



# Annual Report and Financial Statements

**2024-25**





Making  
energy  
data  
work

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# Introduction from the Board Chair

The global energy scene and systems are changing rapidly – and the United Kingdom is part of that dramatic shift as we pursue a pathway towards Net Zero. Exactly what the components of that transformation will be, when they will be implemented, at what speed and in what combination is still not 100% clear. However, what is absolutely apparent is that collaboration and co-operation between all relevant parties, professional knowledge and expertise, flexible robust processes and also accessible, reliable and sound factual data are and will be paramount.

Against that background, Xserve has assembled a board with a very broad and varied range of experience and also a deep knowledge of governance as well as the UK energy sector. We also have a strong and experienced executive and operational team (led by CEO Steve Brittan) that embraces unique knowledge of the UK gas industry. The team has been augmented with key personnel that have change management, system architecture design and project management expertise. This enables us to prepare for and implement an upgrade to our core IT platforms which will allow us to provide, analyse and share the data to support whatever range of gases (methane, hydrogen, a blend and/or CO<sub>2</sub>) and relevant processes will be needed in moving progressively to Net Zero over the coming decades.

Alongside that, we are building upon and strengthening our already positive links and relationships with our customers (gas network operators, shippers and suppliers), DESNZ, Ofgem, NESO, central bodies across the energy industry and other key partners so that we can play our particular role and part in working with them to move the United Kingdom forward on its energy journey.

The details of what was achieved in these activities in 2024-2025 and how we are preparing the foundations for the years to come is included in detail in the following Annual Report and Financial Statements. We hope that you will find it to be both informative and interesting.

**Mike Hogg**  
Xserve Board Chair



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We are building upon and strengthening our already positive links and relationships so that we can play our particular role and part in working with them to move the United Kingdom forward on its energy journey.

Mike Hogg, Xserve Board Chair



# CEO introduction

It is my pleasure to introduce Xoserve's Annual Report and Financial Statements for FY2024/25. It has been a busy year for the Company, with our focus remaining on ensuring the successful delivery of the core Central Data Services Provider (CDSP) services that underpin the efficient operation of the GB gas market.

Over this year, we have achieved our highest ever level of performance on our Key Performance Metrics – for example, the UK Link System had an availability of 99.99%. Our customer satisfaction levels, as measured by the ICS survey also reached a record high, over the six years that we have been measuring this, with more than 100 customer responses being received. It is also notable that in this period, the Gemini Sustain + upgrade went live.

At the same time, we have taken the opportunity to identify where improvements can be made. There were two instances in the year where the quality of service customers expect from us fell short, particularly with regards to the provision and communication of data. We have put in place an “enhanced assurance” programme which is designed to provide increased confidence in data quality and Change project delivery.

Additionally, we have developed a new customer engagement team, designed to offer customers significantly more direct access to Xoserve people, and ensure that the voice of the customer is more clearly heard. Business Plan Information Rules (BPIRs) were a new and welcome addition in the year, to the Business Planning process for BP25, providing increased transparency for customers, with leadership within the customer engagement, and wider Xoserve teams, delivering strong compliance with the rules in their inaugural application.

We have also concluded the implementation of the efficiency review recommendations, from FY2023/24, and continue our commitment to demonstrate excellent value for money – evidenced by our core budgets falling in real terms, year on year. Customers' review and sign-off of delivery of the recommendations was key to the successful completion of this programme.

We are also preparing for major change to come. Most particularly, we have established Project Trident – a programme to upgrade the UK Link system, such that it can be sustained through to 2040. We have invested in building an intelligent customer team, and enterprise architecture capability; and these teams will continue to grow as Project Trident moves forward through its early definition phases towards procurement of the new system.

A fundamental decarbonisation journey lays ahead of the industry, and Xoserve is already supporting a number of initiatives underway with a range of our customers; as we see the gas network start to blend a range of gases in the coming decade. We will also ensure that the new UK Link system is ready to support evolution of the market

Finally, we recently celebrated our 20th birthday. We mark this with a refreshed look for the Company's brand, but most of all I want to thank all the people who make up the Xoserve team – they are the heart of the Company and are dedicated to supporting the industry and wider stakeholders. Special thanks go to Yehuda Cohen, who leaves our Board after nine years of diligent service – supporting the Company as it has undergone significant change.

**Steve Brittan**  
CEO, Xoserve



Our customer satisfaction levels reached a record high, over the six years that we have been measuring this, with more than 100 customer responses being received.

Steve Brittan, CEO





# About this document

This document is a record of the key successes, challenges and events of the financial year 2024-25, 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 2024-25
- A Directors' Report that includes a statement of Directors' responsibilities, results, dividends and financial information
- An Independent Auditors' Report which provides 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
- An interactive version of this document can be accessed via: [xoserve.com/about-us/about-xoserve/annual-review](https://xoserve.com/about-us/about-xoserve/annual-review)



# Strategic Report

## for the year ended 31 March 2025

### About Xoserve

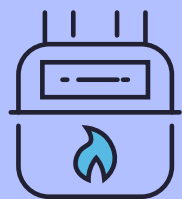
Founded in 2005, Xoserve (the Company) is the Central Data Service Provider (CDSP) to Great Britain's gas market. Established by gas market regulations, the Company provides transactional billing, settlement activities and other data services on behalf of gas network operators (who are responsible for 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](#).



**1,590,694,544**  
(1.6 billion)

meter reads  
processed



Volume of files processed:

Inbound **1,060,902,514**

Outbound **1,613,469,476**



Net value of all energy  
balance invoices (EBIs)

**£10,830,099**



**7,383,504**  
(7.4 million)

Shipper transfers  
processed



Vol of invoices issued:

**32,639**  
(22 types)



Gross value of all  
Transportation invoices:

**£7,638,513,998**  
(7.6 billion)



**1,519**  
EBI invoices  
produced



Asset updates processed:

**4,707,348**  
(4.7 million)



**188,879,765**

AQs processed  
successfully







## Corporate social responsibility and sustainability

Xoserve continues to support good causes through an internal nominations process for charity partners each year. In 2024, Xoserve donated a total of £8,140 to Cancer Research UK, The Wave Project, 1st All Heath Scout Group and Marie Curie. This is supported by our matched giving scheme, and we continue to encourage our people to give back to local communities by volunteering their time and expertise.

Our energy consumption reduced by 33% from 5.169 tCO<sub>2</sub>e in 2023 to 3.476 tCO<sub>2</sub>e in 2024 due to a number of efficiency measures such as moving to a 'green tariff' with a new energy provider and managing heating usage on a seasonal basis.

We believe our people are our most important asset. Our regular employee surveys allowed us to ensure working at Xoserve is as satisfying as possible, and that training and development opportunities are being proactively provided.



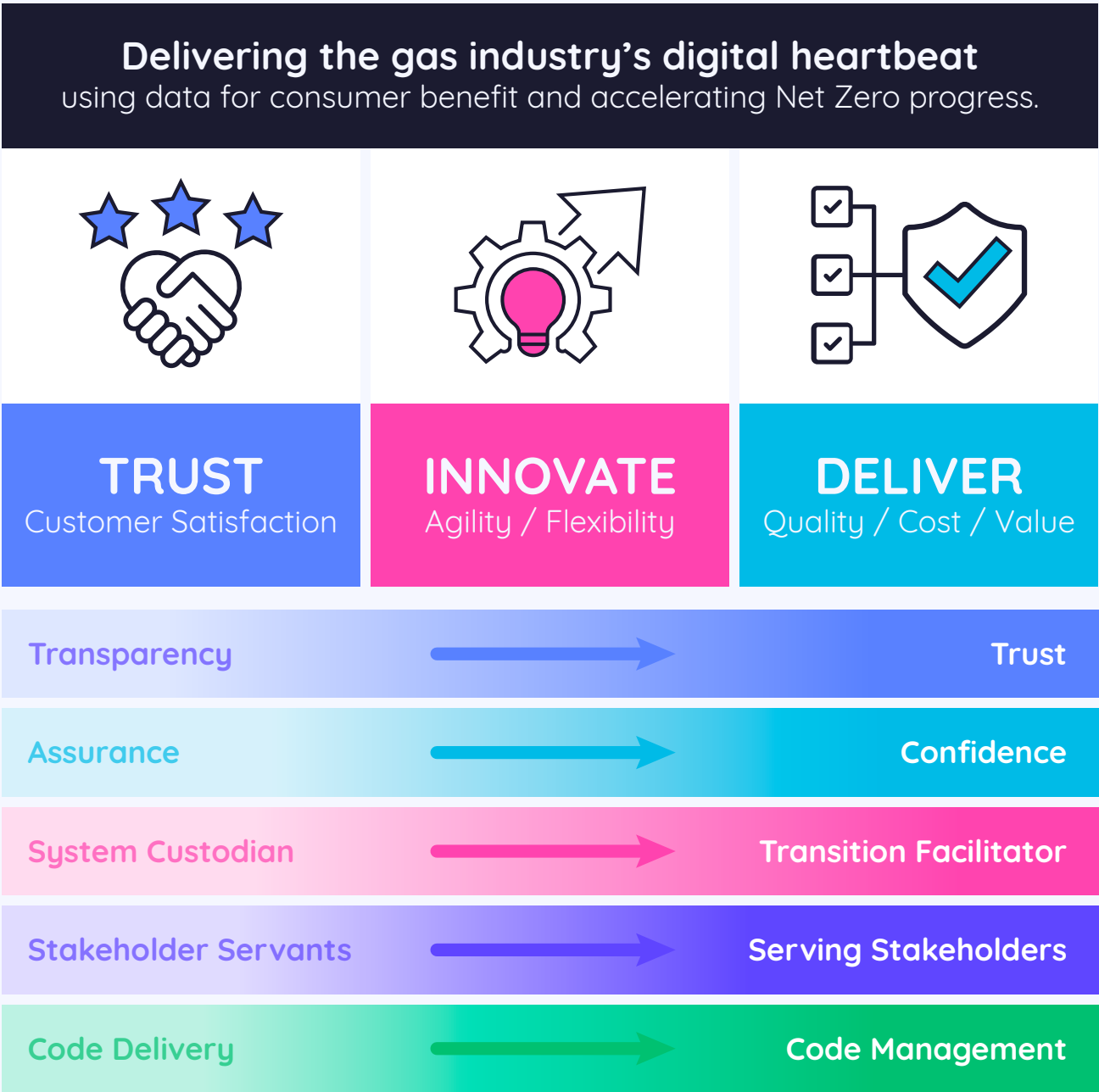
We have continued to champion decarbonisation as a key priority for the gas network.

