

MQSL

Annual Report and Financial Statements

**For the Year Ended 31 March
2023**



Registered number: 09276929

Glossary

MOSL (Market Operator Services Limited)

MOSL is the market operator for the non-household water retail market in England.

Panel

The Market Arrangements Code (MAC) Panel is the central governance body comprising of non-household water market members to oversee the operation and evolution of the water retail market under the 'market codes'.

Ofwat

The Water Services Regulation Authority (the water regulator) is the body responsible for economic regulation of the privatised water and sewerage industry in England.

Defra

The Department for Environment, Food and Rural Affairs is the UK government department responsible for safeguarding our natural environment, supporting our food and farming industry, and sustaining a thriving rural economy.

CCW

The Consumer Council for Water is a statutory consumer body for the water industry in England and Wales.

CMOS

The Central Market Operating System is the core IT system for the non-household market. CMOS manages all the electronic transactions involved in switching customers and provides water usage and settlement data.

MO

Market Operator (MOSL).

MAC

The Market Arrangements Code is a non-statutory code established by licence conditions set out by Ofwat.

WRC

Wholesale Retail Code is a statutory code forming the agreement entered into by wholesalers with those retailers they are providing services to.

MPF

Market Performance Framework is a collection of processes, methods and incentives to promote the continued performance by trading parties and the market operator in compliance with their obligations under the Wholesale Retail Code and to enable appropriate action to be taken to resolve performance failures.

OPS

Operational Performance Standards. Performance standards for wholesalers only as set out in the Market Performance Framework.

MPS

Market Performance Standards. Performance standards for retailers and wholesalers as set out in the Market Performance Framework.

SMR

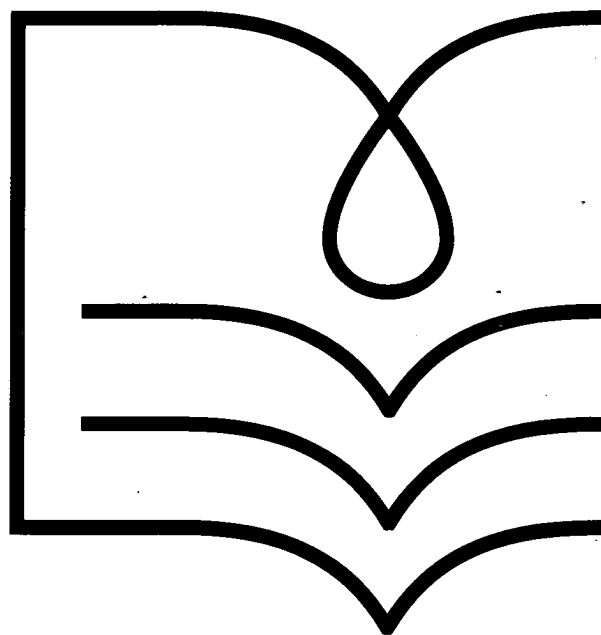
The Strategic Metering Review is a key improvement programme in MOSL's 2021-24 Business Plan.

ASC

Additional Service Charges. MOSL is entitled to charge a specific fee for providing additional services to our members, as identified in the Schedule of Additional Services and Market Services.

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Chair Statement

I am pleased to introduce MOSL's Annual Report and Financial Statements for 2022/23.



The past year has been significant in terms of the opportunities it has presented to the non-household market.

MOSL has proactively engaged its members at a senior level to explore the large-scale changes that are needed for the market to achieve its original objectives – providing value and choice for customers and removing unnecessary costs and inefficiency.

Through the constructive dialogue at this year's CEO Forum and as part of our business plan consultation, and in the various committee and advisory groups MOSL supports, we have witnessed the industry pulling together to more clearly articulate and make these necessary changes.

As we have seen, water has become something of a political issue. Last summer found the sector in the public spotlight like never before.

As the industry looks at what is needed to build resilience and the investment needed to protect the natural environment over the next 25 years and beyond, it is doing so under intense public scrutiny.

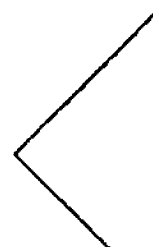
MOSL, both in its role as market operator, and as secretariat to the Strategic Panel, has coordinated efforts across its stakeholders to address key issues, such as the priority of reforming a future Market Performance Framework and strengthening the Supplier of Last Resort mechanism. Both can be seen as significant structural barriers to achieving a truly competitive and flourishing market.

At the same time, we have set a course which should enable us to continue to tackle the underlying causes of market friction, such as data quality and meter reading. Both of these not only impact the customer experience but add cost and inefficiency to the market and, importantly, limit our ability to provide meaningful insight to drive water saving. As the market operator, I believe we have a unique role in informing conversations from an independent position. The actions we have taken this year to address issues at a structural, as well as operational, level are an important sign of our desire for the market to move towards self-regulation – reducing cost and providing value to all its customers.

In parallel, we have seen the wider industry consult in areas that will set the direction for market participants, customers, and the environment for the next regulatory period, including the methodology for the next price review (PR24) and water companies' draft Water Resource Management Plans (WRMPs).

Defra published its Environment Act confirming new legally binding targets including a 9% water demand reduction target for businesses by 2037, and the government published its Plan for Water which sets out a national approach to securing our future water supplies, the quality of that water, and how it plans to work with industry to limit the impact on the environment for generations to come.

These publications have put the environment and the interests of all customers even further into the spotlight. They have also required the



MOSL Board to accelerate its thinking on the role of the market, and MOSL, in supporting the sector's environmental focus given the increasing urgency of climate change.

As we develop our next three-year strategy for 2024-27, we must be cognisant of these industry priorities and the environmental, as well as economic, context in which we are operating.

This past year we have continued to focus on providing effective governance and building our capability in this area to best support our members. In doing so, we have worked closely with the Strategic Panel as it set out its priority market outcomes for the market – value creation, customer service excellence, and water efficiency.

As the Panel begins to develop its roadmap for a flourishing market in 2023/24, we will ensure alignment between the Panel's priorities, the desired outcomes of a flourishing market with the strategic objectives of our new strategy.

This year, we have balanced our role as facilitator – and having an active voice in debate – with delivering our services and our business plan commitments. As Chair of the MOSL Board, I am aware that this is a delicate balance.

Whilst we strive to make a difference and fundamentally improve the market – setting out ambitious improvement programmes – we will not lose sight of our responsibility to provide an excellent service to our members, for the ultimate benefit of their customers.

The report sets out what we have achieved in our role as market operator and in building our relationships. What we have delivered is testament not only to the hard work of MOSL colleagues, but also to the commitment of trading parties for volunteering their time and resource to driving change.

I look forward to our continued close working with members and stakeholders as we put our plans into action in the coming year and tap into the potential this market has to deliver value for customers and our precious environment.



CEO Statement

The past year has felt like the concrete has begun to set for the non-household market and we have started setting the foundations on which to build.



We have delivered change for the market in the strategic objectives to improve the robustness of market processes, quality of market data and the way in which we work with trading parties. We have also made a step change in the processes causing the most friction for parties, and customers.

In November 2022, we successfully delivered the biggest change in the market since it opened six years ago. The delivery of Phase 6 of MOSL's Bilateral Transactions Programme marked the successful completion of the Ofwat-mandated programme of work and a market-wide effort to improve the two-way processes between wholesalers and retailers.

The Bilaterals hub and associated new ways of working have transformed the speed, reliability, and visibility of bilateral processes and removed significant costs to trading parties. Financial benefits are estimated at £2.4m a year, with further benefits in customer satisfaction and the quality of core market data.

Whilst I am immensely proud of the work of my team, this would not have been delivered without the significant resource and time volunteered by trading parties – whether through the programme's advisory groups, and Strategic Panel committees, or in responding to our consultations and requests for information.

In addition to the cost savings, the Bilateral Transactions Programme has also set an effective model of governance and engagement for future programmes, which we are already employing in our other business plan commitments.

Its success has been further proven by the appetite from trading parties to deliver the remaining processes and the level of support we received for the approach in our 2023-26 Business Plan consultation.

Another area in which we have seen significant support from across the market is the Strategic Metering Review. At our CEO Forum in 2021, it was clear that "all roads lead back to metering" and tackling long-standing issues such as long unread meters, reviewing the roles and responsibilities of meter reading, and pushing for faster, smart metering rollouts were priorities for our members.

This year we have seen a shift in the debate around metering, supported, in part, by the recommendations and findings set out in two key reports: Metering roles and responsibilities recommendation report and the Enhancing Metering Technology Report, delivered respectively in partnership with PA Consulting and Artesia Consulting.

These reports have provided the momentum for MOSL, working with the Metering Committee, to drive progress and inform key decisions in water companies' metering plans.

The appetite has grown for addressing metering challenges, spurred on, I am sure, by the national and prolonged droughts we experienced last summer and the realisation that "you can't change what you can't measure" – consumption data being critical to our ability to understand and reduce demand.

We have also begun to “join the drops” in terms of our improvement programmes and how they impact one another. For example, the ability to make a step change in meter reading, which we are driving through our Strategic Metering Review, is reliant on having the right incentives in place (through the MPF Reform programme). Improving the quality of data is at the heart of all of these programmes of work.

Other notable achievements this year include:

- ◆ **Market Performance Framework Reform:**
We have taken significant steps forward in reforming the Market Performance Framework, having set out the governance for the programme and undertaken two detailed consultations with market participants. This work has not been easy. Unpicking a framework that is weaved into the fabric of the market is complex. We have actively taken on board trading parties’ feedback around the complexity of the consultations and the need to consider clearer recommendations in setting out requests for input.
- ◆ **Data cleanse proof of concept and Data Strategy outputs:**
In advance of developing the Central Data Cleanse Service as a key improvement programme of our 2023–26 Business Plan, we established a use case for a data cleanse and enrichment service in partnership with Sagacity and undertook a Data Quality Assessment of the circa. 2.6 million supply points in the market. The findings from this work informed the benefit case and subsequent scope of the Central Data Cleanse Service.

- ◆ **Regulatory responses:**

Using our insight and our central position in the non-household market we responded to regulatory reviews, including PR24 and the Retail Exit Codes review, to ensure the market was fully considered in future plans and the current structural challenges were recognised. We also engaged proactively with Ofwat, Defra and trading parties to provide clear evidence and rational in the challenge we set out.

At the same time as responding to these reviews and looking to the future of the market, we have continued to improve the quality and value of our operational services.

This includes building the capability of our audit and assurance teams, retaining the knowledge within MOSL, and reducing costs for our members; moving more of our legal resources in-house to provide more effective governance and secretariat support; and introducing My MOSL – our query management system – to improve and monitor the service we provide to members in responding to their queries.

In setting the foundations in 2022/23, we will continue to engage and work closely with our members and key stakeholders to build on this good work and drive improvement where it is most needed.



Strategic Report:

Business Model

Market Operator Services Limited (MOSL)

MOSL is the market operator for the non-household (NHH) water market in England and Wales – the world's largest competitive water market. It is a not-for-profit company limited by guarantee. Its members are the water wholesalers and retailers ('trading parties') who participate in the market.

MOSL plays a central role as market operator as the custodian of central market data and in delivering its services to members and the improvement programmes set out in its rolling three-year business plan.

We work closely with trading parties, the regulator, the industry's Strategic Panel, and other key stakeholders to identify and resolve key market frictions and enable the market to deliver better outcomes for non-household customers.

Non-household water market

The market opened on 1 April 2017, enabling over 1.2 million business customers, including public sector bodies, charities, and not-for-profit organisations in England to choose who supplies their retail water and wastewater services. MOSL played a key role in preparations for market opening by designing, building, and implementing the central system, CMOS, which sits at the heart of the market; and by supporting the development and evolution of the codes which govern the market.

Today, MOSL provides a range of services to its members to ensure the market functions effectively. These are grouped into four key service areas; market operation (registration,

switching and financial settlement; market systems; dispute management); market assurance (entry, exit and reassurance of trading parties; performance and risk management; compliance and audit); market improvement (change delivery; market insight; strategic market development); and governance and support services to the Strategic Panel and its committees (secretariat; maintenance and development of market codes; market continuity, training and guidance).

MOSL's obligations are set out in detail in the Wholesale Retail Code (WRC) and the Market Arrangements Code (MAC).

Beyond our obligations, we also play a role in driving market improvement – ensuring that trading parties are complying with their obligations under the codes and performing in the best interests of customers.

Purpose and Vision

In 2020, we developed our three-year strategy for 2021-24, setting out our purpose and vision.

Our purpose: Advancing simple and effective water markets to unlock value and choice for customers.

Our vision: Using our collective expertise and independent insight to deliver the best customer outcomes.

Our purpose and vision have served us well and have been routinely used to keep us on track to deliver our improvement programmes and provide clarity on our role and what we are seeking to achieve both as a company, committed to being a responsible business, and as a market operator, committed to providing excellent services to its members.



Delivering our Strategy

Our focus for 2022/23 has been on sharing our data insight to better support trading parties, and the wider market, in building resilience for our water supply and providing customers with a greater understanding of their water usage.

This past year has been tough for the water industry and the non-household market has not been immune to the public spotlight. As a country we have faced prolonged and national droughts, which have threatened homes and businesses' water supply and led to several regions enforcing hosepipe and temporary usage bans (TUBs) to manage supply during times of intense demand.

The public attention on water companies' practices, in particular, river pollution and sewerage overflows, has also led to increasing distrust, at a time when the industry is preparing for the next price review period (PR24) and developing Water Resource Management Plans (WRMPs) that will seek to forecast long-term demand challenges and set out a series of solutions to mitigate the risk to our water resources.

The non-household market itself has faced calls to deliver more for smaller customers, recognising that market frictions are still acting as barriers to the market providing value to all customers.

At the same time, MOSL has been championing the role that the market and its customers can play in reducing water demand and delivering better customer and environmental outcomes. Central to our ambitions in 2022/23 has been our commitment to sharing data insight where it can provide information on customers' water usage and calling on a greater penetration of smart metering across both household and non-household customers.

Our improvement programmes are:

- Market Performance Framework Reform
- Bilateral Transactions Programme
- Strategic Metering Review
- Modernisation of Systems
- Data Insight

You can read more about these improvement programmes in the [Business Plan Commitments section](#).

This year we will be undertaking an exercise to review our purpose and vision statements and set out our next three-year strategy for 2024-27, which will inform future business planning.

In last year's Annual Report, we said we would "continue to explore what we mean by value and choice, recognising that as the landscape we operate in continues to evolve, so must our priorities." Our next strategy will factor in this evolving landscape, including how we can help rebuild trust in the sector, and align our future plans to those of the wider industry, whose planning extends upwards of 25 years.

In doing so, we will also take advantage of being a small company and the flexibility this provides us in being able to adapt as new priorities emerge.

Our 2024-27 strategy will be published in autumn 2023 and will formally take effect from April 2024.

Business Performance: Overall Summary

**Continued high quality
delivery of core services**

**9 Service
KPIs**

performing at or above expected
levels (of which 3 are at 100%)



**3 Service KPIs below
expected level**

(CMOS system availability still at 99.4%,
marginally below target of 99.9%.
A server memory issue in July led to
isolated settlement run delays.
External compliance audit noted two
medium rated findings)

**3.9 Continued strong
overall trading
party satisfaction**



(versus 4.0 in March 2022. Average rating
across four core service areas remained 3.9)

**Strong delivery
on improvement
programmes to
enhance the market**

100%

All business plan commitments
for 2022/23 completed.



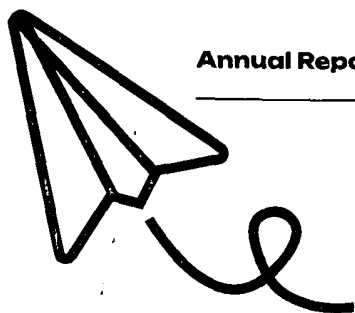
**My MOSL
successfully
launched**

Enables improved visibility of
queries raised across MOSL,
tracking against defined Service
Level Agreements (SLAs) and
escalation by trading parties.



**Bilaterals
hub service
performing well**

Supporting 50% more
transactions and reduced
customer-related complaints.



Bilateral Transactions Ofwat-mandated programme fully delivered.

Benefits exceeding business case
at £2.4m per annum.

Strong support for next phase
which has now started.

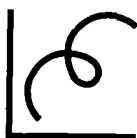
Strategic Metering roadmap agreed and being delivered.

Metering Roles and Responsibilities
Report published, and Interim Metering
Strategy developed.



MPF programme advancing

Programme team and advisory
group established, governance
established, first two
consultations completed.



Data cleanse proof of concept successfully completed

Initial project scope agreed for
2023/24 to help assess data quality
and accelerate improvement.



Quarterly Reports continued

Providing regular and transparent
reporting on how we deliver
our services and business plan
commitments.

Costs well controlled

Increased efficiency & prioritisation

Plan delivered within budget

-£123k Total spend lower
than budget (11%).

Efficiency savings ensured that
the data cleanse proof of concept
could be delivered even though
not part of our core budget.

