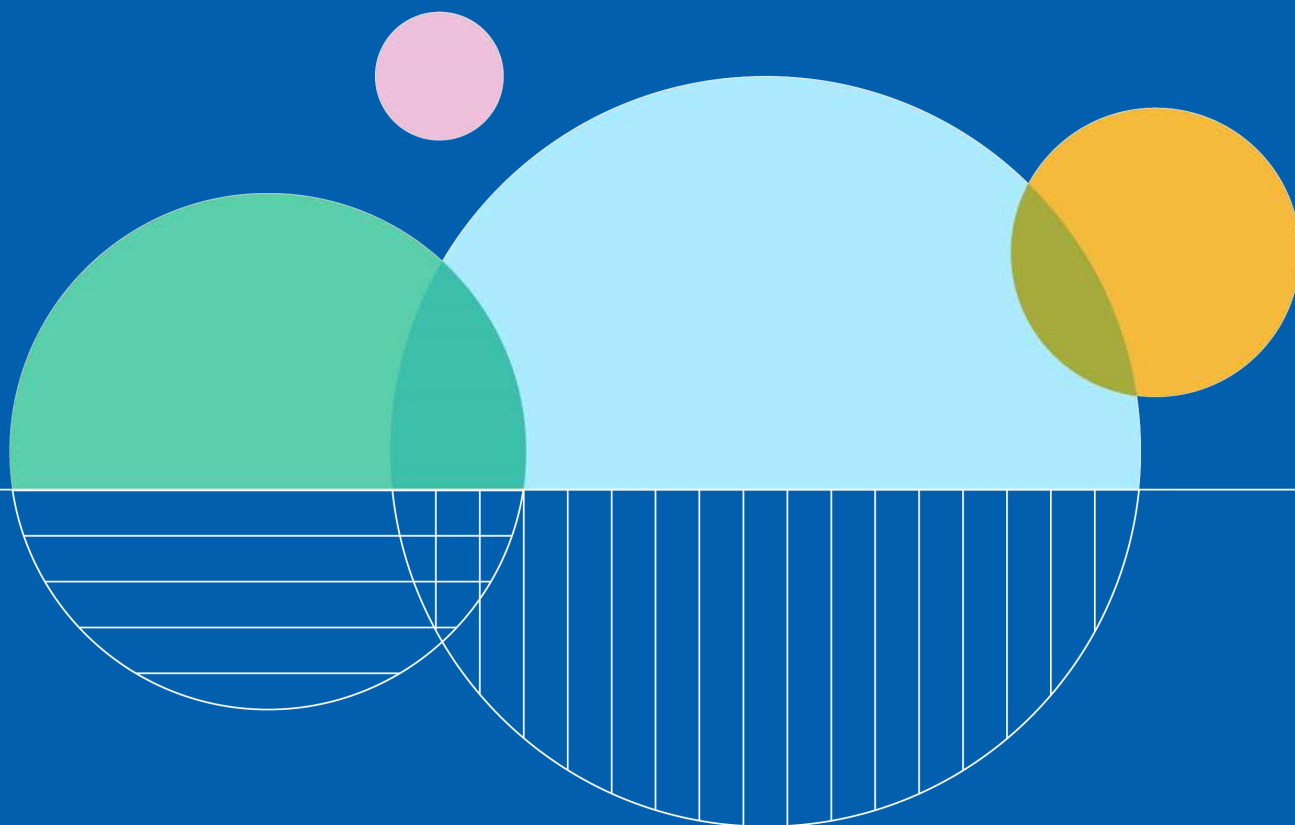


nominet

Nominet UK

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2025



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Officers and professional advisers

Company registration number	03203859
Registered office	Minerva House Edmund Halley Road Oxford Science Park Oxford OX4 4DQ
Directors	Carolyn Bedford Simon Blackler (resigned 16 October 2024) Paul Fletcher Andrew Green CBE – Chair Ashley La Bolle Eva Lindqvist Kieren McCarthy Sally Tilleray – Senior Independent Director Rex Wickham (appointed 16 October 2024) Patsy Wilkinson Steven Wright
Company secretary	Victoria Burnett
Bankers	National Westminster Bank plc 91 London Road Headington Oxford OX3 9AF
Investment managers	Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Independent auditors	HaysMac LLP Chartered Accountants 1 Queen Street Place London EC4R 1AG



Chair and CEO statement



Welcome to this year's Annual Report. As well as this report, we also share a half year financial summary and regular bulletins to keep members informed about our work.

We run Nominet for public benefit and prioritise running a world-class registry for our members and the wider world.

The market for domain names remains a challenging one. In common with many long-established country code registries, we experienced slowing demand for new registrations, with domains under management ending the year lower at 10.2m (FY24: 10.7m). However, we were encouraged to see the trend flatten out in the last quarter. .UK remains the domain of choice in our home market, and our renewal rate increased by 1.9% to 77.0% (FY24: 75.1%).

Ensuring .UK's long-term success is at the heart of our new strategy, which is focused on excellent stewardship of .UK, our commitment to a safe, secure and resilient internet, and seeking growth from our registry and DNS services. The Nominet brand and website was recently updated to better reflect those goals.

We want .UK to remain trusted and safe, and we will use data and new initiatives to identify and tackle domain abuse, working with our members. While we want both quality and quantity, we are prepared to accept a smaller registry if the overall health of the .UK domain, and renewal rates, increase in the long term.

We continued working with members on plans to modernise the technical systems and processes used to register and manage .UK domain names. Starting with aligning our approach to the wider domain industry, these changes will deliver a better experience for our registrars. Later this year, our transfer process will become easier for registrars as well as improving the overall security of .UK.

Complementing our work with .UK, we are now proud to be responsible for the management of the gov.uk registry on behalf of Government Digital Service (GDS) after a transition last summer. Elsewhere, we expanded the portfolio of top-level domains entrusted to us by major brands.

Given the slowing consumer demand for .UK domains, our ancillary revenue streams play an important part in our strategy. The non-registry business was profitable over the year. We extended our range of DNS services for the UK government, which now includes provision of vital support for the NHS in England and continued our work with the Public Services Network.

However, despite delivering a quality service we were disappointed to be unsuccessful with a tender to further extend our Protective DNS (PDNS) work in Australia when the contract ends later this year. The market has clearly changed, and we are unable to be competitive on price while delivering a quality service and retaining a suitable margin. PDNS is no longer a viable source of future income for us and we will not pursue further contracts.

Instead, our new business focus is on developing registry services and extending our work in authoritative and recursive DNS. Since year end, we were pleased to make progress by securing a new public sector DNS contract which supports the Law Enforcement Community Network.

Our technology remains a key priority. Over the year, we continued to develop the capability and resilience of our critical technology, with capital expenditure of £7.4m, reduced from £10.9m in FY24 as the large scale renewal projects we started in FY22 move towards completion and a £1.5m reduction in technical systems and infrastructure overheads (from £16.7m in FY24 to £15.2m in FY25) as a result of rationalisation in our technology base and an ongoing move to technology solutions which have a lower cost base without any detrimental impact on service and security. A programme to renew our enterprise platforms is on track to complete this autumn; spend to date on this programme is £31m (£20.4m capex and £10.6m opex). It will deliver operational improvements and future cost savings. Faced with combatting a sophisticated cyber-attack earlier this year, we know our security investments were key to containing the issue without loss of data or impact on core systems.

We are now starting a new phase of work that seeks improvements in the member and customer experience through automation, data and AI. We will increase our software capability and retain control of our infrastructure so that we are able to specify and deliver the service we want in future.

Over the year, we've committed £11m to public benefit programmes that use technology to change lives. This work includes helping under-represented groups access digital careers, tackling the digital divide by providing connections and devices to those otherwise excluded, and equipping the UK's primary schools with Micro:bits and the materials to inspire the next generation of coders. We were pleased that this project received the Not-For-Profit Digital Project of the Year award at the Digital Revolution Awards in May 2025. We have also funded much-needed work in internet safety, including pioneering approaches that are disrupting the proliferation of child sexual abuse materials online.

Championing a safe and resilient internet is the focus for our public benefit work moving forward. This aligns our public benefit activity to the work we do as a business. Future programmes will have two focuses. First, improving internet safety and combatting harms. These initiatives help build a trusted environment that encourages a thriving digital economy and are increasingly important to our government stakeholders. Secondly, initiatives that support the resilience and development of the internet eco-system we all depend on. We will continue to back collaborative and effective initiatives in the DNS sector.



Our overall financial position remains strong, with stable overall revenue. A new operating model, post-restructure, has delivered efficiencies. We are drawing down on our reserves to help fund technology investments and public benefit activities. However, with the uncertainties around trade and the geopolitical environment, we aim to retain significant reserves (over £50m) in line with a low appetite for risk.

We know domain pricing is important to members. .UK registration fees – held at current levels since 2020 due to funding key programmes from reserves – continue to represent excellent value. For our members, we aim to increase the value you see in membership beyond the discounted domain fee, so that we have more members engaged with our work. Our new head of membership engagement is building an enhanced programme including a member conference as our flagship event.

A special thank you to our members for your continued support and engagement and to our people for their commitment to doing great work.





Andrew Green
CBE, Chair
16 July 2025





Paul Fletcher
CEO
16 July 2025

Table of key figures

	FY25	FY24
Revenue	£55.9m	£56.4m
Public benefit spend	£11.0m	£9.9m
Renewal rate	77.0%	75.1%
Domains under management	10.2m	10.7m
Profit before public benefit spend	£5.5m	£2.0m
(Loss) for the year	(£2.7m)	(£6.0m)
Investment in technology	£7.4m	£10.9m
Investment portfolio	£88.6m	£91.0m



Strategic report

Introduction

The principal activity of the Company and Group is the provision of DNS services for internet domains, primarily within the .UK namespace. The principal activities of the subsidiaries are described in note 9. A description of the Group's strategy and business model is set out in the Chair and CEO's statement.

The Company and Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

Business review and key financial indicators

The trading results for the year and the Group and Company's financial position as at 31 March 2025 are shown in the financial statements (from page 51). Key financial and non-financial indicators are shown below.

Revenue

Group revenue decreased in the year by £0.5m (less than 1%) to £55.9m, with a £0.5m increase in DNS revenue (previously called Cyber) offset by a £1.0m reduction in Registry revenue. The .UK register at 31 March 2025 closed at 10.2 million domains under management (DUM) (31 March 2024: 10.7 million) with .UK market share at 52.0% of the domain market share (31 March 2024: 53.4%).