Clive Nicholas, Director of Strategy and Development

## New strategic principles and related journeys

2024 heralded the launch of three new strategic principles and five associated journeys that would enable Xoserve to deliver maximum value to our customers and stakeholders.

We described the steps that would be required for this, and the need to build on current capacity and capability, moving forward with five strategic initiatives.





# Summary of strategic initiatives

## Our Strategic Initiatives



**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



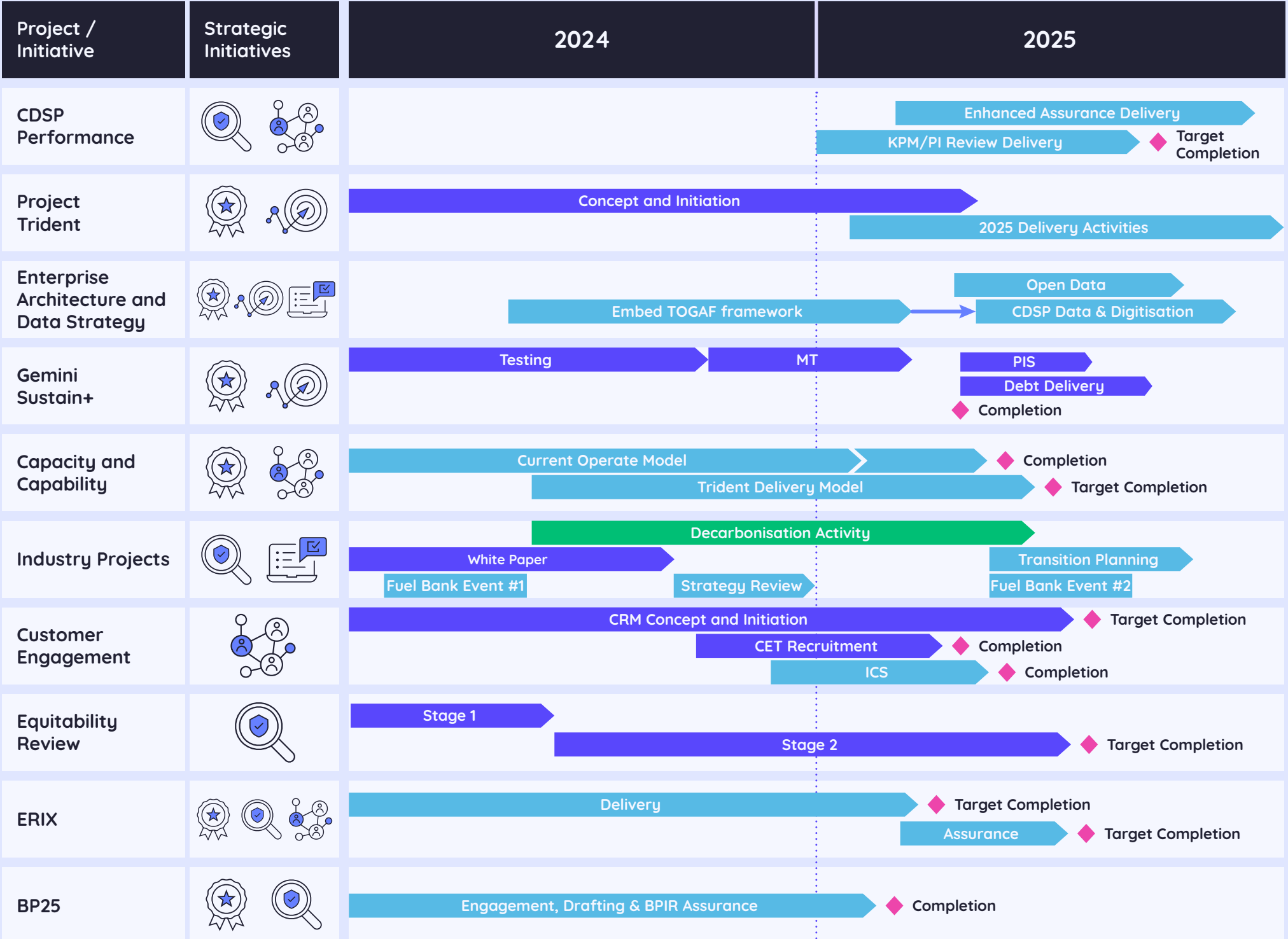
**Stakeholder Servants to Serving Stakeholders**  
Embodying the behaviours that nurture trust and confidence



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

There were a number of strategic projects that were in-flight during 2024-25, some delivered via Service and Operate, others via investment funding in BP24. This timeline provides a high-level, consolidated view of these activities and how they supported at least one of the strategic journeys.

Click the project titles to jump to further information.







## CDSP performance and the Enhanced Assurance regime

The Company was dependent on a range of third-party relationships in support of the services provided to customers throughout the year.

The Company’s main supplier, Correla Limited, provides both CDSP-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.

### 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 2024-25 KPM/PI performance was robust and largely consistent with the previous financial year. The targets are appropriately stretching, as they are used to measure the effectiveness of our delivery of key industry services and processes.

The critical UK Link and Gemini platforms were available 99.99% of the time (vs a 99% target) and we successfully transacted 99.9% of the 3.6 billion ‘process events’ (e.g. reads, AQ calculations) within agreed SLAs.

### Want to know more about KPM/PI performance?

There is a lot of information regarding current performance in the CDSP Business Plan for 2025-26 ([BP25, ‘Current Performance’ and ‘Outputs’ section of the annexed information document](#), p30-91), and we are in the process of developing a digital space on our website so that customers can see how we are performing at a glance, and in detail. The launch of this will coincide with Draft 1 of BP26 (September 2025).

### Performance incidents

Delivering robust KPM/PI outcomes is critical to the smooth running of the industry, as is the management of incidents when they occur. We recognise that during the 2024-5 financial year, incidents occurred which did not impact a KPM or PI but which did have a serious impact on some customers. An example of such an incident is the Data Discovery Platform (DDP) reporting error that resulted in erroneous performance data being presented to the UNC Performance Assurance Committee (PAC). Another example is data errors and processing issues that impacted the capacity referral process. Thorough investigations have been conducted to understand the root causes, with the output being the introduction of an Enhanced Assurance Regime. The regime is aimed at addressing and preventing further instances of customer impacting incidents.

### Enhanced Assurance

As a result of these investigations, an Enhanced Assurance Regime is now in-flight. We have proposed the following seven measures with their desired outcomes. Supporting actions, measures, timelines and exit criteria are in the progress of being agreed.

### KPM review

Recognising the fact that the incidents that have led to the Enhanced Assurance Regime being set in motion did not flag as KPM/PI failures, we have been facilitating a customer review of the existing suite of KPMs and PIs. We expect this work to conclude in Q2 2025.

1	2	3	4	5	6	7
PAC Confidence	Implement- ation of Xoserve ‘eyes on’ software testing	Extension / enhance- ment of Post Implementa- tion Support	Selective Change Moratorium	Improved Correla Internal Audit	Revised KPIs (including for change delivery)	Establish CDSP data oversight group (data governance)
PAC can operate a full compliance regime with restored confidence in data provided.	No errors introduced to production systems / services as a result of delivery of change.  Minimal risk of customers finding errors.	All processes subject to change (and associated processes subject to regression testing) have been success- fully run in production for (at least) one cycle before PIS is closed down.	Revisions to software change processes have been imple- mented and embedded, with intro- duction of additional controls to mitigate risk of produc- tion issues resulting from future changes.	Internal audits follow defined standards and have coverage of all service areas.  Production issues are identified via audit or internal checks rather than by customer notification.	Issues / errors are reflected in a performance metric.  Issues are identified, tracked and resolved to the customer’s satisfaction in a timely fashion.	Assurance that data and derived reports are robust.  Data provision requests can be met in a timely, cost effective and robust way.



