

**Company Registration Number: 3705992**

**National Gas Metering Limited**

**Annual Report and Financial Statements**

**For the year ended 31 March 2023**

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# **National Gas Metering Limited**

## **Strategic Report**

### **For the year ended 31 March 2023**

The Directors present their Strategic Report on National Gas Metering Limited ('the Company') for the year ended 31 March 2023.

#### **Principal Activity**

The Company's principal activity during the year was the provision of meter asset management services to National Gas Transmission plc.

#### **Executive summary**

On 31 January 2023, National Grid completed the sale of a 60% stake in National Gas Transmission Holdings Limited (including subsidiaries National Gas Transmission plc and National Gas Metering Limited) to a consortium of Macquarie Asset Management and British Columbia Investment Management Corporation. The Company has supported its people through this process, with high levels of engagement and access to information at all stages of the transition.

The Company continued to provide metering services to National Gas Transmission plc under a Service Provider Contract. Financial performance, as detailed below, largely depends on the meter work and supporting services provided to National Gas Transmission plc as well as standards of services.

The key risk factors for the Company are as follows:

- Volume of work provided to National Gas Transmission plc driven by their retention of meters;
- Performance measured against standards of service;
- Breaches in environmental or health and safety law or regulations; and
- Market developments (e.g. smart metering) and changes in regulations.

A more detailed analysis of these risk factors is provided below:

During the financial year ended 31 March 2023 gas suppliers continued the roll out of smart meters, with the restrictions of the pandemic having receded. 2022 was the first full year of the four year regulatory framework, against which suppliers are assessed against binding targets. Failure to achieve these constitute a breach of their licence.

The overall framework will run until 31 December 2025. Ofgem continue to highlight the importance of consumer engagement, opening up eligibility and maximising installations to reach these targets. As at 31 December 2022, 52.7% of domestic gas meters in residential and commercial premises were smart, although some continued to operate in traditional mode.

The emerging energy crisis and ongoing increase to the wholesale price of gas has continued to restrict market activity and suppress consumer switching, as alternative tariff options are withdrawn by Suppliers. However, only one Supplier exited the market during the year to 31 March 2023, compared to 27 in the previous year.

National Gas's traditional meters are not suitable for conversion to smart functionality and the portfolio will therefore continue to reduce as they are displaced by smart meters.

#### **Results**

The Company's profit for the year was £6,076,000 (2022: £2,251,000). The increase in profit is mainly due to interest receivable from parent company and a one off dilapidation cost recorded in prior year.

**National Gas Metering Limited**  
**Strategic Report (continued)**  
**For the year ended 31 March 2023**

**Financial position**

The financial position of the Company is presented in the balance sheet. Total shareholders' equity at 31 March 2023 was £141,493,000 (2022: £135,319,000) comprising fixed assets of £6,616,000 (2022: £6,913,000); net current assets of £135,332,000 (2022: £130,237,000) less creditors: amounts falling due after more than one year of £75,000 (2022: £534,000) and provisions for liabilities of £380,000 (2022: £1,297,000).

**Key performance indicators and principal risks and uncertainties**

The metering business continues to see a decline in meter rental income driven by the Government mandated smart meter rollout programme, albeit slower than expected. National Gas Transmission Plc (to whom the Company provides metering services) owned 6.8 million traditional gas meters at the year-end, down 0.8 million on the prior year.

As the Company is part of a larger group the principal risks and uncertainties of the Company are integrated with the principal risks of National Gas Transmission plc. For information on the development, performance, risks, uncertainties and position of National Gas Transmission plc and its subsidiaries ('National Gas'), and of the key performance indicators used, refer to the Strategic Report included in National Gas Transmission plc's Annual Report and Accounts 2022/23, which does not form part of this report.

Whilst integrated into the key performance indicators of National Gas, management also specifically use the following key performance indicators in measuring the development and performance of the Company:

- **Standards of Service** – The Company measures 20 service standards relating to domestic and industrial and commercial meter work, queries and complaints. In the year ending 31 March 2023, 19 of these standards were achieved. The one standard which was not achieved (Responding to Prepayment meter faults in 3 hours) failed - 95.88% v 98% target - due to significantly increased work volumes in December 2022, caused by macro-economic conditions, Supplier behaviours and extreme weather conditions.
- **Efficiency** - Efficiency is driven by continuous review of installation, running and overhead costs, whilst maintaining the required level of operational and safety performance. Cost efficiency is ensured through robust tendering of meter work services and products in line with National Gas Procurement's Category Management process. Operational efficiency is monitored and driven through proactive contract management, whereby key performance indicators are tracked and supported by both incentive and liability payments.
- **Safety, Health and Environment** - The Company measures its safety performance in line with National Gas Transmission's 12 Risk Control Standards. The safety performance measures look at visual safety leadership, hazards and near misses that have occurred, behaviours, process safety, and driver safety. The Company continues to focus on behavioural safety and human factors encouraging staff and contractors alike to recognise hazards, reporting and sharing lessons learnt. The Company has worked closely with staff and service partners to drive and embed improved Good Catch reporting and Hazard Reporting, implementing new data sharing tools and collaborative sessions to share knowledge and learning. In 2023/24, the Company will continue its drive towards achieving a Safety Generative culture.

