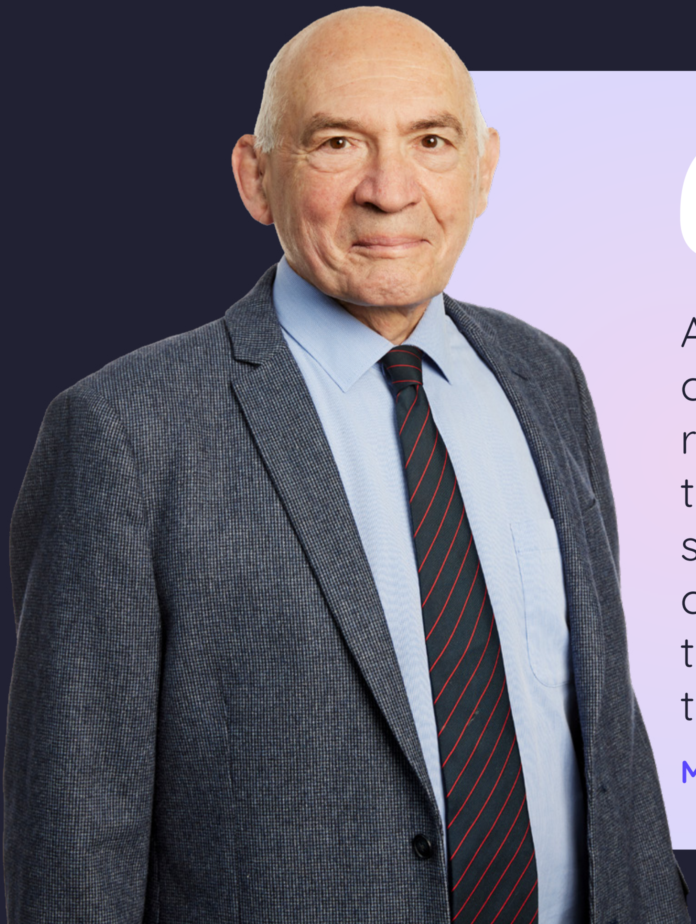
XOSERVE

Annual Report and Financial Statements 2025–2026

Making Energy Data Work

Contents

Introduction from the Board Chair



As the energy landscape continues to evolve, Xoserve remains focused on delivering trusted, high-quality data services while strengthening collaboration across the industry to support the transition ahead.

Mike Hogg, Xoserve Board Chair

The energy sector continues to progress towards its Net Zero ambitions, and while the direction of travel is clear, the pace, structure, and composition of that transition continue to evolve. In this environment, the importance of collaboration, strong governance, and reliable, high-quality data has never been greater.

Against this backdrop, Xoserve has continued to strengthen its role as the Central Data Services Provider (CDSP) to the GB gas market. Over the past year, the organisation has remained focused on delivering the critical services that underpin market stability, while at the same time preparing for the significant transformation required to support the future energy system.

Performance across Core services has remained strong, reflecting the dedication and expertise of both the Executive and operational teams. At the same time, the business has taken important steps to address areas where service has fallen short of Customer expectations, introducing an enhanced assurance approach and strengthening operational governance. This openness to challenge and commitment to continuous improvement is critical to maintaining trust across the industry.

Alongside this, Xoserve has made significant progress in advancing its strategic priorities. The launch and progression of Project Trident represents vital investment in modernising the UK Link platform, ensuring it remains resilient, adaptable, and capable of supporting future market requirements. More broadly, the organisation has continued to build capability in areas such as enterprise architecture, data strategy, and transformation delivery, laying the foundations for a more flexible, digital, and data-enabled future.

Furthermore, in January 2026 Ofgem invited Xoserve to submit an Expression of Interest (EoI) for the future Gas Code Manager role. In response, Xoserve worked collaboratively with the Joint Office of Gas Transporters (Encodar) and Talan to develop and submit a joint proposal. This activity reflects Xoserve's commitment to supporting the future evolution of the gas industry and demonstrates the value of strong leadership, effective governance and strategic collaboration in responding to emerging opportunities and regulatory change.

Engagement with Customers and Stakeholders has also evolved during the year. Through strengthened relationships, more structured dialogue, and the introduction of a dedicated Customer Engagement capability, Xoserve is developing a deeper understanding of Customer needs and improving how it responds to them. This is reflected in continued improvements in Customer satisfaction and a more mature, collaborative approach to shaping priorities.

The organisation has also played an active role in supporting broader industry developments, including code reform, digitalisation, and the transition towards a multi-gas system. These activities highlight the importance of Xoserve's unique position within the market, combining operational delivery with the insight and expertise needed to help enable future change.

Underpinning all of our activities, the Board continues to place significant emphasis on maintaining strong and effective governance. Board member refreshment ensures the right balance of continuity, independence, and evolving skills and experience. During the year, three Directors completed their tenure, and we welcomed Rachael Davidson, Bianca Cooper, and Mike Harding (1 April 2026) to the Board. Together, they bring a wealth of expertise across legal, governance, regulatory, commercial, technology, transformation, risk and security disciplines. Their appointments further strengthen the breadth of skills, experience and perspectives available to the Board as Xoserve supports industry transformation, digitalisation, code reform and the transition to future energy systems.

Looking ahead, the challenges facing the sector remain complex. However, the progress made over the past year provides confidence that Xoserve is well positioned to support the next phase of the industry's evolution.

By continuing to strengthen governance, invest in capability, and work closely with Customers, Stakeholders, and partners, the organisation will play an important role in enabling a secure, efficient, and increasingly flexible energy system.

The following report sets out in detail the activities undertaken during 2025–26, along with the financial results for the year. I would like to thank the Executive team and all colleagues across Xoserve for their continued commitment and professionalism, and our Customers and Stakeholders for their ongoing engagement and support.

Mike Hogg, Xoserve Board Chair

Introduction from the CEO

> We have maintained strong operational performance while taking meaningful steps to modernise our services and prepare for the future energy landscape.
>
> **Steve Brittan,** CEO, Xoserve

FY25-26 has been one of consolidation and progress for Xoserve. As the Central Data Services Provider to Great Britain's gas market, our foremost responsibility is to deliver dependable, secure and high quality services upon which the industry relies on every day. Over the past year, we have remained steadfast in protecting the integrity of our Core services while progressing significant change to ensure Xoserve is fit for an evolving energy ecosystem.

Operational performance has remained strong across the majority of our Key Performance Metrics and Indicators, despite periods of increased demand and complexity arising from industry change. Where challenges did arise, we responded quickly and transparently, working closely with Customers to resolve issues, address root causes and embed learning. These experiences have strengthened our assurance, testing and operational controls, reinforcing our commitment to resilience and reliability.

FY25–26 also marked an important point in the evolution of our strategic direction. We transitioned to three clearly defined Strategic Priorities: Trust, Innovate and Deliver. These priorities better reflect the maturity of the organisation and provide a sharper framework for decision making, investment and delivery. They place trust with Customers and Stakeholders at the centre of everything we do, encourage innovation in how we use data and technology, and reinforce our focus on consistent, assured delivery of Customer outcomes. A new Strategic Scorecard was co-created with Customers, providing a transparent view of performance across operational delivery, Customer outcomes, financial discipline and strategic transformation.

A major area of progress has been in enterprise architecture both in shaping business and technical decisions and playing a critical role in the evolution of Project Trident.

Through technology reviews, workshops, vendor engagement and market interaction, the team has helped shape both the scope and ambition of the programme. A future architecture vision was shared ahead of PQQ and RFP activity, guiding potential partners while allowing Xoserve to test and refine its thinking. At the same time, continued focus on existing CDSP platforms has ensured they remain secure and supported.

We continued to invest in the platforms, capabilities and people needed to sustain high quality services and enable future change. The stabilisation of the modernised Gemini platform and progress on initiatives such as Data Discovery Platform 2 demonstrate our commitment to improving data accessibility, usability and trust. We also strengthened organisational resilience through targeted growth, new leadership functions and improving our capacity to deliver complex programmes alongside business as usual operations.

Customer insight and engagement have remained central, and our strongest ever Institute of Customer Service (ICS) results reflect the contribution of teams across Xoserve and the strength of our relationships with Customers. The establishment of a dedicated Customer Engagement Team has added depth to how we listen, respond and collaborate, ensuring Customer perspectives shape our priorities.

We also continued to support the industry through the energy transition, contributing to low carbon gas trials, policy discussions and the operational and data considerations of future energy pathways.

Looking ahead, BP26 provides a clear mandate to continue to improve services, deliver assured investment and support a period of significant transformation. I would like to thank colleagues, Customers, Stakeholders and partners for their contributions and reaffirm my confidence that Xoserve is well positioned to continue delivering value for Customers and the wider gas industry.

Steve Brittan, CEO, Xoserve

About this document

This document is a record of the key successes, challenges, and events of the financial year 2025–26, and the associated financial information.

This document includes:

- A Strategic Report that summarises key information about Xoserve and the strategic initiatives that were developed and / or delivered during 2025–26
- A Directors' Report that includes a statement of Directors' responsibilities, results, and financial information
- An Independent Auditors' Report which provides an opinion as to the state of the company's affairs, the extent to which the accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the requirements of the Companies Act 2006
- A series of Financial Statements and associated notes

Our Values
Our PACT

We are **Proactive**

- We provide **timely updates** and **manage expectations**
- We **plan for the future** and **anticipate change**
- We **continuously learn** and strive for **better outcomes**

We are **Accountable**

- We **take responsibility** and **overcome challenges**
- We are **flexible** and **act on feedback**
- We make **informed decisions** that support our customers

We are **Collaborative**

- We **work together** as a team, supporting each other
- We **recognise others' contributions** and **celebrate success**
- We are **inclusive** and **value all opinions**

We are **Trusted**

- We **keep our promises** and do what we say we will
- We are **honest**, **authentic** and **consistent**
- We **communicate regularly** with **accuracy** and **care**

Strategic Report

for the year ended 31 March 2026

About Xoserve

Founded in 2005, Xoserve (the Company) is the Central Data Services Provider (CDSP) to Great Britain's gas market. Established by gas market regulations, the Company provides transactional billing, settlement activities, and other data services on behalf of gas network operators (who are responsible for transporting gas through eight gas distribution networks) and National Gas (previously National Grid Gas Transmission).

In addition, the Company provides essential central services to gas Shippers, retailers and other industry participants as well as maintaining the register for the circa 25 million gas meter points in Great Britain. These services ensure compliance with industry code obligations that are delivered functionally across a suite of central systems (e.g. UK Link and Gemini) and related processes.

We also support the industry by using our extensive and unique expertise to modify industry codes when changes are required to central services. We do this by working closely and effectively with code administrators, Customer representatives, and other industry Stakeholders. Services are delivered under an industry-wide contract, the Data Services Contract (DSC), between the Company and all gas Transporters and Shippers. The DSC Parties provide the majority of the Company's funding through the charges they pay for the Company's services. Accordingly, they are consulted on the Company's Business Plan and budget and are represented at governance meetings. Customer constituency nominating bodies also appoint Non-Executive Directors to the Board. The CDSP arrangements prohibit the distribution of profits to the Company's shareholders, with any budget which is no longer needed being returned to DSC Parties. Charges are levied via an Annual Charging Statement which is published alongside the annual Business Plan. These artefacts and related processes are set out in the Budget and Charging Methodology and Cost Allocation Methodology.

Xoserve Figures

Shipper transfers processed
4.3 million

Meter reads processed
1.8 billion

Asset updates processed
4.7 million

Annual Quantities processed successfully
208.8 million

Customer Satisfaction Index Score
84.2

Net Promoter Score
+51

Value of debit Energy Balancing Invoices (EBI)
£456 million

EBI invoices issued
1,500

Transporter invoice value
£6.2 billion

Transporter invoices issued
28,000

Corporate social responsibility and sustainability

Xoserve continues to support good causes through an internal nominations process for charity partners each year. Throughout the year, we have had the privilege of working closely with our four partner charities and donated a total of £8,730 to these worthy causes.

- Cancer Research UK (CRUK)
- British Hen Welfare Trust
- The Wave Project
- Mary Ann Evans Hospice

We were also able to donate a total of £5,740 across The Birmingham Dogs Trust, Diabetes UK, the Wave Project, Macmillan Cancer Support, Men Walking & Talking, Martineau Gardens and Cash for Kids.

Company-wide Volunteer Days were organised to provide much needed support to North Solihull Food Bank and Martineau Gardens, reinforcing our commitment to community impact and employee engagement which resulted in an 85% increase of uptake in 2025–26 compared with 2024–25.

It has been incredible to see so many of our colleagues coming together to support these inspiring causes, each contribution, big or small, making a real difference.

Xoserve's year end carbon footprint position continues to show a decreasing trend, and in FY25–26 was 2.928 tCO_2e, a **16%** reduction compared to 3.476 tCO_2e in FY24–25 and a **43%** reduction against FY23–24's 5.169 tCO_2e. This is mainly due to the continued adoption of a green energy tariff and managing heating usage on a seasonal basis.

Summary of Strategic Initiatives

During 2025-26, Xoserve made significant progress across its strategic initiatives, balancing the delivery of dependable CDSP services with targeted investment in future capability and transformation.

Key achievements included advancing Project Trident from strategic planning into procurement, strengthening enterprise architecture and data strategy capabilities, stabilising the modernised Gemini platform, progressing the rollout of Data Discovery Platform 2, and enhancing organisational capacity through targeted recruitment and upskilling.

Alongside these initiatives, Xoserve continued to support industry-wide priorities such as digitalisation, code reform, data best practice, and decarbonisation, while improving Customer engagement and service assurance. Collectively, these activities have strengthened operational resilience, improved Customer outcomes, and laid the foundations for a more flexible, data-driven, and future-ready energy market.

"Whilst there is a long way to go, we have made significant progress along our strategic journeys so that we are now closer to our destination than our starting point.

Clive Nicholas, Executive Director of Strategy and Development

Our five Strategic Journeys

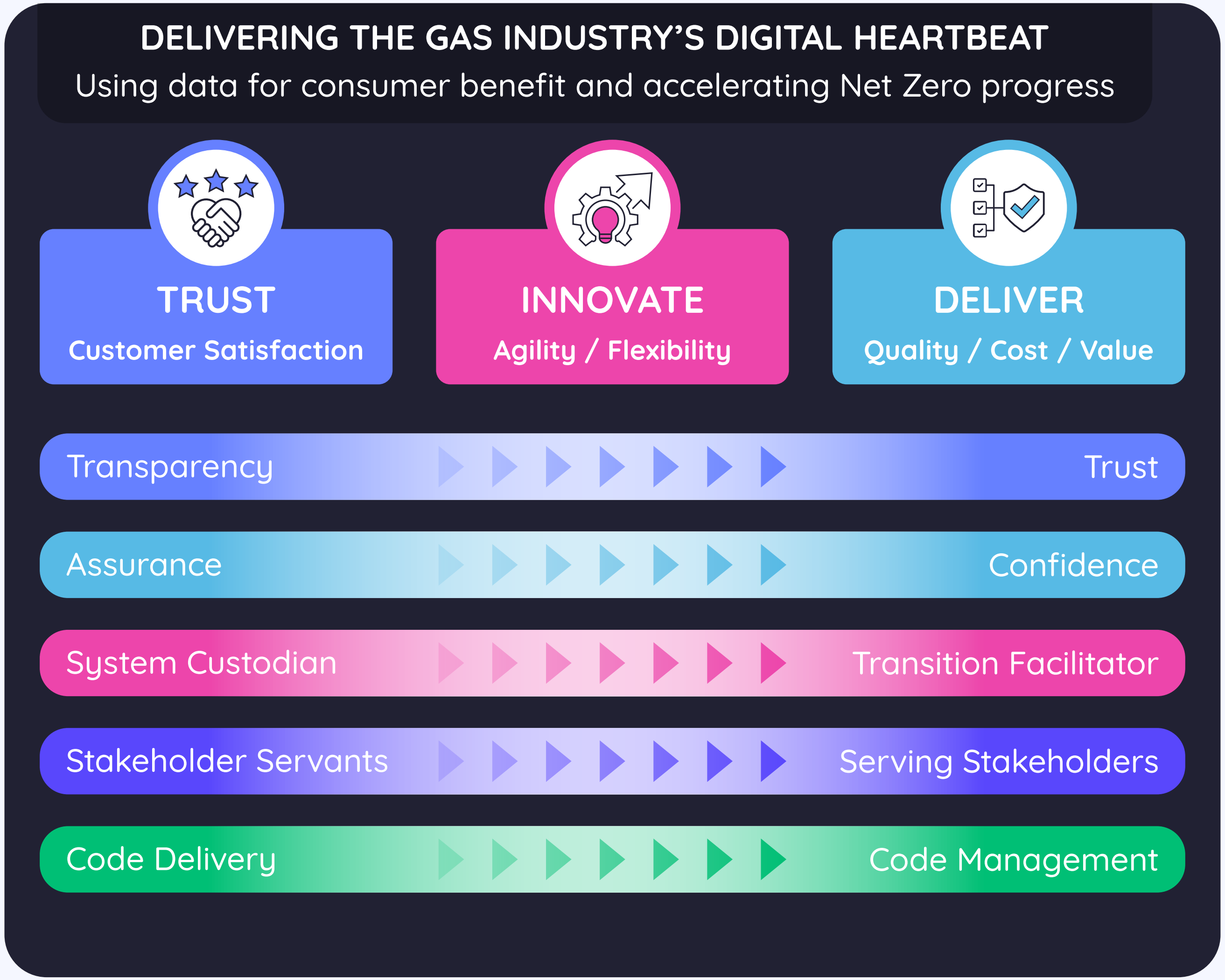
Transparency to Trust
Repeated transparency as standard, breeding trust

Assurance to Confidence
Demonstrating the value we add via assurance, breeding confidence in our capability and capacity to do more

System Custodians to Transition Facilitators
Developing value-adding, flexible, scalable and integrable solutions fit for future scenarios

Stakeholder Servants to Serving Stakeholders
Embodying the behaviours that nurture trust and confidence

Code Delivery to Code Management
Preparing for code reform, bringing coherence between code and digital systems development



2025–26 Projects and Initiatives

In 2025–26, several projects were progressed through S&O and BP25 investment funding. The table below summarises each project, its indicative timeline, and its alignment to the five strategic initiatives.

