Guidance

Preparing Consolidated Segmental Statements

Publication date:	31 October 2025
Contact:	Andrew Milligan
Team:	Financial Resilience and Controls
Email:	css@ofgem.gov.uk

This document provides guidance for suppliers on how to prepare the Consolidated Segmental Statements (CSS). It explains the scope and application of the Standard Licence Conditions ("SLC") 19A of the Electricity and Gas supply licences ("Financial Information Reporting"). The CSS template and details of the required supporting information are provided, and this is to be published on the supplier's website and submitted to Ofgem directly. Suppliers are responsible for preparing a CSS in line with the SLCs and guidance. This guidance describes what constitutes a properly prepared Consolidated Segmental Statement for the purpose of SLC 19.

© Crown copyright 2025

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the Open Government Licence.

Without prejudice to the generality of the terms of the Open Government Licence, the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to psi@nationalarchives.gsi.gov.uk.

Contents

Introduction **4**
Context and related publications 4
Guidelines for preparing the CSS **5**
Licence Condition 5
Scope and Application of the Licence Conditions 5
Minimum Threshold for Suppliers 6
Financial Year 6
Publication and Submissions 7
Interpreting the Financial Information 7
Hedging 9
Treatment of Joint Ventures and Associates 9
Auditing 9
What constitutes a properly prepared CSS 10
General Presentation 10
Revenue and Cost line items for Supply 10
Send us your feedback **13**
Appendices **14**
Index 14
Appendix 1 CSS template after reconciliation adjustments **15**
Appendix 2 Example template reconciling items to the statutory accounts **16**

Introduction

Scope and Purpose

This guidance explains how suppliers should prepare and publish the Consolidated Segmental Statement (CSS) in accordance with Standard Licence Condition (SLC) 19A of the Gas and Electricity Supply Licences. The CSS provides transparency on revenues, costs, and profits across domestic and non-domestic supply activities, supporting Ofgem's objective to monitor market performance and ensure fair outcomes for consumers.

Who this guidance is for

The guidance applies to Relevant Licensees that meet the reporting thresholds and requirements as set out in SLC 19A.

Context and related publications

- Policy Consultation (2023):

  https://www.ofgem.gov.uk/publications/reviewing-consolidated-segmental-statement-our-initial-proposals

- Decision (2024):

  https://www.ofgem.gov.uk/publications/reviewing-consolidated-segmental-statements-our-decision

- Consultation on Guidance modification (2025): Consolidated Segmental Statements guidance update | Ofgem

Guidelines for preparing the CSS

This section sets out the requirements for preparing and publishing the Consolidated Segmental Statement (CSS) under SLC 19A. It explains who must comply, reporting thresholds, and scope. It covers interpreting financial data, reconciliation to audited accounts, treatment of affiliates and joint ventures, and required disclosures in the published document. Guidance on publication timelines, submission formats, and templates is included to ensure transparency and consistency.

Licence Condition

1.1 These Guidelines relate to Standard Licence Condition (SLC) 19A of the Gas and Electricity Supply Licences, 'Financial information reporting'. There is currently one requirement under these conditions, which is the Consolidated Segmental Statement (CSS), and this will be referred to as the CSS licence requirement for the purposes of the Guidelines.

1.1 The Guidelines have been prepared by the Office of Gas and Electricity Markets, ('Ofgem'), pursuant to SLC 19A of the Gas and Electricity Supply Licences.

1.2 These Guidelines are accompanied by Templates (see Appendix). The Guidelines and templates will be published on the Ofgem website.

Scope and Application of the Licence Conditions

1.3 The requirement to submit a CSS only applies to those companies that are 'Relevant Licensees' as defined in the CSS licence requirement. Where information required under the CSS licence requirement is held by an Affiliate, the Relevant Licensee is required to obtain and publish the information.

1.4 Where a supplier holds multiple supply licences and reaches the threshold for one licensee, they will be required to report on supply activity across all licensees. For example, for a supplier which reaches the threshold criteria in one commodity (for example electricity) and has an affiliate company supplying gas which does not reach the threshold, they will be required to include both company's supply activities within the CSS. To add, affiliates without a supply licence are not to be included as part of the CSS.

1.5 To clarify, where a supplier holds multiple supply licences, they should publish a single CSS for the Group accounts. Further, where an affiliate does not hold a supply licence they will not be included in the CSS.

1.6 SLC 19A of the Gas and Electricity Supply Licences provides for the ability for suppliers to apply for and ability for Ofgem to consider and grant/refuse to issue a direction that the CSS requirement does not apply on a case-by-case basis. Examples of when such a direction might be considered include, but are not limited to:

- Where a supplier operates solely for non-traditional supply, and has no affiliate with a traditional supply business;
- Where the exclusion of meters supplying the company itself or affiliates would mean that the Relevant Licensee thresholds would not be met (see para 1.9 below).