**Financial risk management**

The management of the Company and the execution of the Company's strategy are subject to several financial risks. The Directors have identified the need to manage the Company's material financial risks, including liquidity, credit and interest rate cash flow. These risks are monitored through a National Gas Transmission Treasury ('Treasury') management function which invests surplus funds, mitigates foreign exchange and interest rate exposure and manages borrowings for the National Gas group.

**National Gas Metering Limited**  
**Strategic Report (continued)**  
**For the year ended 31 March 2023**

**Financial risk management (continued)**

Treasury also seeks to limit third party counterparty risk which arises from the investment of surplus funds and the use of financial derivative instruments. These limits and exposures are monitored regularly and are updated to reflect any changes in counterparty credit ratings.

**Liquidity risk**

The Company finances its operations through a combination of retained profits and intercompany balances to ensure that the Company has sufficient long-term and short-term funds available for current operations and future activities.

**Credit risk**

The Company aims to reduce the risk of loss arising from default by parties to financial transactions. The Company holds a list of approved counterparties of good credit quality and these counterparties and their credit ratings are routinely monitored. No exposure is considered to exist in respect of intercompany loans as the subsidiaries are solvent and are covered by the National Gas group's liquidity arrangements.

**Interest rate cash flow risk**

The Company has one intercompany loan which can fluctuate between an asset and liability that is sensitive to interest rate risk. To the extent that the Company enters floating rate intercompany loan agreements, the interest rate risk is linked to GBP Sterling Overnight Index Average (SONIA).

**Future developments**

The Company will continue to operate traditional metering asset management services for the foreseeable future. Smart meter rollout, which National Gas Metering does not participate in, continues in accordance with the Government mandate.

**Section 172 (1) statement**

The Board believes that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, as a whole, having regard to the stakeholders and matters set out in section 172(a)-(f) of the Companies Act 2006 in the decisions taken during the year ended 31 March 2023. It follows the National Gas business standards and compliance with local corporate governance requirements, and is committed to acting if our business should fail to act in the manner we expect of them. For the operating company's 172 statement please see the National Gas Transmission plc 2022/23 Annual Report and Accounts.

**National Gas Metering Limited**  
**Strategic Report (continued)**  
**For the year ended 31 March 2023**

**Section 172 (1) statement (continued)**

The Board is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that our obligations to our shareholder and to our stakeholders are met. For each matter, which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making.

The Board is also mindful of the wider social context within which our businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

**Our culture and decision making**

Our culture is shaped by our clearly defined values to help ensure we achieve our vision. It determines how we behave, how we make decisions and our attitude towards risk aligned with the Group's purpose, vision and values. Decisions affecting a subsidiary are required to be taken in line with the National Gas Statement of Delegations of Leadership, Responsibility and Financial Authority. In making such decisions the Directors have regard to a variety of matters including the interests of various stakeholders, the consequences of their decisions in the long term and the long-term reputation of the Company and its businesses.

**Employee engagement**

The Company has 182 employees. The Directors understand the importance of the Company's employees and their contribution to the overall success of the business. Employees are kept informed about what is happening across the business through the intranet and through email, newsletters, and leadership blogs and briefings. During the year, the Board received updates on the interactions between Directors and employees and considered in detail the results of the annual employee engagement survey.

The Company regularly measures employee engagement via an Employee Net Promoter Score (E-NPS) survey, with an industry-leading score of +49 being achieved in March 2023. In addition, the Company has been recognised as one of the UK's best workplaces by Great Place To Work, recognising National Gas Metering as a thriving and supportive workplace built on a people-centred approach to doing business.

Disclosures relating to employees may be found in this Annual Report and Accounts. You can read more about the Group's engagement with employees on page 46 of the National Gas Transmission plc Annual Report and Accounts.

**Fostering business relationships with our customers and suppliers and others**

The Company is a metering services company and thus has suppliers and customers. The Directors recognise that fostering business relationships with key stakeholders, such as customers and suppliers, is essential to the success of the Group and are satisfied that the Group has close relationships with its customers and suppliers to meet our strategic priorities. The Board receives regular updates on the interactions between the Directors and senior management and key stakeholders, including Government, Ofgem, the HSE, customers and suppliers.

**National Gas Metering Limited**  
**Strategic Report (continued)**  
**For the year ended 31 March 2023**

**Section 172 (1) statement (continued)**

**The community and the environment**

The Directors recognise that the Group delivers sustainable energy safely, reliably and affordably for the communities we serve. Giving back to the communities in which we operate, and to charities that have meaning to our business, is vitally important to the Group and its employees, allowing them to make a positive difference and have an impact where it counts.