# XOSERVE

## Project Trident



In FY 2024/2025, Xoserve launched Project Trident - its UK Link modernisation programme. 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. To prepare for the future of UK Link, modernisation is required, as extended support alone will be insufficient to maintain a reliable CDSP service.

Since its initiation in July 2024, Project Trident has focused on the following three achievements:

1. Strategic Outline Case
2. Market engagement exercise
3. Establishing the capacity and capability to deliver Project Trident

The Project Trident Strategic Outline Case (SOC) was published in September 2024 and shared with Xoserve Customers. To develop the proposal for the future of UK Link, Project Trident is using the HM Treasury Green Book approach for business case development. Its aim is to show: transparent justification of investment; demonstrable value for money; and a clear and considered approach for delivery. The case for Project Trident and the delivery approach will be developed in three iterations: SOC, Outline Business Case and Full Business Case. The SOC presents the case for change for the UK Link system, the critical success factors which we will measure ourselves against and six potential options for the future UK Link.



The Project Trident market engagement exercise ran from 13 November to 10 December 2024, with the questionnaire made available to the whole IT service provider market via the Delta e-sourcing portal. The primary objective was to get feedback from the market on a set of carefully crafted questions for our UK Link replacement as articulated in the SOC. A secondary benefit was to excite the market about involvement in a future UK Link replacement. We were successful on both accounts, with 17 of the 22 organisations who registered for the Project Trident market engagement event on the procurement portal providing a response. There were several common themes and recommendations on how to approach Project Trident, as well as some helpful references to how other organisations acting as central market operators have approached similar problems. Vendors endorsed our six potential options for Project Trident with no additional options put forward, and they universally discarded our options A (do nothing) and B (buy extended SAP support).

Since initiation, the team has begun to build capability and capacity to deliver the UK Link modernisation. The primary focus has been to build the right internal capability, such as within the Enterprise Architecture Team. Through competitive procurement processes, the following partners have also been appointed to deliver Project Trident:

- **Credera** as our **Project Support Services Partner**. Credera's role will be to support the Xoserve project team in the operation and management of Project Trident. They will help Xoserve with project management and governance, stakeholder engagement, commercial guidance, operating model support, and design and architecture for the future UK Link.
- **Resulting IT** as our **Enterprise Advisory Partner**. Their role will be to work alongside our Leadership Team, Architects, and Business Analysts to assess the existing UK Link estate and assess the requirements against each of the recommended options.
- **Moorhouse Consulting** as our **Industry Customer Engagement Partner**. Moorhouse's role will be to support the Xoserve project team with a series of planned industry customer workshops during Q2 & Q3 2025.





Throughout Project Trident, we are taking a proactive approach to stakeholder engagement and the principle of making sure that all customers have access to the same information remains a priority for us. We have continued with one-to-one dedicated engagement sessions and provided updates at governance forums and consistency meetings. With many Customer organisations supporting other industry change programmes (e.g. Market-wide Half Hourly Settlement), and the pace of industry code change remaining consistent, engaging with Customers and Stakeholders is critical.



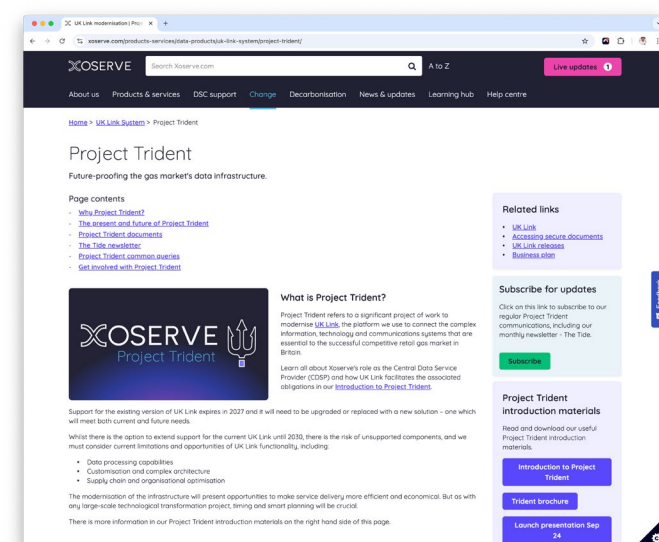
We have invested in capability to deliver Project Trident through a combination of appointments and specialist external supplier capability. We are confident these investments, combined with our existing in-house knowledge, give us the right delivery capability as we move forward.

Nick Partridge, Project Director

Examples of previous engagements are as follows:

- We held a **Project Trident launch event** with Customers in September 2024, which sought to understand how customers would like to engage with the project.
- **The Project Trident homepage** was launched in September 2024 and showcases our rolling FAQs, Project Trident introduction materials, editions of the newsletter and any dedicated customer updates.
- In November 2024 and February 2025, we held dedicated **Customer engagement updates & Q&A sessions** to share BP25 commercials and high-level feedback from the market engagement update with customers.
- We provide regular updates via our monthly dedicated newsletter – **The Tide**. Since its launch in November 2024, readership has grown by 36% to 267 subscribers.

In March 2025, we launched a Customer survey to gather insights from the sector on whether they had experience or lessons learned from one of our down-selected options.







## Enterprise Architecture and Data Strategy

We have established an Enterprise Architecture function to help ensure that CDSP platforms are more efficient, responsive, secure, and Customer-focused. The Enterprise Architecture Team will help to deliver better outcomes without Customers needing to navigate technical complexity, and covers the four architectural disciplines: business, application, data and technology.

The team has implemented The Open Group Architectural Framework (TOGAF), with a substantial amount of work undertaken to compile a number of key documents, matrices and diagrams. This will continue to be utilised during 2025; providing an holistic view of the Xserve business and technical landscape.

To ensure an enhanced level of assurance and governance over the Xserve estate, we have also established an Architecture Review Board (ARB). The ARB consists of a quorum of Architects, InfoSec professionals, SMEs, project managers and Stakeholders. Meeting weekly, the ARB governs changes, decisions and approvals relating to Xserve's architecture; ensuring alignment to Xserve's strategies and principles as well as providing counsel and direction.

The Enterprise Architecture function plays a significant role in Project Trident and UK Link Sustain activities, including leading the solution and business design elements and working closely with our partners to ensure the right decisions are made, which are supported through facts, evidence and other supporting information (e.g. other real-world examples).



Going forward, the Architecture Team will be engaging with other Architecture functions and technical teams within the industry, with a focus on future roadmaps of change, industry standardisation such as data models, messaging etc and establishing closer collaborative technical relationships

We introduced new initiatives in BP25, including the delivery of a CDSP 'Data and Digitalisation Strategy' and the discovery phase of a CDSP Open Data Solution, with both initiatives now in-flight.



## Gemini Sustain +

National Gas, in partnership with Xserve and our service providers, has undertaken a programme of work to significantly modernise and enhance the Gemini Platform. This work culminated in the new, modernised system going live in March 2025, following a multi-year programme of work; allowing Gemini to continue to provide Capacity and Balancing services, while also delivering system compliance against new Uniform Network Code (UNC) modifications. The new system also enables change to be delivered more efficiently, while driving an improved customer experience.

At a summary level, the programme:

- Converted all current Gemini functionality and code into modern code (Java microservices)
- Delivered new and existing functional requirements, and new non-functional requirements
- Consolidated and redesigned the Gemini user interface screens
- Implemented Azure cloud infrastructure components (including replacing the current Oracle database)
- Delivered improvements to the support service arrangement to respond better to incidents and change (in-line with new service levels and KPIs)

For more information, [please visit the relevant pages on our website.](#)