Minimum Threshold for Suppliers

1.7 The following thresholds apply in determining who is a Relevant Licensee (as set out in SLC 19A of the Gas and Electricity Supply Licences.):

- domestic: suppliers must have at least 50,000 domestic gas customers (measured in meter points, MPANs and MPRNs) in the final month of the Relevant Licensee's financial year; or
- domestic: suppliers must have at least 50,000 domestic electricity customers (measured in meter points, MPANs and MPRNs) in the final month of the Relevant Licensee's financial year; or
- non-domestic: suppliers must have at least 10 non-domestic gas customers (measured in meter points, MPANs and MPRNs) in the final month of the Relevant Licensee's financial year. The number of meters may exclude any of which that supply to the company itself or any affiliates; or
- non-domestic: suppliers must have at least 10 non-domestic electricity customers (measured in meter points, MPANs and MPRNs) in the final month of the Relevant Licensee's financial year. The number of meters may exclude any of which that supply to the company itself or any affiliates.

1.8 Where meters supplying the company itself or any affiliates are to be excluded for the purposes of the Relevant Licensee thresholds and this results in the Relevant Licensee thresholds not being met, the company should apply to Ofgem for a direction that the CSS requirement does not apply and Ofgem will consider whether in the circumstances it is appropriate to grant such a direction. Such applications should include the number of meters and details of meters being excluded by emailing css@ofgem.gov.uk so that this information may be verified as appropriate.

Financial Year

1.9 As per the CSS licence requirement, the financial year should be interpreted as the Relevant Licensee's current financial reporting year. For the avoidance of doubt, this may differ between companies.

Publication and Submissions

Publication

1.10 The majority of suppliers are registered companies, and they are obliged by law to submit their statutory accounts to Companies House on a yearly basis. This financial information is in the public domain as all companies' accounts are open and accessible. Where a supplier has a specific concern, they must notify us in advance of publication, and we will advise whether we consider it can be redacted.

1.11 Where a supplier holds multiple supply licences, they should, where possible publish a single CSS for the Group accounts.

1.12 The template must be fully completed at the Group level where applicable, including the Relevant Licensee and any Affiliates, with all information.

1.13 In cases where there is a Companies House extension, Ofgem reserve the right to consider whether an extension to the publication due date is appropriate on a case-by-case basis (SLC 19A.3(b) of the Gas and Electricity Supply Licences. allows Ofgem to specify another date) rather than an automatic extension in the case of a Companies House extension.

Submissions

1.14 The completed templates (see Templates for Submitting the CSS below) must be submitted in a spreadsheet. Other explanations, analysis and commentary must be submitted in a searchable pdf format, and not an image. The completed template, other explanations, analysis, and commentary must be sent to the following email address: css@ofgem.gov.uk

Interpreting the Financial Information

1.15 Under the CSS licence requirement, a clear and full explanation of how the Relevant Licensee defines the terms 'revenues, costs and profits' must be set out and presented in accordance with the definitions are set out in this Guidance. Please include an explanation and approximate quantification (£'m) if revenues or costs have been allocated differently in the licensees' statutory accounts.

For example, "£1m metering installation costs have been classified under indirect costs in line with the Ofgem Guidance to ensure consistency in CSS reporting. Although, these costs would appear under direct costs in the statutory accounts, this reclassification has no impact on earnings (EBIT)."

1.16 The Relevant Licensee must describe the methodology or methodologies used to allocate marketing, shared and corporate costs across the supply elements. The licensee should also describe how, for example, individual costs such as

Feed- in-Tariff costs, Renewable Obligation related costs (classified in CSS statement as 'Environmental and Social Obligation costs'), are allocated across the supply business. For the avoidance of doubt, PPAs will come under 'Direct Fuel Costs.

Where issues pertaining to the data are unexpected or unusually complex these issues must be set out in full.

1.17 We would only expect the 'revenues, costs and profits' to reflect company activities relating to that year of operations.

If any Relevant Licensee's activities associated outside the supply of energy (i.e. supply of electricity and gas), need to be reflected as part of the CSS reconciliation table to the licensed entity statutory accounts.

For example, non-licensed activities (such as renewable installations, boiler servicing, home services installations or other non-supply operations) should be:

- Shown only as reconciling items between CSS and statutory accounts,
- Clearly described in the reconciliation notes.

1.18 Examples of financial items we would not expect to be included are, but are not limited to, mark to market adjustments; profit or losses on disposal; restructuring costs that have been identified as such in the Group's annual report; and impairment charges.