Click the project titles to jump to further information.

Project / Initiative	Strategic Initiative	2025	2026
CDSP Performance		Enhanced Assurance Delivery DDP2 Delivery KPM / PI Delivery	Target Completion Target Completion
Project Trident		Solution Definition Outline Business Case Procurement and Full Business Case [FBC]	Solution Definition 2.2 Completion
Enterprise Architecture and Data Strategy		Mature Architectural Capabilities Establish Architectural Review Board Data Strategy Hosting Strategy Xoserve Technical Strategy	
Gemini Sustain +		Completion Sustain + PIS (Hypercare)	
Capacity / Capability		Current Op Model Completion Trident Delivery Model Completion Target Operating Model	
Industry Projects		Decarbonisation Activity DBP appraisal Digitisation Strategy Phase 1 Code Reform Review Ofgem SDS1 Consultation and publication	Consultation Publication Target Completion Ofgem SDS Consultation
Customer Engagement		CRM concepts and initiation Completion ICS	Completion
Equitability Review		Stage 2 Consultation Vote Stage 3: CAM Drafting	Stage 4: Consultation Vote
ERIX		Assurance Completion	
BP25 / 26		BP25 Completion BP26 Engagement, Drafting and BPIR assurance	Completion

CDSP Performance

As the Central Data Services Provider (CDSP), Xoserve's core responsibility is to provide dependable, accurate, and timely services that underpin the operation of the gas market.

Throughout 2025–26, we remained firmly focused on these Core services, ensuring that business-as-usual activities continued to meet Customer needs while significant change programmes progressed in parallel. Our approach reflects our commitment to protecting day-to-day service integrity while steadily improving the platforms and processes that sit behind them. The Company's main strategic supplier, Correla Limited, provides CDSP related services (under the commercial outsourcing contract, DSC+). A formal performance and governance framework is in place to ensure the relationship between the two parties is appropriately monitored and managed.

Key Performance Metrics and Indicators

Xoserve's performance as CDSP is measured via a series of 20 Key Performance Metrics (KPMs) and 29 Performance Indicators (PIs). During 2025–26 KPM/PI performance was robust and, across most measures, services continued to perform in line with expectations.

Strategic Scorecard

As part of the Measures that Matter (MtM) project, and in collaboration with Customers, a new 'Strategic Scorecard' was developed and implemented in Q3 2025. The scorecard presents Customers with a balanced view of delivery across operational performance (KPM/PI), Customer outcomes, financial discipline, and strategic transformation and is presented in the DSC Contract Management Committee (CoMC) and Xoserve's Board on a quarterly basis.

Want to know more about KPM/PI performance?

In BP26, current 'Performance' and 'Outputs' charts were moved out of the Business Plan into separate workbooks and can be found in the Resources section of the new dedicated Business Planning Portal that was launched in September 2025.

Performance incidents

During 2025–26, Gemini continued to operate reliably for the vast majority of routine operational scenarios. However, performance issues were identified when the system encountered a small number of rare and highly specific operational failures. These scenarios were not representative of normal daily use but resulted from unusual combinations of system demand and transactional activity, including conditions that occur infrequently and had limited historical precedent. The issues did not indicate a failure of the core Gemini platform, but rather highlighted gaps in how certain edge case scenarios were handled when exercised for the first time in several years. The issues were addressed promptly through corrective fixes, process changes, and close collaboration with Customers. Importantly, learning from these events has been incorporated into strengthened testing, assurance, and operational controls to reduce the likelihood of recurrence.

In Q2 2025 two Line In the Sand (LIS) modifications were implemented which saw performance against 3 PIs that related to 'percentage of CMS Contacts processed within SLA' impacted due to a significant increasein the volumes of Request for Adjustments (RFAs) submitted. The rules within the modification were not being adhered to and we saw a significant increase in RFA submitted by Customers.

CDSP Performance continued

Despite this, we were able to address the majority of the excess RFA within the required timeframe, and our Service Provider is fully focused on managing newly received RFAs within target timescales. In addition, resourcing has increased and improvements to ways of working have been implemented to support the expected higher volumes.

Enhanced Assurance

During 2025–26, Xoserve introduced an Enhanced Assurance regime following Customer impacting incidents identified during the previous financial year. Activity focused on the progression of the seven special measures established to strengthen confidence in CDSP operational performance, data governance, and change delivery assurance. This included the introduction of an enhanced Xoserve Test Assurance capability, complemented by supplier-led testing improvement initiatives, alongside broader improvements to operational governance, incident management and change control processes align to Information Technology Infrastructure Library (ITIL) principles and industry good practice.

The programme also resulted in the development of new Xoserve policies and governance processes that define clearer expectations for supplier delivery, assurance, and operational oversight activities. During the year, opportunities were identified to align the forward roadmap of assurance activity with the emerging CDSP Service Enhancement Programme where objectives and delivery dependencies overlapped, enabling more efficient use of specialist delivery and assurance resources ahead of formal programme mobilisation in April 2026. The same teams also supported the Performance Assurance Committee (PAC) Audit Audit activity undertaken between June 2025 and February 2026, which concluded with no material issues identified.

KPM/PI Review Progress Update

In response to Customer feedback, a comprehensive review of the KPMs and PIs used to assess Xoserve's performance as CDSP was undertaken. This focused on ensuring the measures provided appropriate coverage of services and were clear, transparent, and unambiguous.

A series of internal workshops and an informed Customer workshop was held, with Customers broadly supportive of the proposed direction, requesting clearer explanations of the measures, alongside confirmation that any new measures would be appropriately baselined.

All required changes have been defined, with the initiative in the validation and impact assessment phase, and through active engagement with our Service Provider to assess feasibility and service impacts, this activity is expected to conclude in 2026–27.

Service Managers

Service Managers, established in 2024, provide clear ownership and coordination of service delivery across Xoserve. Acting as a consistent link between Customers, operational teams, and Suppliers, they align delivery across DSC functions and industry codes. They are actively involved in DSC, operational, and constituency forums, providing expertise, guidance, and insight into services and customer impacts.

They also play a key role in incident management, maintaining oversight of service performance, supporting clear communication during incidents, and ensuring Customer impacts and priorities are represented throughout. In doing so, they support Xoserve's assurance role by ensuring delivery is managed effectively, consistently, and transparently.

Project Trident

In FY25-26, Xoserve continued to develop Project Trident, our UK Link modernisation project.

Nick Partridge, **Project Director**

UK Link is the platform we use to connect the complex information, technology and communications systems that are essential to the successful competitive retail gas market in Britain. Project Trident has been established in response to the discontinuation of standard support for UK Link's core technology (SAP ECC IS-U) in 2027. As the existing UK Link technology approaches the end of its supported lifecycle, Project Trident represents a vital investment to safeguard continuity, improve flexibility, and enable future industry change.

This year, Project Trident moved from our strategic outline phase into our procurement phase, with key milestones achieved and delivery activities progressing at pace. The most notable developments include:

- **Our Solution Definition test migration**, demonstrating the technical feasibility of a migration of the UK Link Core to S/4 HANA.
- The identification of a **Preferred Option** for Project Trident using a SAP Hybrid approach, in a two-step approach: Migrate & Evolve.
- The publication of **the Outline Business Case (OBC)**, in line with the HM Treasury Green Book approach.
- Progression of the project into **a procurement phase**, with activity underway to appoint appropriate delivery partners.

Solution Definition

In November 2025, we completed our SAP / SAP Hybrid test migration, providing confidence that this approach is technically feasible while maintaining service continuity. The test migration showed the following:

- A successful proof-of-concept migration of the UK Link Core to SAP S/4HANA for Utilities with no major process redesign required.
- Data migration is feasible using near zero downtime techniques, with an indicative downtime window of circa 25 hours based on SNP's CrystalBridge assessment.
- The UK Link SAP Core active data footprint can be further reduced via archiving, aligned to the future UNC cut-off date with virtualised archive tables retaining on-demand access.

Preferred Option

Using insights gathered from sources such as the Solution Definition report, extensive research on industry case studies and our Preferred Hypothesis Customer Consultation, Project Trident moved from a shortlist of options to a Preferred Option of SAP Hybrid with a two-step approach:

1. **Migrate** UK Link SAP ECC6-ISU core to S/4HANA, for a supported platform.
2. **Evolve** the UK Link estate to modernise the architecture; alongside inputs like industry change, Xoserve Technical Roadmap, and Customer requirements such as UK Link Pain Points.

Project Trident continued

Outline Business Case (OBC)

In January 2026, we published the second step of the three-step business case approach, the OBC. This builds upon, rather than replaces, the information shared in the Strategic Outline Case (SOC) published in September 2024. The OBC brings together the extensive engagement, analysis, and collaboration that have shaped the project to date.

Procurement Phase

In February 2026, we moved into our procurement phase with the publication of two Prequalification Questionnaires (PQQs). As part of the procurement process, Xoserve will be seeking a Transformation Partner (Procurement 1) and a Core Services Partner (Procurement 2).

- The Transformation Partner will help with the integration between Project Trident and wider Xoserve strategic initiatives to ensure a cohesive approach to our projects and supporting parts of Project Trident such as technical and testing assurance.
- The Core Services Partner will design, deliver, and implement our modernised UK Link solution as described in the OBC.

Project Trident Stakeholder Engagement

Throughout FY25–26, Customer and Stakeholder engagement has remained central to our progression and achievements. We have continued to build on our commitment to transparency, collaboration, and meaningful two-way communication. Our structured engagement approach, combining direct Stakeholder engagement sessions, workshops, dedicated Customer briefings, newsletters, and governance forums ensures both broad reach and meaningful dialogue with our Customers and Stakeholders. This year, our engagements have included:

UK Link Pain Point workshops: Over June and July 2025, Project Trident commissioned Moorhouse Consulting to run a series of workshops with Customers to validate pre-identified opportunities with the "As-Is" UK Link Architecture, explore additional opportunities and consider solutions for these (UK Link Customer pain points). Over 133 Contract Managers and representatives from a broad range of Customers took part in these sessions. This resulted in an original total of 73 pain points that Customers experience when using both UK Link and wider Xoserve infrastructure. Insights gathered through engagement activities have informed not only Project Trident, but also wider improvements across CDSP services. Feedback from UK Link Pain Point workshops allowed us to identify candidates for CDSP Service Enhancement that could be delivered ahead of Project Trident implementation and potential scope of Project Trident Evolve phase to be evaluated closer to the time.

Preferred Hypothesis Customer Consultation: Between July and September 2025, Project Trident held a customer consultation on its Preferred Hypothesis: a SAP Hybrid approach. DSC Customers were invited to contribute towards the consultation within three different routes: online surveys, a Customer workshop, and written feedback to the Stakeholder Engagement Team or Project Trident Customer Advisors. We found that contributing Customers largely expressed support or were neutral towards the Preferred Hypothesis based on the information shared in the consultation. We found that:

- Step 1, Migrate, was regarded as providing the necessary foundation to ensure stability and continuity but carried delivery and duplication risks.
- Step 2, Evolve, was seen as achieving most of the long-term benefits but is more complex and where greater risks (overheads, scope, and customer impact) would surface.

The summary report is available on Xoserve.com here.

Project Trident Customer Engagement Day: In February 2026, Customers from across all key constituencies participated in a dedicated Project Trident Customer Engagement Day. As part of the day, the attendees not only heard updates on these areas but actively participated in breakout sessions and shared their perspectives on the project's progress and next steps. The main themes that emerged from discussions focused on the OBC, project assurance during our procurement phase, and our commercial approach. It also shared the engagement approach to continue focusing on what matters most to Customers.

The summary of content from the day is available on Xoserve.com here.

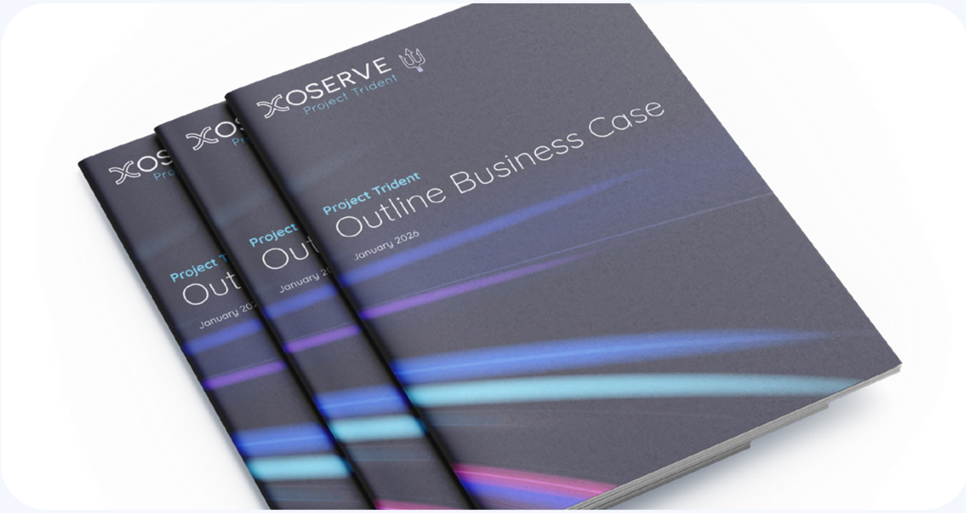
Broadcasts via Project Trident homepage and monthly newsletters: Our Project Trident homepage, launched in 2024, contains a repository of all our Customer briefings and project information. Our monthly newsletter – 'The Tide' – is our primary Project Trident update, designed to help raise awareness of the latest progress, activities, and collaboration opportunities. Subscriptions to The Tide newsletter increased to +550, representing a 40% increase between June 2025 and 2026.

We have also strengthened governance and representation through the introduction of **Customer Advisors to the Project Trident Steering Committee.** Introduced in June 2025, the Customer Advisors bring a Customer perspective to the highest level of Project Trident governance: building greater transparency, credibility, and Stakeholder trust within Project Trident decisions. The two Customer Advisors represent Shippers and Transporters, respectively.

In addition to offering individual sessions, the Customer Advisors host regular drop-in sessions for Customers to hear first-hand their updates on Project Trident and how they are actively shaping the work undertaken by the project team.

Looking ahead

Project Trident will focus on continuing to enact a fair and competitive procurement, appointing delivery partners, and completing our Business Case development with the publication of the Full Business Case. Through this continued focus on delivery, engagement, and value for money, Xoserve will ensure that Project Trident delivers a modern, resilient, and future-ready UK Link platform capable of supporting the evolving needs of the gas market.



Enterprise Architecture and Data Strategy

The Enterprise Architecture Team continue to assist in the delivery of enhanced business and technical outcomes, allowing for informed decisions to include artefacts and key information from within each of the architectural disciplines thus supporting initiatives and decisions through technical facts, evidence, and other supporting information.

Andy Morrey,
Head of Architecture

The team continues to use The Open Group Architectural Framework (TOGAF), with the number of artefacts and key documents increasing on a regular basis, helping hone and document our knowledge of Xoserve's People, Processes and Technologies.

Our participation in the evolution of Project Trident has been key, helping shape the scope of technical and business change through technology reviews, workshops, vendor meetings, and market engagement. A vision of our future architecture has been shared ahead of PQQ and RFP to provide input for those bidding to be part of Xoserve's future, whilst gaining some early insight and views into the possibilities of our concepts with those potential partners that have delivered these transformation changes before, globally.

At Xoserve's core, enterprise architecture continues to ensure that the existing CDSP platforms are supported, secure and responsive whilst gearing up to accept Project Trident into the estate. This has and continues to evolve, looking at the various components within the estate and mapping their end of support timescales to Project Trident's delivery to negate any form of disruption to the phases of Project Trident (Design, Build, Test, Migrate).

Additionally, the team has been focused on the future of Xoserve during 2025 which has led to the creation of Xoserve's first Technical Strategy, Data Strategy and Hosting Strategy. Each strategy presents a 3–5-year view as to where the business intends to utilise technology to increase capability offerings to our Customers, provide added estate security and simplify/rationalise the number of components currently supported and maintained.

Through the combination of these activities, the creation of Xoserve's future roadmap of change across the entire estate has been possible. This enhanced view will support future investment proposals and has already highlighted several opportunities, which the team will be working through with our Service Provider during 2026 and beyond.

The established Architecture Review Board (ARB) continues to mature and evolve, improving the way we govern changes, make/record decisions and approve Xoserve's technical and business architecture changes, as well as continuing to provide counsel and direction.

Over the course of 2026, the Architecture Team will establish closer technical relationships with vendors whose products are active in the CDSP estate. Our architectural collaboration with our existing Service Provider will continue to strengthen, building on an already stable foundation with their Architecture team through the sharing of ideas, concepts, and TOGAF artefacts and documentation.

Gemini Sustain +

Emma Smith,
Head of UNC Services

The new modernised Gemini Platform went live in March 2025 with the focus during 2025-26 to ensure the platform was stable and resilient.

Gemini operated reliably across the vast majority of routine operational scenarios; however, a limited number of issues occurred. This is described in more detail under CDSP performance incidents, highlighting the embedding of the lessons learnt to reduce likelihood of reoccurrence.

Data Discovery Platform 2 (DDP2)

The Performance Assurance Committee (PAC) audit into reporting emanating from the Data Discover Platform (DDP) was delayed beyond previously expected timeframes but concluded in Q4 of 2025-26.

As a prudent measure, the related £0.5m benefit was reintroduced back into the 2026-27 budget. DDP2 rollout is expected as early as possible within the BP26/27 financial year. To ensure that no additional risk was introduced a period of beta testing was undertaken with Customers and a detailed DDP2 rollout plan was presented in early 2026.