Operating charges (excluding Public Benefit)

Other operating costs (which are all costs excluding public benefit) are £50.4m (FY24: £54.4m), a decrease of £4.0m. The major movements are as follows: staff and other personnel costs decreased by £5.0m following the restructure at the beginning of the year which is offset by £1.4m incurred on one-off restructuring costs (primarily staff-related). Technical systems and infrastructure overheads in the year decreased by £1.5m despite inflationary increases in costs, reflecting our efforts to rationalise our technology base and investment in developing technology solutions which have a lower cost base without any detrimental impact on service and security. Increase of £0.8m in amortisation of intangible assets, of which £0.3m relates to accelerated amortisation on PDNS assets used to deliver the AUPDNS contract reflecting the end of the contract in FY26 and the remainder reflects our investment in our technology infrastructure. £1.2m loss on disposal of intangible assets following the decision to exit the PDNS market.

Trading operating profit and overall operating loss after Public Benefit costs

The overall operating profit for Nominet's trading activities (excluding public benefit spend) increased to £5.5m (FY24: £1.9m), primarily as a result of the reduction in operating costs noted above.

The overall operating loss of £5.5m (FY24: £8.0m) reflects the significant public benefit spend of £11.0m (FY24: £9.9m) offset by the reduction in operating costs. The majority of the spend on public benefit projects in the year arose from the previously planned contractual commitments for our flagship projects which started in FY22, most of which are due to finish in FY26.

Investments

Investments are included in the consolidated statement of financial position at their fair value. With income, realised gains, withdrawals and market movements, the fair value of the investment portfolio decreased during the year and closed at £88.6m (FY24: £91.0m), with the reduction due to £5.0m of withdrawals from the portfolio (FY24: £16.2m), offset by an overall return of £2.6m (FY24: £10.8m). In percentage terms, on an absolute basis, the portfolio returned 2.9% in the year to 31 March 2025 and 9.3% in the three years to 31 March 2025.

During the period we realised £1.8m of net gains on the disposal of investments within the portfolio (FY24: £4.0m) and investment income from the portfolio during the year was £2.3m (FY24: £2.2m).

Full details of the movement in investments for the year are shown in note 10.

Intangible assets

The statement of profit or loss includes £0.3m of accelerated amortisation on PDNS assets used to deliver the AUPDNS contract which ends in FY26 and £1.2m loss on disposal of intangible assets following the decision to exit the PDNS market.

Balance sheet and cash flow

Retained earnings for the Group decreased by £1.0m during the year to £87.5m (FY24: £88.5m).

Cash generated from operations before tax payments was £7.2m (FY24: cash used £3.4m).

The other key cash movements included capital expenditure and other development costs totalling £7.7m (FY24: £11.2m). Cash balances held at the period end increased by £3.8m to £6.7m (FY24: £2.1m increase).

Public Benefit

We have continued with our commitment to public benefit in the year, with a total spend of £11.0m (FY24: £9.9m).

Spend in FY25

Total Spend in FY25 (£k):	10,979
Total of Programme Spend in FY25 (£k):	10,585
Operating costs (£k):	394
Operating cost/Total spend ratio	3.6%

Note: Total programme spend of £10.6m includes £1.6m transferred to our Charities Aid Foundation (CAF) account in the year for onwards distribution to our public benefit partners in FY26 and FY27. In addition to £10.6m programme spend, £0.3m held in our CAF account at 31 March 2024 was distributed to Micro:bit in FY25. This payment is included in the ‘Our biggest grants in FY25’ table below.

Spend over time

In 2021 we committed to spending *up to* £65m (funded from reserves or annual surplus) on activities that benefit the wider public. To date, this has focused on initiatives delivering social impact.

£k	FY21	FY22	FY23	FY24	FY25
In-year	3,710	4,758	11,906	9,943	10,979
Cumulative		8,468	20,374	30,317	41,296

There is a further £2.7 million committed in future years.

Our biggest grants in FY25

We supported 12 organisations during the year. The table below outlines grants over £250k. This includes payments made from our Charities Aid Foundation (CAF) account but does not include the £1.6m transferred to our CAF account in the year:

Partner/programme	Amount (£k)
Institute of Coding	4,691
UK Safer Internet Centre (UKSIC)	1,647
Good Things Foundation	1,500
Micro:bit Educational Foundation	310
The Lucy Faithfull Foundation	300
ParentZone – countering harm	265
Internet Watch Foundation	250



Outlook and future developments

• Round 2 GTLDS:

In 2026 organisations will be able to apply to secure their own top-level domain. The process, run by ICANN, is expected to open in spring 2026, creating opportunities for suppliers of registry services. The market for these services will be highly competitive, and Nominet has strategic partnerships in place to encourage adoption of the company as the registry operator of choice. Our experience running .UK, one of the largest country codes, as registry services provider for a number of global brands, and our selection as EBERO provider means we have a strong track record to build on.

• The Domain market:

In a maturing market, the challenge is to ensure high renewal rates of .UK are maintained, while attracting sufficient new registrations. Moving forward, we will place an increased emphasis on the quality of the register, tackling domain abuse to further increase the safety in .UK and leading to increased renewal rates.

We continue to monitor proposed or new regulation that may affect our operations or those of our members. Over the past year this has included the implementation of the Online Safety Act 2023, the Crime and Policing Bill which includes provision on domain name suspensions and is currently undergoing parliamentary passage, and the upcoming Cyber Security and Resilience Bill which is expected to be introduced to Parliament later in 2026. We seek to inform legislation to ensure due consideration is given to well established and effective current suspension practices, the specific technical role that a registry and registrars can play, and to limit unnecessary duplication in regulatory reporting.

• DNS services

Nominet continues to offer DNS services, such as the Public Services Network (PSN), and is well placed to bid for future opportunities in this area. As the market for government Protective DNS services is increasingly competitive, with potential customers focused on the most cost-effective solutions, we are not pursuing business in this area moving forward.

• Registry Modernisation

Following a consultation with members, work is underway on a programme to modernise the registry platform. The proposals aim to standardise systems and processes in line with industry approaches, and to retire some legacy interfaces.

Principal risks and uncertainties

The primary risk areas for Nominet are identified below together with a description of the steps we are taking to manage those risks.

Description of risk	What we are doing to manage the risk
<p>Critical infrastructure disruption</p> <p>Critical to our business and customers is the integrity and high availability of the core infrastructure and technology through which our services are provided</p> <p>Complexity of infrastructure and its lifecycle management, and the ever-increasing threat of attack by threat actors keep this a significant risk</p>	<ul style="list-style-type: none">Investment in the resilience of our critical DNS, registry infrastructure and disaster recovery capabilitiesRobust ISO 22301 certified business continuity plans in place which are tested and reviewed on a regular basisStrong and effective IT & Security policies and operational controls that are certified to the ISO 20000 and ISO 27001 standardsSecure coding principles adopted, and continual improvement prioritised to adopt best practices
<p>Cyber security</p> <p>A fast-evolving threat environment is changing the focus of cyber security and as an operator of critical DNS and registry services we must respond to these increased threat levels to protect our services</p>	<ul style="list-style-type: none">Delivery of key security improvements to strengthen our defences and respond to increasing sophistication of threat actorsContinued investment in high quality infrastructure and rapid controlled response to any identified security threats and vulnerabilitiesRegular penetration, vulnerability, and intrusion testingActive within industry and specialist community groups to share and receive alerts, information and best practiceSupporting the business with adopting AI technologies in a safe way

Description of risk	What we are doing to manage the risk
<p>Economic</p> <p>Deepening geopolitical and geoeconomic tensions through FY25 have resulted in an economic outlook that continues to show declining optimism</p> <p>Nominet continues to see its costs increase and the market we operate in remains challenging with strong competition</p>	<ul style="list-style-type: none">• Developing our products to remain competitive and relevant• Pipeline of new client opportunities• Working with our registrars to promote our domains• Focus on cost control and efficiencies• Strategic supplier reviews to identify cost savings and opportunities
<p>Environment and sustainability</p> <p>Nominet is committed to achieving Net Zero emissions by 2050, however there is a risk that we fail to achieve these targets due to the challenge of reducing our emissions whilst we grow and transform our critical technical infrastructure</p> <p>Failure to achieve our Net Zero targets would harm our ability to contribute to the global aim of achieving climate stability and would likely lead to financial penalties in future as well as reputational harm</p>	<ul style="list-style-type: none">• We remain committed to minimising the impact of our activities on the environment and to reducing our carbon emissions through our carbon reduction plan to achieve our Net Zero 2050 goal• Established measurements in place to track our carbon footprint and offset our measured emissions• Modernising and upgrading our systems infrastructure to use equipment that emits less heat and can operate within a larger temperature range• We continue to invest in sustainable woodland creation in the UK to offset our carbon emissions
<p>Governance, risk and compliance (GRC)</p> <p>The effectiveness of Nominet's governance structure is essential to ensure operational and organisational stability</p> <p>Governance of the wider technology industry remains a priority for the UK Government who is seeking to bolster the UK's online defences, protect the public and safeguard growth</p>	<ul style="list-style-type: none">• Maturing our GRC capabilities in response to increasing regulatory oversight• Continuing to seek input and feedback on policy and governance matters from across our stakeholder groups• Maintaining strong relationships with key Government stakeholders• Demonstrating commitment to and effectiveness of the multi-stakeholder and self-regulation models for internet governance

Description of risk	What we are doing to manage the risk
<p>People and resources</p> <p>Economic volatility and supply chain disruption has continued throughout the year with costs increasing and lead times growing</p> <p>Recruitment for specialist roles remains highly competitive</p>	<ul style="list-style-type: none">• Strategic workforce planning, resource planning, forecasting and management• Succession planning and training• Critical skills analysis and planning• Competitive Employee Value Proposition to attract and retain top talent• Hybrid working offering enabling employees to flex between the office and home• Critical supplier due diligence• Advance ordering of new equipment to ensure on-time delivery• Third party risk management
<p>Reputation and brand</p> <p>Significant reputational damage that harms our brand or reputation and leads to a loss of confidence amongst our members, customers and broader stakeholders</p>	<ul style="list-style-type: none">• Ensuring the high quality and availability of our services• Business continuity and service resilience plans and processes• Improving our competitiveness and agility• Balancing the needs of our broad and diverse range of stakeholders• Key stakeholder engagement and outreach• Demonstrating our ongoing multi-stakeholder policy work• Developing products and services to enhance trust and confidence in the internet• Ongoing commitment to delivering public benefit through our work

Description of risk	What we are doing to manage the risk
<p>Supply-chain failure and/or security vulnerabilities and disruptions</p> <p>Significant dependencies on cloud services, deploy-as-a-service solutions, in-country delivery partners and critical third-party suppliers</p>	<ul style="list-style-type: none">• ISO 22301 certified Business Continuity Management System and Business Continuity Plans• Resilience, redundancy and continuity measures built into critical services• Critical supplier selection and due diligence controls• Effective supply-chain risk management with careful purchasing planning, supplier management and service level monitoring

Section 172 statement

Section 172 of the Companies Act requires all directors to have regard to the impact on its stakeholders. In line with good governance practice, Nominet has reviewed its stakeholders and clarified how we work with each group.