1.19 Where the Relevant Licensee has included any such items for the purpose of reconciliation, or otherwise, a clear and full explanation of the reconciliation to the company accounts of the Relevant Licensee(s) must be provided, as to how revenues and profits reconcile to the Relevant Licensee's audited figures. The Relevant Licensee must provide a reconciliation in the format of a numerical table, which should include the points below as suggested in the appendix:

- CSS Revenue and EBIT per the statement.
- Final statutory accounts Revenue and EBIT.
- Each reconciling adjustment with clear description. The table must be accompanied by numbered notes explaining each reconciling item, including why it was excluded from the CSS.

1.20 Revenue and costs for the financial year should be stated on the accruals basis, following Generally Accepted Accounting Practice (GAAP). In order to comply with GAAP, the Relevant Licensee is required to follow the same accounting standards applied in preparing their statutory accounts. If a Licensee applies a version of International Financial Reporting Standards (IFRS) in its statutory accounts, then it should apply the same version of IFRS for preparation of the CSS.

1.21 Likewise, if a Licensee applies FRS101 (reduced disclosure under IFRS) or FRS102, it should apply the same standard in preparing the CSS.

1.22 The explanation of accounting terms can be based on the accounting standards used in the company accounts and needs to clarify where the figures differ due to the scope of the CSS being limited to operations during the year.

Hedging

1.23 The hedging policy of the Relevant Licensee must be described.

1.24 The description must include an explanation of the hedging applied to default and active choice tariffs.

1.25 The description must also include an explanation as to who bears the volume risk whether that is the Relevant Licensee, an Affiliate, and the trading counterparty or a third party to a financial instrument.

Treatment of Joint Ventures and Associates

1.26 Under the licence requirement, the Licensee should work with other companies in its group to prepare the CSS, which will help give further transparency on overall revenues, costs, profits and volumes of energy supply.

1.27 The Relevant Licensee must account for Joint Ventures and Associates (which hold supply licence relating to the supply of gas or electricity in the UK) as follows:

- the share of revenues of Joint Ventures and Associates to be included within revenue, and
- the share of the profit before tax of Joint Ventures and Associates to be included within EBITDA (Earnings before Interest, Tax and Depreciation) and EBIT (Earnings before Interest and Tax).

1.28 For each of the items, the Relevant Licensee's share of the income and expenses of a Joint Venture or Associate should be combined line by line with similar items in the Relevant Licensee's CSS or reported as separate line items in the Relevant Licensee's CSS.

Auditing

1.29 The CSS must be reconciled to the figures in the audited statutory accounts. A table for the reconciliation must be provided, a suggested template has been provided. It follows that the same GAAP accounting standards applied in the statutory accounts should be applied in the CSS in order to facilitate reconciliation.

1.30 The Relevant Licensee is not obliged to submit a report from an Appropriate Auditor. However, Ofgem may require a report from an Appropriate Auditor

where it considers that the Relevant Licensee has not properly prepared the CSS in accordance with the licence conditions, Guidelines and Template.

1.31 Where an audit is required, the Relevant Licensee must commission an Appropriate Auditor, as stated in the CSS licence requirement, to review whether the figures in the CSS can be reconciled with the figures in the statutory accounts and that costs are fairly allocated on a basis that, the Auditor is satisfied, is fair to customers in the various business segments. Alternatively, the Relevant Licensee may send us a copy of an audit report from an Appropriate Auditor if they have previously prepared one in relation to the CSS submission in question. The Appropriate Auditor will be engaged by the Relevant Licensee only and will report to the Relevant Licensee only; the Appropriate Auditor will have no relationship with Ofgem.

What constitutes a properly prepared CSS

1.32 The CSS Template is to be filled in annually by the Relevant Licensee. This CSS Template will be in an Excel format or in another format directed by us and contains the following:

- fuel types – separate figures for electricity and gas and domestic and non-domestic customers
- separation of 'revenues, costs and profits' by domestic and non-domestic customers

General Presentation

1.33 All financial figures must be stated in millions of pounds sterling (GBP £m) and rounded to no more than one decimal place. The grey shadings denote summations that can be calculated by using other information within the statement.

1.34 WACOE must be reported to the nearest pence in £/MWh and WACOG reported to one decimal place in p/kWh. Volumes for electricity to one decimal place in TWh and for gas to one decimal place in MThms.

1.35 All revenues, costs and depreciation must be entered as positive values with only EBITDA (Earnings before Interest, Tax and Depreciation)' and EBIT (Earnings before Interest and Tax) displaying negative values in the event of a loss. Please take in consideration paragraph 1.16 under section "Interpreting the Financial Information" when preparing the CSS published statement.

Revenue and Cost line items for Supply

1.36 'Revenue from sale of electricity and gas' means electricity and gas sales for the respective retail supply segments. Revenue for domestic supply must be less dual fuel discounts where applicable; that is these discounts must be deducted

from revenue, with the discount split evenly between electricity and gas. Social tariff costs must also be deducted from domestic supply revenue directly.