DDP2 will deliver major improvements to how Customers access, use, and trust data within the DDP platform, addressing long-standing issues with visualisation, downloads, and usability. DDP2 marks a significant step toward a more reliable, transparent, and Customer-focused data service that sets the foundation for future development.

Capacity & capability

Upskilling remains a critical enabler of Xoserve's strategic objectives, ensuring we have the capability, resilience, and leadership depth required to deliver our priorities both now and in the future.

As the organisation continues to evolve, driven by regulatory change, digital advancement, and increasing Stakeholder expectations, it is essential that we proactively invest in the skills, behaviours, and capabilities of our people.

The creation of a Finance & Transformation Directorate, alongside the appointment of a new Commercial Director, reflects the continued evolution of our executive leadership to match the scale and complexity of our Stakeholders' needs. This change recognises the increased capability required to oversee major programmes, strengthen financial stewardship, and drive transformation at pace, ensuring we are appropriately structured to deliver sustained value for our Customers.

Over the past year, targeted learning and development investments have been made across the business, aligned to individual performance outcomes, talent potential, and succession planning needs. With over 73% of the workforce benefiting from targeted upskilling opportunities during the year.

This reflects a strong commitment to building organisational capability and supporting upskilling at scale.

To support this commitment whilst ensuring we maintain strong professional and industry standards, we have implemented frameworks and several professional accreditations across the organisation.

" The Xoserve team is stronger than ever, bringing together more than two decades of CDSP experience and specialist expertise, underpinned by a strong focus on continuous learning and upskilling to ensure we remain future-ready.

Sharon Ilsley, Head of People Services

Capacity & capability continued

Through the performance calibration process, upskilling is treated not as a standalone activity, but as a strategic lever, integrated with performance management, talent identification, and workforce planning. This ensures investment is targeted, outcomes are measurable, and learning translates into tangible organisational impact.

Maintaining momentum in this area will be essential as we move into the next year. A continued focus on strategic upskilling will support delivery excellence, strengthen internal capability, and reinforce Xoserve's commitment to developing its people in line with future business needs.

Over the past year, we have made a deliberate and strategic investment in our people to strengthen organisational resilience and increase delivery capacity. Our headcount has grown by approximately 25%, from 67 colleagues in March 2025 to 89 as of 31 March 2026.

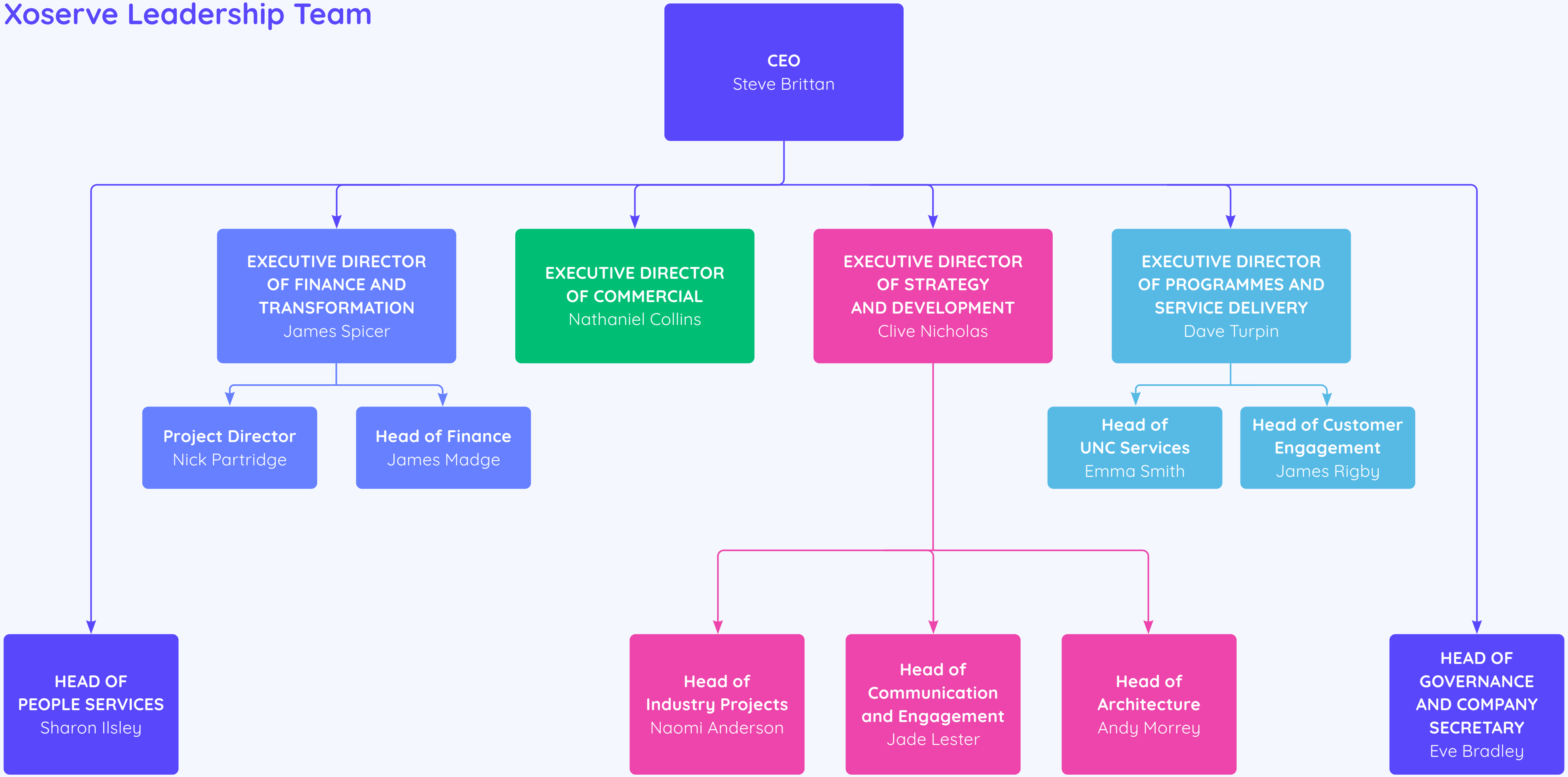
This growth has been targeted rather than opportunistic, with capacity added in areas critical to operational stability, regulatory confidence, and transformation delivery. We have strengthened both the Service Management and Regulatory Change teams, improving our ability to respond to change, manage risk, and maintain service continuity.

To further embed resilience, we established a dedicated Test Assurance function, providing stronger independent assurance and reducing dependency on key individuals. We also created a new Transformation Directorate, providing clear strategic ownership and governance of change delivery, while continuing to build out the Project Trident team to support sustained programme momentum.

In parallel, we have invested in future capability through the appointment of two specialist roles focused on AI and Automation. This strengthens our capacity to modernise processes, improve efficiencies, and scale delivery without proportionate increases in cost.

Collectively, these changes have materially improved our organisational resilience, reduced single points of failure, and enhanced our ability to deliver at pace while remaining compliant with internal governance and assurance requirements.

Xoserve Leadership Team



Industry Projects

Data Best Practice

Between January and March 2026, we completed an initial appraisal against the 11 principles set out in Ofgem's Data Best Practice guidance. This assessment enabled us to identify gaps, define priority actions, and establish a structured pathway to improved alignment.

Working closely with our Service Provider, we began developing a detailed project plan to deliver the required changes over the next two years. A key output from this first phase was the creation of a comprehensive traceability matrix, mapping relevant data items to systems, processes, and controls. This provides a robust foundation for both future development and ongoing assurance as we strengthen our data framework.

This initial review marks the transition from assessment into delivery. Stakeholders can expect a more comprehensive project plan to be published in summer 2026, setting out the proposed delivery approach for the subsequent two-year period, including sequencing, dependencies, and governance arrangements.

Preparing our Digitalisation Strategy

During 2025–26, Xoserve developed the first iteration of its digitalisation strategy, setting out a clear view of our current digital and data activities, how these align with Ofgem's Data Best Practice guidance, and our longer-term ambition for the Central Data Services Provider (CDSP).

The strategy articulates our objectives for improving data management, strengthening data governance, and enabling better co-ordination and accessibility of data across the gas sector. It recognises the critical role that high-quality, well governed data plays in supporting market efficiency, regulatory compliance, and the sector's transition ambitions.

This initial strategy represents a foundational step rather than an end state. We engaged with Ofgem to ensure the strategy is appropriately aligned to regulatory expectations and emerging policy direction. Subject to this engagement, we plan to publish the strategy in June 2026, providing transparency to industry on our approach and direction.

The strategy will continue to evolve over the coming years as we respond to changes in the regulatory landscape, Stakeholder needs, and technological opportunity.

Preparing the CDSP for Code Reform

In anticipation of potential code reform, Xoserve commissioned an independent expert review to assess the actions required of the CDSP, irrespective of the final code management model adopted.

The review concluded that, in all credible reform scenarios, it will be necessary to assess the subcontracts against the proposed draft licence conditions. This will enable us to understand whether contractual changes would be required under either a third-party code manager model or a model in which Xoserve is successful in becoming code manager.

These activities ensure that the CDSP is proactively preparing for reform, reducing delivery risk, and maintaining continuity of service regardless of the final policy outcome.

Ofgem's Strategic Direction Statement (SDS)

The Strategic Direction Statement (SDS) sets out Ofgem's five-year forward view of how government energy policy and market developments are expected to translate into changes to industry codes. It is intended to provide a single, strategic reference point to guide industry participants in aligning their activities with regulatory and system priorities. Ofgem's first SDS was formally published in August 2025 following a period of consultation.

Ofgem's second Strategic Direction Statement will continue to shape our work and priorities at Xoserve. We will maintain close collaboration with Encodar across all aspects of code reform, and progress readiness activities ahead of Data Best Practice becoming a formal licence obligation. Alongside this, we will advance the development of Solution Definition 2.2 which supports our ambition to move towards a platform where new ideas, services and Customer solutions can be tested more safely and at pace. We will also continue to support innovative initiatives across the decarbonisation space as we prepare for the future of the gas system.

Xoserve's Activities against relevant SDS Objectives

The following table summarises some of the key activities undertaken by Xoserve between April 2025 and March 2026 that aligns with and supports relevant SDS objectives.

Objective	Xoserve Activities	Milestone
5.3: Establish Regional Energy Strategic Planners	Signed a data sharing agreement with National Energy System Operator (NESO), marking a significant milestone in supporting the delivery of Regional Energy Strategic Plans (RESPs)	Feb 26
7.2: Prepare for repurposing and decommissioning of the gas grid	Supported the future of gas agenda through Managing Different Gases programme, biomethane data sharing, Project Girvan, and active contribution to industry forums and consultations	Sep to Oct 25
8.3: Funding hydrogen infrastructure – Gas Shipper Obligation	Delivered expertise to support the Gas Shipper Obligation, including levy methodology design, industry consultation input, and development of CDSP data services with LCCC	Apr 25 to Mar 26
11.2: Reform energy code governance to enable faster, more strategically aligned rule changes across the sector – Bring forward benefits of code reform; Implement Ofgem's new strategic functions and phase 2 transition to code manager arrangements; and Consolidate codes	Delivered expertise to support the Gas Shipper Obligation, including levy methodology design, industry consultation input, and development of CDSP data services with LCCC	Jan to Mar 26
14.1: Set governance and standards to digitise system data and improve data sharing,	Coordinated industry input on data best practice, preparing CDSP readiness for implementation of new regulatory requirements, including initial Digitalisation Strategy	Aug 25 to Mar 26
14.2: Enable innovation across the sector	Provided input to Ofgem's December 2025 open letter on Energy Digitalisation Governance: Architectural Coordination, supporting the development of a shared, industry-wide architectural framework	Dec 25
Adaptability for innovation	Supported innovation through hydrogen trials (e.g. H100 Fife), enabling new metering capability. Contributed expertise to settlement reform for a low-carbon gas network through the Real Time Settlement Methodology programme	Jun 25

Decarbonisation

Preparing Xoserve for future energy pathways

Xoserve's Decarbonisation team plays a key role in helping the organisation understand, anticipate, and prepare for the implications of the energy transition. The team monitors the evolving policy and regulatory landscape, engages with Customers and industry Stakeholders, and translates emerging decarbonisation developments into strategic insight for Xoserve's leadership, Customers, and Stakeholders.

This work helps Xoserve assess where future low-carbon gas pathways may affect its role, services, capabilities, and long-term strategic direction. It also supports the organisation in identifying where it may need to adapt, influence or prepare early as the gas market evolves across hydrogen, biomethane, blending, future gas market arrangements and wider system reform.

Supporting low-carbon gas trials and innovation

The team has continued to support a range of decarbonisation projects, including H100, RTSM, and biomethane-related activities such as Project Girvan. Through these initiatives, Xoserve is helping to identify the central system, settlement, billing, data, and operational implications of introducing new gases and future market arrangements. For H100, Xoserve has supported industry preparations for a 100% hydrogen trial by contributing to metering, billing, and settlement considerations, alongside data analysis and readiness activity. For RTSM, the Decarbonisation team has supported the project team by providing central systems insight and helping to assess how real-time settlement could enable fairer and more accurate billing in a future multi-gas system.

Building evidence for a multi-gas future

A key area of focus has been understanding the practical implications of introducing gases with different characteristics into the gas network. This includes supporting work on hydrogen blending, non-propanated biomethane, and the wider Managing Different Gases programme.

Through this activity, the team has helped build evidence on how gas quality, calorific value, settlement, and system processes may need to adapt. This evidence is also being used to support discussions with Gas Distribution Networks, National Gas, Ofgem, DESNZ, and other industry Stakeholders as future market frameworks develop.

Preparing central systems from an operational perspective

Alongside its strategic role, the Decarbonisation team supports the identification of practical central systems and data impacts arising from low-carbon gas trials, policy developments, and Customer-led innovation. This includes considering how existing processes, settlement arrangements, billing, data flows, and operational reporting may need to evolve to support new gases, changing calorific values, different settlement approaches, and more flexible data requirements.

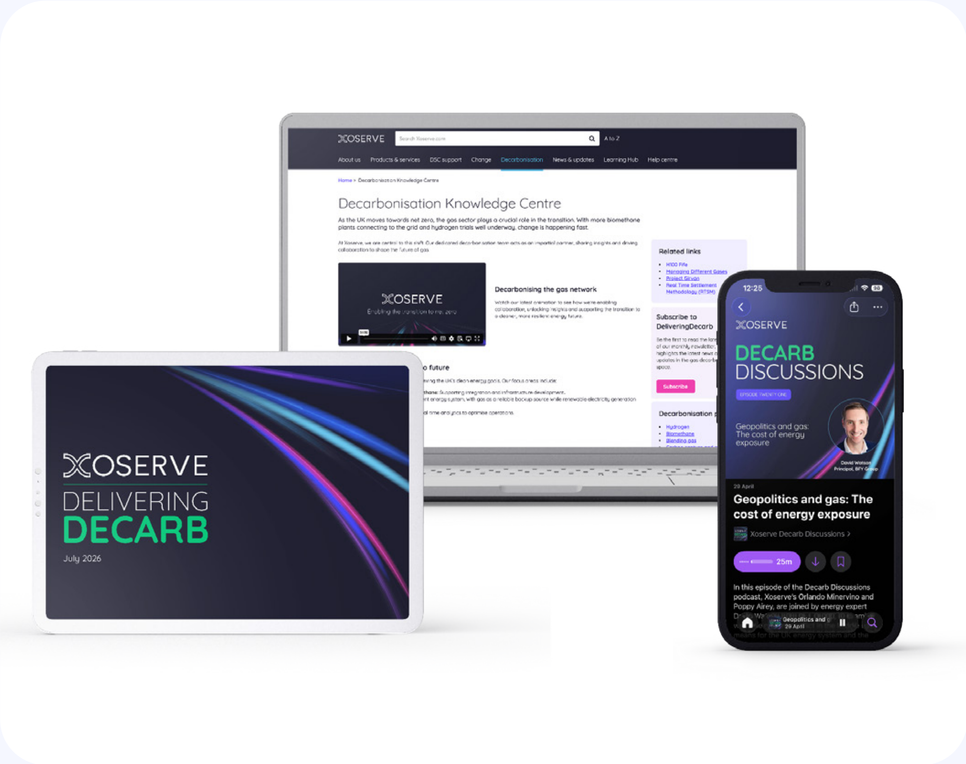
This work helps ensure Xoserve can identify operational implications early, support Customers with evidence-based insight, and prepare for future system changes in a structured and informed way.

Decarbonisation continued

Strengthening industry engagement and thought leadership

The team has maintained active engagement with Gas Distribution Networks, National Gas, Ofgem, DESNZ and wider industry Stakeholders to understand emerging needs, share Xoserve's evidence and position the organisation as an active contributor to the future of gas.

Through the Delivering Decarb newsletter, website content, Stakeholder briefings, industry forums and the Decarbonisation Podcast, the team has also helped increase visibility of Xoserve's role in enabling decarbonisation, system readiness, and data-led market change.



Customer Engagement

Institute of Customer Service (ICS) survey

As a customer centric organisation, we understand that Customer satisfaction is dependent on many factors, not least how we perform as the CDSP given the criticality of the services we provide. As such, we partner with the Institute of Customer Service (ICS) in an extensive annual survey of our Customers, which enables us to benchmark ourselves against 13 sectors via multiple metrics of customer service.