-£201K Market Operator
charges
to be redistributed to members

Business Performance:

Core service performance and enhancements

Our core services are delivered across four key service areas – Market Operation, Market Assurance, Market Improvement and Governance and Support Services – which form part of our Market Services Framework.

We track our performance using 12 Key Performance Indicators (KPIs) across the four service areas, in addition to ensuring overall spend is within budget.

Market Services Framework



In 2022/23 highlights included:

- Nine KPIs performed at, or above, expected levels – maintaining our provision of high quality and consistent services for trading parties.
- Lead time for Unplanned Settlement Runs (USRs) shortened by one day, ensuring trading parties received the recalculation of primary charges promptly (see the My MOSL Deep Dive below for information on how this service has moved to a new platform).
- Performance for three out of seven of our CMOS KPIs remain at 100% exceeding the defined SLAs.
- Internal Compliance Framework developed to improve controls over how we meet obligations. This completes a high priority audit action from previous years.

In 2022/23 lowlights included:

- A server memory issue in July 2022 led to the late publication of the R1, R2, R3 and RF settlement runs. These were still published on the fourth business day of the month but after the 6pm deadline. This impacted the P1 planned settlement run, which was incomplete, and needed to be re-run and was subsequently published two days late. In response to this issue, the monthly settlement run process was placed in "hyper care" for the two subsequent months, with no further issues observed.

You can find more information on the performance against our KPIs in our Quarterly Reports available on our [website](#). These reports include other key measures which provide a

wider market context. We have also enhanced the reports this year, to make them more accessible and easier to navigate, by moving them to a simple PowerBI format.

Deep dive – My MOSL

In 2022, MOSL launched its new Query Management System (QMS), My MOSL. My MOSL allows users to raise queries and service requests through a central platform on the MOSL website using their own business credentials via Single Sign On (SSO).

It was implemented using a phased approach, beginning with the integration of the Unplanned Settlement Run (USR) process which has previously been managed using the Kissflow platform. This was followed by the migration of the Medium Volume Interface (MVI) from the MO Portal to My MOSL. The new system provides central visibility of all queries raised by trading party members and all the transactions with MOSL, to allow trading parties to track their queries through to resolution. It also provides clear Service Level Agreements (SLA) for each type of query and a route to escalate a ticket if it breaches its SLA.

As well as improving the service we provide to our members, the implementation of My MOSL now enables us to provide centralised reporting for queries raised. This allows us to see when tickets have breached their SLAs or been escalated to provide a more efficient service to members and identify the root cause of any delays.

Business Performance:

Business Plan Commitments

In our 2022-25 Business Plan we set out five improvement programmes which sought to improve the market in several key areas. In 2022/23, MOSL delivered all the year one commitments set out within each multi-year improvement programme.

You can find out more about our performance and delivery against our business plan commitments in our Q4 Quarterly Report.

Business Plan improvement programmes

100%

Delivered

Strategic Metering Review	100%
Bilateral Transactions Program	100%
Data Insight	100%
Modernisation of Systems	100%
MPF Reform	100%

The key deliverables from our 2022/23 improvement programmes are outlined below.

Bilateral Transactions Programme

The Ofwat-mandated phase of the Bilateral Transactions Programme was successfully delivered at the end of November 2022, with 16 of the market's most important processes reviewed, standardised, and managed via the central 'hub'. This represents 89% of processes with associated Operational Performance Standards (OPS) - as well as another 15% of non-OPS processes - against a target of 80%.

The final benefit realisation report concluded that the programme is delivering efficiency savings of £2.4 million per annum, compared to the 'mid case' £1.2 million used in the Full Business Case.

The introduction of the hub has substantially reduced the average time it takes to raise, process, manage, monitor, and report on individual processes. It has also helped reduce the proportion of processes being rejected in the market by more than half.

Feedback about the Bilaterals hub and the new way of working has been very positive, with trading parties reporting that the hub is quicker, easier, and intuitive to learn and use.

Most importantly, the combination of faster processing of requests, greater reliability and increased confidence among trading parties' teams are all contributing to improved service levels for customers.

Following approval of MOSL's 2023-26 Business Plan, the remaining 49 lower-priority, lower-volume processes will be delivered via a new MOSL-initiated programme across two years. This is expected to generate a further £1.1 million per annum in efficiency savings.

Strategic Metering Review

In our 2022–25 Business Plan we committed to continuing the market-wide, multi-year Strategic Metering Review to increase the volume and quality of consumption data available to the market, which is fundamental to delivering the best outcomes for customers and the environment.

In 2022/23 we continued our focus on three workstreams: the development of a national metering strategy for the market; improving the meter reading process; and making granular data available to all.

National Metering Strategy: MOSL, working with the Metering Committee, developed an Interim Metering Strategy on behalf of the Strategic Panel to inform water companies' Water Resource Management Plans and consider funding requirements for the next asset management period. The interim strategy was published in April 2023 so that it could influence PR24 plans. It recommends that companies accelerate investment in smart meters in AMP8. The strategy follows research by Artesia Consulting which determined a strong business case for investing in smart meters.

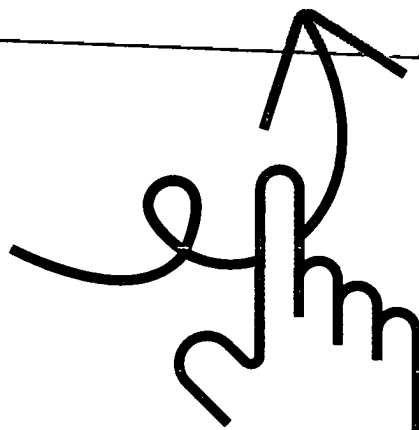
Meter Reading Process: To improve the meter reading process MOSL and the Metering Committee have continued to explore and resolve issues relating to locating and reading meters and transferring data into the central system.

In parallel, MOSL commissioned PA Consulting to consider whether the current meter reading-related roles and responsibilities were still appropriate six years after the opening of the market. Following excellent engagement with trading parties, two of the 12 options identified have been taken forward as code changes via the code change process.

Making data available: As part of the workstream to improve data sharing between wholesalers, retailers and – in future – customers, MOSL worked with Artesia Consulting to develop and propose data sharing and interoperability standards for Automatic Meter Readers (AMR), Advanced Metering Infrastructure (smart/AMI) meters and add-on data loggers in anticipation of a significant increase in the volume of data available. The resulting 'Data standard for sharing granular consumption data' paper was published in February 2023 and has been welcomed by trading parties.

Work is progressing on these and the programmes' 'quick start' projects into next year.

More information is available in our 2023–26 Business Plan.



Business Performance: Business Plan Commitments

Data Insight

The Data Insight programme set out to address the causes of poor data quality in the market and identify ways to effectively access, analyse, cleanse, and enrich this data.

To formalise how our Data Services can be used to identify risks, issues and opportunities in the market, we published several key documents, including the Market Data and Information Charter, followed by the more detailed Market Data Strategy, which outlines the proposed approach to maintaining, improving and governing data in the market.

In June 2022, we published our Market Data Roadmap which outlined future deliverables through this year and future years. We also published a Data Services Catalogue, a living document that provides up to date information on all current planned data services. It is the first step in the development of an interactive data services catalogue, which we aim to integrate into our website in 2023/24.

This year we also worked with Sagacity to establish a use case and proof of concept for the Data Cleanse activities, which informed the Central Data Cleanse Service in our 2023–26 Business Plan. This work included a Data Quality Assessment which identified circa £8m of annual benefit to the market from cleansing poor data and removing the related inefficiencies it creates. The service was approved by members in February 2023.

This project aims to help wholesalers materially improve the quality of market data through the provision of a central data cleanse and enrichment service.

Market Performance Framework (MPF) Reform

The MPF Reform programme is working to update the performance incentives in the market to ensure they drive the right behaviours, the appropriate focus from market participants, and positive customer and environmental outcomes.

In our 2022–25 Business Plan, we committed to undertaking a 'root and branch' reform of the MPF with Ofwat and trading parties agreeing that it was a priority for the market.

We have consulted with the market on the components that could form part of the future MPF. This has looked at what market activities should be included, the interventions that could be used to change trading party behaviours and the metrics that could be used to measure what is being delivered. The proposals were based on the Market Risks and Issues Tracker developed in 2022.

We ran a series of webinars through the consultation period and garnered strong support for our proposals. We then developed candidate tools and interventions and ran a second consultation in January 2023. Feedback from this consultation has informed the direction of travel ahead of a third consultation due in summer 2023 through which we will seek input on the target MPF model.

The programme is overseen by a Performance Advisory Group (PAG) and programme Steering Group that ensure the direction of travel is endorsed by market participants.

The workstreams and deliverables for the programme for 2023–25 have been signed off by the MPF Steering Group and are also included in our 2023–26 Business Plan.

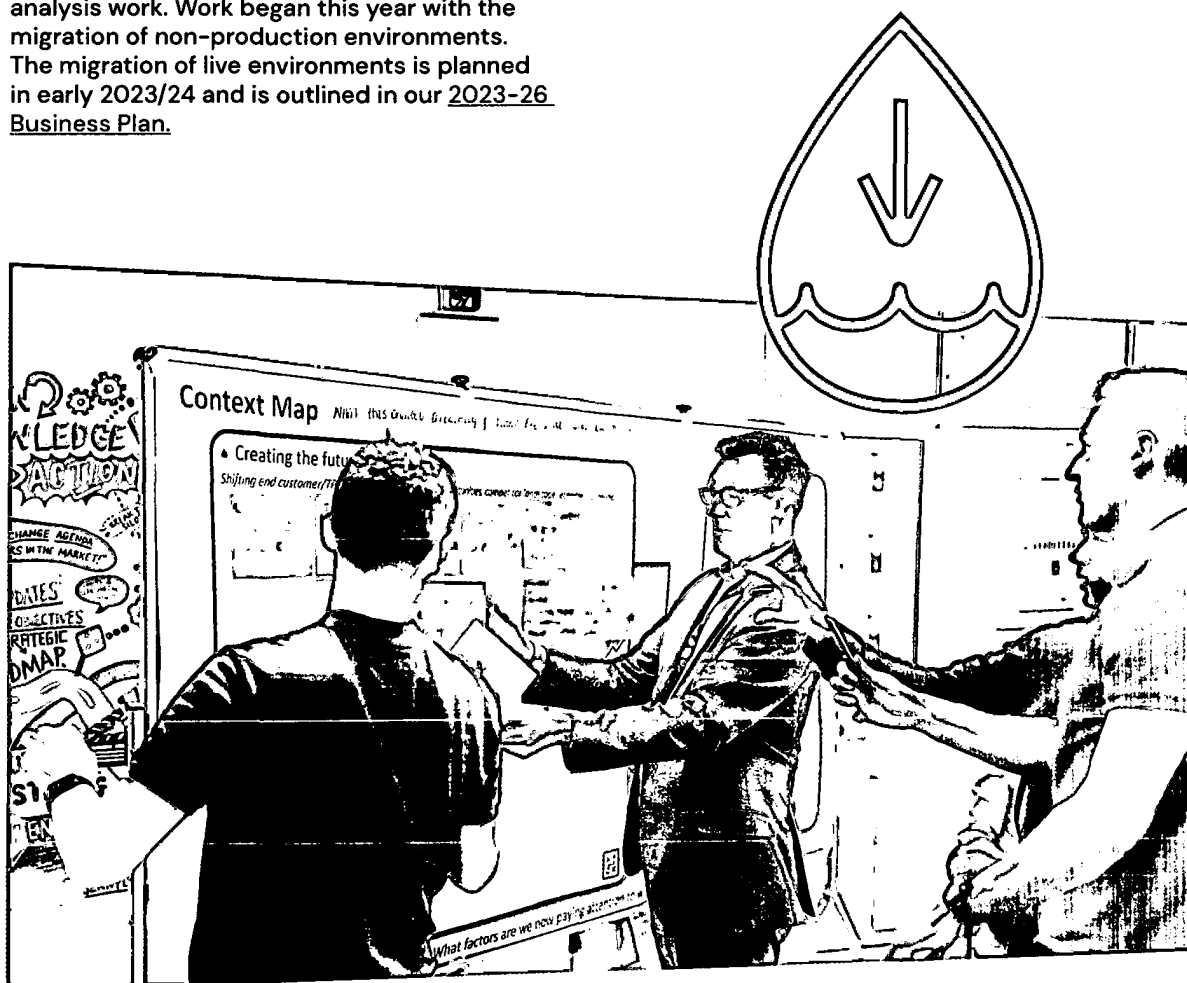
Modernisation of Systems

As set out in our 2022-25 Business Plan, the Modernisation of Systems programme intends to move us to a new system architecture in a series of phases over the next three years and beyond.

The most fundamental step is the migration of our Central Market Operating System (CMOS) to a cloud-based architecture. In moving to a cloud-based architecture, we will reduce costs, increase scalability, improve resilience and enhance the ability to support critical data analysis work. Work began this year with the migration of non-production environments. The migration of live environments is planned in early 2023/24 and is outlined in our 2023-26 Business Plan.

This year, we also introduced our new query management system, My MOSL, which aims to simplify and streamline the process of raising and managing queries (see the Deep Dive on page 13 for more information).

As part of this project, we migrated other core services to My MOSL, including the Medium Volume Interface (MVI), Disputes and Gap Site Opt In/Outs which trading parties can now access through the use of single sign-on via our website.



Business Performance:

Spending

This section provides an overview of MOSL's financial performance including our total spend on a cash basis compared to our approved budget and key components of spend in the year.

Total spend vs budget

MOSL's budget is approved by members each year. The 2022/23 budget was £11,550k, covering both operating and capital expenditure. Actual spend in the year was £11,427k, 1.1% below budget.

Savings made in the year were driven by two factors:

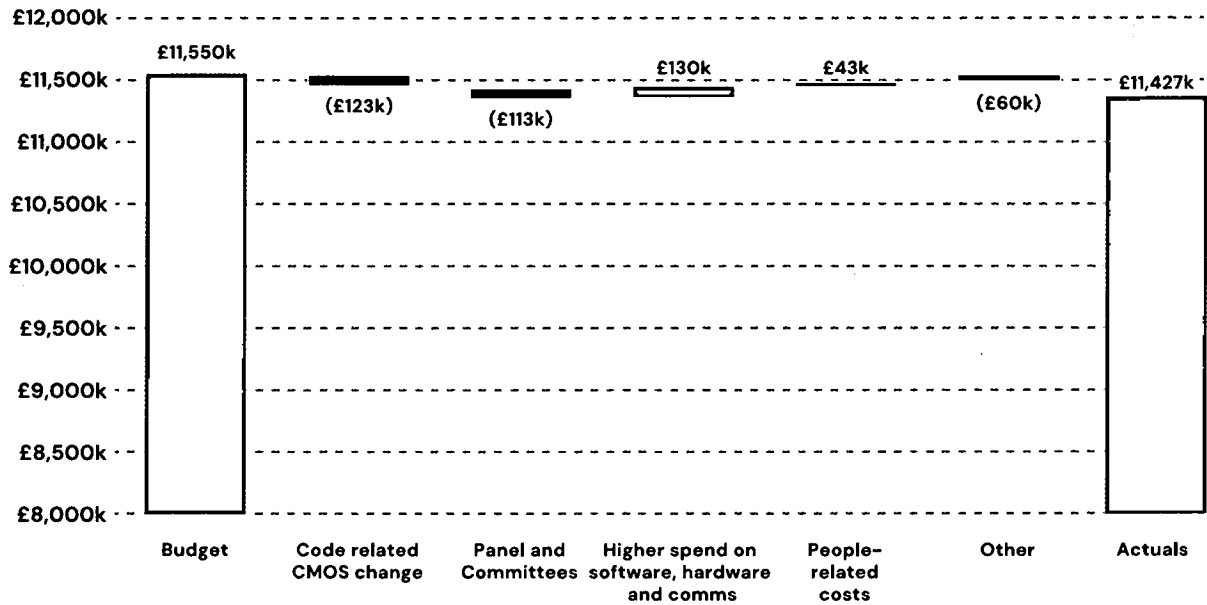
- **Market related change (actual spend £377k, budget £500k):** Fewer code changes required implementation into the central system, CMOS, in 2022/23. This was partially offset by the cost of retaining a core team at CGI (our technology partner) between the completion of phase 6 of the Bilaterals hub in November 2022 and the approval by members for subsequent phases.
- **Panel and Committee costs (actual spend £194k, budget £307k):** These costs cover the fees paid to the independent Strategic Panel and committee members, including expenses, and venue hire for meetings. Savings to budget were driven by lower costs for change sub-groups, fewer Disputes Committee meetings held than budgeted for, and the Strategic User Forum being disbanded due to the Strategic Panel being established and covering the forum's previous remit.

The savings were offset by increased costs in two key areas:

- **Software, hardware, and communications (actual spend £628k, budget £498k):** These costs cover software license fees, IT support services, and IT equipment. The increase above budget was driven by higher than budgeted inflationary pressures on software licences and some one-off costs of implementing the Bilaterals hub support service.
- **People related spend (actual spend £5,741k, budget £5,698k):** People-related costs account for 50% of our annual spend. The increase compared to budget was driven by a 3% pay rise awarded to colleagues compared to the budget of 2%, reflecting inflationary pressures and market conditions. In addition, cost of living payments of between £600 and £1000 were paid to some team members to support them during the cost-of-living crisis.