The directors consider the following to represent the company stakeholders: the members, employees, the UK government (including but not limited to law enforcement and national security agencies), customers and business partners, UK internet users (both commercial organisations and the general public), charity partners, and wider civil society.

The table on the next page sets out how Nominet works with each of these groups of stakeholders.

Stakeholder	How we engage
Members	<p>Nominet is committed to engaging openly and acting in a fair manner, having regard for the views of all its members. Nominet has an extensive programme of member engagement including an in-person and virtual event programme; Member Hub and Nominet Community; operational updates; .UK Registry Advisory Council; Member GiveHub; General Meetings and consultations on .UK policy.</p> <p>In addition to the Annual Report, a half yearly update on financial performance is shared.</p> <p>The CEO holds regular calls for members, covering a wide range of topics and listening to member views.</p>
Employees	<p>Engagement surveys; weekly CEO communications; regular town halls; performance management framework and process; shared intranet; social events and ad hoc interactions on key issues.</p>
UK government including law enforcement and national security agencies	<p>Regular engagement by public policy team, with departments, regulators and parliamentarians on relevant public policy and .UK domain policy issues. We respond to initiatives and consultations and advocate policies that help create an online world which is connected, inclusive and secure.</p> <p>Regular updates are provided to DSIT as the sponsoring department; and we interact with Ofcom as regulator and with other departments of our registry or DNS services. Input from DSIT, Ofcom and NCSC are carefully considered in shaping service offerings.</p> <p>Nominet works closely with a range of law enforcement and national security agencies to ensure that the .UK domain is secure and that national policies are correctly implemented for .UK.</p>



Stakeholder	How we engage
Customers, suppliers, business partners	Customer priorities are carefully considered and reflected in our investment in customer services, infrastructure and engagement programmes.
	Nominet interacts closely with its customers through regular dialogue. Formal performance review meetings are held at regular checkpoints with government customers in the UK and internationally.
	Many customers are also members and have additional opportunities to engage (see previous page). For example, the UKRAC provides a channel through which registrar users of Nominet’s services can provide input to policies and working practices for the .UK domain.
	Nominet engages with and carries out due diligence on suppliers to ensure they comply with relevant law, policy standards and can meet our business requirements. Formal review meetings are held to review performance and ensure strategic alignment with our key strategic suppliers.
Internet Community	Nominet plays an active role in the internet community, including support for and participation at ICANN; contributing to the Internet Engineering Taskforce (IETF), including work on standards development; sharing best practice and collaborating on relevant issues with other country code domain name registries; and support for the multi-stakeholder model through the Internet Governance Forum, in particular supporting the annual UK IGF event. Our public benefit plans now include a programme dedicated to supporting the DNS eco-system.
UK internet users (commercial and members of the public)	Reflecting the critical nature of Nominet’s services to the public, we focus on stability and trustworthiness, achieving 100% DNS uptime and delivering a safe, secure namespace. We work closely with our registrars and law enforcement to take action to prevent .UK domain names being used for criminal activities.

Stakeholder	How we engage
Charity and social impact partners	The Board oversees the public benefit programme to ensure alignment with our strategy and review the impact delivered.
	There are formal and informal engagement activities in place for each of our charity and social impact partners. These provide strategic alignment, clear goals for partnerships, and measurement of delivered results.
	Nominet conducts periodic formal reviews of the value created by its social impact programmes, using independent external support.
Wider civil society	Nominet is committed to reducing the impact of its activities on the environment and engaging in a positive way with the broader community. We continue to invest in the safety and security of the .UK namespace as well as contributing to the wider internet community and tackling online harms. This year’s progress on environmental matters is set out in the Sustainability section on page 29.

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



A. J. Green
Andrew Green CBE
Chair
16 July 2025



Report of the directors

nominet

Directors

The directors who served the Company during the year were as follows:



Carolyn Bedford



Simon Blackler
(resigned 16 October 2024)



Paul Fletcher



Andrew Green CBE



Ashley La Bolle



Eva Lindqvist



Kieren McCarthy



Sally Tilleray



Rex Wickham
(appointed 16 October 2024)



Patsy Wilkinson



Steven Wright

Board and committee attendance

Director	Board	Audit & Risk Committee	Nominations Committee	Remuneration Committee
Carolyn Bedford	8/8	4/4		
Simon Blackler	3/4		1/1	
Paul Fletcher	8/8	4/4	2/2	
Andrew Green	8/8	2/4	2/2	3/4
Ashley La Bolle	8/8	4/4	1/1	4/4
Eva Lindqvist	7/8	4/4		4/4
Kieren McCarthy	8/8		1/1	2/2
Sally Tilleray	7/8	4/4		
Rex Wickham	4/4		1/1	
Patsy Wilkinson	8/8	4/4	2/2	4/4
Steven Wright	8/8	4/4	2/2	

Directors’ responsibilities statement

The directors are responsible for preparing the Strategic report and 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 Group and Company financial statements in accordance with UK-adopted international accounting standards.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and to
- 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 Group and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Group and Company’s auditor is unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Group and Company’s auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors’ and officers’ liability insurance and indemnity

During the year, the Group and Company maintained liability insurance for its directors and officers. The provision, which is a qualifying third-party indemnity provision as defined by Section 233 of the Companies Act 2006, was in force throughout the year and remained in force at the date of signature of the accounts.



Employees

As guardians of .UK we require exceptional people. To ensure .UK runs smoothly for the millions who rely on it every day, we need a diverse, expert team. We are committed to encouraging equality, diversity and inclusion in the workplace. We support this through progressive, inclusive policies and practices.

Our inclusive culture is reinforced across our employee experience. Communicating who we are, what we do, how we work and what life is like inside Nominet is a key part of our approach to recruitment and onboarding in line with our Vision, Mission and Values – which were updated during the year. We look for people who are ambitious, curious, passionate and collaborative. People with all kinds of skills, abilities, qualifications and interests.

If an employee becomes disabled, every effort is made to provide continuity of employment in the same role or a suitable alternative. The same principles are applied when an employee is affected by long term illness, where we provide support to help their return to work.

Our best work happens when we pull together. Our hybrid approach blends in-person and remote work. While we encourage autonomy in determining how work gets done, we also prioritise collaboration across teams to drive Nominet’s success.

The business is continually evolving, creating new opportunities to join or develop and grow within one of our passionate and talented teams. Our people enable Nominet to succeed – therefore we work hard to support their ongoing development, whether in a personal, professional or technical capability.

Independent auditors

A resolution to reappoint HaysMac LLP as the Company’s auditors and to authorise the Board to determine the auditor’s remuneration will be proposed at the 2025 Annual General Meeting.

Financial instrument risks

The Group uses various financial instruments. These include cash and equity investments. The main purpose of these financial instruments is to manage the finances for the Group’s operations, ensuring capital protection, long-term capital growth and income. The existence of these financial instruments exposes the Group to a number of financial risks, although as a result of cash balances available to the Group, these risks are minimal. Further details of the risks related to financial instruments and the Group’s policies and procedures for managing these are given in note 20 to the financial statements.

Research & Development

The Group performs research and development activities related to the DNS product and within the registry. The Group expenses research activities to the statement of comprehensive income and capitalises development activities where the cost meets the relevant criteria.

Corporate governance arrangements

Nominet UK is a private company limited by guarantee. It is not required to adhere to any corporate governance codes but is aligned to elements of Wates Principles as appropriate.

The Board is responsible for setting the Group’s vision and strategic aims, ensuring that the necessary resources are in place and holding the Executive to account for delivering the strategic objectives.

Directors are required to avoid conflicts of interest and must adhere to Nominet’s Policy. Nominet’s Board maintains a Register of Interests for directors which is reviewed annually by the auditors during their audit of the Group’s financial statements. In the event that a director has a potential conflict, then they will be excluded from the relevant business and will not receive associated papers and minutes.

During the year to 31 March 2025, the Board comprised eight Non-Executive Directors, including the Chair, and two Executive Directors. (Please refer to page 22 for details of Board and Committee attendance during the year).

At the October 2024 AGM, the members elected Rex Wickham to replace Simon Blackler as elected NED. The proportion of women on the Board during the period was 50%.

Nominet has three Board committees that meet on a regular cycle: Audit & Risk, Nominations, and Remuneration. In addition, there is a Code of Conduct Committee which meets as and when required. In FY24 there were two additional committees: The Public Benefit Committee - now dealt with by the main Board, and the Investment Committee, which has been incorporated into the Audit & Risk Committee. Committee Chairs report to the main Board after each meeting.

The Committee Terms of Reference can be found on the Company website.



Board Report on remuneration

FY25 has been another year of good performance balanced between delivering against the annual calendar of work alongside the need to respond appropriately to business changes and external environmental impacts, maintaining a trusted, secure and resilient service and finalising the updated 3-year plan.