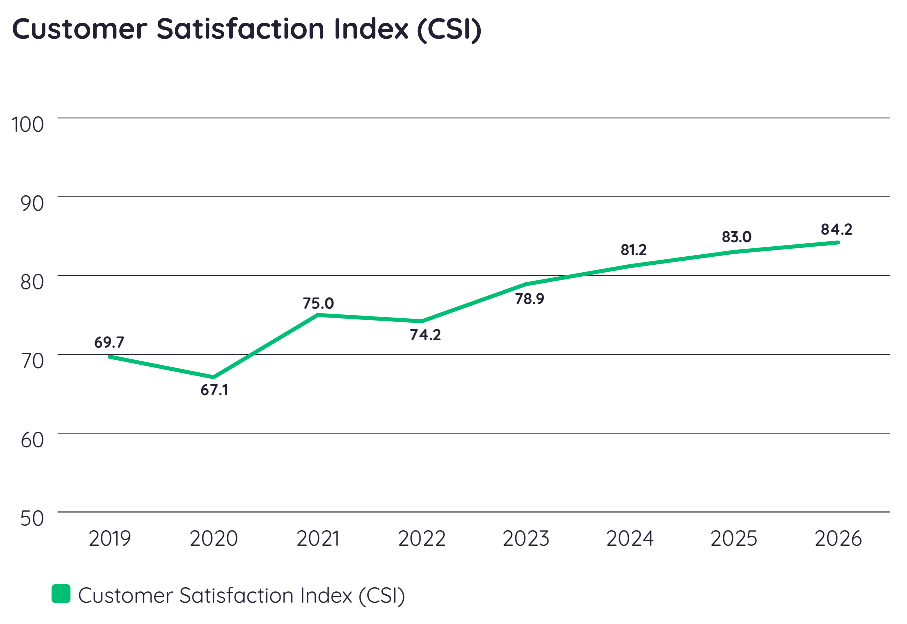
The ICS assesses Customer experience through a comprehensive framework of 26 metrics, covering areas such as future Customer behaviours, Net Promoter Score (NPS), Customer effort, right first time delivery, trust, and reputation. These measures are complemented by analysis of channel usage and satisfaction, as well as the key drivers of complaints and the effectiveness of complaint handling. Together, these insights provide a rounded view of Customer experience and performance, with findings formally reported by the ICS twice a year, in January and July.

Due to the nature of the CDSP services and the structure of our Customer base, Xoserve measures the results by:

- **Customer segments:** covering Shippers, Distribution Networks, Independent Gas Transporters and Transmission organisations
- **Engagement / Customer role categories:** covering Contract Manager and Strategic Engagement, Change Engagement, Customer Meetings, Event attendance, and Key Operational/Technical Contacts

The survey was carried out in February 2026 and was distributed to 536 individuals across circa 120 organisations. We received 111 responses in total, with a 20.7% response rate. We would like to thank all Customers who took the time to contribute.

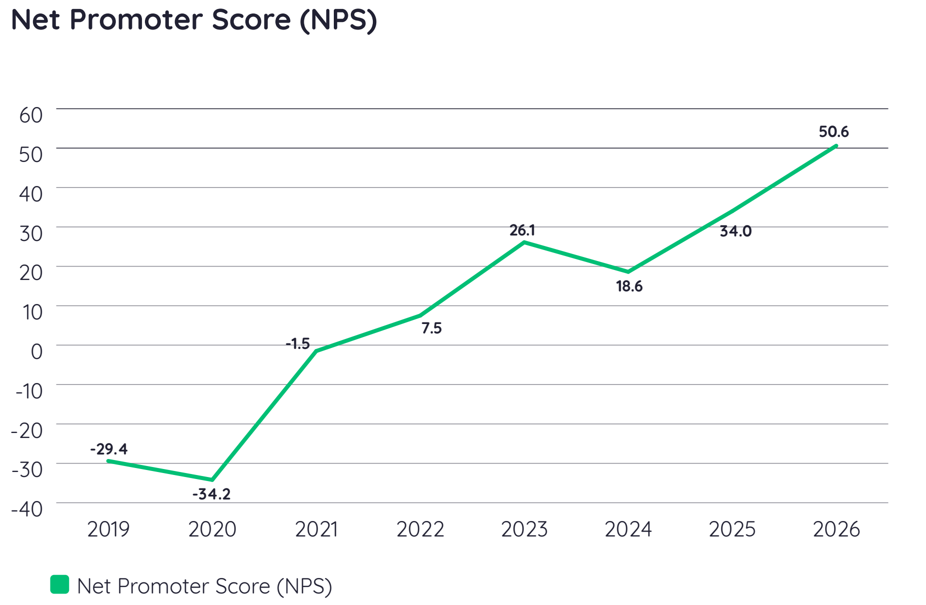
Customer Satisfaction Index (CSI) overall score is based on all scoring questions relating to Experience, Complaints, Emotional Connection, Customer Ethos and Ethics. We continue to demonstrate year on year improvements, and in 2026 achieved our best ever score with a 1.2-point improvement on the previous year.

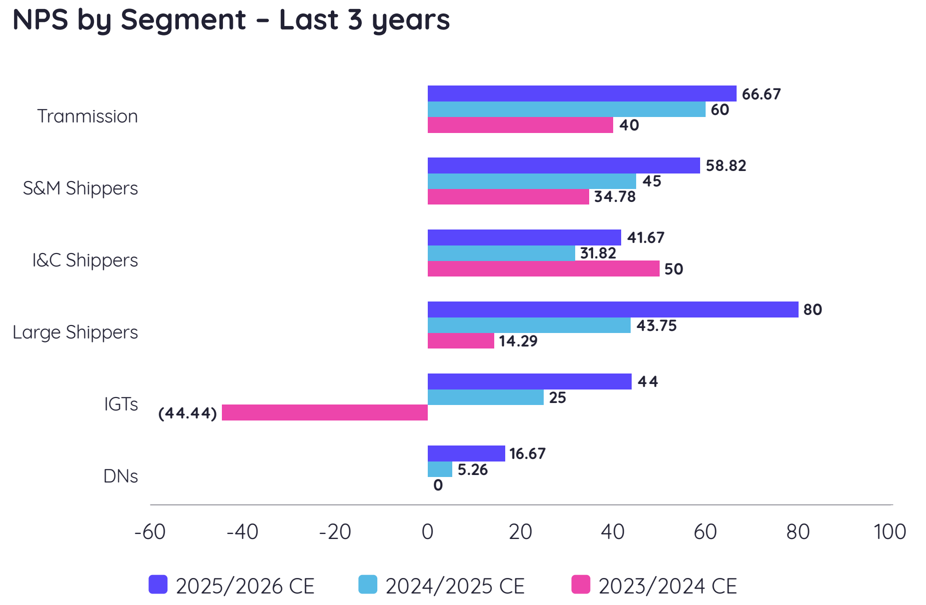


Customer Engagement continued

Net Promoter Score (NPS) is based on the 'likelihood to recommend' scores. A particular formula based on % of respondents scoring 9 or 10 (out of 10) MINUS % of respondents scoring 0–6 out of 10. In 2026 we saw our largest improvement with increases seen across all Customer segments.

The increase in NPS were driven from the Large Shippers (+36.25) with IGTs showing a material increase from 2023–24 (-44) to 2025–26 (+44) demonstrating Xoserve's focus on acting on insights, building enduring relationships, and addressing Customer concerns.

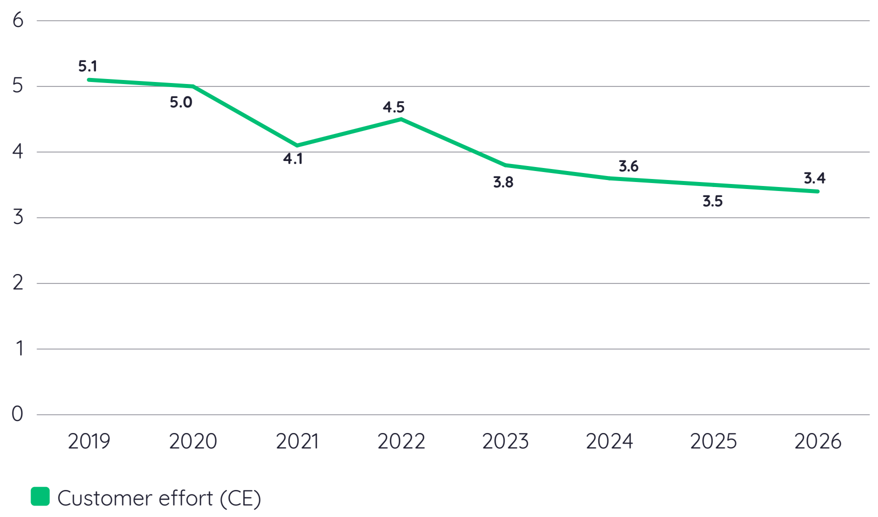




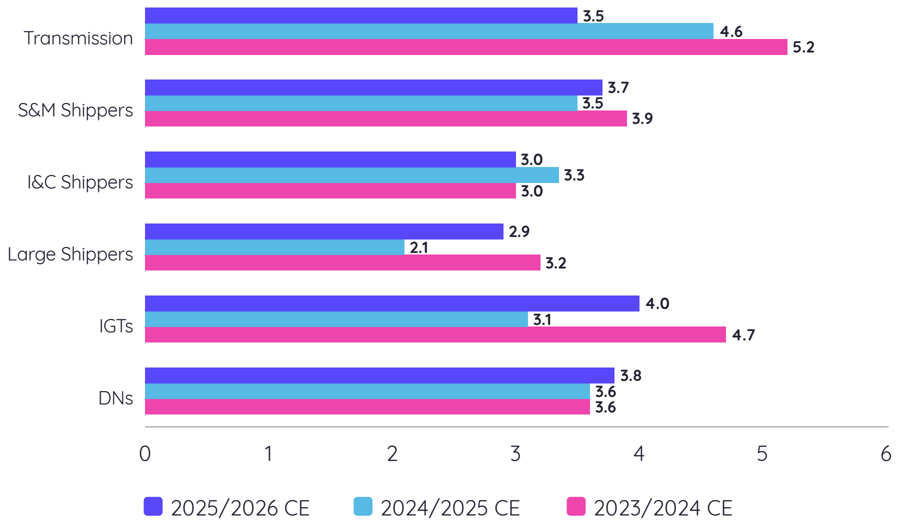
Customer Effort (CE) is based on the specific question asking 'how much effort did you have to make to complete your transaction, enquiry or request' which is scored out of 10. A lower score signifies less effort required by the Customer.

2026 continues to show a positive downward trend since the high of 2022, with continued improvement in Customer Effort for the Large Shipper, Transmission, and I&C Shipper Customers, highlighting that Customers felt that it required less effort to achieve their desired outcome.
The largest increase in Customer Effort came from IGTs, up 0.9.

Customer Effort (CE)

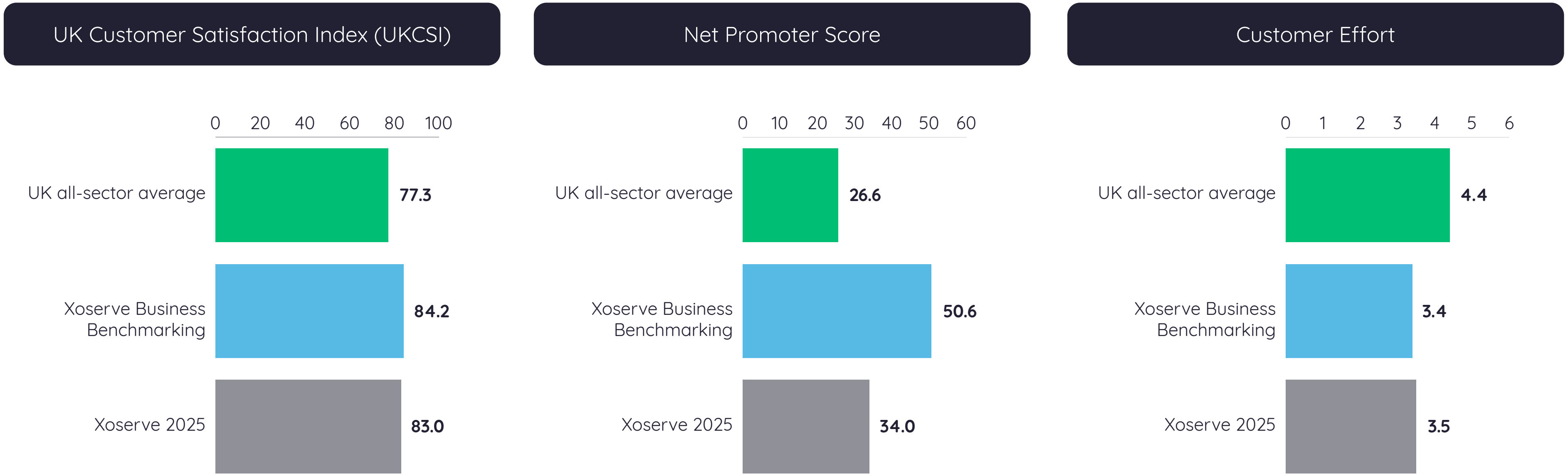


Customer Effort by Segment – Last 3 years



Customer Engagement continued

UKCSI, NPS and Customer Effort



ICS Focus Areas

Focus Area	Context	Related Activity
Problems/complaints	Whilst improvements have been observed, CSAT verbatim and lagging 2026 ICS measures on this topic are evidence of more to do	• Dedicated deep-dive activities completed • General Queries has been allocated as the priority activity for Xoserve's new Service Enhancements Programme
Communications standards	Whilst Xoserve's Customer Engagement Team has become embedded, communications have been highlighted as requiring improvement.	• Evidence from the UK Link Pain Point workshops has pinpointed key opportunities for communications improvements • The Service Enhancements Programme has been established to own those pain points and develop more proactive, data-driven communications activities
Understanding Customers	ICS results demonstrate an improved level of satisfaction across all Customer groups, however verbatim comments indicate further effort is required to better understand customer business considerations.	• Across all major programmes at Xoserve, the need for a refresh of our Customer Journey Maps has been identified, and highlighted by our Enterprise Architecture function • The Service Enhancements Programme will also progress this activity, with Customers to enhance our customer intelligence capabilities and assure Customers that we understand their needs

Customer Engagement continued

Customer Engagement

BP25 introduced funding for a new Xoserve Customer Engagement Team, which was recruited in April 2025. The team were tasked with providing a strategic layer of engagement for Customers to access, along with assuring pre-existing operational engagement activities provided by a third-party supplier. Key achievements across 2025–26 included:

- Building trusted and value-adding relationships with Customers via the delivery of Constituency meetings, DSC committees, and bilateral sessions
- Creation and mobilisation of a CDSP Service Enhancement Programme designed to address known Customer pain points
- Support of strategic initiatives, such as the development of the Business Plan
- Best ICS survey results were recorded

> The best-ever ICS results are very reassuring and provide fantastic feedback to our highly dedicated and knowledgeable Customer Engagement Managers, who will use all insights to attempt to reach even higher levels of satisfaction.
>
> **James Rigby,** Head of Customer Engagement

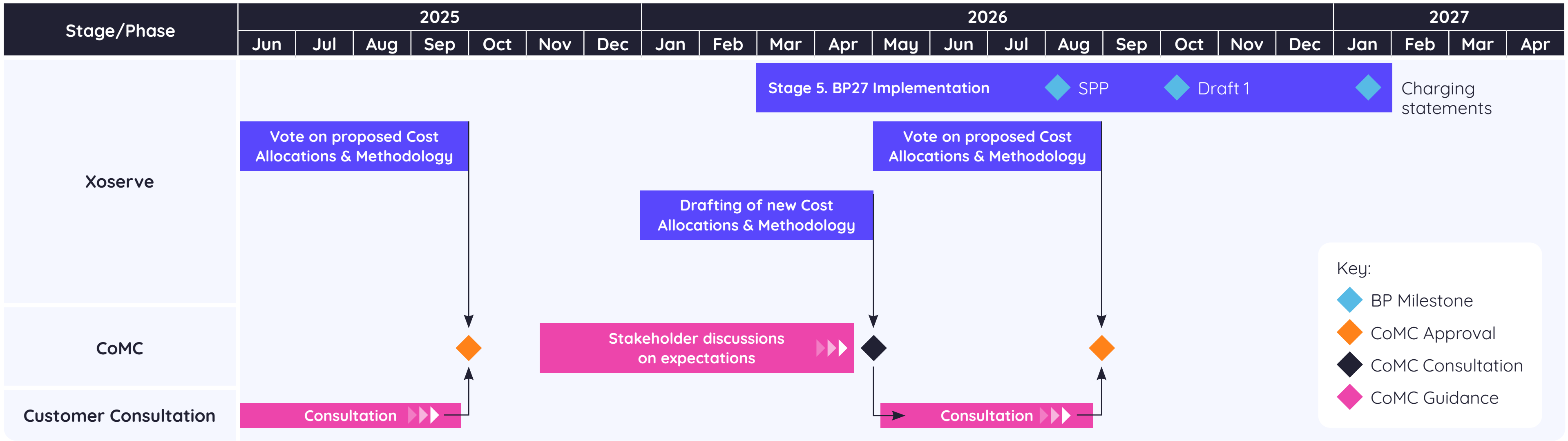
Equitability Review

Following on from the successful completion of Phase 1 'Reviewing our Service Area Structure' through 2024–25, during 2025–26 we carried out Phase 2 of the review, looking at how costs are allocated across constituency groups.

This resulted in proposed changes to the Budget and Charging Methodology going out to Customers for consultation over the summer of 2025, followed by a vote on whether to implement these changes at the DSC Contract Committee (COMC) in September 2025.

Unfortunately, the outcome of the vote was that no proposals would be implemented in BP26, with further work needing to be done. A key part of this work has been an extended focus on Customer engagement to ensure industry is fully supportive of proposed changes before a new round of consultation kicks off in summer 2026.