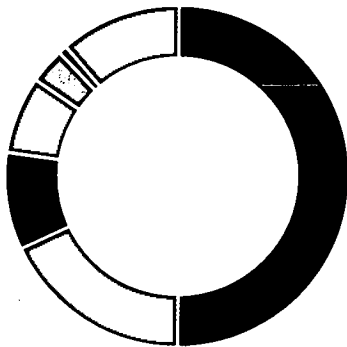


Full Year Budget versus Full Year Actuals



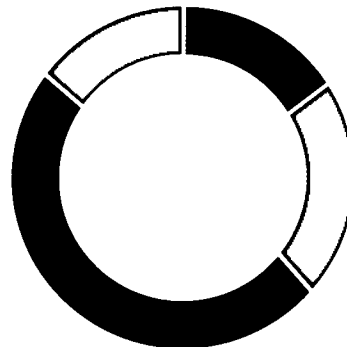
Analysis of spend for 2022/23

'Costs by category'



- People-related costs
- Core system maintainance
- Bilaterals
- Other improvement programmes
- Change
- Market audit
- Other overheads

'Other overheads breakdown'



- Panel and Committees
- Professional services
- Software, hardware, comms
- Rent, rates, facilities

Business Performance:

Spending

Other key cost components

Core systems maintenance (actual spend £2,038k, budget £2,047k)

These costs relate to the upkeep of CMOS and the Bilaterals hub which are critical to the on going functioning of the market. These costs account for 18% of our annual spend.

Improvement programmes (actual spend £1,897k, budget £1,875k)

The Bilateral Transactions Programme spend was £1,061k, a £51k increase on budget as a result of additional functionality as per trading parties' request, for example, the Service Level Agreement (SLA) engine.

MOSL's other key improvement programmes: Market Performance Framework (MPF) Reform, Strategic Metering Review, CMOS Modernisation and Data Insight, were delivered for £29k less than budget with 100 per cent completion of our business plan commitments. Savings across these programmes enabled £80k of spend on the Central Data Cleanse use case and proof of concept which was not in the budget. Further detail by programme is provided in our [quarterly reporting](#).

Professional services (actual spend £272k, budget £274k)

The largest costs in this area are for insurances (£52k), external legal support (£50k), cyber security consultancy (£33k), and the statutory audit (£32k). We continue to challenge the use of third-party professional services, by building our internal capability and reducing our reliance on third-party support. Professional services are only used when there is a clear business case to do so.

Market audit (actual spend £83k, budget £130k)

The market audit covers the audit of trading party compliance in selected areas of higher risk as well as assurance over MOSL's own compliance with the market codes and the efficient running of the settlement engine.

The savings in market audit costs are a result of our commitment to increasing our internal audit capability, which has enabled more trading party audits to be conducted in-house.

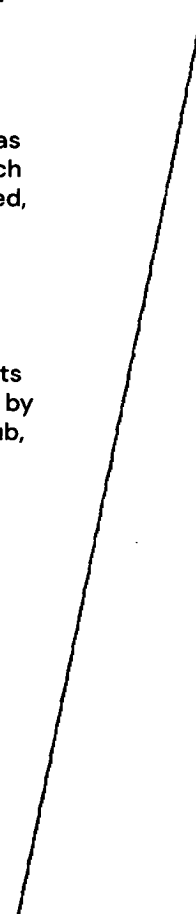
Total spend vs last year

Actual spend in the year was £371k (3%) above last year, with four key drivers.

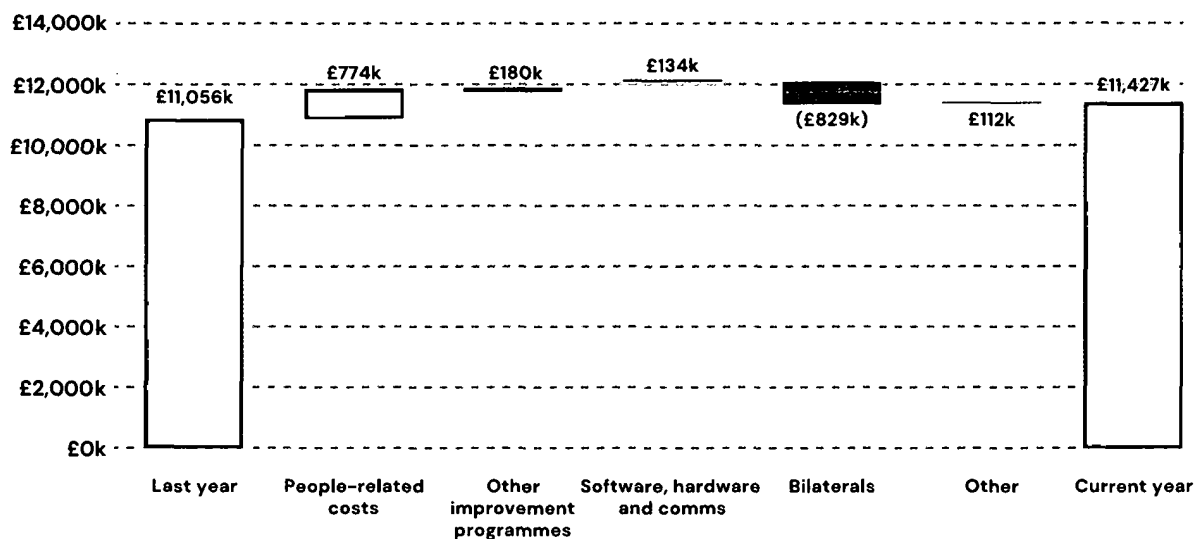
People-related costs were the largest driver of increased spend rising by £774k (16%) year on year. In addition to the pay rises outlined above, the increase in spend was driven by a lower level of employee turnover and targeted new roles within internal and market audit, project management and Strategic Panel administrative support.

The largest decrease in spend year on year was on the Bilateral Transactions Programme, which reduced by £829k. As this programme matured, the focus moved to other improvement programmes such as the MPF Reform and Strategic Metering Review which saw a combined £180k increase year on year.

Software, hardware, and communications costs increased by £134k (27%) year on year, driven by increased server costs to run the Bilaterals hub, new project management software tools and inflationary pressures.



Full year actual costs for 2022/23 versus prior year



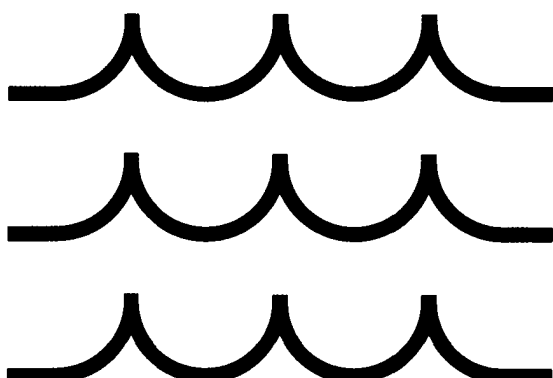
Financial Overview

Statutory Presentation

MOSL's budget is presented to trading parties for approval on a cash basis, including all costs to be incurred in the year, both operating expenditure and spend on tangible and intangible fixed assets. It does not include depreciation or amortisation.

The annual financial statements are prepared on a statutory basis under Financial Reporting Standard 102 (FRS 102). A number of adjustments are required to convert spend from the format used in the budget to that required by FRS 102. These are set out in the table below.

	Operating expenditure £'000	Tangible fixed assets £'000	Intangible fixed assets £'000
Actual spend – on cash basis (same basis as budget)	11,427	-	-
Reclassify spend as 'Capital spend' for statutory accounts	(1,599)	22	1,577
Include depreciation on tangible fixed assets (statutory accounts only)	150	(150)	-
Include amortisation of intangible fixed assets (statutory accounts only)	1,772	-	(1,772)
Total	11,750	(128)	(195)
	As per income statement – operating expenditure for the year	As per note 11 – equals change in net book value for the year	As per note 12 – equals change in net book value for the year



Sources of income and charges collected/distributed

Market Operator (MO) charges

MO charges provide funding for MOSL to spend in line with its approved annual budget, as set out in Section 10 of the Market Arrangements Code (MAC). 50% are borne by wholesaler members and 50% by retailer members. The charges are invoiced to individual members based on their market share and totaled £11,400k for 2022/23 (2021/22: £11,075k).

Additional Service (AS) charges

We charge our members for additional services such as Unplanned Settlement Runs (USRs) in accordance with a published price list. In 2022/23 AS charges totaled £268k (2021/22: £216k). The charges are set at a level to cover the additional costs of providing such services and are reviewed annually. The charge for each USR for the year ended 31 March 2023 was unchanged on the prior year rate, at £350 per run.

Market Performance charges

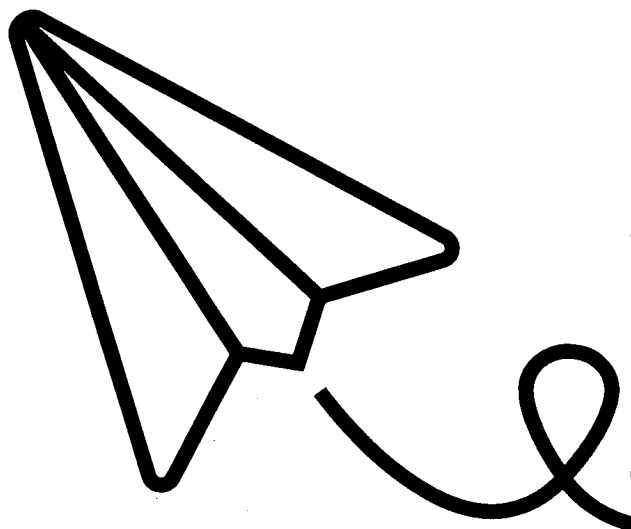
These charges are calculated and levied in respect of underperformance by trading parties against Market Performance Standards (MPS) and Operational Performance Standards (OPS). They are billed monthly and collected by MOSL but are not used to fund MOSL's operating activities. Performance charges for 2022/23 were £2,927k (2021/22: £3,028k). The year-on-year reduction reflects improved performance from trading parties, in particular in respect of MPS charges.

Performance charges may be utilised to fund market improvement projects, subject to the approval of the Strategic Panel.

During 2021/22, a Market Improvement Fund (MIF) was established to facilitate the funding of such projects. Bids are assessed by an independent Selection Committee before being ratified by the Strategic Panel.

To date, there have been two funding rounds, with bids received in September 2021 and March 2022. A total of £1,572k of funding has been approved for 15 successful bids of which £1,109k has been paid and a further £100k has been invoiced by the relevant projects as at 31 March 2023. The remainder is shown as a liability to members.

All remaining performance charges which have not been awarded to MIF projects will be redistributed to members within six months of the end of the financial year, in accordance with the formula set out in Section 9 of the MAC.



Financial Overview

Statutory Presentation

Utilisation of surplus

The surplus generated by MOSL during the year and how this will be utilised is set out below.

Generation of surplus	£'000
Cash spend below budget	123
Additional services income (not budgeted)	268
Interest income less corporation tax charges (not budgeted)	10
Budgeted spend funded by reserves rather than MO charges (as per Business Plan)	(150)
Total surplus generated	251
Utilisation of surplus	
Transferred to reserves	50
To be redistributed to members	201
Total surplus utilised	251

The redistribution to members of £201k will take place in July 2023, as detailed below. This has been recognised as a liability as at the year end and shown as a deduction in arriving at net revenue.

The net profit disclosed in these financial statements is £50k – the £251k surplus noted above, less the £201k which will be returned to members after year end.

Redistribution of surplus

The redistribution of the surplus for 2022/23 will be allocated to each member in the same proportion that they were charged, having taken account any final reallocation adjustments as follows:

- Adjustment relating to MOSL relocation to Southampton – ensuring that the costs of relocation borne by members at the time is reallocated to reflect members' market share over the following five years – see prior year Annual Reports for further details.
- Updating the primary charges used in the calculation to attribute costs to individual retailers to take account of unplanned R1 settlement runs which (depending on the timing of the original run) may not have been included in the original calculation of MO charges.
- Updating the reallocation of MO charges by month based on the actual number of days in each month in accordance with the MAC.

There is no impact on the Company's finances from the above adjustments, as they simply reallocate costs between members.

The nature of the adjustments is consistent with those applied in 2021/22, when the maximum adjustment was 5% of any trading parties' total invoiced MO charges for the year.

Cash and liquidity

MOSL held cash of £6,523k as at 31 March 2023 (31 March 2022: £5,674k), consisting of:

Cash as at 31 March 2023	£'000
To be redistributed to members in July 2023	201
Performance charges collected from members	2,847
Retained as long-term reserves	1,200
Negative working capital	2,275
Cash as at 31 March 2023	6,523

Reserves

MOSL held reserves of £1,150k as at 31 March 2022. A further £50k will be retained from the surplus generated during the year ended 31 March 2023. This total of £1,200k will be retained for the longer term to maintain adequate liquidity, in line with the Board-approved Reserves Policy.

This level of reserves, together with typical negative working capital levels, is considered to provide an appropriate level of liquidity in the form of cash for MOSL to be able to manage unexpected shocks to income collected or costs incurred.

See section on Going Concern within the [Directors' Report](#) for more information.

Market Audit and Assurance

Overview

The purpose of the market audit is to provide a level of assurance that both MOSL and trading parties are operating in accordance with their obligations under the market code.

Market Operator Compliance

MOSL is required to self-assess its compliance and report findings and actions to the Market Performance Committee (MPC), as a Strategic Panel sub-group, on a quarterly basis.

In 2022/23 we completed the development of our Compliance Framework; a framework which maps out core processes relating to our obligations and identifies any material risk in these processes not operating as required. This framework enables us to ensure controls are designed appropriately and identify and review opportunities for improvement.

This year we also started carrying out internal audits against the framework. Six internal audits have taken place in 2022/23. The audits have identified some areas of weakness in addition to opportunities to strengthen controls based on their risk level. We are pleased with the value that internal audits are already bringing, helping our teams to reduce risks.

The total number of instances of non-compliance at the end of this year was reported as three, including one uncovered through an internal audit. This compares to the more than 1,000 separate obligations that MOSL has under the market codes. All three are rated as low risk, with clear actions to close all non-compliance. Each area and relevant actions are reviewed with the Market Performance Committee.

The first instance relates to not applying interest on late payments of MO Charges, for which a revised process has now been put in place. The second instance relates to a long standing non-compliance relating to data escrow, which we will be seeking to resolve through an appropriate code change in 2023/24.

The final instance of non-compliance relates to the accuracy of MOSL's calculation of performance and charges against Market Performance Standards (MPS). This was identified following a number of challenges raised by a trading party. These challenges are being investigated. However, at this stage, based on the work performed to date, MOSL does not consider that there is sufficient evidence of any material error in MPS calculations which would require a suspension in related charges or performance reporting. This matter was noted at Market Performance Committee meeting 72 and further information can be found in the [related paper](#) that was tabled.

MOSL's compliance is subject to annual assurance by the independent third-party auditor, PwC, with the findings reported to the MPC and MOSL's Audit and Risk Committee (ARC). The scope of the audit this year focused on MOSL's internal assurance framework with an independent review of the internal audits undertaken by the in-house team. The internal audits were Settlement Assurance, MO Invoicing, Market Improvement Fund, Bilaterals Programme Assurance and MPS reporting. PwC in addition carried out a review of change management controls for CMOS.

The auditors identified seven findings, two of which were categorised as medium, two low and three advisory. The two medium priorities related to the underpinning methodology for the internal Audit work and clarity on the basis for audit opinion and ratings.

The high-risk rating from 2021/22 relating to the lack of maturity of the Compliance Framework was closed.

The independent report is published on the [MOSL website](#).

As this is the first year that MOSL has implemented an internal audit approach the findings from PwC are welcome and we will be delivering the recommendations within the first half of 2023/24 in order to improve what has been a successful year of implementing and testing our Compliance Framework.



MOSL also assesses its compliance with its Articles of Association and with the Companies Act 2006 where applicable. No instances of non-compliance have been identified.

Assurance over Settlement

MOSL is responsible for the smooth running and maintenance of the market's central settlement engine, known as CMOS, which is operated by our third-party technology partner, CGI.

PwC performs assurance testing over the settlement engine as part of their wider testing over MOSL's own compliance. This testing includes an assessment of settlement calculation related controls, including the change control process within CMOS, and the work carried out by MOSL's own internal audit function.

PwC did not raise any issues or exceptions from their review of the CMOS Change Management process.

As MOSL's compliance framework has been strengthened, we have been able to reduce the nature and amount of audit work required by PwC, thereby reducing the cost of assurance for trading parties.