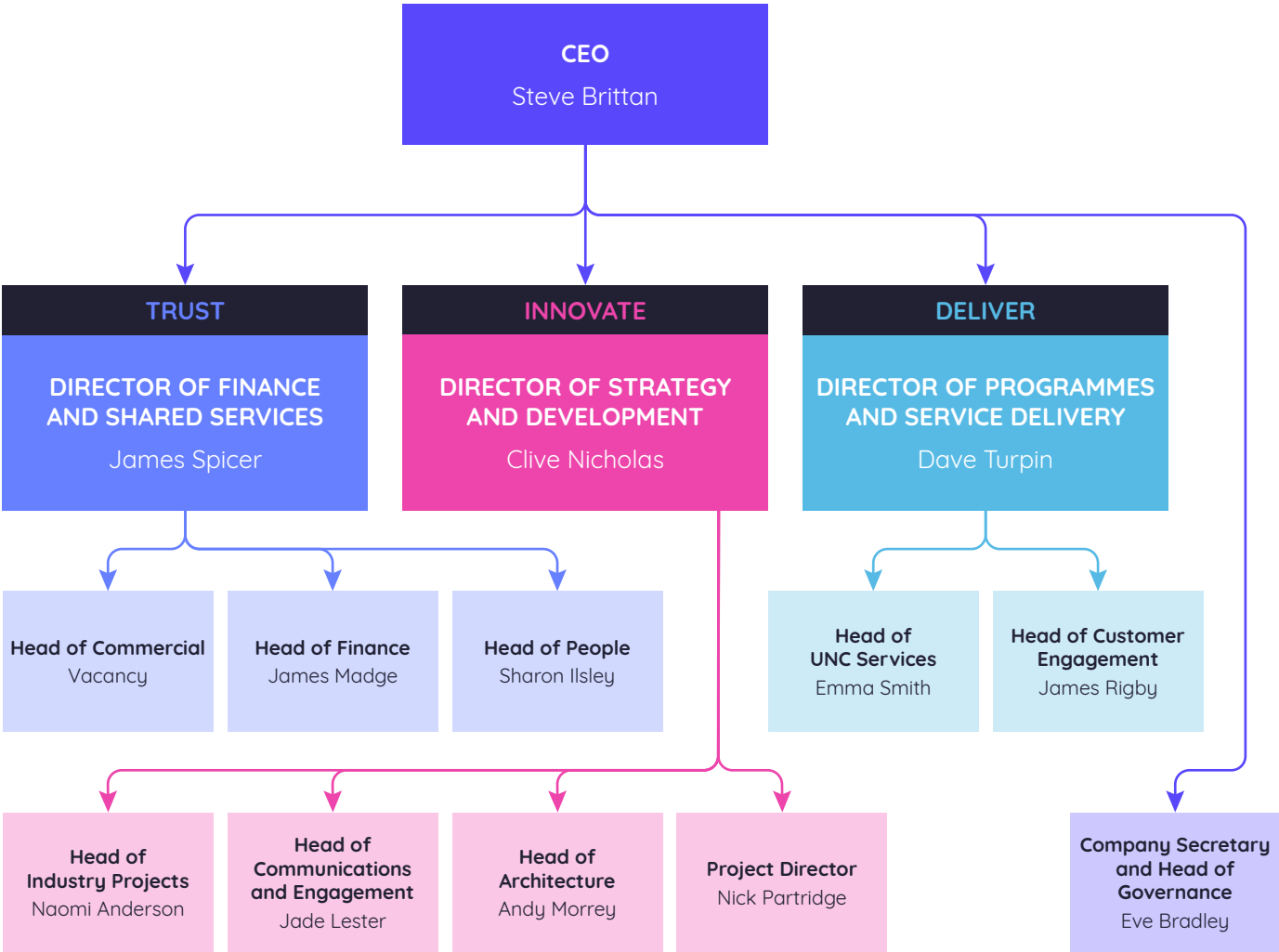


## Capacity and capability

2024-25 was a period of growth for Xoserve, as we set about building the capacity and capability needed to continue delivering the robust and secure CDSP services our Customers and Stakeholders rely on, while also developing and delivering critical projects and facilitating the transition towards code reform and Net Zero.

The first step was the appointment of an Xoserve Executive Team (XET). The XET was created in Q1 of 2024, with three newly appointed Directors reporting into our CEO. Each Director became responsible for Customer and Stakeholder priorities and focusing on the execution of our strategic principles of Trust, Innovate and Deliver.

### Xoserve Leadership Team (XLT)



The next chapter of our re-organisation saw the launch of an Xoserve Leadership Team (XLT) shortly after the XET were introduced. XLT is tasked with leading the delivery of strategic initiatives and overseeing service delivery. The team’s remit stretches across the breadth of the CDSP estate, including Enterprise Architecture, Industry Projects, Project Trident, Communications, UNC Services, Customer Engagement and Shared Services, such as Governance, Finance, People and Commercial.

Our headcount has increased from 45 in 2023, to 59 in 2024, and now 67 at the end of March 2025. In turn, Xoserve’s leadership capability and capacity has been augmented with specialism brought into the XLT to oversee strategically and operationally important parts of CDSP scope.

The Company’s direct employees are supported by a small number of third-party specialist contractors to cover short term resourcing gaps. In line with legislation, the Company continues with the IR35 process for all third-party contractors.

“ The Xoserve team is stronger than ever - combining a unique blend of two decades of CDSP experience and specialist expertise.

Dave Turpin, Director of Programmes and Service Delivery







## Industry projects

### White paper

We created a white paper exploring the challenges of gas industry Code Reform and the potentially critical role a dedicated Code Manager could play. Drawing on extensive consultation with a wide range of industry stakeholders, the paper explores a series of important questions including:

- Why does the gas market need Code Reform?
- What should the role of Code Manager be?
- How can the Code Manager help to ensure a smooth and just transition to Net Zero?
- How can we turn gas market codes from blockers of change into enablers of future priorities?

The [white paper](#) and its conclusions can be accessed on [our website](#).



### Fuel Bank events

12 months on from our first award-winning energy event, Xoserve once again partnered with the Fuel Bank Foundation for 'Fuel Crisis: Data-Driven Strategies for Inclusive Change'. This year, we widened the lens to include more utilities sectors, bringing together leading voices from Ofgem, DESNZ, Energy UK and Ofwat, alongside representatives in the banking and consumer support sectors.

The discussions led to various potential future development areas such as policy (e.g. consideration of a unified strategy for enabling consistency of support across all utilities, regardless of supplier or region), practices (consideration of how to link existing best practice guides together during periodic reviews) and technology (such as exploration of mechanisms to flag customers at risk of financial crisis to relevant utility suppliers).



“

Our partnership with Fuel Bank underlines the need for a needs-focused collaborative approach to fuel poverty that builds trust and promotes consistency between sectors.

Naomi Anderson, Head of Industry Projects



## Decarbonisation

### Enabling a multi-gas future through RTSM

We are supporting the Real-Time Settlement Mechanism (RTSM) initiative, which is developing a new modelling solution to enable fair and equitable billing and settlement in a multi-gas system. This includes accounting for gas blends with varying calorific values (CVs), ensuring accuracy and fairness across the market.

### Strategic support for the H100 hydrogen trial

In collaboration with SGN and other industry stakeholders, we are contributing to the H100 trial, which will demonstrate the use of 100% hydrogen for domestic heating. Our support includes developing solutions for metering, billing, and settlement, as well as providing monthly data analysis, insight sharing, and readiness activities in preparation for the live trial.

### Hydrogen blending & market framework development

We are actively engaged in hydrogen blending workgroups, providing commercial and operational insights on various blending scenarios. Our work is helping to define a future market framework and quantify impacts to the Central Data Service Provider (CDSP).

### Industry engagement through hydrogen market forums

We've hosted dedicated hydrogen market forums for Independent Gas Transporters (IGTs), Shippers, and Meter Operators, creating a collaborative space for updates, discussion, and shared learning across the emerging hydrogen landscape.

### Decarbonisation communications & thought leadership

We continue to drive awareness and thought leadership through a range of marketing activities including:

- Monthly decarbonisation newsletters
- Insightful blog content
- The Decarbonisation Podcast – with recent guests including Corinna Jones, Innovation Director at National Gas, and Clare Jackson, CEO of Hydrogen UK

### System readiness for low-carbon gas trials

We are supporting the gas networks with system change planning, with projects such as the preparation for the upcoming Girvan biomethane trial. This ensures operational readiness for the safe and efficient injection of low-carbon gases into the grid.





## Customer engagement

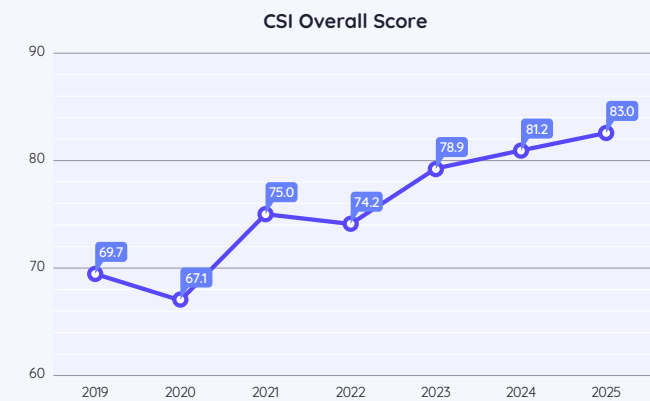
### Institute of Customer Service (ICS) survey

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.

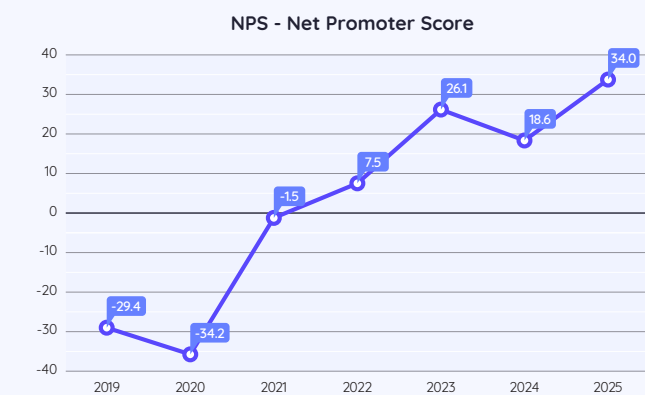
The survey was carried out in February 2025 and was distributed to 755 individuals across circa 120 organisations. We received 118 responses in total, with a 15.6% response rate. We would like to thank all customers who took the time to contribute.