The matters addressed by the Committee during the financial year ended 31 March 2025 are described below:

Executive Directors and Senior Management	<ul style="list-style-type: none">Reviewed and approved salary proposals for Executive Directors and other members of the Executive Leadership team for FY25 pay reviewCalibrated and approved FY25 performance outcomes and related Bonus scheme payments for Executive Directors and other members of the Executive leadership teamConsidered and reviewed external market insight when undertaking annual review of the Executive Directors and other members of the Leadership Team's fees during FY25Setting of business objectives, KPIs and OKRs for delivery during FY26Considered and approved personal objectives and key results for FY26
Employee Remuneration	<ul style="list-style-type: none">Approved all team member awards under the Company Bonus scheme for FY25Approved the deferred and reduced pay budget considering the headcount reductions and organisation changes for FY25Approved the pay budget for FY26
Governance, Risk and other matters	<ul style="list-style-type: none">Contributed to the discussion on NED fees, while noting the inherent conflictApproved FY25 Remuneration reportUpdated and reviewed FY26 Remuneration calendar of workReviewed a benchmark of the Group Pension Plan (GPP) provision to ensure it is appropriately aligned to the marketAgreed to moving the GPP to a preferred provider during FY26Agreed to a deferred employee survey and realignment of the approach for FY26

The Committee continues to provide rigour and challenge to ensure appropriate governance and rigour across the application of our remuneration policy and practice, providing confidence and transparency in our approach.

FY25 Remuneration outcomes

The Remuneration Policy is available on the homepage of our website.

As outlined in the Chair and CEO statement, Nominet has continued to deliver effectively against expectations and respond appropriately to an ever-evolving environment.

The company performance assessment for FY25 is based on a balanced scorecard set of key performance measures. As a result of the company performance assessment, the Remuneration Committee continues to apply prudence and rigour towards its final decisions on determining the overall company performance levels and subsequent Executive Director final bonus payment levels. The Executive Leadership team were able to quickly rebuild confidence and stability across the organisation during H2 following the restructure that occurred during the first half of FY25. Resetting the 3-year strategy and realignment of organisation values with the business, the Committee confirmed that overall company performance had achieved 74.5 points of the expected KPI levels and the company performance element of the bonus was therefore aligned to this assessment.



Personal performance

Performance levels were assessed for each Executive Director and relevant bonus percentage levels were aligned with their individual performance assessment rating.

CEO

The personal performance objectives for the CEO (Paul Fletcher) in FY25 included driving a recovery across Nominet after the UKPDNS loss, reducing the cost base, embedding new company values to shift the culture in Nominet, creating a refreshed strategy and forward-focused 3-year plan, improving member engagement and supporting the development of the executive/extended leadership teams. He has delivered strongly on all of these objectives while also dealing with some significant operational issues including a foreign state level cyber-attack.

The annual bonus award for the CEO was based on a set of Company Objectives (70%) and Personal Objectives (30%) and resulted in a total payout for the period of 63.07% (out of a possible maximum opportunity of 75%) which equates to a payment of £194,396.

The CEO has a fixed base pay of £312,000 per annum. The CEO was awarded a salary increase of 5% during the period.

CFO

The personal performance objectives for the CFO (Carolyn Bedford) in FY25 focused on ensuring financial stability across the business whilst updating and improving capability, systems, process and practices that will ensure we are able to run an efficient and effective organisation.

The annual bonus award for the CFO was based on a set of Company Objectives (70%) and Personal Objectives (30%) and resulted in a total payout for the period of 50.51% (out of a possible maximum opportunity of 60%) which equates to a payment of £97,487.

The CFO has a fixed base pay of £196,000 per annum. The CFO was awarded a salary increase of 3.2% during the period.

Board fees

Following a benchmarking exercise and taking into account wage inflation over the intervening years since the last fee increase (2020), the Nominet Chair and Executive Directors agreed an aggregate uplift of 10.4% to the NED fees.

Board fees are shown in Note 6 on page 67.

FY25 sustainability overview

Methodology

Nominet’s carbon emissions data is gathered in accordance with GHG protocols and independently verified against ISO 14064-3. Our Carbon Reduction Plan is completed in accordance with PPN 06/21.

Overall picture

Nominet is committed to achieving net-zero emissions by 2050. In January 2023, the SBTi approved Nominet’s near-term science-based emissions reduction target:

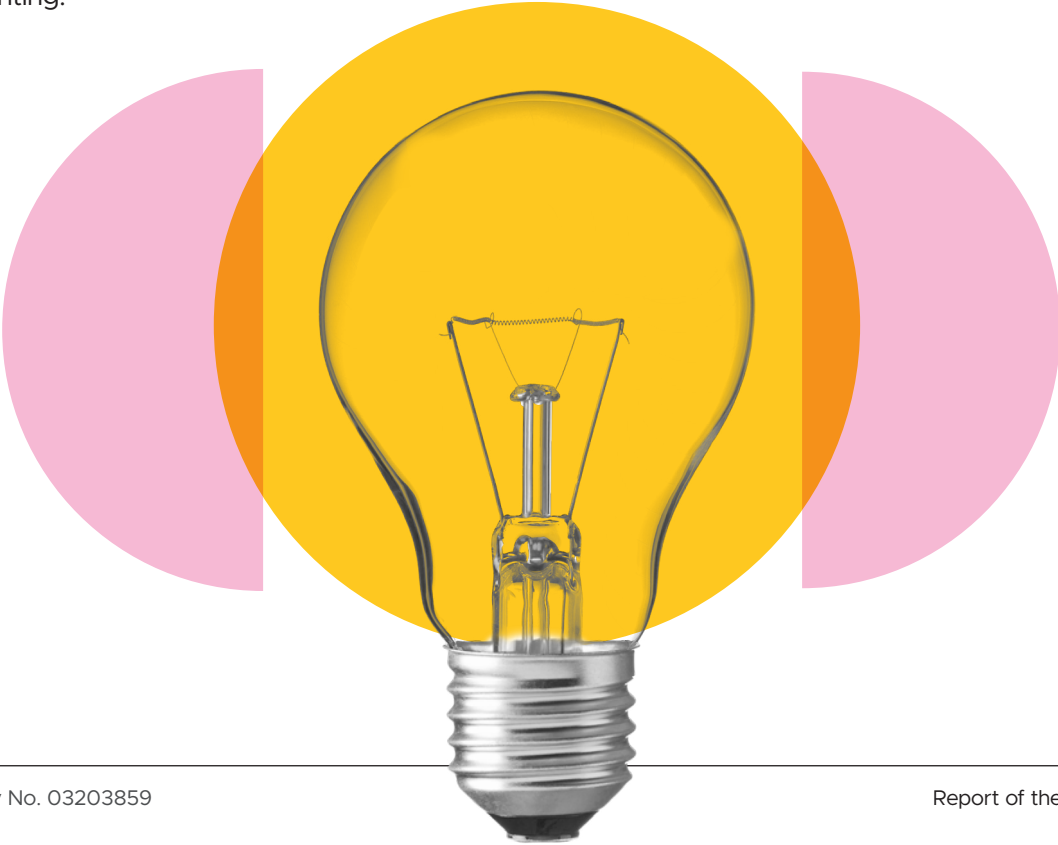
“Nominet UK commits to reduce scope 1 and scope 2 GHG emissions 42% by 2030 from a 2020 base year, and to measure and reduce its scope 3 emissions.”

Nominet commits to offsetting its scope 1 & 2 market-based measured footprint through verified carbon standard initiatives.

The overall footprint decreased, mostly due to a reduction in business travel. Emissions associated with our data centres increased due to planned infrastructure upgrade works, which increased energy use, and this is forecast to reduce again when the project completes. Other factors were a refrigerant gas leak in our HVAC equipment. There was a positive reduction in the volume of electricity used because of planned reduction initiatives.

Energy efficiency action taken

The volume of electricity has been reduced because of changes to our plant and equipment running times and parameters. Specifically, increasing the HVAC set point in server rooms and changing the office opening hours. Further reductions have started to be seen from the transition from halogen to LED lighting.



Greenhouse gas emissions (GHG)

GHG Scope	Category	FY25 Emissions (tCO2e)	FY24 Emissions (tCO2e)
Scope 1	Natural gas	27.06	25.07
	Generator fuel	0.00	7.56
	Fugitives	31.51	0.00
Scope 2	Electricity (market-based)	0.00	0.00
	Electricity (location-based)	86.52	93.85
Scope 3	03. Fuel and energy related activities – fuel	4.47	6.17
	03. Fuel and energy related activities - electricity	22.02	24.16
	04. Post and couriers	9.84	33.11
	05. Waste	2.20	2.26
	06. Business travel	150.03	507.05
	07. Employee commuting	64.16	91.08
	07. Employee working from home	105.52	125.77
	08. Data centres	114.89	72.91
	08. Leased office	0.48	0.58
	09. DNS queries	104.40	85.51
Total Market-Based GHG Emissions (tCO2e)		636.56	981.22
Total Location-Based GHG Emissions (tCO2e)		723.08	1,075.08

Energy use data

GHG Scope	Category	Unit	FY25 Energy Use	FY24 Energy Use
Scope 1	Natural gas	kWh	147,942.71	137,054.00
	Diesel	Litres	0.00	3,000.00
	Hydrotreated vegetable oil (HVO)	Litres	0.00	720.00
	Fugitives	KG	19.40	0.00
Scope 2	Electricity	kWh	417,875.90	453,222.50

Intensity metric

tCO2e per £1m revenue, for scope 1 & 2 only

	Unit	FY25	FY24
Market-Based	tCO2e/£m	1.0	0.6
Location-Based	tCO2e/£m	2.6	2.5

Going concern

The directors continue to adopt the going concern basis of presentation for the Group and Company’s financial statements. The directors have reached this opinion after reviewing the Group and Company’s annual budget, cash balances and assets held within the investment portfolio. (See Principal Accounting Policies, Going Concern).

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





Andrew Green CBE
Chair
16 July 2025

Independent auditor's report

to the members of Nominet UK

Opinion

We have audited the financial statements of Nominet UK (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated Statement of Profit or Loss, the consolidated Statement of Comprehensive Income, the consolidated and company Statement of Financial Position, the consolidated and company Cash Flow Statements, the consolidated and company Statement of Changes in Equity 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 UK-adopted International Accounting Standards (UK-IAS).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of management's forecasts of future performance and ability to meet its liabilities as they fall due.

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 Nominet UK'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, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the report of the directors 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.



Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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 group and parent 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 group and parent 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.

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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the group and parent company and the industry, we identified that the principal risks of non-compliance with laws and regulations related to reporting frameworks (IFRS and the Companies Act 2006 and relevant tax compliance regulations in the UK). We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management’s controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management, particularly in relation to the recognition of contract revenue, the value of intangible assets and the recoverability of debtors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: 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.