Trading Party audit and assurance activity

As part of the market audit, MOSL carries out targeted risk-based audits and reviews on selected trading parties in line with a programme of work reviewed and agreed by the Market Performance Committee (MPC). These enable us to assess the compliance of trading parties with aspects of the market codes and provide recommendations on how to rectify any gaps in processes, performance and/or compliance. They also provide insight on the design and operation of the market processes, the quality of the data and supporting information over a range of defined processes.

Below is an overview of the work completed in 2022/23:

- **Wholesaler data completeness audit:** This audit focused on the completeness and consistency of the meter and site data, between wholesalers' own systems and the data held in CMOS. This provides assurance that CMOS data used by retailers for meter reading purposes is in line with wholesalers' own data sources and regularly updated.
- **Transfer behaviours audit:** This audit focused on the processes surrounding the transfer of customers, ensuring customers have a smooth and seamless transition between retailers when they choose to switch.
- **Non-market meter performance audit:** This audit focused on wholesalers performing poorly against the non-market meter performance tasks. Strong performance in this area is important as it enables retailers to correctly bill customers.

The Transfer Behaviours and Non-Market Meter audits were conducted as "Letters of Enquiry", with selected trading parties contacted about their processes and performance where data indicated potential differences in activity across the market when compared to market average. The findings of these two audits have been passed to the Metering Committee to support two Quick Start Projects (QSPs) that are underway. In addition, the Transfer Behavior audit highlighted potential non-conformities with the Ofwat Customer Code of Practice. Audit findings have been passed to both Ofwat and CCW to review and take forward, as required.

All audit findings are reviewed by the MPC and published on the MOSL Website. Further information on all of the audits conducted can be found [here](#).

People and Culture

In 2022/23 we have focused on providing support for our colleagues, in the broadest sense, during the national cost-of-living crisis to ensure they are able to be their best selves at work.

We have also focused on building the capability of our teams and ensuring all colleagues have the right tools, skills, and information to do their jobs to the best of their ability.



Cultivating a supportive work environment

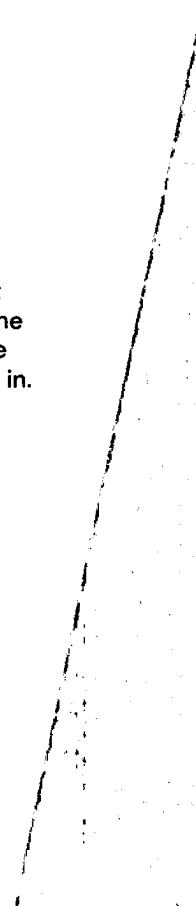
All organisations will have faced the same challenge of how best to support their people during a year of high inflation, economic uncertainty, and the challenging impacts on our cost of living. MOSL has worked hard to continue to cultivate an environment in which colleagues feel safe, supported, and valued in the work they do.

We continue to have a high Employee Net Promotor Score (eNPS) with a rolling average across the year of 53 which is within the range of 30-70 considered 'Great' as a typical company benchmark. In our new WeThrive survey, which we issued in February 2023, and which focused on Diversity, Equity, Equality and Inclusion, we received a score of 89% which is considered to be very high against typical benchmarks.

We have also continued to support our colleague-led groups and committees and introduced a new Young Person's Network to enable our younger team members to come together, connect and 'Reverse Mentor' more senior members of MOSL.

The network also provides us with the opportunity to understand more about the expectations of younger people joining the workforce, their motivations and what they want in an employer. This will enable us to put in place improvements to attract and retain the next generation of colleagues – promoting the water industry as an attractive sector to work in.

Our other committees have also been busy leading on different areas across MOSL.

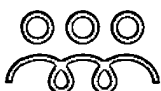


Key highlights include:



Diversity Society: Our Diversity Society has developed a toolkit to support colleagues and our partner organisations in having the confidence to hold effective conversations on diversity and inclusion.

The society has also organised a series of internal webinars focused on diversity and inclusion, and created a successful EDI blog series, inviting guest authors from across the water industry to share their experience of EDI in the water industry.



Social Committee: Our Social Committee has organised a series of social events to support colleagues in getting to know one another in an increasingly hybrid working world.

These events have included boardgame nights and quizzes both in person and virtually.



Green Team: Our Green Team has created its strategy for 2023/24 and has set out its commitments in MOSL's first Sustainability Plan ([see the Corporate Social Responsibility section for more information](#)).



People and Culture

Building the capability of our team

In addition to continuing to build skills and capability through training courses and mentoring, this year we also introduced a schedule of visits with our trading party members to support our induction and ongoing training focused on the wider water industry.

These visits will be organised annually and have been designed to showcase different areas of the industry, such as meter reading services, customer service teams and water and wastewater treatment. As a data organisation MOSL provides colleagues with a central view of the non-household market, without interaction with customers or operational teams.

These visits complement our existing foundational training, giving colleagues greater exposure to how the water industry works and the unique challenges our members face, including environmental challenges such as water scarcity.

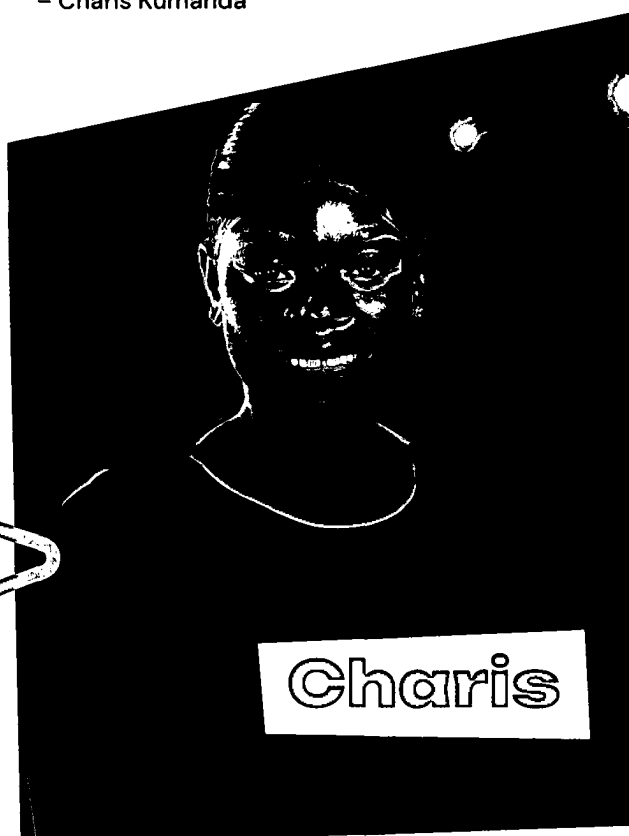
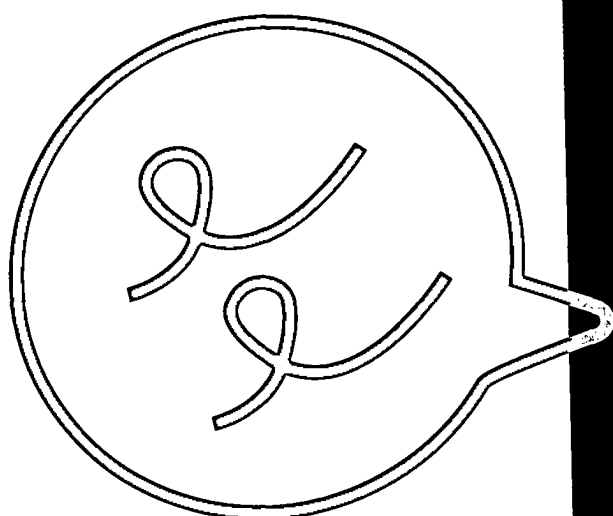
During 2022/23 we organised visits to three trading parties, including Waterscan (retailer managing self supply), Water2Business (retailer) and Anglian Water (wholesaler) with more visits planned in 2023/24.

Here is what our colleagues had to say about these visits:

“The visit to Waterscan was very insightful and informative. I am still learning about the water industry and listening to some experts in the field was very interesting.

I learnt how Waterscan communicates with its customers, what the day to day looks like and heard from Meter Read Engineers about their daily routine”

– Charis Kumanda



“Our visit to Water2Business offered a comprehensive overview of the inner workings of a water industry retailer.

We gained valuable insights into the company’s financial operations, observed front-line customer interactions, and witnessed first-hand the practical application of our software, particularly the Bilaterals hub, in real-world scenarios.

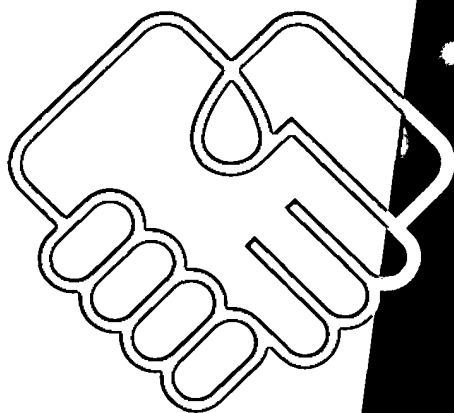
As a newcomer to the industry, this visit was incredibly beneficial and well worth the experience.”

– Andrew Stagg

“So often in my job, I think about the industry and concepts like water treatment in the abstract, so it was an eye-opening experience to see what that looks like on the ground.

But most of all, I really appreciated meeting the lovely team at Anglian Water and learning from all they have to say.”

– Luke Coyle



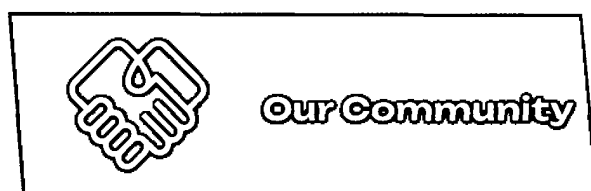
Corporate Social Responsibility

Sustainability Plan

In last year's Annual Report, we set out our commitment to develop a plan for sustainability by bringing work together in one place – this included the work of our Green Team, Diversity Society, Mental Health First Aiders, and our Data team.

We started our sustainability journey by leading workshops with our colleagues on what they would like us to focus on around sustainability – recognising that sustainability is increasingly important in the context of the environmental challenges we face as a sector.

Using feedback from these workshops we aligned the common themes identified by colleagues into four key areas:



Looking at what these building blocks meant for us as a small organisation, we began shaping these into meaningful commitments.

Recognising that we may need to lean on experts to support this work, we became members of the Business in the Community (BITC) in April 2022 – the oldest and largest business-led membership organisation dedicated to responsible business.

We joined BITC in order to benchmark where we were on our sustainability journey and provide us with a framework to implement appropriate actions aligned to the United Nations (UN) 17 Sustainable Development Goals (SDGs).

After becoming members, we completed the Responsible Business Tracker diagnosis which assessed every part of our sustainability activities against Business in the Community's Gold Standard. Using the results from BITC's diagnostic tools, we have identified our priorities for the first year of our plan, which will set us on the right track to becoming a recognised responsible business by 2030.

In March 2023, we officially launched our first Sustainability Plan as the culmination of this work.

The overarching theme of our plan centres on "making a positive impact, inspiring positive action, and empowering positive change".

As a small, not-for-profit organisation, we know we need to prioritise where our resources and efforts are best applied. Using the BITC's benchmark and recommendations, we have set clear annual targets and we will introduce more sustainable ways of doing business as we learn.

We will also encourage our colleagues, members, and stakeholders to make changes in their own lives and organisations, sharing best practice and learning as well.

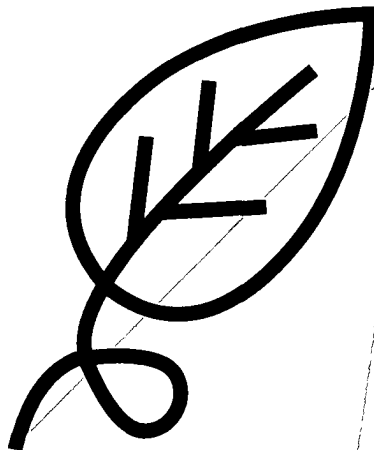
“Making a positive impact, inspiring positive action, and empowering positive change.”

The plan sets out our twelve commitments and key areas of work for 2023/24 through the four building blocks above. Over the course of the year, we will track our progress against these commitments and evolve the plan as we continue to learn and embed ways of working.

Some of our successes in 2022/23 include:

- **Mental Health First Aid training:** We offered MHFA training to all colleagues. In total, 12 colleagues have been trained as certified MHFAs representing 15% of the organisation. A further 27 have undertaken Mental Health Awareness Training.
- **MOSL EDI blog series:** Led by MOSL's Diversity Society Chair, we started the EDI blog series, inviting colleagues and companies from across the water sector to write blogs, raise awareness and share their experiences of diversity and inclusion.
- **Recite Me:** As a first stage in our website accessibility journey, we implemented an accessibility toolbar on our website.
- **Volunteering:** Following colleague feedback from the sustainability workshop held in March 2022, we organised a group beach clean, as part of the National Beach Clean Week, the first group volunteer day held by MOSL. We removed 13kg of microplastics from National Trust's East Head beach, West Wittering in West Sussex.
- **Reusing IT equipment:** We offered colleagues the opportunity to buy IT equipment as this equipment was replaced. This resulted in 70 laptops and 50 mobile phones being reused, supported by donations to WaterAid.
- **Women's Utilities Network:** We became the first not-for-profit member of the Women's Utilities Network (WUN) paving the way for other charity and not-for-profit organisations to get access to the benefits of WUN in providing a safe space for networking and personal development.

Our full sustainability plan can be accessed [here](#).



Corporate Social Responsibility

Supporting evidence-based decision making

Whilst our Sustainability Plan takes a holistic approach to sustainability – including wellbeing, training and development and our community relationships – we will also continue our activities to support the wider industry in achieving its environmental targets.

As we reported in last year's Annual Report, this includes the data insight we provide to the market in the form of dashboards and maps to support water demand reduction; drought management and carbon emissions associated with water usage.

As Data Insight moved from a business plan improvement programme to business-as-usual activities, this work will now be progressed as part of the 'Our Industry' section of our Sustainability Plan.

The sharing of this data with our members and the wider industry can help identify opportunities for water saving to contribute towards wider water scarcity challenges. It can also help make the case for investing in alternative solutions to reduce the use of potable water such as greywater recycling.

As market operator, we have a duty of care not only to our members and business customers, but also to our environment and in working to protect our precious water supply.

The way in which businesses use water is much more diverse than for households. 90% of non-household customers use water for the same purposes as household customers – for taps and toilets. And 80% of customers in the market use the same or less water than the average household.

There are also industrial users, who use very large quantities of water with the top 1% of customers accounting for around 50% of consumption in the market. There is both a need and an opportunity for the industry to work together to better understand the way in which business customers use water and influence important changes in behaviour to help reduce consumption.

This year we have taken a proactive role in providing insight and looking to inform the debate around water efficiency and reducing water demand.

This has included our responses to regulatory reviews and the publication of key reports that identify strong business cases for the investment in smart metering and improving the quality of market data.

Our responses included:

- **PR24 Methodology:** Ofwat's draft methodology for the 2024 price review (PR24) which will inform the funding and incentives for wholesalers during the 2025-30 period. We set out three key message for Ofwat's consideration, including work being needed to establish a business case for the proposed BR-MeX; the recommendation to develop an enhanced metering strategy for both household and non-household (NHH) customers and; the need to ensure an appropriate focus on reducing both household and NHH demand.
- **Retail Exit Code (REC) review:** The REC sets price caps with an aim to protect non-household (NHH) customers who have not switched retailer or renegotiated their contract since the market opened in 2017 and remain on default tariffs.

Having considered a range of evidence and analysis on the supply side, including a report MOSL commissioned by Economic Insight (EI), we considered the most likely explanation that the market is not currently working is an insufficient profit motive for retailers to compete, as a result of the REC price caps being set too tightly. We set out our concern that the proposals do not help mitigate, and could increase, the risk of customers being stranded should a large regional incumbent retailer fail.

- **Draft Water Resource Management Plans (WRMPs):** WRMPs set out how water companies intend to achieve a secure supply of water for customers and a protected and enhanced environment. Having reviewed all water companies' draft plans and the best-value regional plans, we set out our concern that they do not consider the needs and potential of the non-household market sufficiently. We set out what we'd like to see in final WRMPs later this year, including clear recognition of the size and importance of the non-household market and the role it has to play to deliver Defra's target to reduce non-household demand by nine percent by 2038.

As we deliver the commitments of our Sustainability Plan and undertake work to develop our next three strategy, we will continue to have an active voice in the debates around water saving and will explore our role in influencing decisions around policy and wider regulation.



Risks and Uncertainties

As market operator, how we manage risk is embedded in how we operate. Risks and issues are logged and managed at both a departmental and corporate level. The corporate level risks are owned by members of the Senior Leadership Team and reviewed quarterly by the team. Risk review is a standing item at MOSL's Audit and Risk Committee meetings and reviewed annually by the MOSL Board.

MOSL currently holds thirteen risks on its corporate risk register; two are rated as 'high' risk, two as 'medium', five as 'moderate', and four are rated as 'low' risk.

Movements in the year

Both Trading Party Failure and Security Vulnerability remain the highest risks to MOSL. Due to the current economic and operating environment, the risk rating has remained unchanged, but we continue to implement actions to mitigate their impact, as noted below.