Equitability Review Milestone Plan



Efficiency Review Implementation in Xoserve

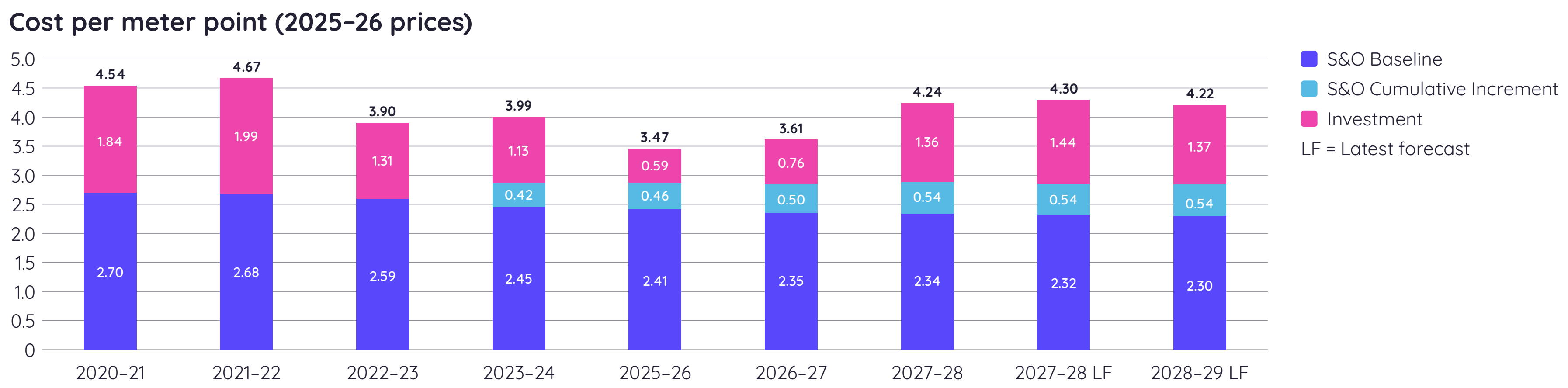
In 2023, an independent Efficiency Review was commissioned to benchmark Xoserve's delivery of services with other organisations. This in-depth review provided assurance that the cost to deliver CDSP services compared favourably with other organisations and identified potential opportunities for Xoserve to become more efficient, economic, and effective.

These opportunities were progressed via a dedicated Efficiency Review Implementation in Xoserve (ERIX) programme and focused on systematically implementing the recommendations from the independent review, which included:

- Becoming a more intelligent Customer – Boosting Xoserve's internal knowledge to increase value of procurement processes
- Enhanced procurement – Maximising cost-efficiency of Xoserve procurement processes through enhanced competition, and
- Digital estate strategy – Developing a comprehensive future strategy for Xoserve's digital assets essential to delivering Customer services were.

In BP25, and resulting from the 2023 independent Efficiency Review, Xoserve has delivered a 3% reduction in S&O charges against the FY22–23 baseline, and through the completion of a series of initiatives implemented over the last three years, incrementally reduced its 2023 operational cost base by 9% (over £5m), with further reductions forecast across subsequent financial years.

The graph below shows historic and expected reductions across multiple financial years at a 'cost per meter point' level expressed in 2025–26 prices.



BP25

BP25 Delivery

BP25 was the first Xoserve Business Plan developed and assured against the Business Plan Information Rules (BPIRs), introduced following Ofgem's approval of UNC Modification 0841. The BPIRs strengthened the quality and discipline of Business Plan development by embedding clearer expectations around transparency, justification, and compliance with an independent third-party assessor onboarded to evaluate the Business Plan's adherence to the rules. The assessor reported a 91% compliance score and identified areas where further compliance could be demonstrated as additional information became available post Business Plan approval.

Although compliance cannot be assessed retrospectively or improved without the issuing of a revised or subsequent version of the plan, it is important to demonstrate to Customers how, from 1 April each year, Xoserve delivers against investment through Xoserve's Change Delivery Framework.

Overview of the Change Delivery Framework

The Change Delivery Governance Framework sets out how Xoserve moves from Business Plan approval to controlled delivery, assurance, and benefits realisation, ensuring that no work starts at risk, all spend is governed, and Customers receive transparency over delivery and outcomes. This Framework ensures that every Customer funded commitment moves through a controlled lifecycle: from Business Plan approval to contractually assured delivery, to verified outcomes and benefits.

Step-by-step Delivery Framework

1 Business Plan Approval
Sets out the approved investment budgets

2 Business Plan Definition
To define the scope, priorities, and budget for change and strategic initiatives that Xoserve is committed to deliver for the financial year

3 Statement of Work Planning
To translate Business Plan commitments into an executable delivery plan, ensuring that all required work is identified, scheduled, and contractually covered

4 Statement of Work approval and assurance
To ensure all SoWs are appropriate, affordable, compliant, and deliverable before work begins, protecting Customers from unmanaged cost or scope risk

5 Change Delivery and Monitoring
To oversee delivery against approved plans, track progress, and intervene where delivery deviates from expectations

6 Financial Control and Reporting
To ensure spend aligns to approved commitments and that customers are protected through contractual controls

7 Delivery Closure and Benefits Realisation
To confirm delivery completion, assess performance, and ensure benefits are realised and transitioned into BAU

8 Escalation and Continuous Improvement
To resolve issues that exceed delivery tolerances and to improve future performance through structured learning

Delivery Artefacts

The delivery lifecycle is governed by a structured set of artefacts that establish control, alignment, and accountability from planning through to closure. It begins with a Board approved Business Plan that defines the overall investment envelope, followed by detailed Business Plan Definition artefacts such as investment proposals and business cases, which confirm agreed scope, funding levels, and delivery commitments while justifying value for money. Statement of Work (SoW) planning and approval stages then provide forward visibility of delivery requirements and formalise contractual agreements, ensuring that work only proceeds once appropriate controls, dependencies, and assurance checks are in place.

As delivery progresses, a suite of operational artefacts, including SoWs, RAID logs, financial reports, and assurance outputs, supports ongoing monitoring, risk management, and Stakeholder reporting. Financial control processes provide transparency on spend and trigger corrective actions where needed, while closure and benefits realisation artefacts confirm completion and track outcomes against expectations. Throughout all stages, escalation and continuous improvement logs ensure that risks are managed effectively and lessons learned are captured, strengthening future planning, governance, and delivery performance.

Stage	Key Artefacts	Purpose
1. Business Plan Approval	A Board approved Business Plan	To set out the Investment budget
2. Business Plan Definition	Approved Business Plan Investment Proposals / Business Cases	Sets formal Customer agreed scope, investment levels, and delivery commitments against which all activity is governed Justify individual investments, demonstrate value for money, and provide the basis for later assurance and benefits tracking
3. Statement of Work Planning	SoW Plans	Provides a forward view of all SoWs required, including timing, dependencies, and readiness to commence delivery Prevents work starting at risk while contractual or approval prerequisites are finalised

BP25 continued

Stage	Key Artefacts	Purpose
4. Statement of Work approval and assurance	Approved Statement of Work (SoW) Assurance Records	Formal contractual agreement defining scope, cost, milestones, deliverables, and responsibilities Evidence that contractual, financial, and delivery controls have been applied prior to approval
5. Change Delivery and monitoring	Monthly Financial and Portfolio Reports Failed Milestone Notifications	Change delivery and monitoring utilise artefacts from the other delivery stages
6. Financial Control and Reporting	Monthly Financial and Portfolio Reports Failed Milestone Notifications	Provide Stakeholders with visibility of spend, forecast, and delivery progress Trigger contractual remedies where delivery commitments are not met
7. Delivery Closure and Benefits Realisation	SoW Closure / Change Close Out Documentation Benefits Tracking and Handover	Confirms completion and contractual close Ensures expected benefits are monitored post-delivery and embedded into operational management
8. Escalation and Continuous Improvement	Escalation Logs and Decisions Lessons Learned and Continuous Improvement Log	Provide formal governance for resolving delivery or contractual risks Capture learning at key stages to improve future plans, templates, and processes

BP25 UK Link Sustain Assurance

In June 2026, Xoserve commissioned Kearney to conduct an independent assurance review of a single BP25 investment proposal, UK Link Sustain. Although the BPIR framework was originally designed to assess investments at the overall Business Plan level, this exercise provided an opportunity to explore whether this was of value at project and programme level delivery.

Kearney's findings are outlined below:

Kearney's Executive Summary

Stage	Key Artefacts
Background:	• In 2024 Kearney was engaged to perform an independent review of BP25 against the newly introduced Business Plan Information Rules (BPIRs). That report found that Xoserve was 73% fully compliant against the BPIRs overall across BP25, and 72% fully compliant on the UK Link Sustain Investment Proposal (IP) specifically • Having progressed delivery during 2025, Xoserve asked Kearney to complete a retrospective review with the objective to see how Xoserve had sought to provide Stakeholders assurance through the delivery phase, particularly on areas where the BP was not scored fully compliant at BP25 • The review was completed in June 2026 using documentation produced by Xoserve and its partners during the delivery phase and focused on the UK Link Sustain IP to act as a sample of delivery performance
Process and methodology:	• The review was completed using the BPIR framework applied during the BP25 Business assurance review. It should be noted that the BPIRs were design to assess investments at Business Plan and Investment Proposal level, however this review was applying the framework at individual Statement of Work (SoW) level to be able to use the IP assurance as a baseline • The UK Link Sustain IP comprises five SOWs covering SAP maintenance, technology upgrades, security discovery, programme resources and SAP sustainment re-planning. 43 documents were reviewed across four documentation categories: contractual documentation, milestone artefacts, Cost Benefit Analysis (CBA) and closedown appraisals

BP25 continued

Kearney's Assessment summary scoring – across all BPIRs

#	BP25 UK Link Sustain SoW Area	Project Overview	SoW compliance (%) vs. BPIRs		RAG[1]	Commentary on BPIR compliance
			Fully	Fully + Partially		
1.1.1	SAP Application Yearly Maintenance	Annual SAP maintenance and supportability upgrades	28% [73%]*	83% [100%]*	4 [4]*	• Lower scores were driven by the absence of a formal CBA[2] and option appraisal • Given the recurring, mandatory nature of the investment, documentation focused appropriately on delivery planning, risks and governance rather than extensive alternative option appraisal
1.2.2	Compatibility Upgrade	NET and MOVEit technology compatibility upgrades	56%	94%	4	• Strong compliance supported by a structured CBA and extensive delivery evidence • Remaining gaps were limited to appraisal maturity, particularly assumptions and scenario analysis
1.2.4	UK Link Security Maintenance	Discovery of future security reporting and monitoring options	39%	94%	4	• Compliance gaps were primarily appraisal-related, including assumptions and scenario analysis • As a discovery investment, documentation appropriately focused on option development and roadmap definition

* Compliance score when excluding scoring for CBA elements given that a CBA would not necessarily expect to be in place for a SoW of this nature

1. RAG status established based on mode RAG across all 18 BPIRs per SoW

2. Cost Benefit Analysis

Source: Xoserve documentation, Kearney analysis

Kearney's Assessment summary scoring – across all BPIRs

#	BP25 UK Link Sustain SoW Area	Project Overview	SoW compliance (%) vs. BPIRs		RAG[1]	Commentary on BPIR compliance
			Fully	Fully + Partially		
1.2.5	Sustain Programme Resources	Programme resource mobilisation across the BP25 sustain portfolio	61%	94%	4	• Strongest overall compliance performance, supported by a structured CBA and closedown evidence • Remaining gaps largely reflect the resource-only nature of the investment, with benefits realised through underlying project SoWs
1.2.6	Sustain Programme Resources	Completion of delayed BP24 SAP sustainment upgrades	33% [55%]*	78% [91%]*	4 [4]*	• Lower scores were driven by the absence of a formal CBA and option appraisal • As a continuation of an existing upgrade programme, documentation focused appropriately on re-planning, testing and delivery governance rather than extensive alternative option appraisal
Overall			**43%** **[57%]***	**89%** **[95%]***		

[ ]* Compliance score when excluding scoring for CBA elements given that a CBA would not necessarily expect to be in place for a SoW of this nature

1. RAG status established based on mode RAG across all 18 BPIRs per SoW

2. Cost Benefit Analysis

Source: Xoserve documentation, Kearney analysis

BP25 continued

Kearney's Summary and recommendations

- The review assessed 18 BPIR criteria across 5 SoWs (90 BPIR scores in total)
- The strongest compliance outcomes were observed where structured CBAs were supported by comprehensive milestone and closedown artefacts, particularly within the Compatibility Upgrade and Sustain Programme Resources SoWs
- Compliance gaps were concentrated within investment appraisal requirements, particularly where formal CBA, option appraisals and scenario analysis were not available. As approx. one-third of BPIR criteria relate directly to CBA requirements, the absence of a CBA materially impacts overall compliance scores. We note that during 2025, Xoserve developed a more robust CBA approach which was subsequently rolled-out as part of BP26, and also that it should not necessarily be expected or meaningful to complete a full CBA for more routine maintenance SOWs (for example 1.1 – SAP Maintenance; 1.6 – Sustain Replan)
- Lower-scoring SoWs were typically recurring maintenance, continuation or resource-only investments, where documentation focused appropriately on delivery governance, testing and risk management rather than extensive option appraisal and investment analysis
- In this sense, using the BPIR framework at a SoW level is of mixed value
  - More useful – for extensive SoWs that are providing detailed appraisal and shaping subsequent of what and how to deliver
  - Less useful – for SoWs focused on more routine change such as mandatory or "Keep the Lights On" Investment

It proved difficult to improve scoring against the BPIRs when moving from scoring at the IP level to SoW level, primarily because the Change Delivery Framework document is setup to complete a different project governance role than monitor BPIR compliance and in some cases items scored more poorly than in the BPIR review because the same evidence provided against a BPIR at the IP level was then not cascaded downwards into detailing.

To assess post Business Plan IP delivery going forward, it may be preferable to move to a combination of a log of outstanding BP compliance items Xoserve intend to close through delivery and then monitor and report on those items through the standardised set of delivery documentation Xoserve has put in place through its Change Delivery Framework.

BP25 Investment Update

The BP25 year included investment funding of approximately £20.5m, of which £1.9m was carried forward from the prior year. £14.2m was approved for delivery, with £6.1m remaining, and £1.34m earmarked for rebating to Customers. Investment has been focused on key delivery areas including Project Trident (£9.7m), General Change (£4.2m), Gemini (£2.4m) and UK Link Sustain (£2.8m), supporting a broad range of outputs such as regulatory change releases, system upgrades and maintenance, service enhancements, early stage decarbonisation activity, and the progression of strategic transformation initiatives, with most activities completed or progressing to plan.

BP25 continued

BP25 S&O Update

In BP25 £0.9m was added to the S&O (direct Xoserve) budget, which included:

- £0.1m to cover the Employer NI rate changes,
- £0.4m to build Xoserve's capacity and capability to perform Enhanced Qualitative Assurance (EQA), ensuring that change delivery, data integrity, and assurance processes were strengthened end-to-end,
- £0.3m to Service Area 6 – 'Customer Relationship Management', to fund additional resources within Xoserve to oversee the delivery of this service; and
- £0.1m following completion of the Security and Privacy Improvement Plan (SIP/PIP) activities. The SIP/PIP saw our Service Provider significantly strengthen the security and resilience of Xoserve's CDSP services by modernising identity and access management, introducing Single Sign-On for a smoother and more secure user experience, and implement robust privileged access controls to tightly govern high-risk accounts and sensitive system interactions. These enhancements reduced the risk of unauthorised access, improved compliance, and streamlined user onboarding and access, while the adoption of a recognised cyber security framework and independent audit maturity assessment further boosted protection against evolving cyber threats, ultimately delivering more reliable, secure, and trusted services for Xoserve's Customers and the wider gas industry.

BP26

The Xoserve Business Plan for 2026-29 (BP26) was developed through an extensive, multi month programme of engagement and in July 25 Xoserve welcomed more than thirty Customers and Stakeholders to a Customer Strategy Day at the Solihull office.

The event marked the launch of the Draft Statement of Planning Principles, which was published on the 30 June, providing a formal starting point for the development of the 2026 Business Plan. It also offered a valuable opportunity to reflect on progress to date, share future priorities, and engage directly with Customers on how Xoserve can continue to improve its services.

The event, themed **'Embracing Change'**, featured a mix of presentations, live polling, and interactive workshop sessions, supporting open and constructive discussion throughout the day. In addition, Xoserve unveiled its refreshed brand and reaffirmed its commitment to being a trusted and innovative organisation, delivering value-added data services for the gas industry.

Three formal drafts were subsequently developed and shared with the Xoserve Board and Customers, supported by written consultation responses and a wide range of additional engagement activities. These included 25 bilateral meetings, in person and virtual roundtables, webinars, and regular updates through the DSC Contract Management Committee (CoMC) and constituency forums.

All BP26 drafts and supporting documents were published on a dedicated Business Planning Portal and attracted over 900 views, while wider awareness was driven through targeted communications, including nine

BP26 continued

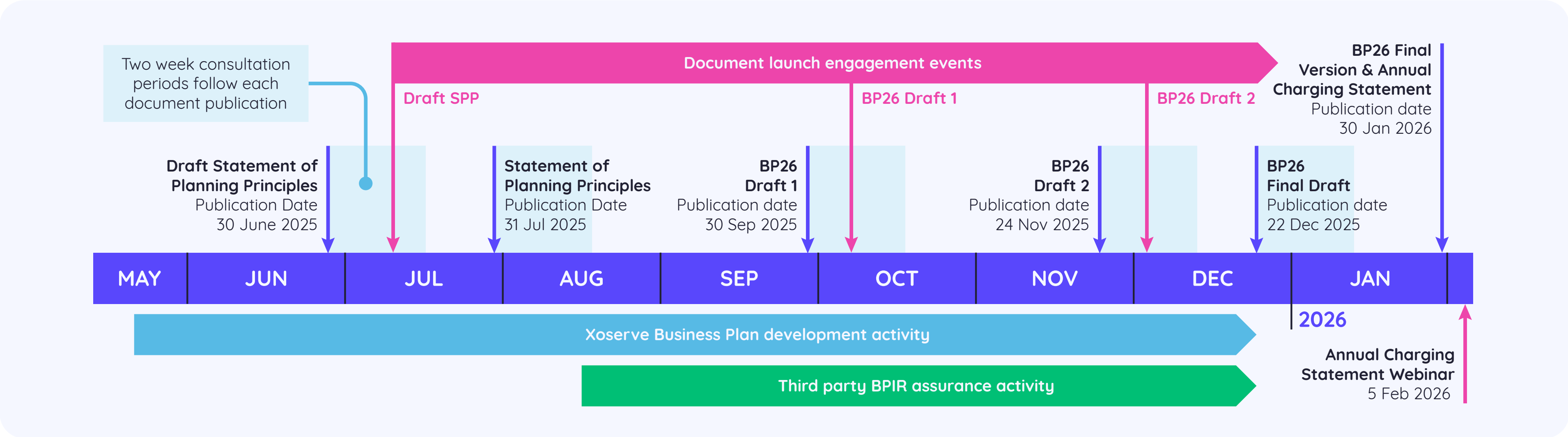
LinkedIn posts that reached over 12,000 Stakeholders. Collectively, this engagement approach ensured Customer insight was embedded throughout BP26's development and informed both the content and direction of the final plan.