Thomas Wilson (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
16 July 2025

10 Queen Street Place
London
EC4R 1AG

Principal accounting policies

The Group has adopted the accounting policies set out below in the preparation of these financial statements. All of these policies have been applied consistently throughout the period unless otherwise stated.

Basis of accounting

The financial statements of the Group and parent Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK and those parts of the Companies Act 2006 that are relevant to companies that report in accordance with IFRS. The Group and parent Company financial statements are presented in UK Pound Sterling.

Nominet UK is a company limited by guarantee and is incorporated in England & Wales. The address of its registered office is given earlier in this document.

Basis of consolidation

The financial statements consolidate the accounts of Nominet UK and all its subsidiary undertakings ("Subsidiaries"). These are adjusted, where appropriate, to conform to Group accounting policies. All transactions and balances between group companies are eliminated on consolidation.

A separate profit and loss account for the parent Company is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred and liabilities incurred at the date of exchange. Where there is deferred consideration payable in cash, the amount is discounted to its present value. The fair value of deferred cash consideration is included within the Group's financial statements as a liability. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. Acquisition related costs are expensed as incurred.

Going concern

After reviewing the Group and Company forecasts, the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements.

This assessment is further supported by the strong balance sheet of the Group and Company, the availability of liquid assets held within the investment portfolio, the significant level of recurring income from both .UK domains and other services and the stability of the Group's cost base, which has been subject to inflationary assumptions in line with current and expected levels of inflation over the forecast period. As a result, the Group and Company continues to adopt the going concern basis in preparing its financial statements.

Adoption of new and revised International Financial Reporting Standards (‘IFRSs’)

There were no new standards or amendments or interpretations to existing standards that became effective during the year that were material to the Group.

No new standards, amendments or interpretations to existing standards having an impact on the financial statements that have been published and that are mandatory for the Group’s accounting periods beginning on or before 1 April 2024, or later periods, have been adopted early.

Revenue recognition

Revenue represents fees for .UK domain name registration and renewal, and other registry and PDNS/DNS services, excluding value added tax.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1. Identifying the contract with a customer
- 2. Identifying the performance obligations
- 3. Determining the transaction price
- 4. Allocating the transaction price to the performance obligations
- 5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred income in the statement of financial position (note 15). Similarly, if the Group satisfies performance obligations before it receives the consideration, the Group recognises either a contract asset or receivable in its statement of financial position. The Group takes advantage of the practical expedients afforded by IFRS 15, where appropriate, with regard to timing of payments and incremental costs incurred in obtaining contracts as their effects are not material.

.UK domain registrations and renewals

The Group provides .UK domains to customers via domain registrars, who are entities authorised by Nominet to register and manage .UK domains on behalf of customers. Although several services are required to register or renew a domain and provide ongoing Domain Name System (DNS) services to that domain over its registration/renewal period, the Group has assessed that these services are inseparable and therefore constitute a single performance obligation. This performance obligation is transferred to the customer over time. The revenue for .UK domain registrations and renewals is therefore recognised on a straight-line basis over the domain registration or renewal period. Registration and renewal fees are charged in advance, and revenue relating to future accounting periods is reported in the balance sheet as deferred income.

The cost of registering or renewing a domain is non-refundable and no obligations therefore exist for returns or refunds.

The wholesale transaction price for a .UK domain registration or renewal has been set at £3.90 per year since January 2020. The price is determined with regard to the costs of running the registry services and the need to invest in the resilience and reliability of Nominet’s systems.

PDNS/DNS

During the year the Group provided PDNS services to national governments and DNS services to public sector customers. Performance obligations are assessed for each individual contract. If services are distinct, a separate performance obligation is assessed for each service. Depending on their nature, performance obligations may either be transferred to a customer over time, or at a point in time on a milestone basis. Revenue for PDNS/DNS is therefore recognised on either a straight-line basis or at a point in time based on attaining specified contract milestones.

There is no right to return or provision for refunds in relation to PDNS or DNS contracts, and no obligations therefore exist for returns or refunds.

The transaction price for PDNS and DNS services is determined with reference to the expected costs of delivering the service.

Operating expenses

Operating expenses are recognised in the statement of profit or loss upon utilisation of the service or as incurred.

Donations

Donations are recognised in the statement of profit or loss once they have been reviewed and approved by the relevant internal process and paid to the receiving party.

Public benefit initiatives

Payments are recognised in the statement of profit or loss on an accruals basis in line with commitments agreed by the Board.

Employee benefits

The Group has defined contribution plans under which fixed amounts are paid to employees’ personal pension schemes. The employer’s contributions are charged in the statement of profit or loss on an accruals basis.

Accrual is made for holiday pay, based on a calculation of the number of days holiday earned during the year, but not yet taken.

Property, plant and equipment (PPE)

PPE are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	2% per annum – straight line
Computer equipment and software	-	20%-33% per annum – straight line
Fixtures, fittings and other equipment	-	20% per annum – straight line
Fit out costs	-	10% per annum – straight line
Right-of-use assets	-	Earlier of the useful life and lease term – straight line

Depreciation is charged to operating charges in the consolidated statement of profit or loss.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in operating charges in the statement of comprehensive income.

Intangible assets

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. If, after reassessment, the Group’s interest in the fair value of the acquiree’s identifiable net assets exceeds the sum of the consideration transferred, the excess is recognised immediately in the statement of profit or loss as a bargain purchase gain. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment is charged to the statement of profit or loss and is not reversed.

Other intangible assets

Other intangible assets are carried at cost less accumulated amortisation and impairment losses.

An intangible asset acquired as part of a business combination is recognised outside of goodwill if the asset can be separately identified or arises from contractual or other legal rights and its fair value can be measured reliably.

Development expenditure is recognised as an intangible asset only where the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The types of cost capitalised include employee and subcontractor costs directly associated with the development activity. The amount initially recognised for internally generated assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated asset can be recognised, development expenditure is recognised in the statement of profit or loss in the period in which it is incurred.

Other intangible assets are tested annually for impairment and carried at cost less accumulated amortisation and impairment losses. Any impairment is charged to operating charges in the statement of profit or loss.

Amortisation is charged to operating charges in the consolidated statement of profit or loss. Intangible assets with a finite life are amortised on a straight-line basis over their expected useful lives, as follows:

Generic top-level domain (gTLD) development costs	-	10 years
Other development costs	-	3-5 years

Useful economic lives (UELs) are amended if a change in the expected life of an asset becomes apparent—for example, where the asset is linked to a specific contract that has ended. In such cases, amortisation is accelerated to reflect the revised shorter UEL. £0.3m of accelerated amortisation on PDNS assets used to deliver the AUDPNS contract is included in the statement of profit or loss in the year, reflecting the end of the contract in FY26.

Impairment testing of goodwill and other intangible assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group’s management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s (or cash-generating unit’s) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate to calculate the present value of those cash flows.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

Advance land lease payment

Advance land lease payments, representing payments to secure long leasehold land, are reflected in the financial statements as non-current assets.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI).

The classification is determined by both:

- The Group's business model for managing the financial asset;
- The contractual cash flow characteristics of the financial asset.

At initial recognition, investments are irrevocably designated FVTOCI on the basis that they are not held for trading or as contingent consideration in a business combination.

Trade and other receivables are initially recognised at amortised cost.

Subsequent measurement of financial assets

Investments are included in the balance sheet at their fair value at each balance sheet date. Any changes in fair value arising during the period are recognised in the consolidated statement of comprehensive income (within other comprehensive income) net of the associated deferred tax liability/asset and are never recycled to profit or loss, even if the investment is sold, impaired or otherwise derecognised.

When investments are disposed of, the cumulative gain or loss recognised in other comprehensive income is reclassified from the investments held at fair value reserve to retained earnings.

Dividends receivables are recognised in the statement of profit or loss within income from investments held FVTOCI.

After initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. The Group uses its historical experience to calculate the expected credit losses. Management have determined the fair value of any expected credit loss to be immaterial on this basis.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include trade and other payables. Financial liabilities are recognised initially at FVTPL and subsequently measured at amortised cost using the effective interest method.

Leases

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used.

Measurement and recognition of leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been disclosed separately.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits with an original maturity of no more than three months.

Provisions and contingent liabilities

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group, and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

Taxation

Taxation on the statement of profit or loss for the periods presented comprise current and deferred tax. Taxation is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured and calculated applying the tax rates and laws of the relevant jurisdiction, that are enacted or substantively enacted at the balance sheet date and are expected to apply in the periods in which temporary differences reverse.

Deferred tax assets related to carry-forward losses are valued on a discounted basis to reflect the time period over which the losses are expected to be recovered.



Foreign currency translation

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in UK Pound Sterling which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Results of the overseas subsidiaries are translated into UK Pound Sterling at the weighted average rates for the accounting period, which is effected by translating each overseas subsidiary’s monthly result at exchange rates applicable to each of the respective months. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into UK Pound Sterling at the foreign exchange rate ruling at that date. Differences on exchange resulting from the translation of overseas assets and liabilities are recognised in the consolidated statement of comprehensive income.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that has either been disposed of or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value, including impairment charges.

Where necessary, these disclosures are re-presented for prior periods to allow the financial effects of the discontinued operations to be seen across reporting periods.

Significant accounting estimates and judgements

When applying the Group’s accounting policies, management must make assumptions and estimates concerning the future that affect the carrying amounts of assets and liabilities at the balance sheet date and the amounts of revenue and expenses recognised during the accounting period. Assumptions and estimates are based upon factors including historical experience, the observance of trends in the industries in which the Group operates, and information available from the Group’s customers and other outside sources.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Capitalisation of development expenditure. Management makes judgements as to whether development expenditure has met the criteria for capitalisation or whether it should be expensed in the year. Development expenditure is capitalised only after its reliable measurement, technical feasibility and commercial viability can be demonstrated. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired;
- Recognition of contract revenues – recognised amounts of contract revenues and related receivables reflect management’s best estimate of each contract’s outcome and stage of completion. This includes the assessment of the profitability of on-going contracts. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Other estimates and assumptions include the useful lives of depreciable assets (notes 7 and 8).

These areas of estimates and judgements are not considered significant on the basis that the judgement and estimation methods used have not materially affected the carrying value of assets and liabilities at the balance sheet date.