We have reduced the rating for the People risk, moving this from moderate back into low risk. This is on the basis that we have implemented all of the actions that we proposed to both support colleagues during an economically challenging year and ensuring continuity plans are in place if, and when, colleagues leave MOSL.

We also saw a reduction in risk score for our Compliance and Governance risk. This was based on the maturing of our compliance framework and the introduction of our internal audit framework, which was audited by PwC.

Security Vulnerability

MOSL has continued to improve its Cyber Security posture, with improvements to people, process, and technology to keep pace with the ever-developing threat. Notable improvements this year include:

- Cyber security updates as a standing item to the Digital and Data Committee (D&DCo).
- Monthly reports on blocked threats, patch management, anti-spam filter, malware reports, phishing/spear attacks.
- Outputs and actions of penetration tests, summary reports from the managed Cyber Security Operations Centre (CSOC).
- Integrated Managed Assurance Service providing mandatory online security awareness training for all colleagues.
- Email phishing campaigns to assess the level of risk posed by MOSL's employees and dark web monitoring for the availability of compromised MOSL usernames and passwords.

MOSL has also implemented, with our security partner, vulnerability scanning to provide a continuous view of the security and compliance posture of all MOSL devices and Azure infrastructure, where reports are produced weekly identifying vulnerabilities, and continuous remediation action is taken to eliminate them.

Having made a series of improvements over the last 24 months, MOSL has reassessed its Security Maturity against the ISO27001 standard. This has evidenced material improvement in the majority of areas and has informed a roadmap of further improvements for 2023/24.

These include an intelligent threat surface assessment to inform the appropriate target maturity for MOSL and the development and publication of a formal Security Incident Response Policy (SIRP), complementing our business continuity management system.

Trading Party Failure

The potential for a trading party to fail and exit the market is a common feature of markets, including the non-household water market. Where this is the case, it is important that robust arrangements are in place to protect customers and promote a well-functioning market.

The current interim supply arrangements are voluntary, which means that unless a retailer chooses to 'opt in' to supply customers of a failed retailer, Ofwat cannot currently direct retailers to act as a supplier of last resort for these customers. There are a range of risk factors which could reduce or remove the incentives for retailers to want to take on customers, in particular in the event of a larger retailer failing, with increased risks in the transition and financial implications. This could lead to stranded customers for whom no retailer is willing to supply services.

MOSL and Ofwat have formed a joint programme team to consider these risk factors and implement appropriate mitigations. Such mitigations are intended to complement any longer-term legislative changes which may take place to provide improved protection for customers.

The mitigations being developed include:

- **Developing options for a cost recovery process:** this includes an assessment of options around how reasonable and efficient incremental costs could be assessed, the timing of when these could be agreed and how any recompense would be funded. A Call for Inputs is being published by Ofwat on this area in June 2023.
- **Recovery of customer billing data:** a code change is being developed for a new requirement for retailers to submit key customer data into a central hub, on a regular basis, so that this is available for an incoming retailer if otherwise not recoverable.
- **Assessing risks around customer credit balances in the event of a large retailer failure:** as part of wider review of Customer Protection Code of Practice (CPCoP) taking place in Spring 2023.
- **Enhancing the monitoring of retailer resilience and risk of failure to provide improved early warning:** actions include the development of a dashboard of relevant risk indicators, increased joint reviews by MOSL and Ofwat and enhanced requirements as part of Ofwat's annual Certificate of Adequacy submissions.
- **Consideration of cross-border risks with the Scottish NHH market:** actions including updating regular communication with both WICS and CMA bodies in Scotland to ensure joint understanding of processes around risks in this area, how issues in one market could affect the other, and any opportunities to ensure actions are complementary.

Regular updates on the programme of work are provided to the Strategic Panel.

Risks and Uncertainties

Managing risk

The table below provides details of how we manage our principle risks:

↔ No Change to Risk rating in the year


Trading Party Failure

Risk	Internal Controls	Oversight Forums:
A major retailer fails in the market, alternative retailers cannot be allocated leading to stranded customers	Clear Interim Supply Allocation (ISA) process in place	MOSL Board
	Changes to CMOS implemented in 2020 have improved market confidence in our ability to make system changes at scale, however, these changes still rely on there being retailers opted in to allocate customers to	Audit and Risk Committee
		Business Continuity Steering Group
	Building Future Resilience	Strategic Panel
	The detail on the previous page describes the future actions to address this risk	Change: ↔


Security Vulnerability

Risk	Internal Controls	Oversight Forums:
An external attack, malicious activity and/ or accidental / unintentional act, whether physical or cyber that results in a catastrophic failure of the services we provide	Appropriate Cyber Security Operating Model in place (people, process, and technology)	Data and Digital Committee
	Implementation of ISO27001 measures and controls (we will consider certification at later date)	Audit and Risk Committee
	Appropriate and scalable technology estate, validated by regular Disaster Recovery (DR) exercises	Business Continuity Steering Group
	Documented processes (e.g., capacity management, performance monitoring and incident response)	Change: ↔
	Appropriate Data Loss Prevention (DLP) technology and processes in place	
	Appropriately skilled staff (including expert third party support as required)	
	Building Future Resilience	
	Development of role-based access control (RBAC) across projects and environments	
	A tailored threat surface assessment to inform the appropriate target maturity for MOSL	
	The development and publication of a Security Incident Response Policy (SIRP)	

Market Failure

Risk	Internal Controls	Oversight Forums:
The market fails to deliver value, and the expected benefits and outcomes, which would restrict competition, increase market stagnation and ultimately lead to market failure	Appropriate Data Insight and Market Engagement programmes in place	MOSL Board
	Delivery and reporting of MOSL improvement programmes as set out in our Business Plan	Strategic Panel
	Delivery of the Bilateral Transactions Programme	Change: 
	Reform of the Market Performance Framework	
Building Future Resilience		
	Support the Strategic Panel in developing a roadmap to a flourishing market	
	Focus on identifying the value of water demand management and the role that the non-household market can play in supporting demand reduction targets	

System Resilience

Risk	Internal Controls	Oversight Forums:
Market Operator systems are unavailable/unresponsive as a result of direct or indirect, intentional or unintentional actions	Appropriate and scalable technology estate, validated by regular disaster recovery (DR) exercises	Data and Digital Committee
	Documented processes (e.g., capacity management, performance monitoring and incident response)	Business Continuity Steering Group
	Appropriate Data Loss Prevention (DLP) technology and processes in place	Change: 
	Appropriately skilled staff (including expert third party support as required)	
Building Future Resilience		
	The rehost of CMOS to Microsoft Azure and subsequent decomposition of key functions will provide the ability to reprioritise the recovery of critical components in the event of catastrophic failure of data centre(s).	

Our moderate risks are:

- Failure to govern the market effectively
- Failure to develop the market effectively
- Fraud prevention
- Incorrect charge calculations

Outlook

MOSL's 2023–26 Business Plan was approved by members on 23 February 2023. The plan sets out how MOSL will deliver high-quality and reliable core services, as well as a suite of improvement programmes designed to resolve frictions and drive value in the market.

Our budget for 2023/24 for total expenditure and Market Operator (MO) charges is £12,150k – an annual increase which remains below the current levels of inflation.

In setting out our plan we recognised the ongoing cost pressures on our members and the need to be efficient, affordable and prioritise what we do. Our relentless focus on driving efficiency extends to how we deliver our improvement programmes, and the outcomes we are seeking to achieve – for the non-household market to deliver better outcomes for all its customers and the environment.

As well as responding to the economic conditions in which we are operating, we also need to look at the environmental landscape. The prolonged and intense droughts we experienced in summer 2022 were a warning – we are running out of water.

As we head into 2023/24 the threat of climate change and water scarcity has not retreated. Any ebbs we see do not lessen the threat, but dangerously, have the potential to provide us with a false sense of security about the challenge ahead.

As we look this year to define our next three-year strategy for 2024–27, we must take account of our environment and the role the non-household market can play in tackling climate issues.

At the heart of our business plan, and the commonality between our improvement programmes, is the need for better data. The more we understand how, when, where and why business customers are using water, the

greater the potential for us to reduce demand. Importantly, this commitment to unlocking the potential for the market to deliver water efficiency for its customers will not distract us from delivering our services to our members, but will enable us to improve these services, whilst acting in the best interests of customers and the environment.

We have achieved a lot in 2022/23 and I look forward to building our close working relationship with our members and stakeholders as we take important steps forward in driving significant change.

This Strategic Report was approved by the Board and signed on its behalf.



Dr Sarah McMath, CEO
5 June 2023

Directors' Report

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

The Directors who have served during the year are:

Anne Heal (Chair)

Dr Sarah McMath (CEO)

Dr Simon Orebi Gann
(Independent Non-Executive Director
and Senior Independent Director)

Hunada Nouss OBE (Independent Non-Executive Director)

Dr Philip Marsden (Independent Non-Executive Director, resigned on 31 March 2023)

Lucy Darch (Non-Executive Director elected by Associated Retailer members)

Johanna Dow (Non-Executive Director elected by Unassociated Retailer members)

Paul Stelfox (Non-Executive Director elected by Wholesaler members, appointed 17 September 2022)

Donnchadh 'Don' Maher (Non-Executive Director elected by Wholesaler members, resigned 17 September 2022)

Future outlook

Future developments in the business of the Company are disclosed in the Outlook section of the Strategic Report.

Financial risk management objectives and policies

The Directors have considered the Company's exposures to financial risk. Price risk is considered very low as our annual budget and related Market Operator charges are approved by our members each year in advance. Cash flow risk is also considered very low as Market Operator charges are billed monthly in advance across all trading parties and our costs are relatively stable and predictable. Our credit and liquidity risks are considered in detail within the Going Concern section, later in this report.

Our approach to identifying and managing risks across our business is set out within the Risks and Uncertainties section of the Strategic Report.

Directors' Report



Anne Heal
Chair of the Board

Anne joined MOSL in January 2020 as an Independent Non-Executive Director and took on the role of Chair in September 2020. Anne is an experienced non-executive director and chair. In her executive career, Anne held a number of senior roles in BT, including Director of Regulatory Affairs for BT Group, leading the regulatory negotiations that led to the creation of Openreach, where she then became Managing Director of Strategy. On leaving BT she chaired the Thames Water Customer Challenge Group during PR19.



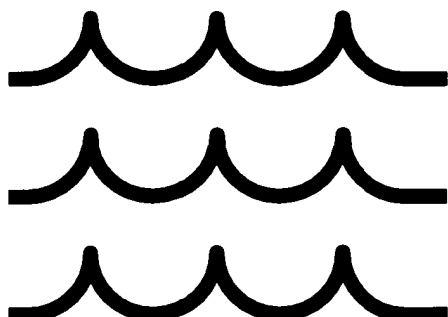
Dr Sarah McMath
Chief Executive Officer

Sarah joined MOSL as Chief Executive in June 2019. Sarah was previously Managing Director of Water at Thames Water, before becoming Managing Director of Strategic Planning and Investment in April 2018. Sarah is a member of the Digital and Data Committee and Nomination Committee and attends the Remuneration Committee and Audit and Risk Committee. She was appointed Chair of the UK Water Efficiency Strategy Group in September 2022 and serves as President of the Institute of Water's South East Area Committee. She also sits on the Board of Trustees for the National Oceanography Centre.



Dr Simon Orebi Gann
Senior Independent Non-Executive Director,
Chairman of the Digital and Data Committee

Simon joined MOSL in March 2018 and the Board reappointed him to serve for a second three-year term from March 2021. He has more than 30 years of executive management experience in Information Technology and strategic management and nearly 20 years' experience serving on private and public boards as a non-executive director. He is also an independent member of the Government's Major Projects Advisory Board.





Hunada Nouss OBE
Independent Non-Executive Director,
Chair of the Audit and Risk Committee

Hunada joined the Board in November 2020 and is Chair of the Audit and Risk Committee. Hunada is an accomplished finance and business leader and Chartered Accountant with experience across the private and public sectors. She is currently a non-executive director for a range of organisations, supporting change and organisational performance. Her work includes Board and Audit Chair roles for the Met Office and the Education and Skills Funding Agency. Hunada was awarded an OBE for public service in the 2020 New Year's Honours list.



Lucy Darch
Non-Executive Director – elected by associated retailer members

Lucy was elected to the Board in September 2020. She was Managing Director of NWG Business, before being appointed CEO of Wave Utilities in September 2017. She has over 25 years' experience in the utilities sector. As an experienced business leader, she has held a number of senior leadership roles across gas, electricity and water at Enron Direct, uSwitch and British Gas Business and has vast knowledge of new entrant start-ups, business development and digital delivery across utilities. Lucy is a member of the Remuneration and Nomination Committees.



Jo Dow
Non-Executive Director – elected by unassociated retailer members

Jo joined the Board in September 2021. She has been the CEO at Business Stream since October 2014. She has over 15 years' experience of operating in a competitive retail water market, initially in the Scottish market and then more recently in the English market where Business Stream have been active since 2012. Jo holds a number of senior roles on industry stakeholder forums. In January 2020, she was appointed as a Non-Executive Director on the Board of the Central Market Agency (the Market Operator in Scotland) and is also a member of the Audit and Risk Committee.



Paul Stelfox
Non-Executive Director – elected by wholesaler members

Paul joined the Board in September 2022. Paul is an experienced senior leader in the water industry having worked in a variety of leadership roles across a number of customer services and operational teams at United Utilities. In his current role, Paul leads the Market Services function which gives him first-hand insight into the realities of operating in the non-household market and the opportunities that exist to create a successful market and provide excellent outcomes for business customers. Paul has been actively involved in supporting the effective operation of the retail market and has led on a number of important market code changes including the introduction of gap site and vacancy incentive schemes into the market codes. Paul is a member of the Remuneration Committee.

Directors' Report

Directors' Conflicts of Interest

All directors declare any interests at the start of each meeting, where relevant to the Board discussions. The Company Secretary maintains a register of interests that is updated whenever new interests are reported and is circulated at least biannually. Conflicts of interest are managed by the Chair and the Board itself, with advice from the Company Secretary, as to whether, and the extent to which, a conflicted director should participate in any relevant discussion or vote. The three elected directors are employees of trading parties, which are members of MOSL.

All directors are required, under the Articles of Association, the Codes and their letters of appointment, to abide by strict rules of impartiality, independence and confidentiality.

Elected directors do not represent the category of membership that elected them, rather they bring insight to the MOSL Board, and must always take into account the interests of all members and other relevant stakeholders in any decisions.

Following a change to the Codes in July 2020, a summary of each Board meeting is published on the MOSL website for transparency.

Role of the Board and Division of Responsibilities

The Board comprises up to four independent non-executive directors, an independent Chair, MOSL's chief executive and three elected non-executive directors, each elected by the wholesaler, associated retailer and unassociated retailer members respectively.

The Chair's primary responsibility is the running of the Board, whereas the CEO's is the day-to-day running of the Company. The Chair, with the support of the Company Secretary and the CEO, is also responsible for the good governance of the Company.

The CEO is responsible for proposing the Company's overall strategy and its business plan, with the whole Board playing a full and constructive part in this, and ultimately approving the strategy and business plan.

Since November 2020, one of the directors also serves as the Senior Independent Director, acting as a de facto deputy to the Chair, as well as a sounding board for the other directors, our members and wider stakeholders.

The key items considered by the Board during the year were:

- The development and approval, following extensive consultation with stakeholders, of MOSL's third three-year Business Plan, including the annual budget, covering the period 2023–24.
- The approval and budget of an initial Central Data Cleanse and data quality assessment (a Business Plan improvement programme), funded solely by wholesalers.
- The establishment and development of Market Performance Framework (MPF) Reform, a major multi-year programme of work to reform the current MPF, including extensive consultation with market participants (a Business Plan improvement programme).
- Oversight of the successful launch of additional processes of the Bilaterals Transactions Hub and the decision to extend the programme beyond the Ofwat-mandated code change to include the remaining processes, thus allowing legacy wholesaler interfaces systems to be eventually decommissioned.
- Work to mitigate the risk of retailer failure in the market, working alongside Ofwat, supporting MOSL's preparedness to manage an interim supply event.

This included additional steps, including the development of a customer billing database that could be used by an incoming retailer

- MOSL responses to the price review (PR24) and Retail Exit Code (REC) review consultations, setting out our position on what changes are needed to drive a flourishing and truly competitive market.
- The constitution of MOSL, in particular its membership structure, which led to a consultation with members on whether the membership and voting structure remained fit for purpose.
- MOSL's risks and mitigations.
- MOSL's financial performance.
- The review of the CEO's objectives, performance, and remuneration.
- Approval of the Annual Report and Accounts and the reappointment of the statutory auditor.

A range of other issues were also discussed and considered, including MOSL's sustainability programme and our continued focus on diversity and inclusion in the workplace.

Board composition and effectiveness

MOSL provides secretariat and governance support to the market through the Strategic Panel, its committees and the code change process. However, it is important that MOSL's own governance arrangements are robust.