The Directors recognise the critical role the Group plays in tackling climate change in the markets that we operate. Ambitious carbon reduction targets and further legislative actions are anticipated in all our markets which will be challenging and as a Group we embrace the opportunity to support the delivery of these goals. The Group continues to focus on and advance its work in relation to its environmental sustainability strategy.

You can read more about the Group's responsible business on pages 46 to 47 in the National Gas Transmission plc Annual Report and Accounts.

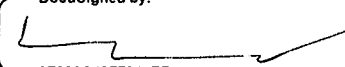
**Shareholders**

The Board considers the long-term impact of corporate actions and decisions on our shareholder, including members of the Group's ultimate parent company, Luppiter Consortium Limited. The directors of these companies are therefore, as appropriate, routinely consulted on key matters concerning the Company to ensure that their views are known before decisions are taken by the Directors. When doing so, and in order to protect the long term interests of the Company, the Directors ensures that high standards of governance and business conduct is adhered to. The Directors also take into consideration the delivery of the National Gas longer term strategy and compliance with National Gas governance policies and procedures.

**Maintaining a reputation for high standards of business conduct**

The Group's Code of Ethical sets out the standards and behaviours expected from all employees to meet the Group's values. Detailed information on business conduct processes and policies are described in the National Gas Transmission plc 2022/23 Annual Report Accounts.

The Strategic Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:

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W D G Price  
Director  
18 July 2023

## National Gas Metering Limited

### Directors' Report

### For the year ended 31 March 2023

The Directors present their Report and the audited financial statements of the Company for the year ended 31 March 2023.

#### Future developments

Details of future developments have been included within the Strategic Report on page 3.

#### Principal risk and uncertainties

Details of principal risks and uncertainties have been included within the Strategic Report on page 2.

#### Financial risk management

Details of financial risk management have been included within the Strategic Report on page 2.

#### Dividends

During the year, the Company has not paid any interim dividends (2022: nil). The Directors do not recommend the payment of a final dividend (2022: nil).

#### Directors

The Directors of the Company during the year and up to the date of signing of the financial statements were:

E J Hallam-Jones	(Resigned 21 October 2022)
N Hooper	(Resigned 31 January 2023)
M Y Long	(Resigned 31 January 2023)
J Butterworth	(Resigned 31 January 2023)
M Agoumi	(Appointed 31 January 2023)
K M Dickie	(Appointed 31 January 2023)
J J Divoky	(Appointed 31 January 2023)
N Humphires-new	(Appointed 31 January 2023)
H C Higgins	(Appointed 31 January 2023)
R C Kelly	(Appointed 31 January 2023)
T Keeling	(Appointed 04 March 2023)
M W Mathieson	(Appointed 31 January 2023)
N D T Pham	(Appointed 04 March 2023)
W D G Price	(Appointed 31 January 2023)
A Tsirimpa	(Appointed 31 January 2023)
B H Wilson	(Appointed 31 January 2023)
L H Webb	(Appointed 31 January 2023)

#### Directors' indemnity

GasT Topco Limited has arranged, in accordance with the Companies Act 2006 and the Articles of Association, qualifying third-party indemnities against financial exposure that Directors may incur during their professional duties. Equivalent qualifying third-party indemnities were, and remain, in force for the benefit of those Directors who stood down from the Board in prior financial years for matters arising when they were Directors of the Company. Alongside these indemnities, GasT Topco Limited places Directors' and Officers' liability insurance cover for each Director.

**National Gas Metering Limited**  
**Directors' Report (continued)**  
**For the year ended 31 March 2023**

**Going concern**

These financial statements have been prepared on a going concern basis, which presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements are signed. As the Company is part of a larger group it participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Company is expected to generate positive cash flows to continue to operate for the foreseeable future.

**Modern Slavery Act 2015**

In accordance with the Modern Slavery Act 2015 (section 54 part 6), the Board of National Gas Metering Limited has adopted and approved the Statement on the prevention of slavery and human trafficking of its parent company, National Gas Transmission plc. A copy of the Statement is available on the National Gas Transmission plc website..

**Disclosure of information to auditors**

Having made the requisite enquiries, so far as the Directors in office at the date of the approval of this report are aware, there is no relevant audit information of which the auditors are unaware and each Director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. This confirmation is given in accordance with the provisions of section 418 of the Companies Act 2006.

**Auditors**

National Gas Transmission plc, the Company's immediate parent company, reappointed Deloitte LLP as external auditor to the group. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed to the Company and Deloitte LLP will, therefore, continue in office.



**National Gas Metering Limited**  
**Directors' Report (continued)**  
**For the year ended 31 March 2023**

**Statement of Directors' responsibilities**


The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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.

