

**TOTSCo Budget  
for  
Financial Year 2026/27**



## TOTSCo Budget for Financial Year 2026/27

TOTSCo is a not-for-profit company, member-owned, industry governed. We operate the TOTSCo Hub, the central messaging platform that enables residential and business switching across the UK.

TOTSCo also works collaboratively with industry to support the effective operation and development of switching processes to ensure they run smoothly for providers and their customers.

Since TOTSCo's costs are recovered from industry, transparency in our finances is essential. We are committed to delivering value for money while ensuring a high-quality, secure and high-availability service.

This document presents the financial position at a high level. For a fuller explanation of our activities, delivery milestones, and how funding has been deployed across the year, please refer to the accompanying [TOTSCo Management Report](#), which provides more detailed operational and strategic context.

### Financial Overview

The table below shows the budget for 2026/2027. For context, it also shows:

#### 🕒 **The audited results for 2022/2023:**

This was a short year as TOTSCo was incorporated in June 2022 and the financial year ends in March 2023. Activity in this period was focused on the specification and supplier selection for the technical Hub solution.

#### 🕒 **The audited results for 2023/2024:**

This financial year saw an increase in the size of the TOTSCo team as we undertook intensive work with our technical partner on development and delivery of the technical solution, as well as onboarding customers and implementing the testing program.

#### 🕒 **The audited results for 2024/25:**

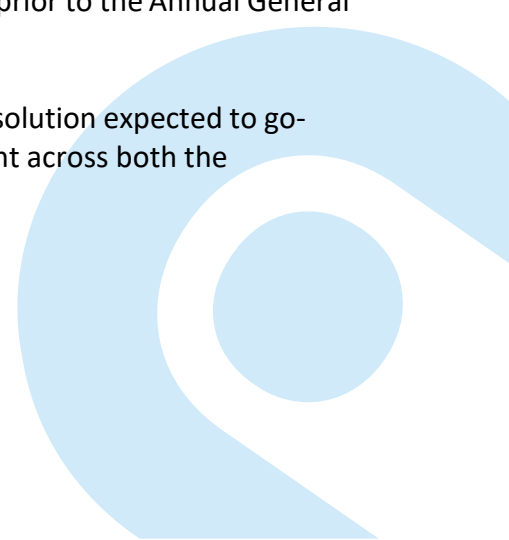
This financial year saw TOTSCo's team continue intensive work with our technical partner and with CPs to deliver the trials programme, ramp-up and go-live on 12 September 2024.

#### 🕒 **Projected results for 2025/26:**

These accounts comprise 10 months of actual and 2 months of forecasted numbers. This financial year sees TOTSCo reduce its program team as we transition to a business-as-usual (BAU) model, while at the same time delivering a solution for Business Switching. Full audited accounts for 2025/26 will be released prior to the Annual General Meeting held later in the year.

#### 🕒 **Budget for 2026/27:**

Residential Switching is in BAU. With our Business Switching solution expected to go-live in Q2 2026, our focus this year is continuous improvement across both the technical and service elements of our offering.



	2022/23	2023/24	2024/25	2025/26	2026/27
£	Audited	Audited	Audited	Actuals and forecasted*	Budget
Revenue - Residential	0	1,648,440	7,431,994	7,766,234	7,739,197
Revenue - Business	0	0	173,497	276,503	736,205
Cost of Sales - Residential	0	715,118	2,437,501	2,555,701	2,572,046
Cost of Sales - Business	0	0	4,512	143,896	98,095
Gross Profit	0	933,321	5,163,477	5,343,140	5,805,261
Salaries	310,850	710,765	1,324,752	1,652,954	1,918,142
Contractors	337,565	2,284,606	1,900,142	890,632	581,531
Admin	466,001	333,651	360,985	351,102	409,248
Total OPEX	1,114,416	3,329,022	3,585,879	2,894,688	2,908,921
Operating Surplus/(Deficit)	(1,114,416)	(2,395,700)	1,577,598	2,448,452	2,896,340
Amortisation	1,410	6,941	279,348	522,332	608,209
Net Finance Cost	25,216	253,082	430,091	219,215	116,425
Net Surplus/(Deficit)	(1,141,042)	(2,655,724)	868,160	1,706,905	2,171,706
Cumulative Surplus/(Deficit)	(1,141,042)	(3,796,766)	(2,928,606)	(1,221,701)	950,005

*\*10 months actuals April 2025 - January 2026, plus 2 months forecast February 2026 - March 2026.*



## 2026/27 Budget Assumptions and Commentary

The budget represents the best estimate of revenues and costs for the financial period. It is based on our experience gathered over eighteen months since OTS went live, together with our expectations for the year ahead.

Key factors influencing the 2026/27 budget are; Business Switching go-live, additional investment to address technical debt, further improve performance, increase resilience of the hub, improvements to customer experience, and an increased focus on the consistency of the OTS implementation and practice across industry.

TOTSCo's accounts and expenditure are reviewed monthly by the executive team and the Board. We prioritise cost reduction while ensuring that service quality and industry standards remain uncompromised. Cost control is a key KPI for the Executive team and the Board.

**Residential Switching revenue:** This is based on the current level of billing and the current Price Lists (i.e. a Unit Price of £0.28 per residential customer).

**Business Switching revenue:** In 2026/27 revenue covers the developing, operating and supporting business switching along with a common cost recovery which benefits OTS users. It is based off a Unit Price of £1.70 per business customer.

**Residential Switching cost of sales:** Cost of sales comprises direct costs related to the Hub licences and support. We entered into a five-year agreement with our technical partner for full-service package, including technical and business support. This level of cost of sales is expected to remain flat until the contract ends in 2029.

**Business Switching cost of sales:** Cost of sales decreases in 2026/27 as we consolidate two Hub environments into one.

**Staffing:** The structure of our workforce changed in 2025/26 as we transitioned from a program-based organisation to one focused on ongoing service delivery. This saw contractors rolling off and where required permanent employees added to TOTSCo's books. The increase in staff costs is offset by reduced contractor costs. 2026/27 follows this trajectory as well. The budget also reflects the required staffing demands to deliver the introductory phase of the Business Switching solution.



**Admin costs:** Increases from 2025/26 to 2026/27 are modest and primarily driven by inflation. The largest administrative costs include insurance, audit/accounting, and IT/website support.

**Amortisation:** Amortisation of the Hub started at OTS go-live in September 2024 and the Hub asset is depreciated over five years. The increase from 2025/26 to 2026/27 reflects capital additions that have been committed to or forecasted. Business Switching capital expenditure will be amortised from go-live in Q2 2026.

**Interest rate:** The interest rate on the loan is variable and is based on the Bank of England's Sterling Overnight Index Average (SONIA). The budget assumes an interest rate of 5.9%, consistent with the current rate paid on the loan.

**Loan repayment:** As of February 2026, TOTSCo has a loan balance of £2.3m which is due to be fully repaid in October 2027. Current forecasts show TOTSCo is on-track to repay the loan by October 2027.