In each metric for 2024/25 we achieved our best ever score:

**Customer Satisfaction Index (CSI) overall score**, which is based on all scoring questions relating to Experience, Complaints, Emotional Connection, Customer Ethos and Ethics. In 2025, we achieved our highest score since starting to measure satisfaction with the ICS survey.



**Net Promoter Score (NPS)**, which is based on the 'likelihood to recommend' scores. A particular formula based on % of respondents scoring 9-10 (out of 10) MINUS % of respondents scoring 0-6 out of 10.



**Customer effort**, which 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.







ICS focus areas

Focus areas	Context	Related activity
Problems/complaints	Fewer number of problems/ complaints compared to last year, but the handling, speed and attitude of staff has decreased.	<ul style="list-style-type: none"><li>• Development of Customer Engagement principles</li><li>• Review / redevelopment of standardised complaints / escalation process</li></ul>
Engagement and communication standards	Feedback this year shows that while elements of communication have improved, the consistency, frequency and ease of communication are key areas of focus.	<ul style="list-style-type: none"><li>• Embedding new Customer Engagement Team</li><li>• Continue to develop Customer Intelligence</li><li>• Slimline key documents</li></ul>
Understanding Customers	Independent Gas Transporters were the highest in feedback volume in this area last year. This has decreased this year, which is also indicated in the scores for 2024/25.	<ul style="list-style-type: none"><li>• Review / redevelopment of quarterly KVI survey</li><li>• Customer workshops</li></ul>

Customer Engagement Team (CET)

We know that our Customers have varying needs and priorities. How we engage is of great importance and, having listened to feedback, we introduced funding in BP25 to enable the recruitment of a new Customer Engagement Team (CET) in Xoserve, led by James Rigby.

James will lead a team of dedicated Xoserve Customer Engagement Managers, who are, at a high level, tasked with overseeing and adding a strategic layer to the existing service. Initial CET objectives include driving direct, proactive and strategic dialogue with customers (e.g. BP26, CDSP performance), maximising the quality of service output and driving the ICS Action Plan following the most recent survey. The team will also be driving enhancements to Xoserve’s CRM tools with the aim of delivering service excellence through customer insights, and efficiency via automation.



The recent ICS results are very encouraging, but we recognise that improvements can be made in some key areas. This will be a priority for the Customer Engagement Team.

James Rigby, Head of Customer Engagement

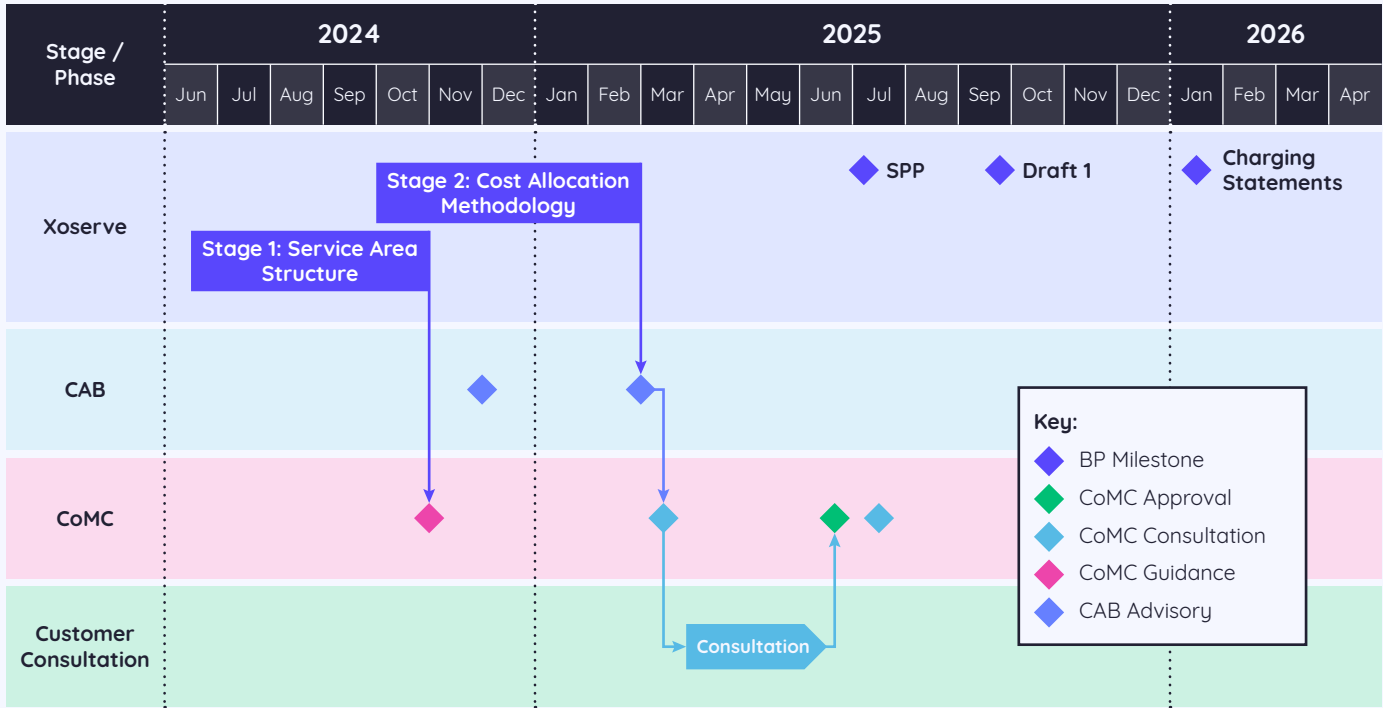




## Equitability Review

In BP24, as part of the VfM framework, we stated that we would review our Cost Allocation Methodology. This is currently being carried out via the Equitability Review – a five phase review process that looks at our Service Area Structure, Cost Allocation and Cost Drivers – ensuring that we continue to charge our Customers in a fair and transparent way.

In 2024/25 we successfully completed Phase 1 – reviewing our Service Area Structure – resulting in three suggested options agreed with our Customers being moved forward to the next phases of the review. We are pleased also to report that we are looking to complete Phase 2 of the review – looking at how costs are allocated across constituency groups – in 2025/26, with the aim of implementing the outcomes of the review so far into BP26.



## Efficiency Review Implementation in Xoserve

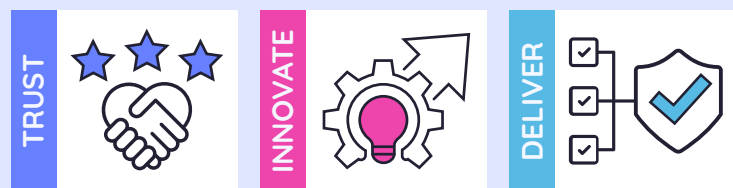
Following our publication of the Kearny VfM review as part of BP24, we set up our Efficiency Review Implementation in Xoserve (ERIX), which aimed to address a number of findings and recommended actions that were raised as part of the review.

There were 46 identified actions that covered large parts of the business and included actions such as looking at improving KPIs/ KPMs, Cost Reporting and developing Architecture capability.

All 46 finding actions have been resolved within 2024/45:

### An overview of the progress made to-date on resolving ERIX finding actions

Programme Package		Findings Count	Discovery		Delivery	
			In Progress	Complete	In Progress	Complete
Contract Strategy		3	0	3	0	3/3
Contractual Application		2	0	2	0	2/2
Change	Planning	9	0	9	0	9/9
	Delivery	6	0	6	0	6/6
	Testing	5	0	5	0	5/5
	Assurance	11	0	11	0	11/11
	Capabilities & Org	2	0	2	0	2/2
Customer Reporting		1	0	1	0	1/1
Financial and Operational Reporting		7	0	7	0	7/7
TOTAL		46	0	46	0	46/46