During the final quarter of 2019/20, we undertook an externally facilitated Board effectiveness review, with the findings finalised in early 2020/21. A number of recommendations were made to improve the effectiveness of MOSL's Board and the robustness of our governance processes and

these were collated into a Board agreed action plan, which was then implemented. As of 2022, all actions have been completed. This included a renewed focus on succession planning for the Senior Leadership Team.

A Board skills matrix was also introduced to ensure the Board included directors with the right breadth of skills and experience. With Philip Marsden resigning in March 2023, the Board began the process of reviewing its composition and initiated recruitment for a replacement director for Philip and for when Simon Orebi Gann's final term is due to finish in February 2024.

The Board and its committees continue to review their effectiveness at least annually and are in the process of undertaking a more formal effectiveness review during 2023/24.

As a member owned organisation, MOSL continues, under its Articles of Association, and the Market Codes, to put its annual budget (as contained in the business plan) to the member vote. Its three elected directors are nominated by, and voted into office by the members, according to membership category: wholesaler, associated retailer and unassociated retailer.

Following a member vote in November 2021, MOSL's constitution was amended such that trading parties that have been non-trading for a year (i.e., have no supply points in the market) be classed as non-voting dormant members. There are now six dormant members, out of the total of 64 members.

As mentioned above, as part of the ongoing review of MOSL's governance, we consulted on the current membership structure. Through the responses to the consultation, there was no clear consensus from members on how best to make changes to the membership. We will, however, continue a dialogue with Ofwat with the aim of revisiting the structure considering how the market, and MOSL's members, have evolved since market opening.

Directors' Report

Committees of the Board

The Board has four committees: Audit and Risk (AuditCo), Remuneration (RemCo), Nomination (NomCo) and the Data and Digital Committee (D&DCo). The work of each during the year is detailed below. The separate RemCo report can be found on page 50.

Audit & Risk Committee

The AuditCo is currently composed of three non-executive directors. This includes the Committee Chair, Hunada Nouss, who became Chair in July 2021, together with Simon Orebi Gann and Jo Dow. Jo Dow joined the Committee in February 2022, replacing Josh Gill, bringing both a retailer perspective and, as a former CFO, financial expertise.

Until February 2023, Chris Johns was also a co-opted wholesaler representative on the AuditCo. Chris is a Chartered Accountant and was CFO at Yorkshire Water and so brought additional, relevant and recent financial experience to the Committee's membership. MOSL is currently exploring recruiting a co-opted wholesaler representative to replace Chris's expertise.

The key items considered by the Committee during the year were:

- The 2022/23 Annual Report and Accounts, including, that MOSL remained a Going Concern for at least the next 12 months the reserves policy, key accounting estimates, and judgements, and the audit completion report from BDO.
- Business continuity arrangements, including recertification of ISO 22301:2019 and a review of the Business Continuity Policy.
- The operation of risk management, including changes to MOSL's risk appetite, (including people and security vulnerability risks), the risk register and 'heat-map' which outlines

the principal risks, including making refinements to the detail of the reporting. The Committee also conducted a 'deep dive' on trading party failure risk and how to mitigate this.

- Cyber security and data protection, including the steps to progress our planned cyber security improvement roadmap, as measured against the ISO 27001 standard. This assurance included a joint meeting with the D&DCo to provide enhanced insight into how the risk is being managed.
- MOSL's suite of policies and procedures, ranging from whistleblowing and anti-bribery to its anti-fraud policy.
- Development and implementation of a new Internal Audit Framework.
- Updates on controls and compliance from MOSL's Risk manager, including reports on invoicing, Settlement and our administration of the Market Improvement Fund.
- Audit of the critical Settlement process and development of a new Market Risk and Issues Tracker.
- The scope and findings of market audits, and the development of internal MOSL capacity to conduct parts of the market audit programme. This work is supplemented by PwC, the independent Market Auditor, whose focus is on Market Operator compliance and Settlement audit.
- The statutory audit work plan, the performance, remuneration and reappointment of the external auditors, BDO LLP, the first audit following the re-tender in 2021/22.



Nomination Committee

The NomCo is composed of an independent non-executive director, Anne Heal, who is also the Committee Chair, alongside the CEO, an independent non-executive director, Simon Orebi Gann, and an elected non-executive director, Lucy Darch.

The Committee typically meets at least once a year, however, having previously met in January 2022, the NomCo met in early May 2023, when it considered, amongst other issues, succession planning for Board directors, and the composition and skills sets of each Committee.

The Board initiated a recruitment process for two new independent non-executive directors in May 2023, following recommendations from NomCo. When undertaking recruitment, we use open advertising, in coordination with an executive search consultancy.

For the appointments of independent non-executive directors, MOSL uses the executive search firm Saxton Bampfylde. Saxton Bampfylde does not have any connection with the Company.

Shortlisting and interviews are conducted by the directors and members of MOSL's Senior Leadership Team.

Digital and Data Committee

The Digital & Data Committee (D&DCo) has delegated authority for, and reports back to the Board on, the overall strategy for the technical infrastructure of the Company, the technical architecture and system solution for digital and data projects, and the management of the material digital contracts (within delegated authority limits).

The Committee has been operating since 2020 and typically meets three times a year. The Committee is chaired by Simon Orebi Gann, who is joined by MOSL's CEO, CIO, Independent Non-Executive Director, Philip Marsden (until March 2023), and trading party members, Matt Edwards and Amy Duffield.

Matt Edwards, Head of Enterprise Data and Chief Data officer at Anglian Water Services, was recruited in April 2020 as an additional member to bring valuable wholesaler and industry knowledge to the Committee.

Amy Duffield, Director of Systems and Change at Wave Utilities, joined the Committee in March 2022, bringing a complementary retailer perspective.



Directors' Report

For the first time, in April 2023, the Committee held a joint meeting with MOSL's Audit and Risk Committee. This focused on the priority actions following the ISO27001 maturity assessment, together with a review of the security incident response plan.

The key items considered and driven forward by the Committee during the financial year were:

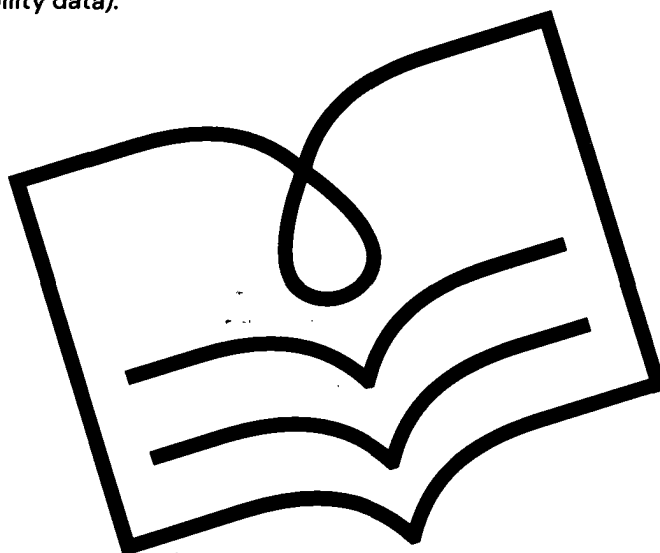
Data

- Leveraging access to central market data and other available data sets to inform and influence the wider supply/demand challenges of the sector. This includes informing AMP8 plans to maximise the potential of the NHH market in wider demand reduction.
- Improving MOSL's data maturity as an organisation and provider of an increasing number of data assets. This includes thorough documentation (data models, dictionaries and service catalogues) and upskilling wider MOSL members.
- Maintaining a focus on quantifying the current data quality issues in the market, providing an objective assessment of the quality of customer and address data across the market and securing market investment to deliver a central data assessment and cleanse service in 2023/24 (initially focused on address, premises and eligibility data).

Technology

- Improving MOSL's cyber security posture (people, process and technology), with significant progress made against the ISO27001 framework in the last two years.
- Moving towards MOSL's target architecture (including the delivery of My MOSL, MVI, Single Sign-on and Business-to-Business Active Directory). The DDC continues to play a pivotal role in monitoring and approving changes to MOSL's target architecture.
- Migrating CMOS to the cloud in line with the next CMOS release (August 2023). This is the first major step towards the modernisation and future proofing of the platform.
- The CMOS support and maintenance contract with CGI.
- Oversight of the successful Bilaterals and CMOS releases and IT operational service (meeting or exceeded Service levels across all market systems).

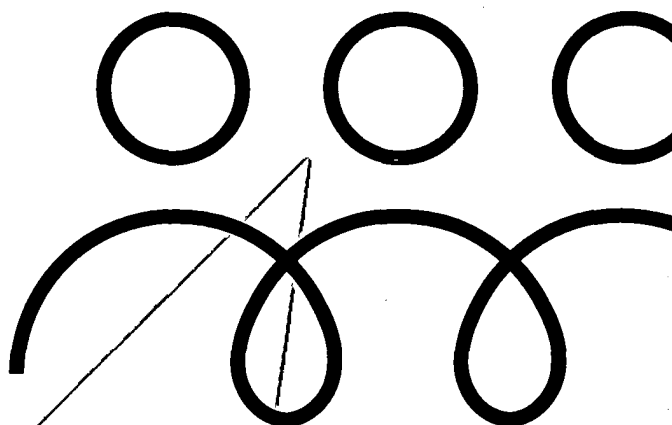
At its October 2022 meeting the Committee reviewed its Terms of Reference, as it does each year, to ensure they remained appropriate and relevant to MOSL's needs.



Meeting Attendance

The following table shows the attendance of directors and the Board and sub-committee meetings during the year:

Director	Board	AuditCo	RemCo	NomCo	D&DCo
Anne Heal	6/6	-	-	N/A	-
Dr Sarah McMath	5/6	-	-	N/A	3/3
Dr Simon Orebi Gann	6/6	3/3	-	N/A	3/3
Hunada Nouss OBE	5/6	3/3	-	-	-
Dr Philip Marsden	5/6	-	2/3	-	1/3
Donnchadh 'Don' Maher	2/2	-	1/1	-	-
Lucy Darch	6/6	-	3/3	N/A	-
Johanna Dow	6/6	2/3	-	-	-
Paul Stelfox	4/4	-	1/2	-	-



Report from the Remuneration Committee

The RemCo is composed of three independent non-executive directors. During 2022/23 the members of the Committee were Philip Marsden (Chair), Don Maher and Lucy Darch. Paul Stelfox replaced Don Maher when he left the Board in September 2022, with Paul formally joining as of the 10 November.

With Philip Marsden resigning from the Board in March 2023, Lucy chaired the February and May meetings as the interim Committee Chair. Meetings were also attended by the Chair of the MOSL Board, Anne Heal, in line with good governance practice. The CEO and Head of People, Risk and Compliance also attend the Committee meetings.

The duties of the Committee are to provide strategic support to the Executive in relation to HR policy, in particular the remuneration and benefits policy for senior management to ensure they are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual and collective contributions to the success of the business.

This includes how best to manage people risk, including recruitment and retention, and 'ways of working'. Specifically, the RemCo approves the framework or broad policy for the remuneration of all members of the staff, including the Senior Leadership Team, excluding the CEO, whose remuneration is recommended by the RemCo to the Board.

The key items considered by the Committee during the financial year were:

- The Committee's composition, with Don Maher leaving in September 2022, and Philip Marsden resigning in March 2023, including inviting Paul Stelfox to join as a new elected director member.
- Senior management performance and remuneration.
- Recommendation to the Board of the CEO's remuneration assessed against performance.
- The implementation and approval of the all colleague Bonus Scheme for 2022/23.
- Improvements to the all-colleague Bonus Scheme for 2023/24 and associated KPIs.
- Ongoing refinements to the Company remuneration policy.
- The implementation of two exceptional cost of living payments to lower paid staff.
- Retention and succession planning measures for colleagues, considering the challenges of hybrid working, high inflation and a very competitive job market, especially in the digital and data field.
- Diversity measures such as gender, disability and ethnicity and initiatives to address imbalances.
- Enhanced reporting in the Annual Report and Financial Statements designed to provide greater transparency to members and other stakeholders, notably the addition of ethnicity pay gap reporting.

The RemCo conducted an internal effectiveness review in 2022, resulting in a small number of recommended actions for improvement.

Review of the remuneration of the MOSL independent non-executive directors is currently a matter carried out by the three elected non-executive directors and the CEO on behalf of the Board. This was reviewed in 2023 and no changes were recommended at this time.

For the financial year 2022/23, two colleague bonus schemes were in operation (an all-colleague scheme and one for senior management). Both schemes achieved an aggregate company KPI score of 50%. This is adjusted depending upon colleagues' individual performance with 'high' performers receiving an enhanced KPI score of 62.5%. This score is then applied to their respective potential bonus opportunity.

The schemes provide for a bonus potential of 10% for the majority of colleagues, with more senior colleagues eligible for 20%, SLT members for 30%, and up to 40% for the CEO.

The annual pay for all colleagues' review for the year beginning 1 April 2023, was discussed at the Committee's meeting on 14 May.

Having been informed by benchmarking of similar organisations, as well as our members, an average pay increase of 6% was awarded, backdated to April 2023. In making this recommendation to the Board, it was felt to be in line with the market and awards in comparable sectors and was strongly informed by the current economic challenges facing our members.

Directors' Remuneration

Director's remuneration comprises:

Executive Directors' Remuneration (earned)

Name	Total Salary and Benefits (including Bonus and Pension Contributions)
Sarah McMath 2022/23	£313,715

Non-Executive Directors' Remuneration

Annual Fees	2022/23
Chair	£40,000
NED basic fee	£25,000
Additional fees:	
Audit and Risk Committee Chair	£5,000
Remuneration Committee Chair	£3,000
Nomination Committee Chair ¹	-
Digital and Data Committee Chair	£3,000
Senior Independent Director	£1,000

¹There is no fee paid for the role of Nomination Committee Chair

²The three industry elected directors are not remunerated

The total emoluments earned by the Board (including the executive director) for the financial year was £440,512.

Executive Pay, Gender and Ethnicity Pay Gap Reporting

MOSL is not required to publish annual pay gap ratios by law, however, we believe as a member funded organisation, and as a responsible business, that sharing our pay gap data and associated narrative is good practice and demonstrates transparency, intent, and ambition to both our members and our employees.

This will be the third year that we have published gender pay gap data and CEO ratios and the first year that we have published our ethnicity pay gap data.

We have followed the same criteria for calculating our gender pay gap data as set out in the law.

Gender Pay Gap

Our report for 2022/23 (as at 31 March 2023) is set out alongside our data from 2021/22 (as at 31 March 2022).

	2022/23	2021/22	Movement
Mean Gender Pay Gap	23.6%	22%	(1.6%)
Median Gender Pay Gap	30%	23%	(7%)
Mean Bonus Gender Pay Gap	24.3%	30.5%	6.2%
Median Bonus Gender Pay Gap	32.5%	30.5%	(2%)
Median hourly rate of pay of male employees	£27.15	£28.21	£1.06
Median hourly rate of pay for female employees	£18.97	£21.80	£2.83

Pay Quartiles by Gender

	2022/23		2021/22	
	Men	Women	Men	Women
Lower Quartile	35%	65%	32%	68%
Lower Middle Quartile	40%	60%	50%	50%
Upper Middle Quartile	71%	29%	67%	33%
Upper Quartile	65%	35%	68%	32%

Gender Pay Gap Narrative

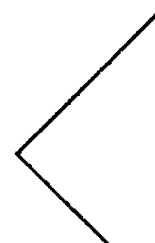
We recognise that pay gaps are calculated from averages, so, in an organisation of our size, gaps can change quickly and are not necessarily a marker of progress.

Whilst this does not lessen our desire to close our pay gaps, it does provide context for when the changes seen may contradict our ongoing focus in this area. We continue to be confident in the actions that we put in place to ensure MOSL is a fair and equitable place to work.

Our data is informed by a number of factors:

MOSL's male to female split is 47% female to 53% male. We would therefore seek to see this 47% to 53% split within each of the quartiles to see a closing of the gender pay gap.

Whilst we have seen a percentage increase of women in the upper quartile and a percentage increase of men in the lower quartile women are still underrepresented in the upper quartiles and overrepresented in the lower quartiles. This directly informs our gender pay gap.



Additional actions that we have taken this year to support women, and our colleagues more broadly, in developing their careers at MOSL include:

- Introducing a Menopause Policy and associated awareness training for all colleagues.
- Introducing and offering a buddy system for returning mums and dads.
- Continued mentoring through the Institute of Water and Women in Utilities Network (WUN) mentoring programmes, as well as informal mentoring between colleagues within MOSL.
- Providing opportunities for colleagues to speak at external events enabling them to broaden their networks and connect with new sponsors.
- Using new platforms and opportunities to post job adverts targeted at people seeking flexible and part time working arrangements including Investinginwomen.com and the WUN jobs board.
- Broadening of our flexible working arrangements. 14% of colleagues now work reduced or flexible hours, half of these arrangements are taken up by male colleagues.

Lead5050

MOSL's commitment to ensuring that we are taking appropriate action to address areas of ongoing concern led to us partnering with Lead5050.