1.37 'Other Revenue' not covered above in paragraph 1.37 must include revenue from activities directly related to the licensed supply business, such as meter installations or connection services, but exclude that associated with direct supply of electricity and gas. Any licensed entity revenue outside the supply business must be reflected in the reconciliation to licensed entity statutory accounts. The description of 'other revenue' must continue to be provided in a footnote.

1.38 'Direct fuel costs' for supply must include aggregate electricity and gas costs. For the supply businesses, WACOE/G should cover the wholesale energy cost, losses, Power Purchase Agreements (PPAs), balancing and shaping costs incurred by supply licences.

1.39 Remaining Direct costs not covered in paragraph 1.39 above, must be separated into the distinct CSS cost categories as defined in the template and include:

- 'Transportation costs' representing, but not limited to, distribution and network costs, which may include categories such as network charges (TNUoS, DUoS), BSUoS and gas transportation.
- 'Environmental and social obligation costs' representing, but not limited to, scheme policy or administration costs such as Renewable Obligation related, Feed in Tariff (FiT), Contracts for Difference (CfD), Capacity Market (CM), ECO and Warm Home Discount.
- 'Other direct costs' may include items such as broker commission directly attributable to sales, market participation fees.

Where application of the CSS Guidance results in a presentation that differs from the statutory accounts, the CSS format must take precedence to ensure consistency with the Guidance.

In such cases, the relevant sections must include a disclosure that:

- Outlines the reason for the difference from the statutory accounts line item.
- Provides an estimated value of the difference, rounded to the nearest £1 million.

This approach ensures compliance with SLC19A by aligning with the CSS Guidance while maintaining transparency in relation to statutory reporting.

1.40 'Indirect costs' should be defined as Relevant licensees' own internal operating costs including sales and marketing costs, bad debt, central services, customer service, costs to serve Priority Services Register (PSR) customers and all metering costs. With Indirect Costs the licensee should also highlight R&D and Innovation costs incurred during the period.

- Where application of the CSS Guidance results in a presentation that differs from the statutory accounts, the CSS format must take precedence to ensure consistency with the Guidance. In such cases, the relevant sections must include a disclosure that:
- Outlines the reason for the difference from the statutory accounts tine item.
- Provides an estimated value of the difference, rounded to the nearest £1 million.

This approach ensures compliance with SLC19A by aligning with the CSS

Guidance while maintaining transparency in relation to statutory reporting.

1.41 Volumes must be supplier volumes at the meter point (i.e. net of losses).

1.42 WACO E/G means the “Direct fuel costs” line divided by the “Volume” line, shown as £/MWh or p/th.

1.43 Meter Points must be the average number of electricity and gas, domestic and non-domestic meter points (MPANs and MPRNs) during the reporting year. This must be calculated by adding monthly closed meter points and dividing by 12.

1.44 The supply aggregation column (aggregation of domestic and non-domestic electricity and gas supply businesses) sums the horizontal supply figures and thereby helps facilitate reconciliation to group accounts.

Send us your feedback

We are keen to receive your feedback about this guidance. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this guidance?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Do you have any further comments?

Please send any general feedback comments to css@ofgem.gov.uk.

Appendices

Index

Appendix 1	CSS template after reconciliation adjustments	Page 15
Appendix 2	Example template displaying reconciling items to the statutory accounts	Page 16

Appendix 1 CSS template after reconciliation adjustments

	Unit	Electricity supply - Domestic	Electricity supply – Non-domestic	Gas supply - Domestic	Gas supply – Non domestic	Aggregate supply business
Year		**20XX**	**20XX**	**20XX**	**20XX**	**20XX**
Total revenue	£M					
Revenue from sale of electricity and gas	£M					
Other revenues	£M					
Total operating costs	£M					
Direct fuel costs	£M					
Direct costs:						
Transportation costs	£M					
Environmental and social obligations costs	£M					
Other direct costs						
Indirect costs	£M					
EBITDA	£M					
Depreciation and amortisation	£M					
EBIT	£M					
Volume	TWh, *m therms*					
WACO E/G	£/MWh, *p/th*					
Meter Points	000s					

Appendix 2 Example template reconciling items to the statutory accounts

#	Item	Unit	Revenue	EBIT
	CSS Supply [Licensee Name]	£M		
	Adjustments (examples if applicable):			
#1	Non-Licensed supply activities	£M		
#2	Mark-to market adjustments	£M		
#3	Restructuring costs	£M		
#4	Impairment charges	£M		
#5	Profit/(Loss) on disposal	£M		
#9	Other	£M		
	Statutory accounts	£M		