The Directors' Report was approved by the Board of Directors and was signed by order of the Board on its behalf by:

DocuSigned by:  
  
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**W D G Price**

Director

18 July 2023

**Registered office:**

National Grid House, Warwick Technology Park  
Gallows Hill  
Warwick

**Registered in England and Wales**

**Company registration number:** 3705992

## **Independent auditor's report to the members of National Gas Metering Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of National Gas Metering Limited ('the Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's 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.

## **Independent auditor's report to the members of National Gas Metering Limited (continued)**

### **Other information (continued)**

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.

### **Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, 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.

### **Auditor's 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 auditor's 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.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, FRS 101, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

## **Independent auditor's report to the members of National Gas Metering Limited (continued)**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, internal audit reports and reviewing correspondence with relevant regulatory authorities.

### **Report on other legal and regulatory requirements**

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

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

- the information given in the 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.

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 any material misstatements in the Strategic Report or the Directors' Report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

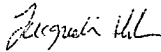
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Independent auditor's report to the members of  
National Gas Metering Limited (continued)**

**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 auditor's 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.

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**Jacqueline Holden FCA (Senior statutory auditor)**  
**For and on behalf of Deloitte LLP**  
Statutory Auditor  
London, United Kingdom  
18 July 2023

**National Gas Metering Limited**  
**Profit and loss account**  
**For the year ended 31 March 2023**

		<b>2023</b>	<b>2022</b>
	Note	<b>£'000</b>	<b>£'000</b>
Turnover	2	<b>57,224</b>	55,794
Administrative expenses		<b>(52,671)</b>	(54,049)
<b>Operating profit</b>	3	<u><b>4,553</b></u>	<u>1,745</u>
Interest receivable from immediate parent company		<b>3,073</b>	476
Lease interest payable		<b>(4)</b>	(4)
<b>Profit before tax</b>		<u><b>7,622</b></u>	<u>2,217</u>
Tax	5	<b>(1,546)</b>	34
<b>Profit for the year</b>		<u><u><b>6,076</b></u></u>	<u><u>2,251</u></u>

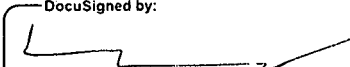
The results for both years reported above relate to continuing activities.

There have been no other comprehensive gains/losses during either the current or prior year other than as disclosed in the profit and loss account and therefore no separate statement of comprehensive income has been presented.

**National Gas Metering Limited**  
**Balance sheet**  
**As at 31 March 2023**

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible assets	6	6,104	5,988
Property, plant and equipment	7	512	925
		<u>6,616</u>	<u>6,913</u>
<b>Current assets</b>			
Debtors (amounts falling due within one year)	8	154,451	157,765
Debtors (amounts falling due after more than one year)	8	926	1,533
Cash at bank and in hand		4	—
<b>Total current assets</b>		<u>155,381</u>	<u>159,298</u>
Creditors (amounts falling due within one year)	9	(20,049)	(29,061)
<b>Net current assets</b>		<u>135,332</u>	<u>130,237</u>
<b>Total assets less current liabilities</b>		<u>141,948</u>	<u>137,150</u>
Creditors (amounts falling due after more than one year)	10	(75)	(534)
Provisions for liabilities	12	(380)	(1,297)
<b>Net assets</b>		<u>141,493</u>	<u>135,319</u>
<b>Equity</b>			
Share capital	13	1,373	1,373
Profit and loss account		140,120	133,946
<b>Total shareholders' equity</b>		<u>141,493</u>	<u>135,319</u>

The financial statements on pages 13 to 30 were approved by the Board of Directors on 18 July 2023 and were signed on its behalf by:

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**W D G Price**  
 Director

**National Gas Metering Limited**  
 Company registration number: 3705992

**National Gas Metering Limited**  
**Statement of changes in equity**  
**For the year ended 31 March 2023**

	Share capital £'000	Profit and loss account £'000	Total shareholders' equity £'000
At 1 April 2021	1,373	131,504	132,877
Profit for the year	—	2,251	2,251
Share-based payments	—	95	95
Tax on share-based payments	—	96	96
At 31 March 2022	1,373	133,946	135,319
Profit for the year	—	6,076	6,076
Share-based payments	—	94	94
Tax on share- based payments	—	4	4
At 31 March 2023	1,373	140,120	141,493



**National Gas Metering Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2023**

**1 Summary of significant accounting policies**

National Gas Metering Limited is a private company, limited by shares. The nature of the Company's principal activities is set out in the Strategic Report on page 1. The Company is incorporated and registered in England, with its registered office at National Grid House, Warwick Technology Park, Gallows Hill, Warwick.

**(a) Basis of preparation**

The financial statements of National Gas Metering Limited for the year ended 31 March 2023 were approved by the Board of Directors on 18 July 2023. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the UK, but makes amendments where necessary in order to comply with the Companies Act 2006 and sets out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements have been prepared on an historical cost basis and are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. The 2022 comparative financial information has also been prepared on this basis.