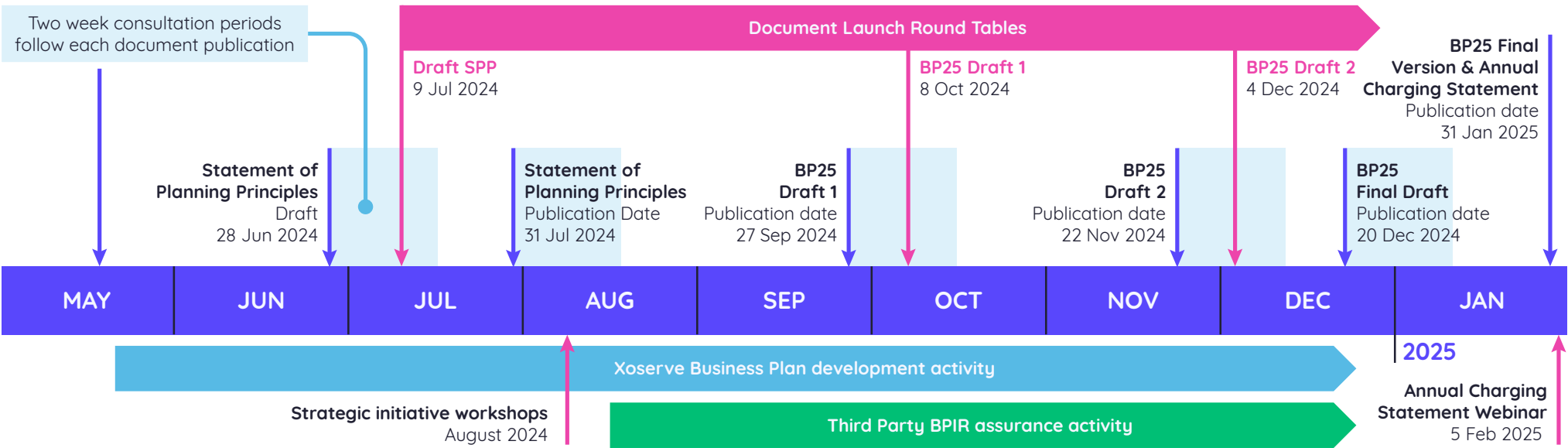
BP25

The Xoserve Business Plan for 2025-28 (BP25) was developed over several months via a series of engagements with Customers and Stakeholders. We kicked BP25 off in May 2024 – earlier than ever before - with a very well attended in-person event at our HQ in Solihull, during which we listened to customer feedback as to their priorities for the short, medium and longer term. This intelligence was used as the bedrock upon which BP25 was built, with three drafts being presented to the Xoserve Board and Customers, who responded in various ways including [in writing](#).

We facilitated multiple additional opportunities for Customers and Stakeholders to feed into the creation of what was our most detailed and transparent plan to date, including in-person and online roundtable and webinar events and the provision of a [dedicated online portal](#).

BP25 was the first Business Plan that was developed with new ‘Business Plan Information Rules’ (BPIRs) that came into effect following the regulator’s approval of UNC modification 0841. The introduction of the BPIRs added value to the process of drafting content for BP25 and necessitated the procurement of an independent third party to perform assurance and assessment of our compliance with the rules. The assessor reported a 91% compliance rate, making suggestions as to how further compliance could be achieved as more (post-Business Plan approval) information became available. The assessor remarked that “this high score can be attributed to the fact that the Business Plan has been written with the BPIR in mind from the inception, rather than being written and then subsequently evaluated against them”.

The BP25 process culminated in the Board approving the Final Version of BP25, which was published in January 2025. As with BP24, there were no customer objections nor appeals raised following publication.







## 2024-25 Budget

The budget for the provision of CDSP services and projects was agreed as part of the 2024-25 annual business planning process, which culminated in Board approval of the Final Version of BP24 in January 2024. The charges were levied from April 2024 via the 2024-25 Annual Charging Statement following the application of the CPI-H rate of as of December 2023 (a 4.2% uplift to the BP24 budget).

93% (£71.0m) of the budget was utilised, with 7% (£5.2m) rebated or carried forward into the 2025-26 financial year to complete scoped works.



## 2024-25 Charges

£000s (2024/25 prices)

No.	DSC Charge	Total DSC Charge	Shipper Users	National Gas NTS	DN Operators	IGTs
1	General Services	62,205	29,436	9,470	22,599	700
2	Infrastructure	5,893	1,104	3,611	1,141	37
3	Change	8,091	2,651	2,671	2,551	218
<b>Total DSC Charges for 2024/25</b>		<b>76,189</b>	<b>33,191</b>	<b>15,752</b>	<b>26,290</b>	<b>995</b>
Prior Year Charges (Rebates) / Additions		(11,808)	(4,262)	(3,330)	(4,124)	(92)
<b>Total DSC Charges to be invoiced in 2024/25</b>		<b>64,381</b>	<b>28,929</b>	<b>12,422</b>	<b>22,166</b>	<b>863</b>

### Results for the year

For the year ended 31 March 2025, the Company recognised a break-even P&L result, both before and after tax (2024 - £0.0m profit before tax and £0.0m profit after tax). As at 31 March 2025 the Company had cash at bank of £1.4m and a money fund account (readily accessible) of £15.1m (2024 - £5.1m and £20.5m).

### 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 £85.1m (92% of turnover) (2024 - £80.1m (91% of turnover)) following adjustments for deferred revenue in respect of projects.

In addition, during the year the Company earned further revenue of £7.0m (8% of turnover) (2024 - £8.3m (9% 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 2025 were £2.7m (2024 - £2.7m) comprising: fixed assets of £29.3m (2024- £39.7m), net current assets of £14.9m (2024 - net current assets of £25.0m) less accruals, deferred income and provisions for liabilities of £41.5m (2024 - £62.1m).

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 (2024 - £2.0m).





## 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.

Working with its outsourcing partner, the Company continues to evolve safety of the Company's critical systems and the data within them.

### Major system modernisation

Via Project Trident, the Company is actively working with external advisors to fully understand the options and develop the delivery model for replacement of its key SAP ISU system (UK Link) prior to the expiry of support later this decade.

### 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 2024/25 saw achievement of 29 out of 31 measures.

This report was approved by the board on 20 August 2025 and signed on its behalf.

**M Hogg**  
Director



## Company information

### Directors

- S Carroll
- J Clarke (appointed 15 May 2024)
- Y Cohen
- D Handley
- I Hansen (appointed 1 June 2024)
- M Hogg
- C Jones
- N Shaw
- A Nixon

### Company secretary

- E 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



**Mike Hogg**  
(Chair)

- 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

**David Handley**  
(Network-nominated Director)

- More than 25 years experience in the energy industry across a range of roles in gas and electricity
- Xoserve NED from Oct 2022
- Director of Strategy and Regulation at the second largest gas distribution network (SGN)
- Lead on regulatory price controls settlements and direct engagement with the regulator
- Focus on government policy development around market structures to support hydrogen and decarbonisation



**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 Jan 24
- 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

**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
- Eight 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

**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

**Yehuda Cohen**

(Shipper-nominated Director)

- Over 25 years in the energy industry
- More than 40 years broad and diverse legal and commercial experience
- Held legal, strategic and directorship roles with companies engaged in wholesale marketing and trading, upstream and operations (including during periods of extreme market stress and turmoil)
- Eight years as an Xoserve NED
- Experience in wholesale energy markets, derivatives, corporate, commercial, transactional (assets and business purchases, sales, mergers and deconsolidations), financial services, regulatory, and compliance





Inge Hansen

(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 JV between UK mobile network operator 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
- Four 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

Director Name	Board Attendance	Audit & Risk Committee Attendance	Remuneration Committee Attendance
Sarah Carroll, ARC Chair	3/4	3/4	N/A
John Clarke	3/3	2/2	N/A
Yehuda Cohen	4/4	4/4	N/A
David Handley	4/4	N/A	1/1
Inge Hansen	2/3	N/A	1/1
Mike Hogg, Board Chair	4/4	4/4	N/A
Christopher Jones	4/4	4/4	N/A
Tony Nixon	4/4	N/A	1/1
Neil Shaw	4/4	N/A	1/1

\*Nomination Committee did not meet during the year.



# Directors' report

The Directors present their report and the financial statements for the year ended 31 March 2025.

## 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 (2024 - £NIL).

## Financial performance

Please refer to Results for the Year section of the Strategic Report on page 37. Business context can be found in the About Xserve section of the Strategic Report on page 7.

## Dividends

Dividends were not paid during the year or the previous year. The Company's funding model restricts 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 2025. 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 (2024/25 – 55%, 2023/24 – 49%). 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.

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 81.2 to 83.0.

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:

- S Carroll
- Y Cohen
- D Handley
- M Hogg
- C Jones
- N Shaw
- A Nixon
- J Clarke (appointed 15 May 2024)
- I Hansen (appointed 1 June 2024)

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 10 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

There have been no significant events affecting the Company since the year end.

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 20 August 2025 and signed on its behalf.

M Hogg  
Director





# 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 2025, 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 2025 and of its result 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 46, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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:

- Companies Act 2006;
- FRS 102;
- 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](http://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.

Stephen Newman  
Senior Statutory Auditor

for and on behalf of

PKF Smith Cooper Audit Limited  
Statutory Auditors

Cornerblock  
2 Cornwall Street  
Birmingham  
B3 2DX

Date: 20 August 2025

Statement of Comprehensive Income  
for the year ended 31 March 2025

		2025	2024
	Note	£000	£000
Turnover	4	92,132	88,421
Other operating income	5	1,663	2,104
Administrative expenses		(94,940)	(91,478)
Operating Loss	5	(1,145)	(953)
Interest receivable and similar income	8	1,145	953
Profit before tax		-	-
Tax on profit	9	-	-
Profit for the financial year		-	-

There was no other comprehensive income for 2025 (2024- £NIL).