Lead5050 is a company that supports organisations in driving gender equity at work, providing a data-based approach.

Lead5050 will be working with us in autumn 2023 to audit our current activity and work with us to gain accreditation, which will support our work in driving continued equity in the workplace.



Executive Pay, Gender and Ethnicity Pay Gap Reporting

Ethnicity Pay Gap

This is the first year we have reported our ethnicity pay gap. We have taken the decision that our categorisation will be those who define themselves as White British and those who define themselves as Black, Asian, Mixed Race and other White Non-British. MOSL's White British to Black, Asian, Mixed Race and other White Non-British split is 65% to 35%.

2022/23	
Mean Ethnicity Pay Gap	29%
Median Ethnicity Pay Gap	26%
Median hourly rate of pay for White British employees	£26.35
Median hourly rate of Black, Asian, Mixed race and other White Non-British employees	£19.40

Pay Quartiles by Ethnicity

2022/23		
	White British	Black, Asian, Mixed race & other White Non-British
Lower Quartile	45%	55%
Lower Middle Quartile	65%	35%
Upper Middle Quartile	71%	29%
Upper Quartile	80%	20%

We can see from the table that the lower middle quartile is directly representative of the ethnicity split but the other quartiles are not, with Black, Asian, Mixed Race and other White Non British employees being overrepresented in the lower quartile and underrepresented in the upper quartile.

MOSL's Diversity Society has been running for over two years now and focuses on promoting equity, diversity and inclusion (EDI) in the workplace. It is run by colleagues who are passionate about EDI and has helped raise awareness of different cultures and backgrounds through a mixture of blogs, speakers, breakfast sessions and workshops. With the Head of HR as its executive sponsor, the society has also been a sounding board for relevant HR policies and pushes MOSL to be inclusive of all its colleagues.

In March 2023, MOSL ran an internal EDI survey which assessed how colleagues felt in terms of their comfort, capability and connection in the workplace, as well as how diverse they perceived MOSL to be.

With a participation rate of 76%, the overall survey score was 89%, with colleagues noting that their working environment supported their personal circumstances (95%), that they felt respected for their individuality and how they think (91%) and that they perceived MOSL to be welcoming to a diverse range of people (97%).

Potential areas for improvement included training that supported colleagues' needs (82%) and contribution being recognised and rewarded fairly (84%). Although these were the areas with the lowest scores in the survey, they are still relatively high and will inform the society's work to improve these areas in MOSL.

As we focus on developing our EDI Strategy, we will be reflecting on both sets of Pay Gap data to identify specific actions that we should be considering that will lead to a narrowing of the gaps.

CEO Ratios

We have used combined base salary and bonus paid in the financial year to inform our CEO Ratio data.

	25th Percentile Pay ratio	Median	75th Percentile Pay Ratio
2023	8:1	5:1	4:1
2022	9:1	6:1	4:1

Data from 2021 reported that the CEO ratio for the FTSE 250 was 47:1 (Median). A combination of a market benchmarked CEO remuneration package and very few highly transactional roles at MOSL reflects our narrow CEO pay ratio.

MOSL pays the UK Living Wage (currently £10.90) as a minimum salary.



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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless 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 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 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.

Financial statements are published on the company's website in accordance with

legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of Information to Auditor

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

- So far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- That 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.

Future outlook

Future developments in the business of the Company are disclosed in the Outlook section of the Strategic Report.

Financial risk management objectives and policies

The Directors have considered the Company's exposures to financial risk. Price risk is considered very low as our annual budget and related Market Operator charges are approved by our members each year in advance. Cash flow risk is also considered very low as Market Operator charges are billed monthly in advance across all trading parties and our costs are relatively stable and predictable. Our credit and liquidity risks are considered in detail within the Going Concern section, later in this report.

Our approach to identifying and managing risks across our business is set out within the Risks and Uncertainties section of the Strategic Report.

Going Concern

MOSL is a not-for-profit Company limited by guarantee. It was established by its members to fulfil the obligations of the market operator which are set out in the market codes.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report, as is the financial position of the Company including its liquidity position.

Members approve our annual budget in advance. The budget provides the funding we require to deliver the services set out in the market codes. The funding principles are set out in Section 10 of the MAC. 50 per cent of the budgeted cost is borne by wholesale members and 50 per cent is borne by retail members. The charges are invoiced to individual members based on their market share. We also charge our members for additional services such as unplanned settlement runs in accordance with a published price list.

We monitor the ageing of outstanding receivables through a robust collection process, and we report any late payments to Ofwat. The risk of bad debt is mitigated by the Company's right to recoup unpaid MO charges from other members (who have a mutual liability) should it prove necessary. We have not seen any evidence that members are unable to pay their Market Operator (MO) Charges and amounts due from members continue to be paid on a timely basis.

At 31 March 2023, cash at bank and in hand totalled £6,523k (31 March 2022: £5,674k). A breakdown of the key components of cash held is provided in the Financial Overview section of this Annual Report.

We have considered the company's liquidity position, including cash supported by long-term retained reserves (£1,200k). This level of retained reserves has been set having considered the company's usual levels of negative working capital, which arise since Market Operator charges are collected a month in advance whereas a portion of the company's costs are paid in arrears. It has also taken into consideration risks which could affect liquidity such as a short-term reduction in income collected or unexpected costs.

The level of retained reserves has increased from the previous target level of £1,000k, to reflect increases in the total budget over the last two years since the target was put in place.

The Board sets retained reserves at a level which would enable liquidity risks to be managed, in the event of a fall in revenues for a period of six months. In doing so, it considers the typical levels of negative working capital and the ability to reduce certain more discretionary spend, both of which would provide sources of short term liquidity.

Should additional funding be required, we have the right to request such funding from members in accordance with our Articles of Association and the Market Arrangements Code (MAC). The MAC also gives us the right to supplement our MO Charges by prudent borrowing which is ultimately recoverable from our members.

The directors have considered the Company's funding structure and the Company's financial position and consider that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to prepare financial statements on a going concern basis.

Post Balance Sheet Events

There have been no significant events outside the normal course of business affecting the Company since the year end.

Auditor

A resolution to reappoint BDO LLP as Auditor will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



Dr Sarah McMath
CEO

5 June 2023

Independent Auditor's Report

Opinion on the financial statements

In our opinion, the financial statements:

- 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Market Operator Services Limited ("the Company") for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Funds, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Other Companies Act 2006 reporting

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 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.

Independent Auditor's Report

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, 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.

Extent to which the audit was 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 obtained an understanding of the legal and regulatory framework through inquiries of management and consideration of the industry in which the entity operates. Based on our understanding of the company and the industry in which it operates, we considered those laws and regulations that have a direct impact on the financial statements, which we considered to be FRS 102, the Companies Act 2006 and the Value Added Tax Act 1994.

- through inquiry of management we obtained an understanding of the processes and controls designed at company level to prevent and detect non-compliance with applicable laws and regulations and other irregularities;
- discussion with management regarding known or suspected instances of non-compliance with laws and regulations;
- the engagement partner assessed that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations based on experience of the industry; and
- communicated of relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud and non-compliance with laws and regulations throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the company financial statements (including the risk of override of controls) and determined that the principal risks were related to personal financial gain, specifically around inappropriate payments and posting inappropriate journal entries to manipulate financial results.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed included:

- obtaining an understanding of management incentives, including the extent to which remuneration is influenced by reported result, and opportunities for fraudulent manipulation of financial statements such as management override;
- obtaining an understanding of how cash might be taken out of the business, and how assets can be misappropriated;
- we focused on judgements and estimates inherent in the key audit risks and exercised professional scepticism in considering the impact of those estimates and judgements on the reported results;
- assessing journal entries against specific criteria and to specific accounts that we considered as at a greater risk of fraud as part of our planned audit approach; and
- reviewing management's estimates and judgments for management.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

DocuSigned by:

David I Anson

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David I'Anson
(Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Southampton, United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Revenue	5	11,790,728	10,557,148
Operating expenditure	6	(11,750,071)	(10,747,285)
Operating profit/(loss)		40,657	(190,137)
Interest receivable	9	11,535	169
Profit/(loss) before tax		52,192	(189,968)
Tax on profit/(loss)	10	(2,192)	(32)
Total comprehensive income/(loss) for the year		50,000	(190,000)

There was no other comprehensive income for the year (2021/22: £nil).

The notes on pages 66 to 79 form part of these financial statements.

Statement of Financial Position

Market Operator Services Limited, registered number: 09276929.

	Note	31 March 2023		31 March 2022	
		£	£	£	£
Non-current assets					
Tangible fixed assets	11		117,983		246,311
Intangible assets	12		7,623,774		7,818,978
Total non-current assets			7,741,757		8,065,289
Current assets					
Trade and other receivables	13	1,030,720		1,604,704	
Cash at bank and in hand		6,523,117		5,673,926	
Total current assets		7,553,837		7,278,630	
Creditors:					
Amounts falling due within one year					
Trade and other payables	14	(6,351,645)		(6,128,598)	
Current tax liabilities		(2,192)		(32)	
Total current liabilities		(6,353,837)		(6,128,630)	
Net current assets			1,200,000		1,150,000
Total assets less current liabilities			8,941,757		9,215,289
Creditors:					
Amounts falling due after more than one year					
Deferred income	15		(7,741,757)		(8,065,289)
Net assets			1,200,000		1,150,000
Capital and reserves					
Profit and loss account			1,200,000		1,150,000
Total Members' funds			1,200,000		1,150,000

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



Dr Sarah McMath | Director
5 June 2023

The notes on pages 66 to 79 form part of these financial statements.

Statement of Changes in Funds

	Profit and loss account
For the year ended 31 March 2022	£
Members' funds at 1 April 2021	1,340,000
Total comprehensive loss for the year ended 31 March 2022	(190,000)
Members' funds at 31 March 2022	1,150,000
For the year ended 31 March 2023	
Members' funds at 1 April 2022	1,150,000
Total comprehensive income for the year ended 31 March 2023	50,000
Members' funds at 31 March 2023	1,200,000

The notes on pages 66 to 79 form part of these financial statements

Statement of Cash Flows

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities	£	£
Profit/(loss) for the financial year	50,000	(190,000)
Adjustments for:		
Interest income	(11,535)	(169)
Tax charge for the year	2,192	32
Operating profit/(loss)	40,657	(190,137)
Add back non-cash items:		
Depreciation	149,907	153,915
Amortisation	1,772,322	1,905,560
Loss on asset disposal	-	11,707
(Decrease)/increase in deferred income (non-cash adjustment to revenue)	(323,532)	309,268
Net cash generated from operating activities before movements in working capital	1,639,354	2,190,313
Change in working capital		
Decrease/(increase) in receivables	573,984	(896,945)
Increase in payables	223,047	2,425,418
Net cash generated from operating activities	2,436,385	3,718,786
Cash flow from investing activities		
Payments to acquire fixed assets	(21,579)	(149,509)
Payments to acquire intangible assets	(1,577,118)	(2,230,941)
Interest received	11,535	169
Tax paid	(32)	(387)
Net cash used in investing activities	(1,587,194)	(2,380,668)
Net increase in cash	849,191	1,338,118
Cash and cash equivalents at beginning of year	5,673,926	4,335,808
Cash and cash equivalents at the end of year	6,523,117	5,673,926
Cash and cash equivalents at the end of year comprise of:		
Cash at bank and in hand	6,523,117	5,673,926

The company has no debt and hence a separate reconciliation of net debt has not been prepared.
The notes on pages 66 to 79 form part of these financial statements.

Notes forming part of the Financial Statements

1. STATUTORY INFORMATION

Market Operator Services Limited is a private company, limited by guarantee, domiciled and incorporated in England and Wales, registration number 09276929. The registered office is White Building, 1-4 Cumberland Place, Southampton, SO15 2NP.

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, unless otherwise stated, and the Companies Act 2006, and in accordance with Financial Reporting Standard 102, ('FRS 102') the financial standard applicable in the UK and Republic of Ireland unless otherwise specified within these accounting policies. The presentation currency is sterling (£).

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. Details of critical accounting estimates and judgements are set out in note 4.

The following principal accounting policies have been applied:

3. ACCOUNTING POLICIES

3.1. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable when:

- It is probable that any future economic benefit associated with the item of revenue will flow to the entity; and
- The amount of revenue can be measured with reliability.

Market Operator Charges are recognised in 1/12th instalments throughout the year in accordance with the agreed Business Plan. The calculations used to determine the charges to individual members are based on formulae set-out in the Market Arrangements Code (MAC).

Additional Service Charges are recognised, in accordance with a predefined schedule of charges, as and when members use those services.

Performance charges are calculated and collected by MOSL in respect of under performance against Market Performance Standards (MPS) and Operational Performance Standards (OPS). The Company does not have title to these funds. The amount collected may only be utilised by the Panel to fund market improvement projects or, failing that, must be redistributed to members in accordance with the formula set-out in Section 9 of the Market Arrangements Code (MAC). Consequently, these amounts do not form part of the Company's income and are not recognised in net revenues. Details of these transactions are laid out in Note 18.

Amounts received from members to fund the acquisition of tangible and intangible assets (including the Central Market Operating System ('CMOS') and Bilateral Software design, build and testing costs) are treated as deferred income. The deferred income is amortised so that it offsets the depreciation / amortisation of the underlying asset resulting in no profit or loss being reported in the period.

3.2. Operating leases

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

3.3. Taxation

The Company is a mutual trading concern and therefore is not liable for corporation or deferred tax on any surplus arising from transactions with its members. The Company, however, remains liable to corporation tax in respect of investment income and (if there were any) capital gains and any other profit arising other than from members' activities. Current tax is calculated on the basis of tax laws enacted at the balance sheet date.

3.4. Trade and other receivables

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

Amounts due from members are monitored carefully, and after a short grace period, details of any overdue Market Operator charges are published on the Company's website and reported to the industry regulator (Ofwat) in line with the Market Code. Consequently, the Company has not historically suffered from bad debt in respect of trade receivables due from members.

The collectability of other receivables is kept under review and where necessary a provision is made.

3.5. Trade and other payables

Short term payables are measured at the transaction price.

3.6. Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3.7. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss. The residual values and useful lives of tangible fixed assets are reviewed, and adjusted if appropriate, at the end of each reporting year if there are indicators of change or the asset is no longer in use. The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is assessed as greater than its estimated recoverable amount. Tangible fixed assets are depreciated using the straight line method as follows:

Leasehold improvements	Duration of lease (5 years from 21 September 2018)
Fixtures and equipment	5 years
Computer hardware	3 Years

3.8. Intangible assets

Intangible assets are stated at cost less accumulated depreciation and any recognised impairment loss.

The residual values and useful lives of intangible assets are reviewed, and adjusted if appropriate, at the end of each reporting year if there are indicators of change or the asset is no longer in use. The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is assessed as greater than its estimated recoverable amount.

Costs incurred in the development of CMOS are amortised at 20% on a reducing balance method from the 'go live' release date for each related development phase using the reducing balance method. Until that point, all such development costs and for any other software not yet completed are treated as Software Under Development, and not amortised.

The Website and Miscellaneous Software are amortised over 3 years using the straight line method.

Costs incurred in the development of the Bilateral Software solution are amortised at 20% on a reducing balance method from the 'go live' release date for each related phase using the reducing balance method. Until that point, all such development costs and for any other software not yet completed are treated as Software Under Development, and not amortised.

3.9. Pension Costs

Contributions to the company's defined contribution pension scheme are charged to profit and loss in the year in which contributions become payable.

4. GOING CONCERN, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1. Going Concern

As set out in the Directors' Report under the heading 'Going Concern', the Directors have considered the Company's funding structure and the Company's financial position and consider that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to prepare financial statements on a going concern basis.

4.2. Critical Accounting Estimates and Judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Management have made the following key judgements in preparing these financial statements:

- Central Market Operating System (CMOS) and Bilateral Software will continue to play a vital part in the operation of the market, and its value in use is at least equal to the carrying value of the asset; and consequently
- The carrying value of deferred income, which is amortised so that it offsets the depreciation / amortisation of the underlying asset, resulting in no profit or loss being reported in the period is appropriate.

The carrying value of CMOS was £4,169,979 (2022: £4,815,358) and Bilateral Software was £3,085,080 (2022: £2,375,192) at the reporting date.

5. REVENUE

Revenue comprises amounts charged to members for the provision of services during the year, and can be analysed as follows:

	31 March 2023		31 March 2022	
	£	£	£	£
Operator charges				
Market operator charges	11,400,000		11,075,000	
Decrease/(increase) in deferred income	323,532		(309,268)	
Returnable to members	(200,674)		(424,241)	
		11,522,858		10,341,491
 Additional service charges		267,870		215,657
 Total revenue		11,790,728		10,557,148

Market Operator (MO) charges are based on the annual budget, adjusted for any agreed deviations, and fund the core services the Company is required to provide in accordance with the market codes. Fifty percent of the charges are billed to wholesalers and fifty percent of the charges are billed to retailers, each in proportion to their market share.