Financial statements



Consolidated statement of profit or loss

		31 March 2025	31 March 2024
	Note	£000	£000
Revenue	1	55,897	56,393
Other operating charges	2	(50,434)	(54,400)
Public Benefit Initiatives		(10,979)	(9,943)
Total operating charges		(61,413)	(64,343)
Operating profit before Public Benefit Initiatives		5,463	1,993
Operating loss		(5,516)	(7,950)
Income from investments held at fair value through OCI	10	2,271	2,167
Finance income	3	67	39
Loss before taxation		(3,178)	(5,744)
Taxation	4	470	(276)
Loss for the year		(2,708)	(6,020)

Consolidated statement of comprehensive income

		31 March 2025	31 March 2024
	Note	£000	£000
Loss for the year		(2,708)	(6,020)
Other comprehensive income (OCI):			
Items that will not be subsequently reclassified to profit or loss			
Gains on investments held at fair value through OCI net of associated deferred tax		1,018	8,204
Items that will be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		(57)	(39)
Total comprehensive (loss)/profit for the year		(1,747)	2,145

The accompanying accounting policies and notes form part of these financial statements.

Consolidated statement of financial position

As at 31 March 2025		2025	2024
	Note	£000	£000
ASSETS			
Non-current assets			
Property, plant & equipment	7	11,509	14,768
Intangible assets	8	19,075	16,247
Advance land lease payment		1,484	1,494
Investments held at fair value through OCI	10	88,613	90,995
		<u>120,681</u>	<u>123,504</u>
Current assets			
Trade and other receivables	12	11,985	19,383
Current income tax asset	14	1,166	575
Contract asset		140	103
Cash and cash equivalents		6,701	2,870
		<u>19,992</u>	<u>22,931</u>
Total assets		<u>140,673</u>	<u>146,435</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	7,338	9,340
Lease liabilities		-	101
Deferred income	15	23,853	24,790
		<u>31,191</u>	<u>34,231</u>

Consolidated statement of financial position

As at 31 March 2025		2025	2024
	Note	£000	£000
Non-current liabilities			
Deferred tax liability	11	3,774	4,948
Deferred income	15	9,665	9,465
		<u>13,439</u>	<u>14,413</u>
Total liabilities		<u>44,630</u>	<u>48,644</u>
Net assets		<u>96,043</u>	<u>97,791</u>
EQUITY AND RESERVES			
Retained earnings		87,543	88,499
Translation reserve		(1,696)	(1,638)
Investments held at fair value through OCI		10,196	10,930
Total funds		<u>96,043</u>	<u>97,791</u>

These financial statements were approved by the directors and authorised for issue on 16 July 2025, and are signed on their behalf by:





Andrew Green CBE
Chair

Company Registration Number: 03203859

Company statement of financial position

As at 31 March 2025		2025	2024
	Note	£000	£000
ASSETS			
Non-current assets			
Property, plant & equipment	7	11,508	14,768
Intangible assets	8	19,073	16,240
Advance land lease payment		1,484	1,494
Investments held at fair value through OCI	10	88,613	90,995
		120,678	123,497
Current assets			
Trade and other receivables	12	11,832	19,601
Current income tax asset	14	828	485
Contract asset		140	103
Cash and cash equivalents		6,529	2,457
		19,329	22,646
Total assets		140,007	146,143
LIABILITIES			
Current liabilities			
Trade and other payables	13	7,052	9,396
Lease liabilities		-	101
Deferred income	15	23,837	24,775
		30,889	34,272

Company statement of financial position

As at 31 March 2025		2025	2024
	Note	£000	£000
Non-current liabilities			
Deferred tax liability	11	3,779	4,886
Deferred income	15	9,665	9,463
		13,444	14,349
Total liabilities			
		44,333	48,621
Net assets			
		95,674	97,522
EQUITY AND RESERVES			
Retained earnings		85,478	86,592
Investments held at fair value through OCI		10,196	10,930
Total funds		95,674	97,522

As permitted by section 408(3) of the Companies Act 2006, no profit or loss account of the Company is presented. The loss for the financial year dealt with in the financial statements of the Company is £2,866k (FY24: £6,224k).

These financial statements were approved by the directors and authorised for issue on 16 July 2025, and are signed on their behalf by:





Andrew Green CBE
Chair

Company Registration Number: 03203859

Consolidated cash flow statement

		31 March 2025	31 March 2024
	Note	£000	£000
Cash flows from operating activities			
Cash generated from/(used in) operations	17	7,272	(3,447)
Income taxes (paid)/repaid		(879)	263
Net cash generated from/(used in) operating activities		6,393	(3,184)
Cash flows from investing activities			
Income received from investments held at fair value through OCI		2,271	2,167
Income re-invested in investments held at fair value through OCI	10	(2,271)	(2,167)
Realised gains on investments held at fair value through OCI		1,752	3,997
Realised gains re-invested in investments held at fair value through OCI	10	(1,752)	(3,997)
Management charges and foreign exchange movements	10	252	339
Disposal of available for sale investments	10	5,000	16,150
Interest received on cash balances	3	67	39
Purchase of property, plant and equipment	7	(558)	(3,461)
Purchase of intangible assets	8	(7,111)	(7,739)
Net cash (used in)/generated from investing activities		(2,350)	5,328

Consolidated cash flow statement

		31 March 2025	31 March 2024
	Note	£000	£000
Cash flows from financing activities			
Adjustments relating to prior year payments		7	-
Principal elements of lease payments		-	(4)
Net cash used in financing activities		7	(4)
Net increase in cash and cash equivalents		4,050	2,140
Cash and cash equivalents at start of year		2,870	767
Effect of foreign exchange on cash and cash equivalents		(219)	(37)
Cash and cash equivalents at end of year		6,701	2,870

Company cash flow statement

		31 March 2025	31 March 2024
	Note	£000	£000
Cash flows from operating activities			
Cash generated from/(used in) operations	17	6,908	(3,977)
Income taxes (paid)/repaid		(493)	392
Net cash generated from/(used in) operating activities		6,415	(3,585)
Cash flows from investing activities			
Income received from investments held at fair value through OCI		2,271	2,167
Income re-invested in investments held at fair value through OCI	10	(2,271)	(2,167)
Realised gains on investments held at fair value through OCI		1,752	3,997
Realised gains re-invested in investments held at fair value through OCI	10	(1,752)	(3,997)
Management charges and foreign exchange movements	10	252	339
Disposal of available for sale investments	10	5,000	16,150
Interest received on cash balances	3	67	39
Purchase of property, plant and equipment	7	(558)	(3,458)
Purchase of intangible assets	8	(7,111)	(7,737)
Net cash (used in)/generated from investing activities		(2,350)	5,333

Company cash flow statement

		31 March 2025	31 March 2024
	Note	£000	£000
Cash flows from financing activities			
Adjustments relating to prior year payments		7	-
Principal elements of lease payments		-	(4)
Net cash used in financing activities		7	(4)
Net increase in cash and cash equivalents		4,072	1,744
Cash and cash equivalents at start of year		2,457	713
Cash and cash equivalents at end of year		6,529	2,457

Consolidated statement of changes in equity

	Investments held at fair value through OCI	Retained earnings	Translation reserve	Total
	£000	£000	£000	£000
Balance at 1 April 2024	10,930	88,499	(1,638)	97,791
Loss for the year	-	(2,708)	-	(2,708)
Gains on investments held at fair value through OCI	1,752	-	-	1,752
Associated deferred tax	419	-	-	419
Unrealised loss on revaluation	(1,153)	-	-	(1,153)
Transfer of realised gains on investments held at fair value through OCI	(1,752)	1,752	-	-
Exchange differences on translating foreign operations	-	-	(58)	(58)
Balance at 31 March 2025	10,196	87,543	(1,696)	96,043
Balance at 1 April 2023	6,723	90,522	(1,599)	95,646
Loss for the year	-	(6,020)	-	(6,020)
Gains on investments held at fair value through OCI	3,997	-	-	3,997
Associated deferred tax	(765)	-	-	(765)
Unrealised gain on revaluation	4,972	-	-	4,972
Transfer of realised gains on investments held at fair value through OCI	(3,997)	3,997	-	-
Exchange differences on translating foreign operations	-	-	(39)	(39)
Balance at 31 March 2024	10,930	88,499	(1,638)	97,791

Company statement of changes in equity

	Investments held at fair value through OCI	Retained earnings	Total
	£000	£000	£000
Balance at 1 April 2024	10,930	86,592	97,522
Loss for the year	-	(2,866)	(2,866)
Gains on investments held at fair value through OCI	1,752	-	1,752
Associated deferred tax	419	-	419
Unrealised loss on revaluation	(1,153)	-	(1,153)
Transfer of realised gains on investments held at fair value through OCI	(1,752)	1,752	-
Balance at 31 March 2025	10,196	85,478	95,674
Balance at 1 April 2023	6,723	88,819	95,542
Loss for the year	-	(6,224)	(6,224)
Gains on investments held at fair value through OCI	3,997	-	3,997
Associated deferred tax	(765)	-	(765)
Unrealised gain on revaluation	4,972	-	4,972
Transfer of realised gains on investments held at fair value through OCI	(3,997)	3,997	-
Balance at 31 March 2024	10,930	86,592	97,522

Nominet UK’s constitution does not allow any profit to be distributed to members. Instead, funds are retained to develop on-going operations, future investments and to support public benefit initiatives.

Notes to the financial statements

1. Revenue

The revenue and profit before tax are attributable to the two business units Registry and DNS (formerly Cyber). An analysis of revenue by these categories and the geographical location of the customers is given below:

	31 March 2025			31 March 2024		
	UK	Overseas	Total	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Registry	18,504	21,643	40,147	18,735	22,391	41,126
DNS (formerly Cyber)	8,063	7,687	15,750	8,671	6,596	15,267
Total	26,567	29,330	55,897	27,406	28,987	56,393

Revenue for the year ended 31 March 2025 includes a release of £24,790k of prior year deferred revenue.

