UK National Gas Ltd

Consolidated Segmental Statement

For the Year Ended 31 July 2024

Basis of Preparation

The Consolidated Segmental Statement (CSS) is prepared in accordance with Standard Licence Condition 19A of the Gas and Electricity Supply Licences as issued by Ofgem. The CSS provides transparency in supplier profitability, aiming to support consumer confidence and ensure market fairness.

This statement reflects the financial performance of UK National Gas Ltd's gas supply operations for commercial customers within Great Britain. It is based on figures extracted from the statutory accounts for the year ended 31 July 2024, adjusted as necessary to meet Ofgem's reporting requirements. The CSS has been prepared solely for regulatory reporting purposes and does not fully align with IFRS segmental reporting.

The CSS is presented on a standalone basis; there are no electricity supply or generation activities.

Segmental Results - Table

Section	**Gas Supply (£'m)**
Revenue	8.60
Direct Fuel Costs	(2.60)
Network Costs (Transportation costs)	(0.82)
Environmental and Social Costs	0
Other Direct Costs	0
Indirect Costs	(4.80)
EBITDA	0.38
Depreciation and Amortisation	0
EBIT	0.38
EBIT Margin (%)	4.42%
Volume (TWh, m terms)	14.03
WACO E/G £/MWh, p/th	18.5
Average Meter Points ('000s)	0.55

Glossary of Terms

• EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortisation.

• EBIT: Earnings Before Interest and Tax.

• WACOG: Weighted Average Cost of Gas, calculated by dividing direct fuel costs by the volume of gas supplied.

• Volume: Total amount of gas supplied to customers, measured at the meter point (net of losses).

• Average Meter Points: Calculated as the average number of active meter points throughout the year.

Detailed Notes

Revenues

- Revenue consists solely of the sale of gas within Great Britain.
- There are no sales of non-licensed activities included.
- Discounts and any applicable social tariffs have been deducted from the revenue figures.

Direct Fuel Costs

- Direct fuel costs reflect the cost of purchasing gas from wholesale markets.
- No internal procurement from affiliated parties occurred.

Direct Costs

- Network Costs: Costs incurred for using the national gas distribution and transmission networks.
- Environmental and Social Costs: No charges recorded for this reporting period.

Indirect Costs

- Indirect costs include general administrative expenses, finance, HR, IT, and property costs.
- Other indirect Costs: Include metering, billing, and customer service directly related to supply activities.

Other Items

- Depreciation and Amortisation have not been charged in the reporting period.
- There were no adjustments or mark-to-market revaluations.

Hedging

-Our strategy is to use National Grid Gas/Xoserve balancing mechanism to supply our gas portfolio.

-Default customer tariffs, our pricing policy to monitor competitor pricing information to set the default tariff rate. If the commodity gas costs go above the default tariff amount, we reserve the right to increase the rate amount. If the cost of gas is above the deemed rate, National Gas is exposed to this risk.

Reconciliation to the statutory accounts

	£	Notes
Profit as per CSS submission	380,000.00	
Profit as per submitted accounts	558,365.00	
Difference	**178,365.00**	
Explain by:		
Difference in provision for doubtful debt	165,033.00	The accountant adjusted the provision for doubtful debts, considering them recoverable based on past history. We've prudently kept the provision higher. As this adjustment was made at the final stage, it wasn't reflected in the CSS submission.
Asset considered as expense	8,655.00	This represents that amount that has been treated as expense in the statutory accounts and as assets in our books. Similar to above, these adjustments were the final changes to the accounts.
Other minor rounding difference to expenses	4,677.00	Minor other differences.
	178,365.00	