An independent third-party assurance assessment scored BP26 94% compliant, highlighting a 3% improvement compared to BP25 (91%). The assessor noted that "this improvement reflects the effective incorporation of feedback from both the BP25 Assurance Review and the BP26 Draft 1 review.

In particular, the introduction of a standardised Cost Benefit Analysis (CBA) methodology was highlighted as a key driver, bringing greater consistency and standardisation to the development and presentation of Investment Proposals.

The BP26 process culminated in the Board approving the Final Version of BP26, which was published in January 2026. There were no Customer objections nor appeals raised following publication.

BP26 Timeline



2025–2026 Budget

The budget for the provision of CDSP services and projects was agreed as part of the 2025–26 annual business planning process, which culminated in Board approval of the Final Version of BP25 in January 2025. The charges were levied from April 2025 via the 2025–26 Annual Charging Statement following the application of the CPI-H rate of as of December 2024 (a 3.5% uplift to the BP25 budget). 93% (£76.4m) of the specific 2025–26 budget was utilised, with 7% (£6.0m) carried forward into the 2026–27 financial year to complete scoped works, or to be rebated.

£000s (2025–26 prices)[1]

			Annual Customer Class Infrastructure Charge Base			
No.	**DSC Charge**	**Total DSC Charge**	**Shippers**	**National Grid NTS**	**DN Operators**	**IGTs**
1	General Services	63,863	30,338	9,296	23,501	728
2	Infrastructure	12,151	6,259	721	5,008	162
3	Change	6,407	2,248	2,491	1,463	204
	Total DSC Charges for 2025/26	**82,421**	**38,846**	**12,508**	**29,973**	**1,094**
	Prior Year Charges (Rebates) / Additions	(3,800)	(1,600)	(580)	(1,529)	(92)
	Total DSC Charges to be invoiced in 2025/26	**78,620**	**37,246**	**11,928**	**28,444**	**1,002**

1 Please note that additions may be impacted by roundings.

2025-2026 Charges

Results for the year

For the year ended 31 March 2026, the Company recognised a £127k profit before tax and a break-even result after tax (2025 – £0.0m profit before tax and £0.0m profit after tax). As at 31 March 2026, the Company had cash at bank of £1.2m and a money fund account (readily accessible) of £15.7m (2025 – £1.4m and £15.1m).

Income

The principal source of revenue for the Company comes from the Data Services Contract (DSC) for the provision of general transactional and data management services. These services accounted for £88.4m (92% of turnover) (2025 – £85.1m (92% of turnover)) following adjustments for deferred revenue in respect of projects.

In addition, during the year the Company earned further revenue of £8.2m (8% of turnover) (2025 – £7.0m (8% of turnover)) through the provision of other contracted services, mainly to the Retail Energy Code Company (RECCo) and gas Shippers.

Financial position

The financial position of the Company is presented in the Statement of Financial Position. Total shareholders' funds at 31 March 2026 were £2.7m (2025 – £2.7m) comprising: fixed assets of £17.6m (2025 – £29.3m), net current assets of £16.6m (2025 – net current assets of £14.9m) less accruals, deferred income and provisions for liabilities of £31.6m (2025 – £41.5m). At the end of the financial year the Company had commitments for contracts placed for future capital expenditure not provided for in the financial statements of £1.6m (2025 – £1.6m).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

Information Security & Data Privacy

The Company manages data on behalf of the gas network operators and operates a number of Information Systems in support of this. The Company maintains the ISO27001 certification, and the ongoing security and privacy threat landscape continues to be monitored and assessed with the aim that all prominent security vulnerabilities are managed.

The Company continues to evolve safety of the Company's critical systems and the data within them, working with outsourced partners.

Major system modernisation and core services provision

The modernisation of the SAP ISU system (UK Link) infrastructure and how it has delivered will present opportunities to make service delivery more efficient and economical. But as with any large-scale technological transformation project, timing and planning remains crucial to mitigate the delivery risks. Timelines are being informed by our engagement with the market and will be further developed as procurement progresses.

Performance scorecard measures

The Company reports to its Board on a number of targets through a 'Balanced Scorecard' reflecting its core purpose and strategic aims. The Scorecard is approved by the Board and assesses the performance of the Company in three key areas:

- Delivery of services to Customers.
- Contract Management & Assurance.
- Xoserve as an Organisation.

Service performance for the year 2025-26 saw achievement of 31 out of 37 measures and partial achievement of a further four.

M Hogg, **Director and Chair of Xoserve Board**

Company information

Directors

- Mike Hogg – Chair of the Board
- Sarah Carroll – Network-nominated Director
- Yehuda Cohen (resignation 31 August 2025)
- Bianca Cooper – Network-nominated Director (appointed 1 November 2025)
- David Handley (resignation 30 October 2025)
- Tony Nixon – Transmission-nominated Director
- John Clarke – Shipper-nominated Director
- Rachael Davidson – Shipper-nominated Director (appointed 1 September 2025)
- Inge Hanson – Shipper-nominated Director
- Chris Jones – Shipper-nominated Director
- Neil Shaw – IGT Nominated Director (resignation 31 March 2026)

Company Secretary

- Eve L Bradley

Registered number

05046877

Registered office

Lansdowne Gate
65 New Road
Solihull
B91 3DL

Independent auditors

PKF Smith Cooper Audit Limited
Statutory Auditors
Cornerblock
2 Cornwall Street
Birmingham
West Midlands
B3 2DX

Current Director Biographies

Mike Hogg
Chair of the Board

- More than 50 years in the energy industry
- Global strategy to 'front-line' operational management (including Chair, Director and MD roles) in marketing, sales and distribution across all energy products (carbon based and renewables) other than nuclear
- Seven years as a Shipper MD (grew gas sales, launched electricity and increased profitability) with experience as an Xoserve Customer
- Eight years as an Xoserve NED and a further 1 year as Chair
- Extensive outsourcing contract management experience (IT, Distribution and Sales & Service)

Sarah Carroll
Network-nominated Director

- 18 years' experience in the Gas Industry
- Over five years as Xoserve NED
- More than 25 years' experience as a governance, internal audit, compliance and risk management professional with specific experience in regulated industries, including the financial services and energy industries
- Over five years' experience as Chair of a number of steering and governance groups in NGN, together with prior and current experience as Chairman, Secretary or Treasurer roles for various sports clubs and leagues
- Experience of Board and sub-committees for a range of companies and sectors
- Specialist skills in fraud prevention and investigation, including employment tribunal and criminal prosecution experience

Current Director Biographies continued

Bianca Cooper
Network-nominated Director

- Nearly 25 years' experience across commercial management, IT, security, governance, risk, and technology supply chain management
- Joined Xoserve as NED on 1 November 2025
- Transformation and Programme Director at Cadent Gas Ltd
- Leads on initiatives that strengthen operational resilience and enable technology-driven change
- Combines academic insight with practical leadership to advance technology transformation and enhance commercial and supplier governance for efficient, effective operations
- Expert in shaping strategic outcomes and driving complex programmes

Tony Nixon
Transmission-nominated Director

- More than 35 years' experience in the energy industry across a range of roles in gas transmission and distribution
- Xoserve NED from January 2024
- Regulation Director for National Gas Transmission
- Lead on energy regulatory framework development and implementation
- Focus on government policy development for methane, hydrogen and carbon dioxide transportation

John Clarke
Shipper-nominated Director

- Xoserve NED from May 2024
- Over 30 years' experience as a senior executive in multiple industries with well-known brands, and 12 years in non-executive and advisory positions
- 25 years plus building digital platforms, ERP systems, business services, real-time monitoring, advanced analytics, and AI/ML systems
- 10+ years plus as a partner/management consultant implementing large scale platforms, major technology refreshes, and conducting delivery assurance business reviews
- Currently overseeing three major ERP/Platforms programmes as a Non-Executive Chair/Director
- Managed multiple £50 – £500+ million outsourced service contracts across operations, IT, data services and customer service
- A UK Government Commercial and Digital Crown Representative working across departments and on a variety of topics, including commercial and policy

Rachael Davidson
Shipper-nominated Director

- Xoserve Shipper Nominated NED from September 2025
- 30 years' broad and diverse legal expertise across in-house roles supporting organisations
- Energy industry experience including UK General Counsel and Company Secretary of National Grid Gas (covering both distribution and transmission) and Electricity (covering transmission) and national system operator (covering gas and electricity)
- Experience across range of regulated industries including telecoms, oil and environmental reporting organisations
- Legal expertise across corporate, commercial, governance and board management as well as providing advisory services covering risk management, assurance and compliance

Current Director Biographies continued

Inge Hanson
Shipper-nominated Director

- 20+ years' experience in regulation and Stakeholder management
- Xoserve NED from June 2024
- Held executive roles accountable for various aspects of regulation (economic, consumer protection, security, data protection and licensing), broader corporate affairs and ESG
- Worked across GB and Europe
- Working knowledge of GB energy regulation and codes from executive role
- Served six years as Non-Executive Director of non-profit joint venture between UK mobile network operators to discharge specific licence obligations and on the board of two trade associations

Chris Jones
Shipper-nominated Director

- More than 30 years' experience as a Board Director
- Five years as Xoserve NED
- 20 years as CFO and CEO of a major water company
- Range of prior director roles in regulated utilities – water, electricity, and consulting
- Non-Executive Director in financial services, media, utilities, and higher education
- Managed £100+ million outsourced service contracts across operations, IT, capital investment, and customer service

Neil Shaw

IGT Nominated Director

- Over 45 years in energy and wider utility industry, across trading, import, storage, retail, consumer and B2B billing, transmission, distribution, metering and deregulation of connections and metering
- 8 years as Xoserve NED
- Held MD, CEO, Exec Chair and Non-Exec Chair roles for over 20 years
- Price control and regulatory reporting, review and investigation experience
- Extensive M&A experience
- Raising, bank and bond debt and obtaining a credit rating
- Chartered Engineer
- Developing new markets in deregulated utility sectors, gas, electricity, potable and wastewater, fibre to the home, heat networks
- Strategy Development and implementation
- Business transformation, restructuring and merging organisations

Director attendance at Board and Sub-committees through the year

Director Name	Board Attendance	Audit & Risk Committee Attendance	Renumeration Committee Attendance
Sarah Carroll	4/4	4/4	N/A
John Clarke	4/4	4/4	N/A
Yehuda Cohen (to 31 Aug 25)	2/2	2/2	N/A
Bianca Cooper (from 01 Nov 25)	1/1	N/A	N/A
Rachael Davidson (from 01 Sep 25)	2/2	2/2	N/A
David Handley (to 30 Oct 25)	3/3	N/A	2/2
Inge Hansen	4/4	N/A	2/2
Mike Hogg Chair	4/4	4/4	N/A
Christopher Jones	4/4	4/4	N/A
Tony Nixon	4/4	N/A	2/2
Neil Shaw	4/4	N/A	2/2

Directors Report

The Directors present their report and the financial statements for the year ended 31 March 2026.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, 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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £nil (2025 – £nil)

Financial performance

Please refer to Results for the Year section of the Strategic Report on page 48. Business context can be found in the About Xoserve section of the Strategic Report on page 7.

Dividends

Dividends were not paid during the year or the previous year. The Company's Articles of Association restrict the Company's ability to distribute dividends.

Financial risk management

The Company continued to actively manage any exposure to credit risk through a Credit Review Panel (an internal committee) and managed other financial risks via its contracting arrangements.

Price risk

The Company's exposure to price risk is not considered to be material.

The Company receives a significant proportion of its services from a third-party Service Provider, Correla Limited, via a commercial contract (DSC+) which establishes a fixed price for running the current scope of services (referred to as Service & Operate costs (S&O) in the annual Business Plan) and has been subject to baseline assumptions being maintained throughout the year ending 31 March 2026.

This reflects the underpinning principle of predictable pricing with no unanticipated or hidden charges. Charges for new scope are negotiated at the time the scope is fixed.

The price that Customers pay to the Company for the CDSP services each year is set out in the annual Business Plan, which is created in consultation with Customers, prior to approval by the Company's Board.

Where feasible, the Company aims to engage with other third parties on a fixed price basis.

Liquidity risk

The Company invests surplus funds in AAA rated Money Market Funds which are repayable on demand. It also has an agreed overdraft facility with its bankers of £1m.

Credit risk

During the year, the Company followed its credit policy and associated rules for limiting its exposure to the risk of financial loss resulting from the provision of services and/or supply of goods to its Customers.

This required the active monitoring of its current and future contractual exposures to its Customers against an approved framework in accordance with the Company's governance structure. Day to day operation of the policy was overseen by the Credit Review Panel with output summarised to the Senior Leadership Committee and overseen by the DSC Credit Committee consisting of industry representatives.

As at the year end, potential bad debts were identified by the Company and provision for such was made within the financial statements as appropriate.

Existing DSC arrangements transfers a large part of the Company's credit risk to DSC Customers, leading to a consistent on time Customer payment performance above 97% each month.

Cash flow risk

The Company continued to earn a significant proportion of its revenue stream through its contracts with the Gas Networks (2025/26 – 46%, 2024/25 – 55%). The role of the Gas Networks as part of Britain's critical national infrastructure, and their resulting financial stability, significantly reduces the Company's exposure to cash flow risk. A schedule of monthly charges was determined prior to the commencement of the financial year based on the Company's forecast expenditure.

Directors Report continued

Inflation Risk

The company has contracts and processes in place to mitigate inflation risk, including through mirroring the inflationary increases in its supply chain costs in its arrangements with Customers. Management therefore considers that the financial exposure relating to inflationary pressures is low.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors consider that the decisions they have made during the financial year and the way they have acted have promoted the success of the Company for the benefit of its members as a whole (having regard to the Stakeholders and matters set out in s172(1)(a-f) of the Act).

Further information about how the Directors have engaged with employees, how they have had regard to employee interest, and the effect of that regard can be found in the Strategic report. Generally, the People function continues to focus on all activities relating to employees including Resourcing, Learning & Development, Wellbeing, Environment, Health & Safety, Operations and Engagement.

Customer satisfaction is monitored through a number of Customer surveys issued during the year and measured through an externally run annual survey by the Institute of Customer Service (ICS). The overall ICS score increased again this year, from 83.0 to 84.2.

A summary of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, Customers and others, and the effect of that regard can also be found in the Strategic report. The Company's main supplier, Correla Limited, provides both CSDP-related services (under the commercial outsourcing contract, DSC+) and certain corporate services to the Company. A formal performance and governance framework is in place to ensure the relationship between the two parties is appropriately monitored and managed.

Directors

The Directors who served during the year were:

- **Mike Hogg** – Chair of the Board
- **Sarah Carroll** – Network-nominated Director
- **Bianca Cooper** – Network-nominated Director (appointed 1 November 2025)
- **Tony Nixon** – Network-nominated Director
- **John Clarke** – Shipper-nominated Director
- **Rachael Davidson** – Shipper-nominated Director (appointed 1 September 2025)
- **Inge Hanson** – Shipper-nominated Director
- **Chris Jones** – Shipper-nominated Director
- **Yehuda Cohen**
- **David Handley**
- **Neil Shaw**

On 1 April 2026 Michael Harding was appointed as Director.

Future developments

Details of future developments can be found in the Strategic Report.

Greenhouse gas emissions, energy consumption, and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption, and energy efficiency action as its energy consumption in the United Kingdom for the year is 40,000 kWh or lower. See page 9 of the Strategic report for further comments on sustainability and emissions.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Post balance sheet events

Post balance sheet events are disclosed in the notes to these financial statements.

Directors' indemnities and insurance

The Company has purchased insurance to indemnify individual Directors' and Officers' personal legal liability and cost for claims arising out of actions taken in connection with the business of Xoserve.

This insurance was in place during the year and continues to be in place at the date of approval of these financial statements.

Auditors

The auditors, PKF Smith Cooper Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. This report was approved by the board on 7 August 2026 and signed on its behalf.

M Hogg, **Director and Chair of Xoserve Board**

Independent auditors' report

to the members of Xoserve Limited

Opinion

We have audited the financial statements of Xoserve Limited (the 'Company') for the year ended 31 March 2026, which comprise the Statement of comprehensive income, the Statement of Financial Position, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 March 2026 and of its profit 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 United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report or the Directors' Report.

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

- 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 56, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern,

Independent auditors' report continued

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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, key laws and regulations that we identified included:

- Tax legislation;
- Ofgem and the energy market regulations;
- The Bribery Act 2010;
- Health and safety legislation;
- Employment legislation.

We identified that the principal risk of fraud or non compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

We focused on those areas that could give rise to a material misstatement in the Company's financial statements.

Our procedures included, but were not limited to:

- Enquiry of management, discussion with in house legal counsel and the Audit and Risk Committee and those charged with governance around actual and potential litigation and claims including instances of non compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance, where available;
- Reviewing legal expenditure in the year to identify instances of non compliance with laws and regulations and fraud;

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- 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, in particular the recording of project based expenses and the corresponding impact this would have on the release of deferred revenue and the appropriateness of revenue recognition.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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 Auditors' Report.

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 an Auditors' Report 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.