The notes on pages 60 to 82 form part of these financial statements.



# Statement of Financial Position

## as at 31 March 2025

Registered Number: 05046877

		2025	2024
	Note	£000	£000
<b>Fixed Assets</b>			
Intangible assets	11	28,695	38,926
Tangible Assets	12	600	778
		<b>29,295</b>	<b>39,704</b>
<b>Current Assets</b>			
Debtors: amounts falling due after more than one year	13	476	476
Debtors: amounts falling due within one year	13	9,160	9,904
Current asset investments	14	15,110	20,499
Cash at bank and in hand	15	1,358	5,110
		<b>26,104</b>	<b>35,989</b>
Creditors: amounts falling due within one year	16	(11,237)	(10,959)
<b>Net current assets</b>		<b>14,867</b>	<b>25,030</b>
<b>Total assets less current liabilities</b>		<b>44,162</b>	<b>64,734</b>
<b>Provisions for liabilities</b>			
Other provisions	19	(1,106)	(1,106)
Accruals and deferred income	20	(40,388)	(60,960)
<b>Net assets</b>		<b>2,668</b>	<b>2,668</b>
<b>Capital and reserves</b>			
Called up share capita	21	1	1
Profit and loss account	22	2,667	2,667
		<b>2,668</b>	<b>2,668</b>

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

M Hogg, Director  
20 August 2025

The notes on pages 60 to 82 form part of these financial statements.

# Statement of Changes in Equity

## for the year ended 31 March 2025

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
<b>At 1 April 2023</b>	<b>1</b>	<b>2,667</b>	<b>2,668</b>
Profit for the year	-	-	-
<b>At 1 April 2024</b>	<b>1</b>	<b>2,667</b>	<b>2,668</b>
Profit for the year	-	-	-
<b>At 31 March 2025</b>	<b>1</b>	<b>2,667</b>	<b>2,668</b>

The notes on pages 60 to 82 form part of these financial statements.





# Statement of Cash Flows

for the year ended 31 March 2025

	2025	2024
	£000	£000
<b>Cash flows from operating activities</b>		
Profit for the financial year	-	-
Adjustments for:		
Amortisation of intangible assets	11,642	11,828
Depreciation of tangible assets	310	127
Interest receivable and similar income	(1,145)	(953)
Taxation charge	-	(199)
(Increase) / decrease in debtors	744	(2,484)
(Decrease) in creditors	(20,295)	(360)
<b>Net cash generated from operating activities</b>	<b>(8,744)</b>	<b>7,959</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,411)	(1,313)
Purchase of tangible fixed assets	(131)	(877)
Interest received and similar income	1,145	953
<b>Net cash from investing activities</b>	<b>(397)</b>	<b>(1,237)</b>
Net (decrease)/increase in cash and cash equivalents	(9,141)	6,722
Cash and cash equivalents at beginning of year	5,110	1,409
Current asset investments	20,499	17,478
<b>Cash and cash equivalents at the end of year</b>	<b>16,468</b>	<b>25,609</b>
Cash and cash equivalents at the end of year comprise:		
Cash and cash equivalents	1,358	5,110
Current asset investments	15,110	20,499
	<b>16,468</b>	<b>25,609</b>

# Analysis of Net Debt

for the year ended 31 March 2025

	At 1 April 2024	Cash flows	At 31 March 2025
	£000	£000	£000
Cash at bank and in hand	5,110	(3,752)	1,358
Current asset investments	20,499	(5,389)	15,110
<b>At 1 April 2024</b>	<b>25,609</b>	<b>(9,141)</b>	<b>16,468</b>

The notes on pages 60 to 82 form part of these financial statements.



# Notes to the Financial Statements

## 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 judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

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 2026 which forms the basis of its revenues for the next financial year. The business planning process for the year ending 31 March 2027 is currently in progress and the business model endures with Xoserve as the Central Data Service 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.

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 2025 the Company had cash at bank of £1.4m and a money fund account (readily accessible) of £15.1m (2024 - £5.1m and £20.5m). Cash year on year has decreased as a result of rebating excess funds from undelivered BP23 investments in the year.

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 2025 and in the subsequent months of April and May 2025 showed revenue and collectability levels to be on budget and these are expected to continue for the agreed business plan period to 31 March 2026.

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 2026.

Ofgem's decision in May 2019 to confirm a pass-through arrangement for the Company's funding for the RIIO-2 period post March 2021 for Gas Transporters 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.





2.4 Taxation continued

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 defined benefit section of The National Gas Transmission Pension Scheme. 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 cash paid or payable to the scheme and to the scheme’s administrator, Barnett Waddingham LLP (see note 10).

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 licenses	2 - 5 years
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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.



## 2.7 Tangible fixed assets continued

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.

## 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 on the Company's Statement of financial position.

## 3. Judgments 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) have 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 2022. However, should one arise in the future, an obligation to contribute to the deficit may arise. This position will be reviewed at each Actuarial Valuation, the next of which will be calculated at 31 March 2025, the results of which are not expected until Q4 of the financial year ended 31 March 2026. Should the Company be specifically included on the Schedule of Contributions following a future valuation 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. For these reasons the Directors consider that 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 (see note 10).



Critical judgements in applying the entity’s accounting policies continued

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 re-assessed 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

Analysis by customer group:

	2025	2024
	£000	£000
External customers (including contributions to capital expenditure)	41,712	45,411
Related undertakings (including contributions to capital expenditure)	50,420	43,010
	92,132	88,421

Analysis by service type:

	2025	2024
	£000	£000
General services	73,155	68,324
Other contracted services	7,025	8,312
Contributions to capital expenditure funded from general services	11,952	11,785
	92,132	88,421

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):

	2025	2024
	£000	£000
Amortisation of intangible fixed assets	11,642	11,828
Depreciation of tangible fixed assets	310	127
(Impairment reversal) / impairment of trade debtors	(65)	-
Operating lease charges	796	811

	2025	2024
	£000	£000
Fees payable for services provided by the current Company's auditors		
Statutory audit of the Company's financial statements	30	29
Other services	3	3
	<b>33</b>	<b>32</b>

### Other income

Other income of £1,663,000 (2024 - £2,104,000) relates to £nil of Research and Development Expenditure Credit (RDEC) recognised for the financial year (2024 - £199,000), £1,590,000 of rent recharges to Correla (2024 - £1,630,000), Energy Bill Relief Scheme (EBRS) administration charges £70,000 (2024 - £268,000) and interest on late payment of CDSP invoices of £3,000 (2024 - £7,000).

## 6. Employees

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

	2025	2024
	£000	£000
Wages and salaries	4,880	3,679
Social security costs	578	438
Cost of pension (note 10)	533	457
Agency costs	723	196
	<b>6,714</b>	<b>4,770</b>

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

	2025	2024
	£000	£000
Employees	67	59
Agency	5	2
	<b>72</b>	<b>61</b>

### Key management compensation

Key management includes the members of the Xoserve executive and leadership teams. In the prior year, only the executive team's compensation was considered compensation paid or payable to key management for employee services shown below:

	2025	2024
	£000	£000
Salaries and other short-term benefits	1,252	878
Other pension costs	165	119
	<b>1,417</b>	<b>997</b>



7. Directors’ Remuneration

	2025	2024
	£000	£000
Directors’ emoluments	238	237

Of the 9 (2024 - 10) Directors who served during the year, 3 (2024 - 4) 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 (2024 - £66,000).

8. Interest receivable and similar income

	2025	2024
	£000	£000
Dividend receivable from current asset investment	1,145	953

9. Taxation

	2025	2024
	£000	£000
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2024 - the same as) the standard rate of corporation tax in the UK of 25% (2024 - 25%) as set out below:

	2025	2024
	£000	£000
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	-	-
Effects of:		
Expenses not deductible for tax purposes	1	3
R&D expenditure credits	-	(50)
Deferred tax not recognised	(1)	47
Total tax charge for the year	-	-

Factors that may affect future tax charges

Corporation tax is calculated at 25% (2024 - 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 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.



Defined benefit scheme continued

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 previous arrangement was managed by a trustee company with a board consisting of member appointed directors and directors appointed by National Grid. Following the sale of National Gas Transmission by National Grid, the defined benefit arrangement has transferred from the previous scheme to a new scheme on 30 September 2024, that continues to be run in a similar manner, but with the board consisting of National Gas Transmission and member appointed directors. The directors of both the previous and the current scheme are required to manage the arrangements in accordance with local regulations and the arrangements’ governing documents, acting on behalf of its beneficiaries.

The arrangements are subject to independent actuarial funding valuations at least every three years and following consultation and agreement with National Gas Transmission, 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 previous scheme was carried out by Lane Clark & Peacock (LCP) as at 31 March 2022. The market value of the Scheme’s assets was £5,753m and the value of the assets represented 100.5% of the actuarial value of benefits due to members, calculated on the basis of pensionable earnings and service at 31 March 2022 on an ongoing basis and allowing for projected increases in pensionable earnings. This valuation showed the scheme had a funding surplus of £27m. No further deficit contributions are currently required to be made. If this were to change in the future it would occur as part of a future valuation agreement. The first full actuarial valuation for the current scheme is due to be carried out as at 31 March 2025, with the valuation expected to be finalised in the second half of 2026.

