yü Energy Holding Limited and Yü Energy Retail Limited), signed February 2024 ("the Trading Agreement"), enables the Group to purchase electricity and gas on forward commodity markets. The Trading Agreement enables forecasted customer demand to be hedged in accordance with an agreed risk mandate (further detailed in the Group's risks and uncertainties reporting in the Strategic Report). This hedging position and the Board-defined risk strategy has mitigated, and is expected to continue to mitigate, the impact on the Group from underlying movements in global commodity markets.

As part of the Trading Agreement, and is customary for such arrangements, Shell provides access to commodity products and holds security over the main trading assets of the Group which could, ultimately and in extreme and limited circumstances, lead to a claim on some or all of the assets of the Group. In return, Shell provides market access without the need to post cash collateral in the normal course of operation.

The Board carefully modelled in detail, and continues to monitor, certain covenants related to profitability, net worth and liquidity associated with the new Trading Agreement to assess the likelihood of any breach of such agreement and the impact any such breach would likely have. Such scenarios include *reduced gross margin and increased bad debt*, and the impact these might have on the ability to maintain compliance with covenants.

After a detailed review, the Board has concluded that there are no liquidity or covenant compliance issues likely to arise based on worst-case scenario modelling that would impact the going concern status of the Group.

*Summary*

Following an extensive review of the Group's forward business plan and associated risks and sensitivities to these base forecasts (and available mitigation strategies), the Board concludes that it is appropriate to prepare the financial statements on a going concern basis. The Board also considers that there is sufficient headroom to ensure the Group meets covenants based on various downside scenarios assessed.

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

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**2. Significant Accounting Policies (continued)**

**Revenue recognition**

The Company acts as a gas and electricity Meter Asset Provider ("MAP"), providing meter rentals to energy suppliers on behalf of the end consumer and revenue generated from meter asset rental income.

The arrangements the Company has in place to act as MAP are determined to not constitute a lease of the meter asset to the energy supplier under IFRS 16. Therefore, the related income for the service of providing a fitted meter is recognised in accordance with IFRS 15.

Charges for MAP services are calculated daily based on the number of installed meters and invoiced to customers once validation checks have been completed. As revenue from MAP charges is attributed to services provided daily, revenue is always based on the actual level of service provided and, therefore, any uncertainty at the end of each reporting period is limited to the extent that validation checks are still being completed.

If the services rendered by the Company exceed the payment received, then accrued income is recognised. This is subsequently reclassified to receivables at the point at which the Company has an unconditional right to payment.

**Financial instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

*Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any specific impairments and expected credit losses.

*Impairment*

The Company has elected to measure credit loss allowances for trade receivables and accrued income at an amount equal to lifetime expected credit losses ("ECLs"). Specific impairments are made when there is a known impairment need against trade receivables and accrued income. When estimating ECLs, the Company assesses reasonable, relevant and supportable information, which does not require undue cost or effort to produce. This includes quantitative and qualitative information and analysis, incorporating historical experience, informed credit assessments and forward-looking information. Loss allowances are deducted from the gross carrying amount of the assets.

*Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits (monies held on deposit are accessible with one month's written notice). Cash and cash equivalents exclude any cash collateral posted with third parties and bank accounts which are secured by the Company's bankers (or others). It also excludes cash held in bank accounts which have not yet transferred to the Company's main operating bank accounts.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

*Classification of financial instruments issued by the Company*

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

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**2. Significant Accounting Policies (continued)**

**Financial instruments (continued)**

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Intangible assets**

Intangible assets that are acquired separately by the Company are stated at cost less accumulated amortisation and accumulated impairment losses.

Software and system assets are recognised at cost, including those internal costs attributable to the development and implementation of the asset in order to bring it into use. Cost comprises all directly attributable costs, including costs of employee benefits arising directly from the development and implementation of software and system assets.

Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives are as follows:

- |                        |           |
|------------------------|-----------|
| – Software and systems | – 4 years |
|------------------------|-----------|

**Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

- |                       |            |
|-----------------------|------------|
| – Plant and machinery | – 15 years |
|-----------------------|------------|

**Smart meter assets**

The Company's meter asset portfolio recorded within property, plant and equipment comprises both installed meter assets.

Upon installation, an installed meter asset comprises three key components including the meter unit, the significant ancillary parts and the cost of installation (comprising labour and consumables).