These financial statements have been prepared on a going concern basis, which presumes that the Company has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements are signed. As the Company is part of a larger group it participates in the Group's centralised treasury arrangements and so shares banking arrangements with its subsidiaries. The Company is expected to generate positive cash flows to continue for the foreseeable future.

These financial statements are presented in the format as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

As a qualifying entity, the Company has taken the following exemptions in the preparation of these financial statements in accordance with FRS 101:

- a cash flow statement and related notes;
- disclosures in respect of transactions with National Gas Transmission plc and its wholly owned subsidiaries;
- disclosures in respect of capital management;
- disclosures in respect of fixed asset investments; and
- the effects of new but not yet effective IFRS standards.

As the consolidated financial statements of National Gas Transmission plc which are available from the registered office, include the equivalent disclosures, the Company has taken the exemptions under FRS 101 in respect of certain disclosures required by IFRS 13 'Fair value measurement' and the disclosures required by IFRS 7 'Financial instruments: Disclosures'.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2023 that have a material impact on the Company's financial statements.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**1 Summary of significant accounting policies (continued)**

**(a) Basis of preparation (continued)**

There are no areas of judgement or key sources of estimation uncertainty that are considered to have a significant effect on the amounts recognised in these financial statements

These financial statements have been prepared in accordance with the Company's accounting policies approved by the Board of Directors and described below:

**(b) Intangible assets**

Identifiable intangible assets are recorded at cost less accumulated amortisation and any provision for impairment. Intangible assets are tested for impairment only if there is an indication that the carrying value of the assets may have been impaired. Impairments of assets are calculated as the difference between the carrying value of the asset and the recoverable amount, if lower. Where such an asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which that asset belongs is estimated. Impairments are recognised in the profit and loss account and are disclosed separately. Any assets which suffered impairment in a previous period are reviewed for possible reversal of the impairment at each reporting date.

Internally generated intangible assets, such as software, are recognised only if: (i) an asset is created that can be identified; (ii) it is probable that the asset created will generate future economic benefits; and (iii) the development cost of the asset can be measured reliably. Where no internally generated intangible asset can be recognised, development expenditure is recorded as an expense in the period in which it is incurred.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over their estimated useful economic lives. Amortisation periods for categories of intangible assets are:

Software	Over 3 to 10 years
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**(c) Property, plant and equipment**

Property, plant and equipment is recorded at cost less accumulated depreciation and any impairment losses.

Cost includes the purchase price of the asset; any payroll and finance costs incurred which are directly attributable to the construction of property, plant and equipment together with an appropriate portion of overheads which are directly linked to the capital work performed; and the cost of any associated asset retirement obligations.

Property, plant and equipment include assets in which the Company's interest comprises legally protected statutory or contractual rights of use. Additions represent the purchase or construction of new assets, including capital expenditure for safety and environmental assets, and extensions to, enhancements to, or replacements of existing assets. All costs associated with projects or activities which have not been fully commissioned at the period end are classified within assets in the course of construction.

No depreciation is provided on freehold land or assets in the course of construction.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**1 Summary of significant accounting policies (continued)**

**(c) Property, plant and equipment (continued)**

Other items of property, plant and equipment are depreciated on a straight-line basis, at rates estimated to write off their book values over their estimated useful economic lives. In assessing estimated useful economic lives, consideration is given to any contractual arrangements and operational requirements relating to particular assets. The assessments of estimated useful economic lives and residual values of assets are performed annually. Unless otherwise determined by operational requirements, the depreciation periods for the principal categories of tangible fixed assets are, in general, as shown in the table below:

<b>Depreciation periods</b>	<b>Years</b>
Office equipment	5
Short leasehold	10
Plant and machinery	15

**Right-of-use-assets**

The Company leases various properties, land, equipment and cars. New lease arrangements entered into are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The right-of-use asset and associated lease liability arising from a lease are initially measured at the present value of the lease payments expected over the lease term. The lease payments include fixed payments, any variable lease payments dependent on an index or a rate, and any break fees or renewal option costs that the Company is reasonably certain to incur. The discount rate applied is the rate implicit in the lease or, if that is not available, then the incremental rate of borrowing for a similar term. The lease term takes account of exercising any extension options that are at our option if we are reasonably certain to exercise the option and any lease termination options unless we are reasonably certain not to exercise the option. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss account over the lease period using the effective interest rate method. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as computers), the Company continues to recognise a lease expense on a straight-line basis.

Items within property, plant and equipment are tested for impairment only if there is some indication that the carrying value of the assets may have been impaired.

Impairments of assets are calculated as the difference between the carrying value of the asset and the recoverable amount, if lower. Where such an asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which that asset belongs is estimated.

Impairments are recognised in the profit and loss account and are disclosed separately. Any assets which suffered impairment in a previous period are reviewed for possible reversal of the impairment at each reporting date.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**1 Summary of significant accounting policies (continued)**

**(d) Tax**

The tax charge for the period is recognised in the profit and loss account, the statement of comprehensive income or directly in equity according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax.