Richard Haydon, Senior Statutory Auditor

for and on behalf of

PKF Smith Cooper Audit Limited, Statutory Auditors

Cornerblock
2 Cornwall Street
Birmingham
B3 2DX

Date: 7 August 2026

Statement of Comprehensive Income

for the year ended 31 March 2026

		2026	2025
	Note	£000	£000
Turnover	4	96,556	92,132
Other operating income	5	1,565	1,663
Other external charges		(77,331)	(76,274)
Staff costs	6	(9,429)	(6,714)
Depreciation and amortisation		(11,959)	(11,952)
Operating loss	5	**(598)**	**(1,145)**
Income from other current asset investments	8	725	1,145
Profit before tax		**127**	**-**
Tax on profit	9	(127)	-
Profit for the financial year		**-**	**-**

There was no other comprehensive income for 2026 (2025 – £nil).

The notes on pages 69 to 85 form part of these financial statements.

Statement of Financial Position

as at 31 March 2026

	Note	2026 £000	2026 £000	2025 £000	2025 £000
Fixed assets					
Intangible assets	11		17,259		28,695
Tangible assets	12		359		600
			17,618		**29,295**
Current assets					
Debtors: amounts falling due after more than one year	13	–		476	
Debtors: amounts falling due within one year	13	9,901		9,160	
Current asset investments	14	15,665		15,110	
Cash at bank and in hand	15	1,201		1,358	
		26,767		**26,104**	
Creditors: amounts falling due within one year	16	(10,131)		(11,237)	
Net current assets			**16,636**		**14,867**
Total assets less current liabilities			**34,254**		**44,162**
Provisions for liabilities					
Other provisions	19		(1,106)		(1,106)
Accruals and deferred income	20		(30,480)		(40,388)
Net assets			**2,668**		**2,668**
Capital and reserves					
Called up share capital	21		1		1
Profit and loss account	22		2,667		2,667
			2,668		**2,668**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M Hogg, Director

7 August 2026

The notes on pages 69 to 85 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2026

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2024	**1**	**2,667**	**2,668**
Profit for the year	–	–	–
At 1 April 2025	**1**	**2,667**	**2,668**
Profit for the year	–	–	–
At 31 March 2026	**1**	**2,667**	**2,668**

The notes on pages 69 to 85 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2026

	2026	2025
	£000	£000
Profit for the financial year	–	–
Adjustments for:		
Amortisation of intangible assets	11,630	11,642
Depreciation of tangible assets	329	310
Interest receivable	(725)	(1,145)
Taxation charge	127	–
(Increase)/decrease in debtors	(265)	744
(Decrease) in creditors	(11,141)	(20,295)
Net cash generated from operating activities	**(45)**	**(8,744)**
Cash flows from investing activities		
Purchase of intangible fixed assets	(194)	(1,411)
Purchase of tangible fixed assets	(88)	(131)
Dividends received	725	1,145
Net cash from investing activities	**443**	**(397)**
Net increase/(decrease) in cash and cash equivalents	**398**	**(9,141)**
Cash and cash equivalents at beginning of year	1,358	5,110
Current asset investments	15,110	20,499
Cash and cash equivalents at the end of year	**16,866**	**16,468**
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,201	1,358
Current asset investments	15,665	15,110
	16,866	**16,468**

Analysis of Net Debt

for the year ended 31 March 2026

	At 1 April 2025	Cash flows	At 31 March 2026
	£000	£000	£000
Cash at bank and in hand	1,358	(157)	1,201
Cash equivalents	15,110	555	15,665
	16,468	**398**	**16,866**

The notes on pages 69 to 85 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2026

1. General information

The Company is a private limited Company, limited by shares and is incorporated and domiciled in England and Wales. The registered office address during the year was Lansdowne Gate, 65 New Road, Solihull, B91 3DL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's financial and presentational currency is Sterling. The financial statements level of rounding is to the nearest thousand pounds.

During the year, the company has changed the presentation of its Statement of Comprehensive Income as permitted under the Companies Act 2006. The directors consider that the revised presentation provides more relevant information to users of the financial statements, in particular by presenting expenses by nature rather than by function, which is more consistent with the way management monitors and controls the business. This change represents a change in presentation only and does not affect the results for the financial year, total comprehensive income, net assets, or cash flows of the company. Comparative amounts have been restated accordingly to ensure consistency with the current year presentation.

The following principal accounting policies have been applied:

2.2 Funding and going concern

The Directors consider that the unique role of the Company's activities in providing services to major gas supply and transport companies under the monitoring of Ofgem and the nature of its revenue charging model (whereby costs to be incurred are agreed and charged to customers for investment change and delivery of core services) means that revenues are resilient and the risk of any significant income downturn that is not balanced by a similar reduction in costs is therefore unlikely in future years.

The Company has agreed its business plan with the Board following a multi-phased engagement process with customers for the year to 31 March 2027 which forms the basis of its revenues for the next financial year. The business planning process for the year ending 31 March 2028 is currently in progress and the business model endures with Xoserve as the Central Data Services Provider (CDSP) under the terms of the Data Services Contract (DSC).

The Company continues to be funded by contributions from customers to support major capital expenditure investment programmes through the delivery of data services to the gas market.

Notes to the Financial Statements continued

2. Accounting policies continued

The Company's business activities and funding arrangements, together with the factors affecting its future development and position are set out in the Strategic Report.

At 31 March 2026 the Company had cash at bank of £1.2m and a money fund account (readily accessible) of £15.7m (2025 – £1.4m and £15.1m). Cash year on year has increased as a result of the funding received for Project Trident in conjunction with other asset and liability timing differences.

In determining the appropriate basis of preparation of the financial statements, the Directors have considered whether the Company can continue in operational existence for a period of at least 12 months from the date of the approval of the financial statements and have confirmed this to be the case.

Actual results for the year ended 31 March 2026 and in the subsequent months of April and May 2026 showed revenue and collectability levels to be on budget and these are expected to continue for the agreed business plan period to 31 March 2027.

The Directors continue to assess the going concern requirements of the business and have performed appropriate impact assessments and sensitivity analyses in respect of a reduction of Customer income and the associated impact on cash balances to ensure that adequate cash levels are being maintained to support the expected level of business activity in the period to at least 30 September 2027.

Ofgem's decision to confirm a pass through arrangement for the Company's funding for the RIIO 2 period to March 26 for Gas Transporters was re-confirmed for the RIIO 3 period to March 31 and further serves to reduce the Company's going concern risk exposure as any uncertainties in spend year on year would become more recoverable for all parties concerned.

2.3 Turnover

Turnover comprises the value of services provided excluding value added tax. Turnover is recognised when it can be reliably measured and it is probable that future economic benefits will flow to the Company and in the period that the service is provided. The Company bases its estimates on historical results and the specifics of each arrangement.

The Company receives contributions from customers to fund its expenditure for the development of Fixed Assets. These contributions are credited to a deferral account and are then released as turnover evenly over the useful life of the relevant asset. To present a true and fair view deferred income is presented separately on the face of the Statement of Financial Position in accruals and deferred income.

2.4 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity.

Current and deferred taxation assets and liabilities are not discounted.

Current tax

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the Statement of Financial Position date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Research and development tax claims

Tax receivable in respect of R&D tax claims is recognised only to the extent that it is reasonably certain that they will be agreed with HMRC and recovered.

2.5 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Annual bonus arrangements

The Company operates an annual bonus scheme for employees based on performance. An expense is recognised in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the scheme as a result of past events and a reliable estimate of the obligation can be made.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the benefit is accrued.

Pensions

The majority of employees are members of a defined contribution pension plan, which is a Master Trust pension plan operated by Standard Life. A proportion of the Company's employees are members of the National Gas Transmission Pension Scheme, a defined benefit pension plan. The Company's share of the underlying assets and liabilities of the defined benefit scheme cannot be identified separately. Consequently, the Company accounts for the scheme as if it were a defined contribution scheme, recognising a charge equivalent to the cash paid or payable to the scheme and to the scheme's administrator, Barnett Waddingham LLP (see note 10).

Notes to the Financial Statements continued

2. Accounting policies continued

2.6 Intangible assets

Intangible fixed assets are included in the Statement of Financial Position at their historical purchase cost less accumulated amortisation. Additions represent the purchase or construction of new assets, and extensions to, or significant increases in the capacity of, intangible fixed assets. Cost includes internal costs incurred which are directly attributable to the construction of intangible fixed assets where it is probable that the expected future economic benefits that are attributable to the asset created will flow to the Company and the cost or value of the asset can be measured reliably.

In making this assessment on a particular intangible fixed asset the Company considers things such as the technical feasibility of the development project for the asset, the likelihood of the asset being created being used, how the asset will generate future economic benefits, the availability of resources to complete the asset and realise value and the ability of the Company to reliably measure the expenditure incurred on the asset.

Intangible fixed assets are amortised, principally on a straight line basis, at a rate estimated to write off their book value over their useful economic lives assuming no residual value. In assessing estimated useful economic lives, which are reviewed on a regular basis, consideration is given to any contractual arrangements and operational requirements relating to particular assets. Unless otherwise determined by operational requirements, the amortisation periods for the principal categories of intangible fixed assets are as follows:

Software and licences	2–5 years

No amortisation is charged on assets in the course of construction. When these assets are subsequently brought into use they are reclassified to the relevant asset category and amortised at the appropriate rate.

Intangible assets are assessed at each Statement of Financial Position date to determine whether there is an indication that they may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

2.7 Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at their historical purchase cost less accumulated depreciation. Additions represent the purchase or construction of new assets, and extensions to, or significant increases in the capacity of, tangible fixed assets. Cost includes internal costs incurred which are directly attributable to the construction of tangible fixed assets where it is probable that the expected future economic benefits that are attributable to the asset created will flow to the Company and the cost or value of the asset can be measured reliably.

In making this assessment on a particular tangible fixed asset the Company considers things such as the technical feasibility of the development project for the asset, the likelihood of the asset being created being used, how the asset will generate future economic benefits, the availability of resources to complete the asset and realise value and the ability of the Company to reliably measure the expenditure incurred on the asset.

Tangible fixed assets are depreciated, principally on a straight line basis, at rates estimated to write off their book values over their estimated useful economic lives assuming no residual value. In assessing estimated useful economic lives, which are reviewed on a regular basis, consideration is given to any contractual arrangements and operational requirements relating to particular assets.

Unless otherwise determined by operational requirements, the depreciation periods for the principal categories of tangible fixed assets are as follows:

Fixtures and fittings, computer hardware and associated software	2–11 years
Leasehold improvements and dilapidation provision	Over the life of the lease

No depreciation is charged on assets in the course of construction. When these assets are subsequently brought into use they are reclassified to the relevant asset category and depreciated at the appropriate rate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in Statement of Comprehensive Income.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, to the Statement of Comprehensive Income.

2.9 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within current liabilities.

2.12 Creditors

Short term creditors are measured at the transaction price.

Notes to the Financial Statements continued

2. Accounting policies continued

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, bank overdrafts or deposits with financial institutions.

2.15 Client accounts

The Company operates a number of client bank accounts that are in the Company's name for which the beneficial interests belong solely with another party. The Directors have considered the definitions of assets (and liabilities) contained within FRS 102 to assess whether these cash assets and related liabilities should be recorded on the Company's Statement of Financial Position. The Directors consider that these bank accounts are not resources controlled by the Company as a result of past events and from which future economic benefits (such as interest) are expected to flow to the Company and also that there could be no residual risks impacting on the Company connected to these accounts as a result of the contractual nature of the arrangements. Therefore, these client accounts are not recorded as assets and related liabilities in the Company's Statement of Financial Position.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

Defined benefit pension scheme

Certain employees participate in a defined benefit pension scheme with companies in the National Gas Transmission plc group (the Company's former parent undertaking). There is no contractual arrangement or stated policy for charging to individual group companies the net defined benefit cost of the scheme as a whole. National Gas Transmission (NGT) has confirmed that current arrangements between parties mean that NGT has no current expectation that it will require the Company to contribute towards any National Gas Transmission Pension Scheme (NGTPS) deficit should one be identified. No such deficit was identified in the latest actuarial valuation as at 31 March 2025.

However, should a deficit arise in the future, an obligation to contribute may arise. This position will be reviewed at each actuarial valuation, the next of which is expected as at 31 March 2028. Should the Company be specifically included on the Schedule of Contributions following a future valuation, the Company would be formally notified by National Gas Transmission and past liabilities would need to be identified, with a commensurate proportion of the deficit assigned to the Company.

For these reasons, the Directors consider it appropriate that the Company accounts for the scheme as a defined contribution scheme and recognises a cost equal to the contributions payable for the period (see note 10).

Valuation of assets in the course of construction

The Company estimates accruals due relating to the value of assets in the course of construction by considering the degree of completion in respect of significant contracts within the project which are still to be invoiced. Employee costs are capitalised within internally developed assets by an allocation of time recorded by employees on activities that can be directly attributed to the construction of the asset. Employee costs incurred on project management activities within a project are apportioned between capital and operating expenditure in proportion to the allocation of costs for the activities being managed.

Contributions to capital expenditure

Contributions received from customers towards the construction of Fixed Assets are recognised as turnover within the Statement of Comprehensive Income evenly across the asset's useful life.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of intangible fixed assets

The annual amortisation charge for internally and externally developed software within intangible fixed assets is sensitive to changes in the estimated useful lives of the assets which are reassessed annually. They are amended when necessary to reflect current estimates based on economic utilisation and future investment plans for replacement or upgrade. See note 11 for the carrying amount of software and licences and note 2.6 for amortisation periods.

Impairment of debtors

The Company has a good history of collecting debts due and only makes provision for the impairment of debtors in specific circumstances where all options available to the Company have been exhausted and the debt is not considered to be recoverable. See note 13 for the net carrying amount of debtors and associated impairment provision.

4. Turnover

An analysis of turnover by class of business is as follows:

	2026	2025
	£000	£000
External customers (including contributions to capital expenditure)	52,520	41,712
Related undertakings (including contributions to capital expenditure)	44,036	50,420
	96,556	**92,132**

Notes to the Financial Statements continued

4. Turnover continued

	2026	2025
	£000	£000
Analysis by service type		
General services	76,430	73,155
Other contracted services	8,167	7,025
Contributions to capital expenditure funded from general services	11,959	11,952
	96,556	**92,132**

Geographical analysis of turnover is not provided as the Company's operations are all undertaken in the UK for customers based in the UK.

5. Operating loss

The operating loss is stated after charging/(crediting):

	2026	2025
	£000	£000
Amortisation of intangible fixed assets	11,630	11,642
Depreciation of tangible fixed assets	329	310
(Impairment reversal) of trade debtors	(1)	(65)
Operating lease charges	875	796

	2026	2025
	£000	£000
Fees payable for services provided by the Company's auditors		
Statutory audit of the Company's financial statements	36	30
Other services	4	3
	40	**33**

Other operating income

Other income of £1,565,000 (2025 – £1,663,000) relates to £1,562,000 of rent recharges to Correla (2025 – £1,590,000), Energy Price Guarantee and Energy Bill Relief Scheme/Discount Schemes (EBRS) administration charges £nil (2025 – £70,000) and interest on late payment of CDSP invoices of £3,000 (2025 – £3,000).

6. Employees

Staff costs, including Directors' remuneration and agency costs, were as follows:

	2026	2025
	£000	£000
Wages and salaries	6,322	4,880
Social security costs	846	578
Cost of pension (note 10)	651	533
Agency costs	1,610	723
	9,429	**6,714**

The average monthly number of employees, including the Directors and agency, during the year was as follows:

	2026	2025
	No.	No.
Employees	85	67
Agency	11	5
	96	**72**

Key management compensation

Key management includes the members of the Xoserve executive and leadership teams. The compensation paid or payable to key management for employee services is shown below:

	2026	2025
	£000	£000
Salaries and other short term benefits	1,987	1,398
Other pension costs	200	165
	2,187	**1,563**

The comparative key management compensation disclosure has been corrected to rectify an error identified in the prior year calculation. The adjustment affects disclosure only and has no impact on the Statement of Comprehensive Income or the Statement of Financial Position of the Company.

7. Directors' Remuneration

	2026	2025
	£000	£000
Directors emoluments	248	238

Of the 11 (2025 – 9) directors who served during the year, 4 (2025 – 3) waived their right to remuneration. No directors participated in either the Company's defined benefit pension scheme or the defined contribution pension scheme.

Emoluments of the highest paid Director were £83,000 (2025 – £83,000).

8. Interest receivable and similar income

	2026	2025
	£000	£000
Dividend receivable from current asset investment	725	1,145

9. Taxation

	2026	2025
	£000	£000
Corporation tax		
Current tax on profits for the year	127	–
Total current tax	127	–
Deferred tax		
Total deferred tax	–	–
Total tax charge for the year	**127**	**–**

Notes to the Financial Statements continued

9. Taxation continued

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2025 – the same as) the standard rate of corporation tax in the UK of 25% (2025 – 25%) as set out below:

	2026	2025
	£000	£000
Profit on ordinary activities before tax	127	
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2025 – 25%)	32	–
Effects of:		
Expenses not deductible for tax purposes	4	1
Non taxable income	(83)	–
Deferred tax not recognised	174	(1)
Total tax charge for the year	**127**	**–**

Factors that may affect future tax charges

Corporation tax is calculated at 25% (2025 – 25%) of the estimated assessable profit for the year.

10. Pensions

The Company operates a number of pension schemes for its employees.

Defined benefit scheme

The Company has certain employees who participate in a defined benefit pension scheme with companies in the National Gas Transmission plc group (the Company's former parent undertaking). There is no contractual arrangement or stated policy for charging to individual companies the net defined benefit cost of the scheme as a whole. The scheme administrator has confirmed that whilst it would be possible to calculate the liabilities relating to the Company it is not possible to allocate the assets specifically to the Company.