The estimated useful economic life of installed smart meter assets is defined above.

Upon removal of an installed meter asset, the meter unit condition is reviewed to determine re-installation viability and classified as temporarily idle until re-installed. The meter continues to be depreciated throughout. Meter units that are not deemed fit for re-use are disposed of.

**Taxation**

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and investments in subsidiaries where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

**2. Significant Accounting Policies (continued)**

**New standards, interpretations and amendments**

The Company has adopted all of the new or amended accounting standards and interpretations that are mandatory for the current reporting period.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 "Presentation and Disclosure in Financial Statements"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures".

**Significant judgements and estimates**

The preparation of the financial statements in conformity with adopted IFRSs requires the use of estimates and judgements. Although they are based on management's best knowledge, actual results ultimately may differ from these estimates.

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.

There are no significant judgements and estimates noted for the Company.

**3. Revenue**

100% of the Company revenue is generated from sales to customers in the United Kingdom (2023: 100%).

**4. Employees and Directors**

The total directors' remuneration by the Company was £nil (2023: £nil). The directors were remunerated by other entities within the Group.

**5. Operating Profit**

|                                                         | Notes | 2024<br>£'000 | 2023<br>£'000 |
|---------------------------------------------------------|-------|---------------|---------------|
| Profit for the year has been arrived at after charging: |       |               |               |
| Depreciation of property, plant and equipment           | 10    | 274           | 29            |
| Amortisation of intangible assets                       | 9     | 2             | 2             |
| Auditors' remuneration                                  |       | 8             | 10            |

**6. Net finance income/(expense)**

|                            | 2024<br>£'000 | 2023<br>£'000 |
|----------------------------|---------------|---------------|
| <b>Finance income</b>      |               |               |
| Bank interest receivable   | 4             | –             |
|                            | 4             | –             |
| <b>Finance expense</b>     |               |               |
| Interest on borrowings     | (239)         | (4)           |
|                            | (239)         | (4)           |
| <b>Net finance expense</b> | (235)         | (4)           |

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

**7. Taxation**

|                                                   | 2024<br>£'000 | 2023<br>£'000 |
|---------------------------------------------------|---------------|---------------|
| <b>Current tax charge</b>                         |               |               |
| Current year                                      | –             | –             |
|                                                   | –             | –             |
| <b>Deferred tax charge</b>                        |               |               |
| Current year                                      | 358           | 131           |
| Adjustment in respect of prior years              | 107           | 13            |
|                                                   | 465           | 144           |
| <b>Total tax charge</b>                           | 465           | 144           |
| <b>Reconciliation of effective tax rate</b>       |               |               |
| Profit / (loss) before tax                        | 83            | (16)          |
| Tax at UK corporate tax rate of 25% (2023: 23.5%) | 21            | (4)           |
| Adjustment in respect of prior periods            | 107           | 13            |
| Group relief                                      | 337           | 127           |
| Movement in tax rate on deferred tax balances     | –             | 8             |
| <b>Tax charge for the year</b>                    | 465           | 144           |

Deferred taxes at 31 December 2024 and 31 December 2023 have been measured using the enacted tax rates at that date and are reflected in these financial statements on that basis. Following the March 2021 Budget, the tax rate effective from 1 April 2023 increased from 19% to 25%.

**8. Deferred tax asset / (liability)**

Deferred tax assets / (liabilities) are attributable to the following:

|                               | At 1 January<br>2024<br>£'000 | Recognised in<br>income<br>£'000 | At 31 December<br>2024<br>£'000 |
|-------------------------------|-------------------------------|----------------------------------|---------------------------------|
| Property, plant and equipment | (144)                         | (465)                            | (609)                           |

|                               | At 1 January<br>2023<br>£'000 | Recognised in<br>income<br>£'000 | At 31 December<br>2023<br>£'000 |
|-------------------------------|-------------------------------|----------------------------------|---------------------------------|
| Property, plant and equipment | –                             | (144)                            | (144)                           |

**9. Intangible assets**

|                            | Software and<br>systems<br>£'000 | Total<br>£'000 |
|----------------------------|----------------------------------|----------------|
| <b>Cost</b>                |                                  |                |
| At 1 January 2024          | 8                                | 8              |
| <b>At 31 December 2024</b> | 8                                | 8              |
| <b>Amortisation</b>        |                                  |                |
| At 1 January 2024          | 2                                | 2              |
| Charge for the year        | 2                                | 2              |
| <b>At 31 December 2024</b> | 4                                | 4              |
| <b>Net book value</b>      |                                  |                |
| At 31 December 2023        | 6                                | 6              |
| <b>At 31 December 2024</b> | 4                                | 4              |

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

**10. Property, plant and equipment**

|                            | Plant & machinery<br>£'000 | Total<br>£'000 |
|----------------------------|----------------------------|----------------|
| <b>Cost</b>                |                            |                |
| At 1 January 2024          | 1,184                      | 1,184          |
| Additions                  | 6,483                      | 6,483          |
| Disposals                  | (1)                        | (1)            |
| <b>At 31 December 2024</b> | <b>7,666</b>               | <b>7,666</b>   |
| <b>Depreciation</b>        |                            |                |
| At 1 January 2024          | 29                         | 29             |
| Charge for the year        | 274                        | 274            |
| <b>At 31 December 2024</b> | <b>303</b>                 | <b>303</b>     |
| <b>Net book value</b>      |                            |                |
| At 31 December 2023        | 1,155                      | 1,155          |
| <b>At 31 December 2024</b> | <b>7,363</b>               | <b>7,363</b>   |

**11. Trade and other receivables**

|                                          | 2024<br>£'000 | 2023<br>£'000 |
|------------------------------------------|---------------|---------------|
| <b>Current</b>                           |               |               |
| Net trade receivables                    | 35            | –             |
| Net accrued income                       | 18            | –             |
| Other receivables                        | 220           | 82            |
| Amounts due from subsidiary undertakings | 243           | –             |
|                                          | <b>516</b>    | <b>82</b>     |

The reconciliation of gross trade receivables and accrued income and expected credit loss provision for the Company is as follows:

|                                                         | 2024<br>Trade<br>receivables<br>£'000 | 2024<br>Accrued<br>income<br>£'000 | 2023<br>Trade<br>receivables<br>£'000 | 2023<br>Accrued<br>income<br>£'000 |
|---------------------------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|
| Gross carrying amount                                   | 44                                    | 18                                 | –                                     | –                                  |
| Provision for doubtful debts and expected credit losses | (9)                                   | –                                  | –                                     | –                                  |
|                                                         | <b>35</b>                             | <b>18</b>                          | <b>–</b>                              | <b>–</b>                           |

The Company applies the simplified IFRS 9 approach in measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and accrued income. To measure expected credit losses on a collective basis, trade receivables and accrued income are grouped based on similar credit risk and ageing.

Provision rates for customer balances are determined based on the age of the balance outstanding, an assessment of historical debt and recovery on a customer basis and the extent and position of the balance in the Company's credit control process. Credit losses are adjusted to reflect current and forward-looking macroeconomic factors affecting the customers' ability to settle the amounts outstanding based on available information available at the reporting date about past events, current conditions and a forward-looking view of future economic conditions. There have been no significant changes in the estimation techniques or significant assumptions made during the reporting period.

The gross amount of trade receivables and accrued income is stated inclusive of VAT of approximately 20% which, on the write-off of debt, would typically be recoverable and is therefore not provided for.

Expected credit losses and the recognition, where appropriate, of previous customer credit balances are recognised in the income statement as net impairment losses on financial and contract assets.

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

**11. Trade and other receivables (continued)**

The lifetime expected loss provision for trade receivables and accrued income is as follows:

|                                | Current<br>£'000 | More than 30 days<br>past due<br>£'000 | More than 60 days<br>past due<br>£'000 | More than 90 days<br>past due<br>£'000 | Total<br>£'000 |
|--------------------------------|------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------|
| <b>31 December 2024</b>        |                  |                                        |                                        |                                        |                |
| Gross trade receivables        | 16               | 10                                     | 4                                      | 14                                     | 44             |
| Gross accrued income           | 18               | —                                      | —                                      | —                                      | 18             |
| Expected credit loss rate      | 3%               | 8%                                     | 24%                                    | 42%                                    | 14%            |
| Expected credit loss allowance | (1)              | (1)                                    | (1)                                    | (6)                                    | (9)            |
| <b>31 December 2023</b>        |                  |                                        |                                        |                                        |                |
| Gross trade receivables        | —                | —                                      | —                                      | —                                      | —              |
| Gross accrued income           | —                | —                                      | —                                      | —                                      | —              |
| Expected credit loss rate      | —                | —                                      | —                                      | —                                      | —              |
| Expected credit loss allowance | —                | —                                      | —                                      | —                                      | —              |

Movements in the provision for doubtful debts and expected credit loss in gross trade receivables are as follows:

|                                                                | 2024<br>£'000 | 2023<br>£'000 |
|----------------------------------------------------------------|---------------|---------------|
| Opening balance                                                | —             | —             |
| Provisions recognised less unused amounts reversed             | 9             | —             |
| Provision utilised in the year                                 | —             | —             |
| <b>Provision for doubtful debts and expected credit losses</b> | <b>9</b>      | <b>—</b>      |

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their maturities being short term.

The other receivables balance contains £220,000 (2023: £22,000) relating to bank cash deposits and restricted funds. These funds do not fulfil the criteria of being classified as cash and cash equivalents in view of the balance being secured for operational activities of the Company.

**12. Cash and cash equivalents**

|                          | 2024<br>£'000 | 2023<br>£'000 |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 65            | 108           |
|                          | <b>65</b>     | <b>108</b>    |

As disclosed in note 11, the cash and cash equivalents amounts exclude £220,000 (2023: £22,000) of cash which is included in other receivables.

**13. Trade and other payables**

|                                        | 2024<br>£'000 | 2023<br>£'000 |
|----------------------------------------|---------------|---------------|
| <b>Current</b>                         |               |               |
| Trade payables                         | 3             | 143           |
| Accrued expenses                       | 12            | 11            |
| Tax and social security                | 4             | —             |
| Amounts due to subsidiary undertakings | 2,899         | 862           |
|                                        | <b>2,918</b>  | <b>1,016</b>  |

Amounts due to subsidiary undertakings relate to trading balances for transactions within the normal course of business and are repayable on demand.

**Kensington Meter Assets Ltd**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2024**

**14. Borrowings**

|                         | 2024<br>£'000 | 2023<br>£'000 |
|-------------------------|---------------|---------------|
| <b>Current</b>          |               |               |
| Bank loan               | 222           | 3             |
| <b>Non-current</b>      |               |               |
| Bank loan               | 4,745         | 352           |
| <b>Total Borrowings</b> | <b>4,967</b>  | <b>355</b>    |

Borrowings solely relate to the Company's investment in smart meters which return an index-linked, recurring annuity over a 15+ year term. The amount outstanding are from amounts drawn on a £5.2m facility, agreed during 2023, with Siemens Finance in relation to the finance of such meters. Repayments are over a 10-year period with a bullet repayment, and with an interest rate fixed at the date of drawdown. The borrowings are fully secured on the assets of the wholly owned subsidiary entity, Kensington Meter Assets Ltd.

The loan is shown net of unamortised arrangement fees of £190,000 which are being amortised over the life of the loan.

**15. Share capital and reserves**

|                                                    | 2024<br>Number | 2024<br>£ | 2023<br>Number | 2023<br>£ |
|----------------------------------------------------|----------------|-----------|----------------|-----------|
| Allotted and fully paid ordinary shares of £1 each | 100            | 100       | 100            | 100       |

The Company has one class of ordinary share with nominal value of £1 each, which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

Share capital represents the value of all called up, allotted and fully paid shares of the Company.

Retained earnings comprises the Company's cumulative annual profits and losses net of distribution to owners.

**16. Commitments**

*Security*

As part of the Company's activities in financing smart meters, the Company has provided security over smart meter assets in relation to bank debt provided by Siemens Finance.

**17. Ultimate parent company**

The immediate parent undertaking is Yü Services Limited. The Company's ultimate parent undertaking is Yü Group PLC, a company incorporated in the United Kingdom.

The largest and smallest group in which the results of the Company are consolidated is that headed by Yü Group PLC. No other group financial statements include the results of the Company. Copies of Group accounts can be obtained from the parent company at 2 Horizon Place, Mellors Way, Nottingham, NG8 6PY.

**18. Subsequent events**

There are no significant post-balance sheet events.