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that have been enacted or substantively enacted by the reporting date.

The calculation of the total tax charge involves a degree of estimation and judgement and management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the balance sheet liability method and is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases.

Deferred tax liabilities are generally recognised on all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business combination) that affects neither the accounting nor the taxable profit or loss.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and joint arrangements except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle their current tax assets and liabilities on a net basis.

**(e) Financial instruments**

Under IFRS 9 the Company has reported the following financial assets and liabilities, and the classification for each is dependent upon its contractual cash flows and for financial assets the business model it is held under. All financial instruments are initially recognised on trade date.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**1 Summary of significant accounting policies (continued)**

**(e) Financial instruments (continued)**

Financial assets that have contractual cash flows that are solely payments of principal and interest, and which are held within a business model whose objective is to collect contractual cash flows, are held at amortised cost. These instruments include loans to subsidiary undertakings, joint ventures and associates, and other loans to subsidiaries within the National Gas Transmission group. For impairment assessment purposes loans to subsidiary and subsidiary undertakings are individually assessed based on comparable external credit ratings and a review of solvency and liquidity arrangements and as such the expected credit loss for the year is £nil.

Borrowings, which include interest-bearing loans and overdrafts, are initially recorded at fair value. This normally reflects the proceeds received (net of direct issue costs for liabilities measured at amortised cost). Subsequently, borrowings are stated at amortised cost. Any difference between the proceeds after direct issue costs and the redemption value is recognised over the term of the borrowing in the profit and loss account using the effective interest method.

**Lease liabilities - IFRS 16**

Lease liabilities are initially measured at the present value of the lease payments expected over the lease term. The discount rate applied is the rate implicit in the lease or if that is not available, then the incremental rate of borrowing for a similar term and similar security. The lease term takes account of exercising any extension options that are at the Company's option if the Company is reasonably certain to exercise the option and any lease termination options unless the Company is reasonably certain not to exercise the option. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss account over the lease period using the effective interest rate method.

**(f) Provisions for liabilities**

**General**

Provisions for liabilities are recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outcome of economic benefit is probable.

**(g) Turnover**

Turnover mostly comprises the sales value derived from meter asset management services provided to National Gas Transmission plc during the year including an assessment of the value of services provided, but not invoiced, at the year end. Recognition is at the completion of service. It excludes value added tax and other sales taxes. The discharge of asset management services are invoiced monthly.

**(h) Pensions**

National Gas participates in various post-employment schemes, including a defined benefit pension scheme (The National Grid UK Pension Scheme – Section B) and defined contribution pension plan (The Gas Transmission & Metering Retirement Plan).

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**1 Summary of significant accounting policies (continued)**

**(h) Pensions (continued)**

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit scheme is a pension plan that is not a defined contribution plan.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as staff costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company is not a participating employer of the defined benefit schemes operated by the National Gas group. However, the Company has employees who are members of one of these schemes. The net defined benefit cost is recognised in the individual company financial statements of the group company that is legally the sponsoring employer for the scheme. The other group companies in their individual financial statements recognise a cost which represents a recharge from the sponsoring employers.

**(i) Equity instruments**

An equity instrument is any contract that includes a residual interest in the assets of the Company after deducting all liabilities and is recorded at the proceeds received, net of direct issue costs, with an amount equal to the nominal amount of the shares issued included in the share capital account.

**2 Turnover**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>An analysis of turnover by category:</b>		
External customers	<b>901</b>	790
Immediate parent company	<b>56,323</b>	55,004
	<b><u>57,224</u></b>	<b><u>55,794</u></b>

The Company's operations are all undertaken in the UK for customers based in the UK.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**3 Operating profit**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit is stated after charging:</b>		
Amortisation of intangible fixed assets	1,244	833
Impairment of intangible fixed assets	—	255
Depreciation of tangible fixed assets	116	917
Depreciation of right-of-use assets	465	455
Loss on sale of assets	21	21
Payroll costs	9,829	9,858
<b>Services provided by the Company's auditor</b>		
Audit fees	<u>47</u>	<u>18</u>

Disclosure of non-audit fees is not required as these have been disclosed in the consolidated financial statements of National Gas Transmission plc.

**4 Directors and employees**

**Directors' emoluments**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<u>533</u>	<u>275</u>

Post-employment benefits during the year was accrued to 1 (2022: 1) Director under a Group defined benefit scheme and 3 (2022: 3) Directors under a defined contribution scheme.

During the year, there were 2 (2022: 1) Directors who exercised share options under the National Grid plc Save As You Earn Scheme. During the year, no Director received awards of ordinary shares as part of National Grid plc's long term incentive plans.