Should the Company be specifically included on the Schedule of Contributions following a future valuation that calculates the scheme to be in deficit then the Company would be formally notified by National Gas Transmission and past liabilities would need to be identified and a commensurate proportion of the deficit assigned to the Company. Therefore, the net defined benefit cost is recognised in the individual company financial statements of the company that is legally the principal sponsoring employer of the scheme. The other companies in their individual financial statements recognise a cost equal to their contribution payable for the period and Xoserve accounts for its pension arrangements in this way.

For these reasons the Directors consider it is appropriate that the Company accounts for the scheme as a defined contribution scheme and recognises a cost equal to their contribution payable for the period.

The defined benefit arrangement is funded with assets held in a separate trustee administered fund. The arrangement is managed by a trustee company with a board consisting of member appointed directors and directors appointed by National Gas Transmissions plc.

The directors are required to manage the requirements in accordance with local regulations and the arrangements governing documents, acting on behalf of the beneficiaries.

The arrangement is subject to independent actuarial funding valuations at least every three years and following consultation and agreement with National Gas Transmission plc, the Scheme Actuary certifies the employers' contributions, which, together with the specified contributions payable by the employees and proceeds from the Scheme's assets, are expected to be sufficient to fund the benefits payable.

The last full actuarial valuation of the scheme was carried out by Lane Clark & Peacock (LCP) as at 31 March 2025. The market value of the scheme's assets was £3,664m, representing 100.4% of the actuarial value of benefits due to members, calculated on an ongoing basis and allowing for projected increases in pensionable earnings. This valuation showed a funding surplus of £13m, and no further deficit contributions are currently required. Any change to this position would arise through a future valuation agreement.

The next actuarial valuation for the scheme is due to be carried out as at 31 March 2028, with the valuation expected to be finalised in the first half of 2029.

Following completion of the 2025 actuarial valuation, from 1 June 2026 onwards, employer pension contribution rates fall from 32% of pensionable salary less member contributions, to 28% of pensionable salary, less member contributions. In addition, Xoserve made payments to cover its share of the contribution National Gas Transmission makes to the scheme to cover administration costs and the Pension Protection Fund Levy, but from 1 April 2026 onwards these costs are met directly by the scheme.

The amount recognised as an expense for the defined benefit scheme was:

	2026	2025
	£000	£000
Current period contributions	103	149

Defined contribution scheme

Following the closure of the defined benefit schemes to new entrants, the Company provides a defined contribution scheme for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2026	2025
	£000	£000
Current period contributions	548	384

Amounts outstanding to the defined contribution schemes at the Statement of Financial Position date was £nil (2025 – £72,000).

Notes to the Financial Statements continued

11. Intangible assets

	Assets in the course of construction	Software and licences	Total
	£000	£000	£000
Cost			
At 1 April 2025	82	129,584	129,666
Additions	194	–	194
Adjustment (see below)	–	1,399	1,399
Reclassification	(86)	86	–
At 31 March 2026	**190**	**131,069**	**131,259**
Amortisation			
At 1 April 2025	–	100,971	100,971
Charge for the year	–	11,630	11,630
Adjustment (see below)	–	1,399	1,399
At 31 March 2026	**–**	**114,000**	**114,000**
Net book value			
At 31 March 2026	**190**	**17,069**	**17,259**
At 31 March 2025	82	28,613	28,695

During the prior year, an exercise was undertaken to remove fully written down assets no longer in use. Subsequently, management identified a software asset that remains in use and has therefore made an adjustment to reinstate the cost and accumulated amortisation of this asset. There is no impact on the Statement of Financial Position or the Statement of Comprehensive Income in the current or comparative period.

The Company has an ongoing programme of investment in its IS infrastructure and is recovering the cost of this investment from the gas network operators in the form of capital contributions over the course of the programme, although the assets will still be owned by the Company. Additions to assets under this programme are classified as "Assets in the course of construction" and reclassified as "Software" when the assets are commissioned for use.

Included within accruals and deferred income in note 20 (amounts falling due within one year) are contributions to the cost of intangible fixed assets amounting to £11,190,000 (2025 – £11,616,000).

Included within accruals and deferred income in note 20 (amounts falling due after more than one year) are contributions to the cost of intangible fixed assets amounting to £6,069,000 (2025 – £17,079,000).

The contributions to the cost of intangible fixed assets noted above are released to turnover evenly over the useful life of the corresponding asset, in line with amortisation.

12. Tangible fixed assets

	Leasehold improvement, fixtures and fittings	Computer hardware and associated software	Total
	£000	£000	£000
Cost			
At 1 April 2025	34	1,008	1,042
Additions	–	88	88
At 31 March 2026	**34**	**1,096**	**1,130**
Depreciation			
At 1 April 2025	28	414	442
Charge for the year	6	323	329
At 31 March 2026	**34**	**737**	**771**
Net book value			
At 31 March 2026	**–**	**359**	**359**
At 31 March 2025	6	594	600

Included within accruals and deferred income in note 20 (amounts falling due within one year) are contributions to the cost of tangible fixed assets amounting to £281,000 (2025 – £326,000).

Included within accruals and deferred income in note 20 (amounts falling due after more than one year) are contributions to the cost of tangible fixed assets amounting to £78,000 (2025 – £274,000).

The contributions to the cost of tangible fixed assets noted above are released to turnover evenly over the useful life of the corresponding asset, in line with depreciation.

13. Debtors

	2026	2025
	£000	£000
Due after more than one year		
Other debtors	–	476

Other debtors due after more than one year relate to committed dilapidations receivable.

	2026	2025
	£000	£000
Due within one year		
Trade debtors	3,985	2,734
Amounts owed by related undertakings (see note 26)	2,279	3,057
Other debtors	1,501	–
Prepayments and accrued income	2,136	3,369
	9,901	**9,160**

Trade debtors are stated after provisions for impairment of £304,000 (2025 – £339,000).

Notes to the Financial Statements continued

14. Current asset investments

	2026	2025
	£000	£000
Money Fund Account	15,665	15,110

The Company invests its surplus cash balances in a short term liquidity money fund account which is convertible to cash on demand.

15. Cash and cash equivalents

	2026	2025
	£000	£000
Cash at bank and in hand	1,201	1,358

16. Creditors: Amounts falling due within one year

	2026	2025
	£000	£000
Trade creditors	5,913	6,743
Amounts owed to related undertakings	124	1,396
Corporation tax	127	–
Other taxation and social security	368	332
Other creditors	3,599	2,766
	10,131	**11,237**

17. Financial instruments

The Company has the following financial instruments:

	2026	2025
	£000	£000
Financial assets measured at amortised cost		
Trade debtors (note 13)	3,985	2,734
Amounts owed by related undertakings (note 26)	2,279	3,057
Other debtors (note 13)	1,501	–
Cash at bank and in hand (note 15)	1,201	1,358
Current asset investments (note 14)	15,665	15,110
	24,631	**22,259**

	2026	2025
	£000	£000
Financial liabilities measured at amortised cost:		
Trade creditors (note 16)	5,913	6,743
Amounts owed to related undertakings (note 26)	124	1,396
Other creditors (note 16)	3,599	2,766
Accruals	1,525	392
	11,161	**11,297**

18. Deferred taxation

Deferred tax at the Statement of Financial Position date amounted to £nil (2025 – £nil). The deferred tax liability in relation to accelerated capital allowances at 31 March 2026 amounted to £nil (2025 – £430,000).

19. Provisions

	Other provision
	£000
At 1 April 2025	1,106
At 31 March 2026	**1,106**

Other provisions

In December 2015 the Company started the lease for a property which is due to expire in December 2026. A provision has been made for the Company's expected future liability based on an estimate of the costs. The Company expects to utilise this provision after the expiry of the lease.

20. Accruals and deferred income

	2026	2025
	£000	£000
Amounts falling due within one year	24,333	23,035
Amounts falling due after more than one year	6,147	17,353
	30,480	**40,388**

Accruals and deferred income falling due within one year include deferred contributions to capital expenditure of £11,471,000 (2025 – £11,942,000).

Accruals and deferred income falling due after more than one year include deferred contributions to capital expenditure of £6,147,000 (2025 – £17,353,000).

Accruals and deferred income falling due within one year include amounts owed to related undertakings of £6,887,000 (2025 – £5,375,000).

21. Share capital

	2026	2025
	£000	£000
Allotted, called up and fully paid		
100,000 (2025 – 100,000) Ordinary shares of £0.01 each	1	1

The Articles of Association (as amended from 1 April 2017) provide that if a Network Operator of a given Network Area ceases to hold a Gas Transportation Licence in respect of that Network Area, or part of the Network Area, then all ordinary shares held by that Network Operator in relation to that Network Area (or if relevant part of Network Area) will convert to deferred shares. All ordinary shares held by a Network Operator in relation to the Network Areas operated by that Network Operator will also convert into deferred shares if an insolvency event occurs in relation to the Network Operator and the Board elects to convert the shares.

22. Reserves

Profit and loss account

The profit and loss reserve represents cumulative profits or losses, net of other adjustments.

Notes to the Financial Statements continued

23. Contingent liabilities

Appeals to the DSC budget have been filed with Ofgem by one of Xoserve's customers in relation to the FY22–23 and FY23–24 business plans. The claims are predominantly in relation to the efficiency of costs and value for money delivered under the DSC contract. The details of the charges incurred under the DSC contract are included in the annual charging statement which can be found on the Company's website.

The Directors of Xoserve are engaged in managing the defence of these matters and are working with Ofgem towards resolution of both the BP22 and BP23 appeals. A draft determination in relation to the BP22 appeal was received from Ofgem in September 2025, inviting responses from industry. However, a finalised determination has yet to be received. Therefore, the timeline for resolution of both appeals remains unclear. The Directors are unable to conclude on the likely success of the grounds for appeal at this stage and accordingly have concluded that this matter has resulted in a contingent liability and no provision has been recognised in the financial statements as at 31 March 2026.

As a participating employer in the NGTPS defined benefit pension scheme, the Directors of Xoserve consider that there exists an obligation to contribute to funding any deficits that arise within the Scheme. At the date of these accounts, and per the last completed actuarial valuation in March 2025, the Scheme is in surplus and therefore no such contributions are required. Should the Scheme be shown to be in deficit in the March 2028 actuarial valuation, NGTPS may include Xoserve in future Schedule of Contributions. Accordingly, no provision has been recognised in the financial statements at 31 March 2026.

24. Capital and other commitments

At 31 March 2026 the Company had capital commitments as follows:

	2026	2025
	£000	£000
Contracts placed for future capital expenditure not provided for in the financial statements	1,617	1,582

25. Commitments under operating leases

At 31 March 2026 the Company had future minimum lease payments due under non cancellable operating leases for each of the following periods:

	2026	2025
	£000	£000
Not later than 1 year	824	1,021
Later than 1 year and not later than 5 years	152	852
	976	**1,873**

The Company sub leases part of its leased property under non cancellable operating leases for the following future minimum lease payments. There is no contingent rent.

	2026	2025
	£000	£000
Not later than 1 year	690	920
Later than 1 year and not later than 5 years	–	691
	690	**1,611**

26. Related party transactions

Transactions and balances with related parties:

The following companies each have a shareholding in Xoserve Limited. Transactions and balances with these companies were as follows:

	Sales and contributions received		Amounts owed by related parties	
	2026	2025	2026	2025
	£000	£000	£000	£000
National Gas Transmission plc	10,963	16,019	–	1,229
Cadent Gas Limited	16,116	17,156	1,551	1,247
Southern Gas Networks plc	5,887	6,110	–	–
Scotland Gas Networks plc	2,878	2,885	1	1
Northern Gas Networks plc	4,116	4,162	366	294
Wales & West Utilities Limited	4,076	4,118	361	286

Amounts received from related parties represent charges to related party customers. These amounts include contributions to capital expenditure recoverable and do not reflect the amortisation of those amounts recognised as turnover.

Amounts owed by related parties are unsecured and on normal commercial terms.

	Purchases		Amounts owed to related parties	
	2026	2025	2026	2025
	£000	£000	£000	£000
National Gas Transmission plc	1,301	1,520	2,115	2,390
Cadent Gas Limited	–	–	2,556	2,265
Southern Gas Networks plc	–	–	778	722
Scotland Gas Networks plc	–	–	371	343
Northern Gas Networks plc	–	–	590	518
Wales & West Utilities Limited	–	–	601	533

Related parties provided a number of services to Xoserve during the year, the cost of these were £1,301,000 (2025 – £1,520,000).

Amounts owed to related parties of £7,011,000 (2025 – £6,771,000) are unsecured and on normal commercial terms. Amounts owed include £6,887,000 of deferred income (2025 – £5,375,000).

27. Post balance sheet events

Since the year end the company has entered into a new 10-year property lease, at an annual rental of £742,000, including a 15-month rent-free period.

28. Controlling party

No entity has a controlling interest in the Company.

Glossary of Terms

Term	Meaning
API	Application Programme Interface
AQ	Annual Quantity
AUGE	Allocation of Unidentified Gas Export
BAU	Business as usual
BDP	Big Data Platform
BI	SAP Business Intelligence
BP22 Baseline	Business year 2022 costs used to baseline costs for the Efficiency Review
BP23	The CDSP Business Plan for 2023–24
BP25	The CDSP Business Plan for 2025–26
BP26	The CDSP Business Plan for 2026–27
BP27	The CDSP Business Plan for 2027–28
BPIR	Business Plan Information Rules introduced by UNC modification 0841, which was approved by the regulator in May 2025
CAB	Customer Advisory Board
CICM	Chartered Institute of Credit Management
CDSP	As the gas industry's Central Data Services Provider (CDSP), we provide a suite of vital services for gas Suppliers, Shippers and Transporters
CICM	Chartered Institute of Credit Management
ChMC	The DSC Change Management Committee is the elected body of Customer representatives that meet once per month to oversee the delivery of DSC change activity www.gasgovernance.co.uk/DSC-Change
CoMC	The DSC Contract Management Committee is the elected body of Customer representatives that meet once per month to oversee the day-to-day operation of DSC activity
CMS	Contract Management System
CPI-H	Consumer Price Index; used as a measure for inflation
CSS	The Central Switching Service
DESNZ	Department for Energy Security and Net Zero
DDP	Data Discovery Platform
DSC	The Data Services Contract is the contract which is constituted by the DSC Agreement, the DSC Terms and Conditions and each of the CDSP Service Documents

Term	Meaning
Efficiency Review	In BP23 we received funding to facilitate a 3rd Party review which we were delivering value for money CDSP service. This work concluded in September 2023.
EFT	Enterprise File Transfer
ERIX	The Efficiency Review Implementation in Xoserve
FBC	Full Business Case
FES	Future Energy Scenarios, that identifies the potential routes towards Net Zero
FGO	The Funding Governance and Ownership programme
FWACV	Flow Weighted Average Calorific Value
Gemini System	An online platform managed by Xoserve on behalf of National Gas. It acts as the central IT system for the commercial gas transmission regime, and is primarily used by UK gas shippers and industry participants to manage the transportation of gas through the National Transmission System.
I&C	Industrial & Commercial
ICS	The Institute of Customer Service
IGT UNC	Independent Gas Transporter Uniform Network Code www.igt-unc.co.uk
Investment	This term covers funding to deliver transformation activity, and further splits into sub categories that are aligned with terminology in the Budget and Charging Methodology: 'Infrastructure' (typically technology-sustaining programmes) and 'Change' (incrementally scoped budgets for Customer usage throughout the business plan period)
ISO	International Standards Organisation
ITIL	Information Technology Infrastructure Library, which is a globally recognised framework of best practices for IT Service Management
KPM	Performance versus a suite of Key Performance Metrics that show how effective we are at delivering CDSP services are monitored and reported each month to the DSC CoMC
MPRN	Meter Point Reference Number
NDMSP	Non-Daily Metered Service Provider
NESO	National Energy Systems Operator
NISA	National Institute for Standards and Assurance
OBC	Outline Business Case
Ofgem	Office of Gas and Electricity Markets; regulator of the electricity and gas markets in Great Britain
PAFA	Performance Assurance Framework Administrator
PI	Performance versus a suite of Performance Indicators that show how effective we are at delivering CDSP services are monitored and reported each month to the DSC CoMC
PIP	Privacy Improvement Plan

Glossary of Terms continued

Term	Meaning
Q	Quarter of the financial year; quarter 1 period is April to June, quarter 2 period is July to September, quarter 3 period is October to December and quarter 4 period is January to March
Q&A	Questions and Answers
Rec Co/RECCo	Retail Energy Code Company www.retailenergycode.co.uk
S&O	Service and Operate costs fund the day-to-day operational activity that is either performed directly by Xoserve, or via one of our outsourcing agreements. S&O is an umbrella term that covers all of the CDSP General Service Areas.
S&O Baseline	The Service and Operate costs associated with activities that span business plan years. We use this to measure and report the extent to which like-for-like activity is being economically undertaken across a multi-year period. To do this we apply the same indexation to all historic costs to evaluate whether services are being delivered more or less economically across the period in question.
SDS	Strategic Direction Statement; published annually by Ofgem
SAS	Statistical Analysis System
SIP	Security Improvement Plan
SOC	Strategic Outline Case
SPP	Statement of Planning Principles, which sets out the strategic principles that will guide the creation of the Business Plan
The 5Es	We have adopted a framework through which Value for Monday can be commonly understood. The 5Es and their relative descriptions are thus: 'Economy' – are costs reasonable, 'Efficiency' – are costs being fully utilised, 'Effectiveness' – are services being delivered effectively versus stated aims (e.g. Key Performance Metrics), 'Equity' – are costs being fairly shared and 'Evolve – which reflects the need for us to evolve.
Totex	Total Expenditure
UKCSI	The UK Customer Satisfaction Index
UK Link M2C	UK Link Move to Cloud programme
UNC	Uniform Network Code www.gasgovernance.co.uk/UNC
VfM	Value for Money
XET	Xoserve Executive Team
XLT	Xoserve Leadership Team
Y, Y+1, Y+2	Year in question; plus, one year from the year in question; plus, two years from the year in question

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