Following the 2022 actuarial valuation, the employers contributed 51.4% of pensionable salary less member contributions to the previous scheme, in respect of ongoing service. Following the transfer to the new scheme, employers now contribute 32% of pensionable salary less member contributions into the new scheme. In addition, Xoserve makes payments to the trustee to cover its share of the contribution National Gas Transmission makes to the scheme to cover administration costs and the Pension Protection Fund Levy.

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

	2025	2024
	£000	£000
Current period contributions	149	183

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:

	2025	2024
	£000	£000
Current period contributions	384	274

Amounts outstanding to the defined contribution schemes at the Statement of financial position date was £72,000 (2024 - £41,000).





## 11. Intangible assets

	Assets in the course of construction	Software and licences	Total
	£000	£000	£000
<b>Cost</b>			
At 1 April 2024	406	143,094	143,500
Additions	82	1,329	1,411
Disposals	-	(15,245)	(15,245)
Reclassification	(406)	406	-
<b>At 31 March 2025</b>	<b>82</b>	<b>129,584</b>	<b>129,666</b>
<b>Amortisation</b>			
At 1 April 2024	-	104,574	104,574
Charge for the year	-	11,642	11,642
On disposals	-	(15,245)	(15,245)
<b>At 31 March 2025</b>	<b>-</b>	<b>100,971</b>	<b>100,971</b>
<b>Net book value</b>			
<b>At 31 March 2025</b>	<b>82</b>	<b>28,613</b>	<b>28,695</b>
At 31 March 2024	406	38,520	38,926

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 £11,616,000 (2024 - £7,785,000).

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 £17,079,000 (2024 - £31,141,000).

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
<b>Cost</b>			
At 1 April 2024	993	1,162	2,155
Additions	-	131	131
Disposals	(959)	(285)	(1,244)
<b>At 31 March 2025</b>	<b>34</b>	<b>1,008</b>	<b>1,042</b>
<b>Depreciation</b>			
At 1 April 2024	976	401	1,377
Charge for the year	11	299	310
Disposals	(959)	(286)	(1,245)
<b>At 31 March 2025</b>	<b>28</b>	<b>414</b>	<b>442</b>
<b>Net book value</b>			
<b>At 31 March 2025</b>	<b>6</b>	<b>594</b>	<b>600</b>
At 31 March 2024	17	761	778

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 £326,000 (2024 - £156,000).

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 £274,000 (2024 - £622,000).

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

	2025	2024
	£000	£000
Due after more than one year		
Other debtors	476	476

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

	2025	2024
	£000	£000
Due within one year		
Trade debtors	2,734	4,764
Amounts owed by related undertakings (see note 26)	3,057	637
Prepayments and accrued income	3,369	4,503
	9,160	9,904

Trade debtors are stated after provisions for impairment of £339,000 (2024 - £466,000).

14. Current asset investments

	2025	2024
	£000	£000
Money Fund Account	15,110	20,499

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

	2025	2024
	£000	£000
Cash at bank and in hand	1,358	5,110
	1,358	5,110

16. Creditors: Amounts falling due within one year

	2025	2024
	£000	£000
Trade creditors	6,743	7,693
Amounts owed to related undertakings	1,396	669
Other taxation and social security	332	221
Other creditors	2,766	2,376
	11,237	10,959

17. Financial instruments

The Company has the following financial instruments:

	2025	2024
	£000	£000
Financial assets		
Trade debtors (note 13)	2,734	4,764
Amounts owed by related undertakings (note 26)	3,057	637
Cash at bank and in hand (note 15)	1,358	5,110
Current asset investments (note 14)	15,110	20,499
	22,259	31,010

	2025	2024
	£000	£000
Financial liabilities measured at amortised cost:		
Trade creditors (note 16)	6,743	7,693
Amounts owed to related undertakings (note 26)	1,396	669
Other creditors (note 16)	2,766	2,376
Accruals	392	1,115
	11,297	11,853



18. Deferred taxation

Deferred tax at the Statement of financial position date amounted to £nil (2024 - £nil). The deferred tax liability in relation to accelerated capital allowances at 31 March 2025 amounted to £430,000 (2024 - £820,000). No provision has been made for this amount on the basis of tax losses carried forward.

19. Provisions

	Other provision
	£000
At 1 April 2024	1,106
At 31 March 2025	1,106

Other provisions

The Company subleases its business premises from National Grid Property Limited, a former fellow subsidiary of National Gas Transmission plc. 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

	2025	2024
	£000	£000
Amounts falling due within one year	23,035	29,197
Amounts falling due after more than one year	17,353	31,763
	40,388	60,960

Accruals and deferred income falling due within one year include deferred contributions to capital expenditure of £11,942,000 (2024 - £7,941,000).

Accruals and deferred income falling due after more than one year include deferred contributions to capital expenditure of £17,353,000 (2024 - £31,763,000).

Accruals and deferred income falling due within one year include amounts owed to related under-takings of £5,375,000 (2024 - £11,628,000).

21. Share capital

	2025	2024
	£000	£000
Allotted, called up and fully paid		
100,000 (2024 - 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.

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. However, the timeline for resolution of the appeals is not clear. 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 2025.

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 2022, the Scheme is in surplus and therefore no such contributions are required. Should the Scheme be shown to be in deficit in the March 2025 actuarial valuation, NGTPS may include Xoserve in future Schedule of Contributions. Accordingly, no provision has been recognised in the financial statements at 31 March 2025.





24. Capital and other commitments

At 31 March 2025 the Company had capital commitments as follows:

	2025	2024
	£000	£000
Contracts placed for future capital expenditure not provided for in the financial statements	1,582	2,018

25. Commitments under operating leases

At 31 March 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025	2024
	£000	£000
Not later than 1 year	1,021	1,013
Later than 1 year and not later than 5 years	852	1,838
	1,873	2,851

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.

	2025	2024
	£000	£000
Not later than 1 year	920	920
Later than 1 year and not later than 5 years	691	1,611
	1,611	2,531

26. Related party transactions

Transactions and balances with related parties:

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

	Sales and contributions received		Amounts owed by related parties	
	2025	2024	2025	2024
	£000	£000	£000	£000
National Gas Transmission plc	16,019	16,172	1,229	-
Cadent Gas Limited	17,156	12,934	1,247	-
Southern Gas Networks plc	6,110	4,732	-	-
Scotland Gas Networks plc	2,855	2,337	1	1
Northern Gas Networks plc	4,162	3,504	294	318
Wales & West Utilities Limited	4,118	3,331	286	318

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.



26. Related party transactions continued

	Purchases		Amounts owed to related parties	
	2025	2024	2025	2024
	£000	£000	£000	£000
National Gas Transmission plc	1,520	1,599	2,390	4,756
Cadent Gas Limited	-	-	2,265	3,832
Southern Gas Networks plc	-	-	722	1,306
Scotland Gas Networks plc	-	-	343	619
Northern Gas Networks plc	-	-	518	880
Wales & West Utilities Limited	-	-	533	904

Related parties provided a number of services to Xserve during the year, the cost of these were £1,520,000 (2024 - £1,599,000).

Amounts owed to related parties of £6,771,000 (2024 - £12,297,000) are unsecured and on normal commercial terms. Amounts owed include £5,375,000 of deferred income (2024 - £11,628,000).

27. 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 Service Provider (CDSP), we provide a suite of vital services for gas Suppliers, Shippers and Transporters
CICM	Chartered Institute of Credit Management
ChMC	The DCS Change Management Committee is the elected body of customer representatives that meet once per month to oversee the delivery of DSC change activity. <a href="http://www.gasgovernance.co.uk/DSC-Change">www.gasgovernance.co.uk/DSC-Change</a>
CoMC	The DCS 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. <a href="http://www.gasgovernance.co.uk/DSC-Contract">www.gasgovernance.co.uk/DSC-Contract</a>
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 Service 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 to assess the extent to which we were delivering value for money CDSP services. This work concluded in September 2023.
EFT	Enterprise File Transfer
ERIX	The Efficiency Review Implementation in Xserve
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
I&C	Industrial & Commercial
ICS	The Institute of Customer Service
IGT UNC	Independent Gas Transporter Uniform Network Code <a href="http://www.igt-unc.co.uk">www.igt-unc.co.uk</a>
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
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
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

Term	Meaning
Q&A	Questions and Answers
Rec Co / RECCo	Retail Energy Code Company <a href="http://www.retailenergycode.co.uk">www.retailenergycode.co.uk</a>
S&O	Service and Operate costs fund the day-to-day operational activity that is either performed directly by Xserve, 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 creation of BP25
The 5Es	We have adopted a framework through which Value for Money 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 <a href="http://www.gasgovernance.co.uk/UNC">www.gasgovernance.co.uk/UNC</a>
VfM	Value for Money
XET	Xserve Executive Team
XLT	Xserve 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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