2. Other operating charges

	31 March 2025	31 March 2024
	£000	£000
Staff and other personnel costs	21,077	26,083
Restructuring costs	1,449	-
Technical systems and infrastructure	15,222	16,656
Other administrative	2,202	2,425
Exchange rate movements	285	38
Depreciation of owned property, plant & equipment	3,652	3,939
Depreciation of non-current asset	11	11
Amortisation of intangible assets	3,092	2,244
Impairment of intangible assets	-	528
Loss on disposal of intangible assets	1,191	30
Loss on disposal of owned property, plant & equipment	79	-
Gain on early termination of ROU lease	(107)	-
Operations	975	843
Facilities	1,094	918
Communications and marketing	122	607

Other operating charges continued

	31 March 2025	31 March 2024
	£000	£000
Auditor's remuneration:		
Audit fees – Company and Group	69	65
Non-audit fees – taxation services	21	13
	<u> </u>	<u> </u>
	50,434	54,400
	<u> </u>	<u> </u>

3. Finance Income

	31 March 2025	31 March 2024
	£000	£000
Group & Company		
Interest receivable on cash balances	67	39
	<u> </u>	<u> </u>
	67	39
	<u> </u>	<u> </u>

4. Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Nominet UK at 25% (FY24: 25%) and the reported tax expense in profit or loss are as follows:

	31 March 2025	31 March 2024
	£000	£000
Loss before taxation	(3,178)	(5,744)
Domestic tax rate for Nominet UK	25%	25%
	<u> </u>	<u> </u>
Expected tax credit	(795)	(1,436)
Adjustment for:		
Fixed asset differences	(2)	33
Expenses not deductible for tax purposes	95	536
Income not taxable	(366)	(338)
Adjustment to brought forward values	-	7
Other permanent differences	-	31

	31 March 2025	31 March 2024
	£000	£000
Amounts charged directly to OCI or otherwise transferred	(6)	-
Capital gains	385	2,128
Adjustment to deferred tax charge in respect of previous periods – current tax	32	437
Adjustment to current tax charge in respect of previous periods – deferred tax	171	-
Difference in overseas tax rates	16	-
Deferred tax not recognised	-	1
Group relief claimed	-	(1)
Timing differences not recognised in the computation	-	(358)
Deferred tax charged directly to OCI	-	(764)
	<u> </u>	<u> </u>
Actual tax (credit)/expense	(470)	276
	<u> </u>	<u> </u>

	31 March 2025	31 March 2024
	£000	£000
Tax expense comprises:		
Current tax expense:	186	-
Adjustment to current tax charge in respect of previous periods	32	437
	<u> </u>	<u> </u>
	218	437
Deferred tax credit:		
Adjustment to prior period (note 11)	171	-
Origination and reversal of temporary differences (note 11)	(859)	161
	<u> </u>	<u> </u>
Tax (credit)/expense	(470)	276
	<u> </u>	<u> </u>

	31 March 2025	31 March 2024
	£000	£000
Deferred tax (credit)/expense, recognised directly in other comprehensive income	(419)	764
	<u> </u>	<u> </u>

Note 11 provides information on deferred tax assets and liabilities.

5. Particulars of employees

The average number of staff employed by the Group during the financial period amounted to:

	31 March 2025	31 March 2024
	No.	No.
Operations	239	280
Management	15	15
	<u>254</u>	<u>295</u>

Aggregate payroll costs were:

	31 March 2025	31 March 2024
	£000	£000
Wages and salaries	22,054	24,317
Social security costs	2,328	2,626
Other pension costs	1,331	1,455
	<u>25,713</u>	<u>28,398</u>
Other personnel related costs	2,022	3,135
Less: payroll costs capitalised in intangible assets or contract WIP	(4,775)	(4,537)
	<u>22,960</u>	<u>26,996</u>
Total staff and personnel costs included in statement of profit or loss		
Of which:		
Included in Public Benefit Initiatives – Operating Costs	337	352
Included in Restructuring in Other operating charges	1,411	347
Included in Operations in Other operating charges	135	214
Staff and other personnel costs in Other operating charges	21,077	26,083

6. Directors

Remuneration in respect of directors, as set by the Remuneration Committee, was as follows:

	31 March 2025	31 March 2024
	£000	£000
Emoluments receivable	1,242	1,198
Company pension contributions to defined contribution pension schemes	22	22
	<u>1,264</u>	<u>1,220</u>

The information above is expanded by director in the table below:

	Salary/fees	Bonus	Pension	Other costs and benefits*	31 March 2025	31 March 2024
	£000	£000	£000	£000	£000	£000
Andrew Green	95	-	-	1	96	91
Simon Blackler	20	-	-	-	20	37
Philip Buckingham	-	-	-	-	-	19
Ashley La Bolle	39	-	-	-	39	40
Eva Lindqvist	47	-	-	-	47	45
Kieren McCarthy	39	-	-	2	41	38
Sally Tilleray	51	-	-	1	52	49
Rex Wickham	19	-	-	-	19	-
Patsy Wilkinson	39	-	-	1	40	38
Steven Wright	39	-	-	-	39	17
Non-Executive Directors	388	-	-	5	393	374
Paul Fletcher	308	194	-	45	547	528
Carolyn Bedford	193	97	22	12	324	318
Year to 31 March 2025	889	291	22	62	1,264	1,220

*Other costs and benefits consist of taxable expense reimbursements, pension allowances paid in cash, company car allowances and private health insurance.

Emoluments of highest paid director:

	31 March 2025	31 March 2024
	£000	£000
Salary	308	305
Bonus	194	180
Contractual benefits	45	43
Total for year	547	528

7. Property, plant and equipment

Group

	Leasehold buildings	Computer hardware & software	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
Cost				
At 1 April 2024	6,771	31,888	3,868	42,527
Opening balance adjustment	-	(3)	-	(3)
Additions	-	261	297	558
Disposals	-	(1,402)	(417)	(1,819)
At 31 March 2025	6,771	30,744	3,748	41,263
Depreciation				
At 1 April 2024	2,249	22,154	3,356	27,759
Opening balance adjustment	2	(4)	-	(2)
Charge for the year	135	3,397	120	3,652
Disposals	-	(1,238)	(417)	(1,655)
At 31 March 2025	2,386	24,309	3,059	29,754
Net Book Value				
At 31 March 2025	4,385	6,435	689	11,509
At 31 March 2024	4,522	9,734	512	14,768

The Oxford office is built on land owned by Magdalen College and leased by the Company over 150 years. The advance land lease payment is reflected as a non-current asset. The lease has a remaining period of 129.5 years. £11k of depreciation was charged in the year (FY24: £11k).

Company

	Leasehold buildings	Computer hardware & software	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000
Cost				
At 1 April 2024	6,771	31,885	3,869	42,525
Opening balance adjustment	-	(3)	(1)	(4)
Additions	-	261	297	558
Disposals	-	(1,402)	(417)	(1,819)
At 31 March 2025	6,771	30,741	3,748	41,260
Depreciation				
At 1 April 2024	2,249	22,151	3,357	27,757
Opening balance adjustment	2	(2)	(1)	(1)
Charge for the year	135	3,396	120	3,651
Disposals	-	(1,238)	(417)	(1,655)
At 31 March 2025	2,386	24,307	3,059	29,752
Net Book Value				
At 31 March 2025	4,385	6,434	689	11,508
At 31 March 2024	4,522	9,734	512	14,768

8. Intangible fixed assets

Group

	Development costs	Acquired product intangibles	Total
	£000	£000	£000
Cost			
At 1 April 2024	23,042	300	23,342
Additions	7,111	-	7,111
Disposals	(6,364)	(300)	(6,664)
	=====	=====	=====
At 31 March 2025	23,789	-	23,789
	=====	=====	=====
Amortisation and impairment			
At 1 April 2024	6,795	300	7,095
Amortisation	3,092	-	3,092
Disposals	(5,173)	(300)	(5,473)
	=====	=====	=====
At 31 March 2025	4,714	-	4,714
	=====	=====	=====
Net book value			
At 31 March 2025	19,075	-	19,075
	=====	=====	=====
At 31 March 2024	16,247	-	16,247
	=====	=====	=====

Development costs relate to internally generated assets associated with capital investments into the core and gTLD infrastructure. Intangible assets have a remaining amortisation period of between 1 and 5 years.

Company

	Development costs	Acquired product intangibles	Total
	£000	£000	£000
Cost			
At 1 April 2024	23,034	300	23,334
Additions	7,111	-	7,111
Disposals	(6,364)	(300)	(6,664)
	=====	=====	=====
At 31 March 2025	23,781	-	23,781
	=====	=====	=====
Amortisation and impairment			
At 1 April 2024	6,794	300	7,094
Opening balance adjustment	(1)	-	(1)
Amortisation	3,088	-	3,088
Disposals	(5,173)	(300)	(5,473)
	=====	=====	=====
At 31 March 2025	4,708	-	4,708
	=====	=====	=====
Net book value			
At 31 March 2025	19,073	-	19,073
	=====	=====	=====
At 31 March 2024	16,240	-	16,240
	=====	=====	=====

9. Subsidiaries of the Group

The subsidiaries of the Group, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of Incorporation	Proportion of ownership interest	Nature of business
Nominet Limited	UK	100%	Dormant. Company was incorporated to protect the Nominet name
Nominet Registrar Services Limited	UK	100%	ICANN accredited registrar
Nominet US Inc.	US	100%	Contracting entity for US based customer
Nominet Australia Pty Limited	Australia	100%	Contracting entity for provision of PDNS services to the Australian Government. Employment of Australian based employees

For the year ended 31 March 2025, Nominet Registrar Services Limited (company number 08158704) has taken the entitled exemption from audit under section 479A of the Companies Act 2006. Nominet UK has therefore given a guarantee under section 479C of the Companies Act 2006.