**Highest paid Director**

The highest paid Director's emoluments were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Total amount of emoluments and amounts receivable (excluding defined contribution) under long term incentive schemes	<u>303</u>	<u>129</u>

During the year the highest paid Director exercised share options under the National Grid plc Save As You Earn scheme.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**4 Directors and employees (continued)**

**Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	7,473	6,839
Social security costs	1,003	1,210
Defined contribution scheme pension costs	918	1,204
Defined benefit scheme pension costs	341	510
Share-based payments	94	95
	<u>9,829</u>	<u>9,858</u>

The average monthly number of employees (including Directors) involved in administration employed by the Company during the year was 182 (2022: 212).

**5 Tax**

**Tax charged/(credited) to the profit and loss account**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax:</b>		
UK corporation tax	1,111	474
Adjustments in respect of prior years	(138)	(288)
Total current tax	<u>973</u>	<u>186</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	286	(89)
Impact of change in tax rate	95	(346)
Adjustments in respect of prior years	192	215
Total deferred tax	<u>573</u>	<u>(220)</u>
<b>Tax charged/(credited) in the profit and loss account</b>	<u>1,546</u>	<u>(34)</u>

The tax charge for the year is higher (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained in next page:



**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**5 Tax (continued)**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	<u>7,622</u>	<u>2,217</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	<b>1,448</b>	421
<b>Effect of:</b>		
Expenses not deductible for tax purposes	<b>8</b>	9
Non-taxable income	<b>(25)</b>	(7)
Taxation on transfer pricing adjustments	<b>(34)</b>	(34)
Impact of share-based payments	<b>—</b>	(4)
Impact of change in UK tax rate	<b>95</b>	(346)
Adjustments in respect of prior years	<b>54</b>	(73)
<b>Total tax charged/(credited) in the profit and loss account</b>	<u><b>1,546</b></u>	<u><b>(34)</b></u>

**Factors that may affect future tax charges**

An increase in the main Corporation Tax rate from 19% to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax balances as at 31 March 2022, that are expected to reverse after 1 April 2023, have been calculated at 25%.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**6 Intangible assets**

	Software assets in the course of construction £'000	Software £'000	Total £'000
<b>Cost:</b>			
At 1 April 2022	368	30,074	30,442
Additions	1,376	2	1,378
Disposals	—	(18)	(18)
Reclassifications	(663)	663	—
At 31 March 2023	1,081	30,721	31,802
<b>Accumulated amortisation:</b>			
At 1 April 2022	—	(24,454)	(24,454)
Amortisation charge for the year	—	(1,244)	(1,244)
At 31 March 2023	—	(25,698)	(25,698)
<b>Net book value:</b>			
At 31 March 2023	1,081	5,023	6,104
At 31 March 2022	368	5,620	5,988

The software intangible assets include the Company's stock management system which was created by an external development firm for the Company's specific requirements.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**7 Property, plant and equipment**

	Short leasehold land and buildings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Office equipment £'000	Total £'000
<b>Cost</b>					
At 1 April 2022	2,836	28	—	1,282	4,146
Additions	6	22	68	164	260
Disposals	(2,098)	(22)	—	(303)	(2,423)
Reclassifications	—	(7)	—	7	—
At 31 March 2023	744	21	68	1,150	1,983
<b>Accumulated depreciation</b>					
At 1 April 2022	(2,325)	—	—	(896)	(3,221)
Depreciation charge for the year	(316)	(4)	—	(261)	(581)
Disposals	2,091	—	—	240	2,331
At 31 March 2023	(550)	(4)	—	(917)	(1,471)
<b>Net book value:</b>					
At 31 March 2023	194	17	68	233	512
At 31 March 2022	511	28	—	386	925

The table below shows the net book value of right-of-use assets included within property, plant and equipment at 31 March 2023 and 31 March 2022, split by category. The associated lease liabilities are disclosed in note 11.

	Land and buildings £'000	Office equipment £'000	Total £'000
<b>31 March 2023</b>			
<b>Net book value at 31 March 2023</b>	<b>195</b>	<b>185</b>	<b>380</b>
Additions	6	157	163
Disposals	(6)	(247)	(253)
Depreciation charge for year	(248)	(217)	(465)
Depreciation disposal	—	184	184

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

31 March 2022	Land and buildings £'000	Office equipment £'000	Total £'000
<b>Net book value at 31 March 2022</b>	<b>443</b>	<b>308</b>	<b>751</b>
Additions	—	216	216
Disposals	(345)	(13)	(358)
Depreciation charge for year	(302)	(153)	(455)
Depreciation disposal	345	13	358

**8 Debtors**

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	437	378
Amounts owed by National Grid subsidiary undertakings	—	9,963
Amounts owed by immediate parent company	19,979	—
Borrowings to immediate parent company	130,398	145,122
VAT recoverable	1,873	2,146
Other debtors	—	46
Prepayments and accrued income	230	110
	<u><u>152,917</u></u>	<u><u>157,765</u></u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax	926	1,533
	<u><u>926</u></u>	<u><u>1,533</u></u>