When the company receives excess funds above its actual expenditure, these funds are either returned to members on a pro rata basis, per Section 10 of the Market Arrangements Code (MAC), twenty five business days after publication of the audited financial statements or carried forward to cover subsequent expenditure. Amounts returnable to members are shown as a deduction to net revenue.

In line with the approved Business Plan, £150,000 of reserves were carried forward at 31 March 2022 in order to fund expenditure in 2022/23. Ultimately, all expenditure for 2022/23 was able to be funded from turnover in the year, and as such these carried forward reserves were not utilised.

As set out in the Directors' Report under the heading 'Going Concern', the Directors have considered the Company's funding structure and the Company's financial position and have decided to retain £1,200,000 of reserves going forward. This consists of £1,150,000 of reserves retained from previous years along with £50,000 of surplus generated in 2022/23. The remaining surplus generated in 2022/23 of £200,674 is to be returned to members and is therefore shown as a deduction to net revenue.

Additional Service Charges are amounts billed to members for additional ad hoc services (such as unplanned settlement runs) provided to members in accordance with the Company's published price list.

The decrease in deferred income aligns the carrying value of deferred income in the balance sheet to the net value of total non-current assets. The deferred income is amortised so that it offsets the depreciation / amortisation of the underlying asset, resulting in no profit or loss being reported in the period.

6. OPERATING EXPENDITURE

	31 March 2023	31 March 2022
	£	£
Employee costs (note 7)	5,559,567	4,712,944
Agency/sub-contractor costs	49,112	69,073
Other people related costs	287,096	280,519
Total people costs	5,895,775	5,062,536
Statutory audit fees	32,550	26,650
Market audit fees	83,000	164,860
CMOS maintenance costs	2,037,932	2,013,674
Other overheads	1,778,585	1,408,383
Depreciation	149,907	153,915
Amortisation	1,772,322	1,905,560
Loss on disposal of assets	-	11,707
Depreciation, amortisation and loss on disposal of assets	1,922,229	2,071,182
Operating expenditure	11,750,071	10,747,285

Non-audit services of £250 for tax advice were provided by BDO, the statutory auditor, for the year ended 31 March 2023 (2022 £nil). Fees paid for the Statutory audit and the Market audit are paid to different firms (BDO and PWC respectively).

7. EMPLOYEE COSTS

	31 March 2023	31 March 2022
	£	£
Salaries	4,974,665	4,601,853
Employer pension contributions	377,605	346,310
Employee remuneration	5,352,270	4,948,163
Social security costs	533,490	479,474
Gross employee costs	5,885,760	5,427,637
Less capitalised to intangible assets	(317,747)	(671,251)
Less contributions to staff costs	(8,446)	(43,442)
Net employee costs	5,559,567	4,712,944

Contributions to staff costs include payments for seconded staff and "Kick Start" contributions for apprentices.

The average number of employees in the year was 75 (2022:75), of which 19 (2022:28) were employed in market facing functions (Market Design and Market Performance), and 56 (2021:47) were employed in support functions (Corporate Affairs, Finance, Digital, Legal, Governance, Compliance and Market Assurance, Planning and Project Management; and People). The increase in support function staff is primarily driven by developing our in-house capability in our Legal, Governance and Market Assurance functions.

The Company operates a non-contributory defined contribution scheme for all staff. All eligible staff are auto-enrolled into the pension scheme. The Company contributes nine per cent of salary (excluding bonuses) into the scheme. The costs are included above.

8. DIRECTORS' REMUNERATION

Directors' remuneration is comprised of:

	31 March 2023	31 March 2022
	£	£
Salaries and other benefits	419,812	413,544
Employer pension contributions	20,700	19,333
Directors' emoluments	440,512	432,877
Social security costs	54,556	51,284
Directors' remuneration	495,068	484,161

The highest paid director received total emoluments comprised of:

	31 March 2023	31 March 2022
	£	£
Wages and salaries	235,515	218,008
Bonus	57,500	61,758
Employer pension contributions	20,700	19,333
Total Emoluments	313,715	299,099

Key management personnel are those people having authority and responsibility for planning, directing, and controlling the activities of the Company and includes both non-executive and executive directors, and the Senior Leadership Team. Key management personnel received total emoluments comprised of:

	31 March 2023	31 March 2022
	£	£
Key management personnel:		
Wages and salaries	1,215,358	1,306,610
Bonus	209,734	208,788
Employer pension contributions	86,168	84,782
Total Emoluments	1,511,260	1,600,180

Amounts disclosed as 'Bonus' for Directors and Key Management relate to amounts payable in respect of performance for the corresponding financial year and are paid after the year end.

All amounts are included within the costs disclosed in notes 6 and, where relevant, note 7.

9. INTEREST

Interest is earned on funds held in the Company's deposit account at HSBC.

	31 March 2023	31 March 2022
	£	£
Interest received	11,535	169

10. TAXATION

The Company is a mutual trading concern and therefore is not liable for corporation tax on any surplus arising from transactions with its members. The Company, however, remains liable to corporation tax in respect of investment income and (if there were any) capital gains and any other profit arising other than from members' activities.

	31 March 2023	31 March 2022
	£	£
Tax at 19% in relation to current year interest income	2,192	32
Current tax charge	2,192	32

11. TANGIBLE FIXED ASSETS

Tangible fixed assets are comprised of:

	Leasehold improvements	Fixtures and fittings	Computer hardware	Total
	£	£	£	£
Cost				
At 1 April 2022	378,754	112,987	220,826	712,567
Additions	-	-	21,579	21,579
Disposals	-	-	(28,391)	(28,391)
At 31 March 2023	378,754	112,987	214,014	705,755
Accumulated depreciation				
At 1 April 2022	219,960	73,559	172,737	466,256
Charge for the year	104,997	22,597	22,313	149,907
Disposals	-	-	(28,391)	(28,391)
At 31 March 2023	324,957	96,156	166,659	587,772
Net book value				
At 31 March 2023	53,797	16,831	47,355	117,983
At 1 April 2022	158,794	39,428	48,089	246,311

The Directors have reviewed the carrying amount of tangible fixed assets at 31 March 2023 and do not believe them to be impaired.

12. INTANGIBLE ASSETS

Intangible assets are comprised of:

	Website	Misc. Software	CMOS	Bilateral Software	Software under Develop- ment	Total
	£	£	£		£	£
Cost						
At 1 April 2022	79,105	222,608	11,702,842	2,627,621	414,052	15,046,228
Transfers	-	(56,025)	152,049	318,028	(414,052)	-
Additions	55,287	-	220,140	1,060,514	241,177	1,577,118
Disposals	-	(9,450)	-	-	-	(9,450)
At 31 March 2023	134,392	157,133	12,075,031	4,006,163	241,177	16,613,896
Accumulated amortisation						
At 1 April 2022	19,705	67,632	6,887,484	252,429	-	7,227,250
Transfers	-	(1,801)	1,801	-	-	-
Charge for the period	29,801	58,100	1,015,767	668,654	-	1,772,322
Disposals	-	(9,450)	-	-	-	(9,450)
At 31 March 2023	49,506	114,481	7,905,052	921,083	-	8,990,122
Carrying amount						
At 31 March 2023	84,886	42,652	4,169,979	3,085,080	241,177	7,623,774
At 1 April 2022	59,400	154,976	4,815,358	2,375,192	414,052	7,818,978

The Directors have reviewed the carrying amount of intangible fixed assets at 31 March 2023 and do not believe them to be impaired.

Software under development at 31 March 2023 comprises Website £1,000 (2022: £nil), Misc. Software £nil (2022: £9,450), CMOS £240,177 (2022: £86,574) and Bilateral Software £nil (2022: £318,028).

Capital commitments at 31 March 2023 comprises CMOS £422,888 (2022: £9,619), Website £6,133 (2022 nil), Misc. Software £nil (2022: £6,300) and Bilateral Software £765,551 (2022: £109,452).

Following a review of the likely useful life of CMOS and Bilaterals assets, combined with an assessment of probable future development of these asset classes, it was decided that using the 'Reducing Balance' method of depreciation would better match the amortisation of these assets to their use.

The impact of making these changes during the year was as follows:

- An increase in the amortisation charge for the year ended 31 March 2023 by £806,999 and a corresponding increase in the release of deferred income (shown within revenue) by the same amount. As a result there is no net impact on the total comprehensive income for the year ended 31 March 2023.
- A reduction in the carrying value of intangible assets as at 31 March 2023 by £806,999 and a corresponding reduction in deferred income by the same amount. As a result there is no impact on net assets as at 31 March 2023.

13. TRADE AND OTHER RECEIVABLES: Amounts falling due within one year

	2023	2022
	£	£
Trade receivables	351,545	565,610
Accrued income	19,250	13,650
Other debtors	309,333	210,163
Due from members	680,128	789,423
Trade receivables	-	3,852
Deposits and short-term loans	28,950	28,950
Prepayments and other receivables	321,642	782,479
Due from third parties	350,592	815,281
Trade and other receivables	1,030,720	1,604,704

Other debtors due from members include amounts owed in respect of MPS and OPS charges for March not billed. In line with Note 3.1, these charges are not regarded as income, and are disclosed under 'Other debtors' instead of 'Accrued income'.

14. TRADE AND OTHER PAYABLES: Amounts falling due within one year

	2023	2022
	£	£
Trade payables due to members	120,000	-
MO charges billed in advance	1,012,500	950,000
Redistribution of charges to members: MO charges	200,674	426,474
Redistribution of charges to members: MPS/OPS charges	2,847,146	1,434,623
Market Improvement Fund awards due to members	362,854	1,454,221
Due to members	4,543,174	4,265,318
Trade payables	402,913	571,168
Tax and social security (including VAT and PAYE)	531,083	366,359
Pension contributions	46,178	80,760
Other payables	2,426	2,878
Accruals	825,871	842,115
Due to third parties	1,808,471	1,863,280
Trade and other payables	6,351,645	6,128,598

Trading balances owed to members are unsecured, interest free, and paid in the normal course of events.

15. DEFERRED INCOME: amounts falling due after more than one year

	2023	2022
	£	£
Deferred income in respect of tangible and intangible assets	7,741,757	8,065,289

Amounts received from members to fund the acquisition of tangible and intangible assets (including the Central Market Operating System ('CMOS') design, build and testing costs) are treated as deferred income. The deferred income is amortised so that it offsets the depreciation / amortisation of the underlying asset, resulting in no profit or loss being reported in the period.

16. OPERATING LEASE ARRANGEMENTS

Non-cancellable operating lease rentals include payments in respect of a five-year lease on MOSL's offices on the fourth and fifth floors of the White Building in Southampton and payments in respect of various leased items of office equipment.

	2023	2022
	£	£
Rental payments	104,377	100,659
Release of deferred income in respect of rent-free period	(8,926)	(8,926)
Buildings	95,451	91,733
Equipment	6,571	10,846
Charged to Statement of Comprehensive Income	102,022	102,579
 Buildings	 48,300	 104,376
Equipment	4,928	6,571
Not later than 1 year	53,228	110,947
Buildings	-	52,188
Equipment	-	4,928
Within 2 - 5 years	-	57,116
Buildings	48,300	156,564
Equipment	4,928	11,499
Total future minimum lease payments	53,228	168,063
 Deferred income in relation to a six-month rent-free period in respect of MOSL's offices at the White Building in Southampton is being amortised over the term of the lease.	 4,463	 13,389

17. MEMBERS' FUNDS

The Company is a United Kingdom company limited by guarantee and has no share capital. Every member of the Company undertakes to contribute to the assets of the Company, in the event of a winding up, such an amount as may be required not exceeding £1.

18. RELATED PARTIES

The Company has three categories of membership: Associated Retailer, Unassociated Retailer and Wholesaler. All three categories of members have similar rights and obligations, and enjoy similar benefits, if they are active in the market.

	Number of Members
Associated Retailers – including two dormant members	8
Unassociated Retailers – including self-supply members and three dormant members	30
Two Wholesalers – including regional suppliers / new appointments and variations (NAVs) and one dormant member	26
Total number of members as at 31 March 2023	64

During the year, the Company traded (i.e. earned revenues from or reimbursed expenses to) with the following related parties, all of whom are (or were) members:

Advanced Demand Side Management Limited	Kellogg Company of Great Britain	Wave Water Limited
Affinity Water Limited	Marston's plc	Wessex Water Services Limited
Albion Eco Limited	Nottingham City Council	Whitbread Group plc
Albion Water Limited	Northumbrian Water Limited	Yorkshire Water Services Limited
Anglian Water Services Limited	Olympos Water Limited	Yu Water Limited
Arla Foods Limited	Pennon Water Services Limited	
Blackpool Borough Council	Portsmouth Water Limited	
Bristol Water plc	Scottish Water Business Stream Limited	
British Telecommunications plc	Sefton Council	
Cambrian Utilities Limited	Severn Trent Connect Limited	
Castle Water Limited (incl dormant companies)	Severn Trent Water Limited	
Clear Business Water Limited	Smarta Water Limited	
Coca-Cola European Partners	South East Water Limited	
Conserv Aqua Limited	South Staffordshire Water plc	
County Water Limited	South West Water Limited	
David Lloyd Leisure Limited	Southern Water Services Limited	
Dwr Cymru Cyfyngedig	Stonegate Pub Company Limited	
Elis UK Ltd	Sutton and East Surrey Water plc	
Everflow Limited	Sutton and East Surrey Water Services Limited	
First Business Water Limited	Thames Water Commercial Services Limited	
Greene King Brewing and Retailing Limited	Thames Water Utilities Limited	
Hafren Dyfrdwy Cyfyngedig	The Water Retail Company Limited	
Heineken UK Limited	United Utilities Group plc	
Icosa Water Services Limited	Veolia Water Projects Limited	
Independent Water Networks Limited	Veolia Water Retail (UK) Limited	
J Sainsbury's plc	Water 2 Business Limited	
John Lewis Partnership	Water Plus Limited	
Leep Water Networks Limited	Waterscan Limited	

18. RELATED PARTIES (CONTINUED)

All revenue within the financial statements is derived from members.

MOSL also collects Performance Charges from members. Monies from these charges do not "belong" to MOSL, and so are not treated as Revenue. See note 5. These charges, and their redistribution, are included in this note.

Performance Charges are calculated in respect of underperformance against Market Performance Standards (MPS) and Operational Performance Standards (OPS). These charges may be utilised by the Strategic Panel to fund special projects that benefit the market in accordance with Schedule 15 of the Market Arrangements Code. Charges not utilised in this way are redistributed to members, in accordance with the formula set out in Section 9 of the Market Arrangements Code (MAC), within six months of the end of the financial year.

During 2021/22, to facilitate the funding of special projects, MOSL established a Market Improvement Fund (MIF) on behalf of the Strategic Panel. The MIF awards funding to projects that help to improve the non-household water market. Bids are submitted to the MIF and assessed by an independent Selection Committee, that in turn recommend bids to be awarded funds by the Strategic Panel. MOSL administers the MIF, contracting with winning bids, distributing funds and monitoring project delivery for any conditions applied. All bids must be 'sponsored' by a trading party or MOSL.

A total of £591 (2022: £nil) was paid to related parties during the financial year to reimburse travel and others incidental expenses incurred in attending MOSL Board meetings or industry Panel, committees and sub-groups meetings. A net £3,775,641 (2022: £3,475,895) was due to members at the end of the financial year.

	2023	2022
	£	£
Revenues (per note 5)	11,790,728	10,557,148
MPS charges	2,694,865	2,861,827
OPS charges	232,560	165,907
Charges utilised for market improvements	-	(1,593,111)
Performance charges redistributable to members	(2,927,425)	(1,434,623)
Expenses claimed	(591)	-
Net trade with related parties	11,790,137	10,557,148
Trade receivables	351,545	565,610
Accrued income	19,250	13,650
Other debtors	309,333	210,163
Due from members (per note 13)	680,128	789,423
Market Operator charges billed in advance	1,012,500	950,000
Redistribution of charges to members	3,047,820	1,861,097
Market Improvement Fund awards payable	362,854	1,454,221
Trade payables	120,000	-
Due to members (per note 14)	4,543,174	4,265,318
Net due from members	(3,863,046)	(3,475,895)

Trade receivables include VAT where applicable

18. RELATED PARTIES (CONTINUED)

During the year the following Directors served on the Board of the Company and were employed by one or more related parties:

Name	Position at MOSL	Related Party	2023	Also served 2022
Paul Stelfox (1)	NED elected by Wholesaler members	Head of Market Services, United Utilities Limited	✓	x
Lucy Darch	NED elected by Associated Retailer members	CEO, Wave Utilities	✓	✓
Johanna Dow	NED elected by Unassociated Retailer members	CEO, Business Stream Limited	✓	✓
Donnchadh 'Don' Maher (2)	NED elected by Wholesaler members	Head of Wholesale Market Services, Anglian Water Services Limited	✓	✓

(1) Appointed to the Board 17 September 2022

(2) Resigned from the Board 17 September 2022

MOSL
White Building,
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2NP

MOSL

Vehicle Operator Services Limited (MOSL) is registered in England and Wales. Registered No. 20310529.