10. Investments held at fair value through other comprehensive income

Group and Company

	31 March 2025	31 March 2024
	£000	£000
At beginning of year	90,995	96,348
Sale of investments	(5,000)	(16,150)
Gains on disposal of investments held at fair value through OCI	1,752	3,997
Re-invested income	2,271	2,167
Management charges and foreign exchange movements	(252)	(339)
Unrealised (loss)/gain on revaluation	(1,153)	4,972
At end of year	88,613	90,995

11. Deferred tax

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior year:

Group

	PPE & Intangible assets	Unrealised investment (losses)/gains	Other temporary differences	Total
	£000	£000	£000	£000
At 1 April 2023	(1,832)	(2,493)	(20)	(4,345)
Deferred tax charge for year in profit or loss	225	(359)	295	161
Deferred tax charge for year in statement of OCI	-	(764)	-	(764)
At 1 April 2024	(1,607)	(3,616)	275	(4,948)
Adjustment to prior period	(155)	-	(16)	(171)
Deferred tax credit for year in profit or loss	869	-	(10)	859
Deferred tax credit for year in statement of OCI	-	419	-	419
Transferred to current tax	-	-	67	67
At 31 March 2025	(893)	(3,197)	316	(3,774)

Company

	PPE & Intangible assets	Unrealised investment (losses)/ gains	Other temporary differences	Total
	£000	£000	£000	£000
At 1 April 2023	(1,838)	(2,493)	(20)	(4,351)
Deferred tax charge for year in profit or loss	225	(359)	363	229
Deferred tax charge for year in statement of OCI	-	(764)	-	(764)
At 1 April 2024	(1,613)	(3,616)	343	(4,886)
Adjustment to prior period	(155)	-	(16)	(171)
Deferred tax credit for year in profit or loss	869	-	(10)	859
Deferred tax credit for year in statement of OCI	-	419	-	419
At 31 March 2025	(899)	(3,197)	317	(3,779)

Deferred income tax assets are recognised against tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

12. Current trade and other receivables

Group

	31 March 2025	31 March 2024
	£000	£000
Trade receivables	2,938	6,424
Accrued income	3,838	3,824
Other receivables	74	97
Recoverable VAT	-	264
Financial assets	6,850	10,609

	31 March 2025	31 March 2024
	£000	£000
Prepayments	5,135	8,774
Non-financial assets	5,135	8,774
Trade and other receivables	11,985	19,383

Company

	31 March 2025	31 March 2024
	£000	£000
Trade receivables	2,284	5,752
Accrued income	3,838	3,824
Other receivables	74	98
Recoverable VAT	-	264
Amounts owed by group undertakings	540	925
Financial assets	6,736	10,863
Prepayments	5,096	8,738
Non-financial assets	5,096	8,738
Trade and other receivables	11,832	19,601

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared risk characteristics. They have been grouped based on the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. On the above basis, the expected credit loss for trade receivables at 31 March 2025 has been determined at £nil. (FY24: £4k).

13. Current trade and other payables

Group

	31 March 2025	31 March 2024
	£000	£000
Trade payables	647	2,079
Other creditors*	818	1,083
Accruals	4,938	5,358
Financial liabilities	6,403	8,520
Other taxation and social security	935	820
Non-financial liabilities	935	820
Trade and other payables	7,338	9,340

Company

	31 March 2025	31 March 2024
	£000	£000
Trade payables	647	2,078
Other creditors*	813	1,070
Accruals	4,607	5,170
Amounts owed to Group undertakings	86	105
Financial liabilities	6,153	8,423
Other taxation and social security	899	973
Non-financial liabilities	899	973
Trade and other payables	7,052	9,396

*Balance comprises payments in advance from customers and pension contributions

All amounts are short-term. The net carrying value of trade and other payables is considered a reasonable approximation of fair value.

14. Income tax

Group

	31 March 2025	31 March 2024
	£000	£000
Income tax asset	1,166	575

Company

	31 March 2025	31 March 2024
	£000	£000
Income tax asset	828	485

15. Deferred income

Group

	31 March 2025	31 March 2024
	£000	£000
Current deferred income	23,853	24,790
Non-current deferred income	9,665	9,465
	33,518	34,255

Company

	31 March 2025	31 March 2024
	£000	£000
Current deferred income	23,837	24,775
Non-current deferred income	9,665	9,463
	33,502	34,238

Deferred income represents consideration received in advance of the meeting of performance obligations, primarily domain registration and renewal fees that relate to future accounting periods.

16. Related party transactions

The Company defines related parties as the directors of Nominet UK. There were no related party transactions during the years to 31 March 2025 and 31 March 2024.

Key Management Personnel

In our opinion, the key management personnel are the same as the directors whose emoluments are listed in note 6. The social security costs payable on their emoluments during the year to 31 March 2025 were £151k (FY24: £144k).

17. Notes to the cash flow statement

Group

	31 March 2025	31 March 2024
	£000	£000
Loss for the year	(2,708)	(6,020)
Adjusted for:		
Income from investments held at fair value through OCI	(2,271)	(2,167)
Finance income	(67)	(39)
Taxation	(470)	276
Depreciation of property, plant & equipment	3,652	3,939
Amortisation of intangible assets	3,092	2,244
Impairment of intangible assets	-	528
Depreciation of non-current asset	11	11
Loss on disposal of intangible assets	1,191	30
Loss on disposal of property, plant & equipment	79	-
Gain on early termination of ROU lease	(107)	-
Foreign exchange losses	(4)	-
Decrease/(increase) in trade and other receivables	7,340	(1,327)
(Decrease)/increase in trade and other payables	(1,694)	140
Decrease in deferred income	(735)	(970)
Increase in contract asset	(37)	(92)
Cash generated from/(used in) operations	7,272	(3,447)

Company

	31 March 2025	31 March 2024
	£000	£000
Loss for the year	(2,866)	(6,224)
Adjusted for:		
Income from investments held at fair value through OCI	(2,271)	(2,167)
Finance income	(67)	(39)
Taxation	(538)	208
Depreciation of property, plant & equipment	3,651	3,938
Amortisation of intangible assets	3,088	2,243
Impairment of intangible assets	-	528
Depreciation of non-current asset	11	11
Loss on disposal of intangible assets	1,191	30
Loss on disposal of property, plant & equipment	79	-
Gain on early termination of ROU lease	(107)	-
Decrease/(increase) in trade and other receivables	7,769	(1,520)
(Decrease)/increase in trade and other payables	(2,259)	77
Decrease in deferred income	(736)	(971)
Increase in contract asset	(37)	(91)
Cash generated from/(used in) operations	6,908	(3,977)

18. Reconciliation of liabilities arising from financing activities

The changes in the Group’s liabilities arising from financing activities are classified as follows:

	Lease liabilities
	£000
At 1 April 2024	100
Adjustments relating to prior year payments	7
Early termination of leases	(107)
	=====
31 March 2025	-
	=====

19. Company limited by guarantee

Nominet UK is limited by guarantee and each member’s liability will not exceed £10. The number of members at 31 March 2025 was 2,252 (31 March 2024: 2,279).

20. Financial instruments risk

The Group’s policy is to fund its operations from retained earnings and equity and place surplus cash into investments held at fair value through OCI and deposits. Given the level of cash and investments held at fair value through OCI the Group does not bear any significant liquidity risk. The main risks associated with the Group’s financial instruments relate to changes in market conditions for investments held at fair value through OCI, changes in interest rate risk and to credit risk. The policies for managing these risks are kept under review by the Board.

Market conditions relating to the investments held at fair value through OCI

The Audit & Risk Committee monitors the development and application of Nominet’s investment strategy to ensure investments are made in accordance with that strategy and related asset allocation limits. The Committee assesses the performance of Nominet’s investment managers, Quilter Cheviot Limited, in matters of compliance with the strategy, service provision and value for money.

Sensitivity Analysis - all the Investments held at fair value through OCI are quoted in active markets and are sensitive to fluctuations in market value. If the average value of the investments held at fair value through OCI were to change by 5%, the effect on total comprehensive income would be £4.5m (FY24: £4.7m).

Interest rate profile of financial assets

The Audit & Risk Committee sets and reviews treasury policy, including monitoring the distribution of the Group’s cash balances. Deposits are placed only after due consideration of the current creditworthiness of the counterparty.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group’s credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Group’s management based on prior experience. The impact of macroeconomic factors has not been considered significant due to the nature of the markets that the Group operates in and its customer base. Credit risk of trade receivables has not increased significantly since initial recognition.

Credit risk of new customers is assessed before entering contracts. Trade receivables are considered in default and written off (i.e. derecognised) when there is no reasonable expectation of recovery.

The entry of a counterparty into administration where receivables are unsecured would be considered an indicator of no reasonable expectation of recovery. These definitions have been selected based on experience; entry into administration is the only situation that has resulted in default.

At 31 March 2025, 89% of trade receivables related to current month debt (31 March 2024: 95%).

Financial liabilities

As at 31 March 2025 the Group had no financial liabilities other than those of a trading nature.

Fair value measurement of financial assets and liabilities

Investments held at fair value through OCI are recorded at each balance sheet date at market value, with the value for each individual holding obtained from quoted prices in active markets for identical assets. A provision is made for the associated deferred tax liability on any unrealised gains.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by the Group in currencies other than the companies’ operating (or ‘functional’) currency, and from the conversion into sterling of the results of the subsidiaries Nominet Australia Pty Ltd and Nominet US Inc. The Group has not taken out hedges as the exposure to foreign currency fluctuations at any one time is not deemed to be material.

21. Financial instruments

Categories of financial assets and financial liabilities

Principal Accounting Policies provide a description of each category of financial asset and financial liability and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Group	Group	Company	Company
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	£000	£000	£000	£000
Financial assets				
Classified as loans and receivables:				
Trade and other receivables	6,850	10,609	6,736	10,863
Cash and cash equivalents	6,701	2,870	6,529	2,457
Classified as available for sale:				
Investments held at FVTOCI	88,613	90,995	88,613	90,995
	102,164	104,474	101,878	104,315
Financial liabilities				
Classified as financial liabilities held at amortised cost:				
Trade and other payables	6,403	8,520	6,153	8,423

Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three specific levels of a fair value hierarchy which are defined based on the observability of significant inputs to the fair value measurements undertaken, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

All of the investments held at FVTOCI fall into the Level 1 category.

22. Capital management policies and procedures

Nominet UK’s constitution does not allow any profit to be distributed to members. The Group’s capital management objectives are to ensure the Group’s ability to continue as a going concern and to retain sufficient funds to ensure the continuation of the on-going operations and future investments. The Group has no borrowings.

23. Capital commitments

At 31 March 2025 the Group and Company had capital commitments of £153k (31 March 2024: £815k) relating to capital expenditure contracted but not provided for in the financial statements. Of these commitments, £73k related to intangible assets and £80k to PPE (31 March 2024: £798k intangible assets and £17k PPE).

24. Contingent liabilities

There were no contingent liabilities at 31 March 2025 or at 31 March 2024.



**Nominet UK Annual Report
and Financial Statements**

Nominet UK Company Limited by Guarantee
Company No. 03203859