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Borrowings to immediate parent company has an interest rate based on the Sterling Overnight Index Average (SONIA) plus 0.25%. For impairment assessment purposes, such loans to group undertakings are considered low risk as the subsidiaries are solvent and are covered by the National Gas Transmission's liquidity arrangements and as such the expected credit loss for the year is £nil.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**Deferred tax**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Accelerated capital allowances	<b>814</b>	1,142
Other	<b>112</b>	391
Deferred tax asset	<u><b>926</b></u>	<u>1,533</u>
Deferred tax asset at 1 April	<b>1,533</b>	1,228
(Charged) / Credited to the profit and loss account	<b>(573)</b>	219
(Charged) / Credited to the statement of other comprehensive income and equity	<b>(34)</b>	86
Deferred tax asset at 31 March	<u><b>926</b></u>	<u>1,533</u>

There are no other significant unrecognised deferred tax assets or liabilities (2022: nil).

**9 Creditors (amounts falling due within one year)**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	£'000
Borrowings and lease liabilities (note 11)	<b>250</b>	851
Trade creditors	<b>4,623</b>	2,007
Amounts owed to National Grid subsidiary undertakings	<b>—</b>	13,761
Other tax and social security	<b>121</b>	473
Other creditors	<b>1,666</b>	741
Capital payables	<b>537</b>	269
Accruals and deferred income	<b>11,318</b>	10,959
	<u><b>18,515</b></u>	<u>29,061</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

**10 Creditors (amounts falling due after more than one year)**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	£'000
Lease liabilities (note 11)	<u><b>75</b></u>	<u>534</u>

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**11 Borrowings and lease liabilities**

	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Bank overdrafts	—	510
Lease liabilities	250	341
	<u>250</u>	<u>851</u>
<b>Amounts falling due after more than one year:</b>		
Lease liabilities	75	534
	<u>75</u>	<u>534</u>

**Lease liabilities**

	2023 £'000	2022 £'000
Gross lease liabilities are repayable as follows:		
Less than 1 year	250	341
1 to 5 years	75	538
	<u>325</u>	<u>879</u>
Less: Finance charges allocated to future periods	(4)	(4)
	<u>321</u>	<u>875</u>

**11 Borrowings and lease liabilities (continued)**

**Lease liabilities (continued)**

	2023 £'000	2022 £'000
The present value of lease liabilities are as follows:		
Less than 1 year	250	341
1 to 5 years	71	534
	<u>321</u>	<u>875</u>

**12 Provisions for liabilities**

	Other £'000	Total £'000
At 1 April 2022	1,297	1,297
Additions	—	—
Utilised	(917)	(917)
<b>At 31 March 2023</b>	<u>380</u>	<u>380</u>

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**Other provision**

Other provision relates to costs associated with the exit of leases. These include dilapidations costs to be paid on exit of the lease and onerous lease costs to be paid during the remaining life of the lease.

**13 Share capital**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
1,373,399 (2022: 1,373,399) ordinary shares of £1 each	<u>1,373</u>	<u>1,373</u>

In line with the provisions of the Companies Act 2006, the Company has amended its Articles of Association and ceased to have authorised share capital.

**14 Capital and other commitments**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Contracts for future capital expenditure not provided in the financial statements	<u>1,527</u>	<u>5,396</u>

**15 Contingent liabilities**

**Litigation**

Through the ordinary course of operations, the Company is party to various litigation, claims and investigations. The Directors do not expect the ultimate resolution of any of these proceedings to have a material adverse effect on the Company's results of operations, cash flows or financial position.

**16 Related party transactions**

The following transactions with National Grid plc subsidiaries were in the normal course of business. Other related party transactions are not disclosed in accordance with the exemptions placed under FRS101.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Services received from National Grid Electricity Transmission plc	78	—
Amount payable to National Grid Electricity Transmission plc at 31 March	54	—

Amount payable are ordinarily settled one month in arrears.

**National Gas Metering Limited**  
**Notes to the financial statements (continued)**  
**For the year ended 31 March 2023**

**17 Ultimate parent company**

National Gas Metering Limited's immediate parent company is National Gas Transmission plc. The ultimate parent company and controlling party is Luppiter Consortium Limited. These companies are incorporated in Great Britain and are registered in England and Wales.

The largest group of undertakings for which group accounts are drawn up and of which the company is included is by Luppiter Consortium Limited. The smallest such group is National Gas Transmission plc. Copies of the financial statements of Luppiter Consortium Limited and National Gas Transmission plc are available on request from the respective companies' registered office.

The registered office of Luppiter Consortium Limited is C/O Alter Domus (Uk) Limited 10th Floor, 30 St Mary Axe, London, United Kingdom, EC3A 8BF and the registered office of National Gas Transmission plc is National Grid House Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA