Kensington Meter Assets Ltd

Annual Report and Financial Statements

for the Year Ended 31 December 2025

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Kensington Meter Assets Ltd
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for the year ended 31 December 2025

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Kensington Meter Assets Ltd
Company Information
for the year ended 31 December 2025

DIRECTORS:	B B Kalar P E Rawson R F Paynter Bryant A J Perkins J C Glasgow A Simpson
REGISTERED OFFICE:	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

The directors present their report and the audited financial statements for the year ended 31 December 2025.

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 (2024: £nil).

Political contributions
The Company made no political donations or incurred any political expenditure during the year (2024: £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 2025 to the date of this report.

B B Kalar
P E Rawson
R F Paynter Bryant
A J Perkins
J C Glasgow
A Simpson (appointed 1 September 2025)

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:



A Simpson
Director

10 June 2026

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.

Opinion
We have audited the financial statements of Kensington Meter Assets Ltd (the 'company') for the year ended 31 December 2025 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 2025 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:

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. This description forms part of our Report of the Auditors.

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

18 June 2026

Kensington Meter Assets Ltd

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	**31 December 2025 £'000**	31 December 2024 £'000
Revenue	3	**1,838**	664
Cost of sales		**–**	–
Gross profit		**1,838**	664
Operating costs	5	**(780)**	(337)
Net impairment losses on financial and contract assets		**(77)**	(9)
Operating profit / (loss)		**981**	318
Finance income	6	**11**	4
Finance expense	6	**(579)**	(239)
Profit / (loss) before tax		**413**	83
Taxation	7	**(2,224)**	(465)
Loss and total comprehensive expense for the year		**(1,811)**	(382)

The notes form part of these financial statements

Kensington Meter Assets Ltd (Registered number: 14306708)
Statement of Financial Position
As at 31 December 2025

	Notes	31 December 2025 £'000	31 December 2024 £'000
ASSETS			
Non-current assets			
Intangibles assets	9	**15**	4
Property, plant and equipment	10	**11,435**	7,363
		11,450	7,367
Current assets			
Trade and other receivables	11	**1,085**	516
Cash and cash equivalents	12	**452**	65
		1,537	581
Total assets		**12,987**	7,948
LIABILITIES			
Current liabilities			
Trade and other payables	13	**(2,207)**	(2,918)
Borrowings	14	**(486)**	(222)
		(2,693)	(3,140)
Non-current liabilities			
Borrowings	14	**(9,818)**	(4,745)
Deferred tax liability	8	**(2,833)**	(609)
		(12,651)	(5,354)
Total liabilities		**(15,344)**	(8,494)
Net liabilities		**(2,357)**	(546)
EQUITY			
Share capital	15	**–**	–
Retained earnings	15	**(2,357)**	(546)
Total equity		**(2,357)**	(546)

The financial statements on pages 8 to 20 were approved and authorised for issue by the Board of directors on 10 June 2026 and were signed on its behalf by:



A Simpson
Director

The notes form part of these financial statements

Kensington Meter Assets Ltd
Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2024	**–**	**(164)**	**(164)**
Loss for the year and other comprehensive expense	–	(382)	(382)
Balance at 31 December 2024	**–**	**(546)**	**(546)**
Loss for the year and other comprehensive expense	–	**(1,811)**	**(1,811)**
Balance at 31 December 2025	**–**	**(2,357)**	**(2,357)**

The notes form part of these financial statements

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 2025 the Group had net assets of £97.8m (2024: £70.3m), cash of £105.9m (2024: £85.2m) and net current assets of £59.8m (2024: £46.3m).

Kensington Meter Assets Ltd as a standalone entity made a loss for the year of £1.8m (2024: loss of £0.4m) and at 31 December 2025 had net liabilities of £2.4m (2024: net liabilities of £0.5m).

Management prepares detailed budgets and forecasts of financial performance and cash flow (including capital commitments) over the coming 14 months. The Board has confidence in achieving such targets and forecasts and has performed comprehensive analysis of various risks (including those set out in the Strategic Report) and sensitivities in relation to performance, the energy market and the wider economy.

2. Significant Accounting Policies *(continued)*

Going concern *(continued)*

The Group continues to demonstrate significant progress in its results. This has led to adjusted EBITDA in 2025 of £50.6m (2024: £48.8m), 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 2025, 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.

Group cash liquidity is strong, with continued growth in cash reserves to £105.9m at year end (2024: £85.2m). The five-year commodity trading agreement entered into in February 2024 with the 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 the Group's cash reserves to further their strategic operational aims, delivering the Group's strategic priorities through investment in subscriber acquisition costs, Digital by Default and other opportunities within the Capital Allocation Framework. 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 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 Group's effective hedging strategy against volatile 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. While the bad debt percentage has increased for the Group as a result of the impact of wider market challenges on our customers, our internal approaches and strategies have mitigated this risk over the year and forecast to continue to do so going forward.

Hedging arrangements and new Trading Agreement

A 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 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.

2. Significant Accounting Policies *(continued)*

Going concern *(continued)*
After a detailed review, the Board has concluded that liquidity or covenant compliance scenario issues to be remote 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.

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).

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

2. Significant Accounting Policies *(continued)*

Financial instruments *(continued)*

(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.

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 – 3 to 5 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.

2. Significant Accounting Policies *(continued)*

Taxation *(continued)*
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.

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".

The Company is currently assessing the effect of these new accounting standards and amendments. IFRS 18 "Presentation and Disclosure in Financial Statements", which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 "Basis of Preparation of Financial Statements" (renamed from "Accounting Policies, Changes in Accounting Estimates and Errors"). Even though IFRS 18 may not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Company does not expect to apply IFRS 19.

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 (2024: 100%).

4. Employees and Directors

The total directors' remuneration by the Company was £nil (2024: £nil). The directors were remunerated by other entities within the Group.

5. Operating Profit

	Notes	2025 £'000	2024 £'000
Profit for the year has been arrived at after charging:			
Depreciation of property, plant and equipment	10	**679**	274
Amortisation of intangible assets	9	**4**	2
Auditors' remuneration		**9**	8

6. Net finance income/(expense)

	2025 £'000	2024 £'000
Finance income		
Bank interest receivable	**11**	4
	11	4
Finance expense		
Interest on borrowings	**(579)**	(239)
	(579)	(239)
Net finance expense	**(568)**	(235)

7. Taxation

	2025 £'000	2024 £'000
Current tax charge		
Current year	**–**	–
	–	–
Deferred tax charge		
Current year	**1,023**	358
Adjustment in respect of prior years	**1,201**	107
	2,224	465
Total tax charge	**2,224**	465
Reconciliation of effective tax rate		
Profit / (loss) before tax	**413**	83
Tax at UK corporate tax rate of 25% (2024: 25%)	**103**	21
Adjustment in respect of prior periods	**–**	107
Adjustment in respect of prior periods - deferred tax	**1,201**	–
Group relief	**920**	337
Movement in tax rate on deferred tax balances	**–**	–
Tax charge for the year	**2,224**	465

Deferred taxes at 31 December 2025 and 31 December 2024 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 2024 increased from 19% to 25%.

8. Deferred tax asset / (liability)

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

	At 1 January 2025 £'000	Recognised in income £'000	**At 31 December 2025 £'000**
Property, plant and equipment	(609)	(2,224)	(2,833)

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

9. Intangible assets

	Software and systems £'000	Total £'000
Cost		
At 1 January 2025	8	**8**
Additions	15	**15**
At 31 December 2025	23	**23**
Amortisation		
At 1 January 2025	4	**4**
Charge for the year	4	**4**
At 31 December 2025	8	**8**
Net book value		
At 31 December 2024	4	**4**
At 31 December 2025	15	**15**

10. Property, plant and equipment

	Plant & machinery £'000	Total £'000
Cost		
At 1 January 2025	7,666	**7,666**
Additions	4,748	**4,748**
Adjustments	3	**3**
Disposals	–	–
At 31 December 2025	12,417	**12,417**
Depreciation		
At 1 January 2025	303	**303**
Charge for the year	679	**679**
At 31 December 2025	982	**982**
Net book value		
At 31 December 2024	7,363	**7,363**
At 31 December 2025	11,435	**11,435**

11. Trade and other receivables

	2025 £'000	2024 £'000
Current		
Net trade receivables	**58**	35
Net accrued income	**56**	18
Other receivables	**609**	220
Amounts due from subsidiary undertakings	**362**	243
	1,085	516

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

	2025 Trade receivables £'000	**2025 Accrued income £'000**	2024 Trade receivables £'000	2024 Accrued income £'000
Gross carrying amount	**144**	**56**	44	18
Provision for doubtful debts and expected credit losses	**(86)**	**–**	(9)	–
	58	**56**	35	18

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.

11. Trade and other receivables *(continued)*

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.

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

	2025 £'000	2024 £'000
Opening balance	**9**	–
Provisions recognised less unused amounts reversed	**77**	9
Provision utilised in the year	**–**	–
Provision for doubtful debts and expected credit losses	**86**	9

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 £609,000 (2024: £220,000) 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

	2025 £'000	2024 £'000
Cash at bank and in hand	**452**	65
	452	65

As disclosed in note 11, the cash and cash equivalents amounts exclude £609,000 (2024: £220,000) of cash which is included in other receivables.

13. Trade and other payables

	2025 £'000	2024 £'000
Current		
Trade payables	**13**	3
Accrued expenses	**13**	12
Tax and social security	**18**	4
Amounts due to subsidiary undertakings	**2,163**	2,899
	2,207	2,918

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

14. Borrowings

	2025 £'000	2024 £'000
Current		
Bank loan	**486**	222
Non-current		
Bank loan	**9,818**	4,745
Total Borrowings	**10,304**	4,967

Borrowings relate solely to the Company's investment in smart meters, which generate an index-linked recurring annuity over a term of 15+ years. The amounts outstanding relate to drawdowns from a £5.2m facility agreed in 2024 and a further £10m facility agreed in 2025 with Siemens Finance for the financing of these meters. Repayments are made over a 10-year period with a bullet repayment at maturity, and the interest rate is fixed at the date of drawdown. The borrowings are fully secured against the assets of Kensington Meter Assets Ltd.

The loan is shown net of unamortised arrangement fees of £204,000 which are being amortised over the life of the loan.

15. Share capital and reserves

	2025 Number	2025 £	2024 Number	2024 £
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.