

ELEXON

ELEXON LIMITED

Annual Report and Financial Statements

Company registration number: 03782949

Public

31 March 2025

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Officers and Professional Advisors

Directors

Sara Vaughan (Chair)

Peter Stanley (Chief Executive Officer)

Anne Heal (Non-executive)

David Titterton (Non-executive)

Devrim Celal (Non-executive)

Ian Graves (Non-executive)

Tim Fitzpatrick (Non-executive)

Company Secretary

Nicholas Brown

Registered Office

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Auditor

BDO LLP

Chartered Accountants and Statutory Auditor

55 Baker Street

London

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Report from the Chair and Chief Executive Officer

Report from the Chair



Our industry is evolving

The last 12 months have seen many developments across the energy industry, with changes in government, policy, regulation and the landscape of institutions. The election of the Labour government in July was pivotal for the sector, marked by an acceleration in the pace of Great Britain's transition toward Net Zero. The change in government prompted increased focus on energy policy and highlighted the need for renewed investment in the sector.

The new government began its tenure with the formation in July 2024 of Mission Control, a new unit within DESNZ headed by Chris Stark as Head of Clean Power 2030. Its goal is to remove barriers and speed up the connection of new power infrastructure to the grid helping to enable critical infrastructure projects that will help decarbonise Great Britain.

Following this, in October 2024 the National Energy System Operator (NESO) was created out of the former National Grid ESO, which moved into public ownership, and Great British Energy was also formed, both organisations having a focus on clean, secure energy. The role of NESO was extended to take a whole system approach, incorporating both electricity and gas, through which NESO will help

to accelerate the transition to a low-carbon future, where access to clean, reliable and affordable energy is prioritised for all.

Arising from this development, Elexon also saw change, becoming independent from National Grid ESO and starting to operate under a 'federated model' ownership arrangement, owned by thirteen industry parties. The smooth operation of this transition, with no impact on delivery of our services, was testament to a lot of hard work and preparation by all involved.

The journey to Clean Power 2030

Over the last year the ongoing cost-of-living crisis, being driven by inflation, slow growth in markets and increasing household bills, alongside the significant increase in investment, have continued to bring energy into sharp focus across the country.

In December 2024, the Government published its Clean Power 2030 (CP30) Action Plan, underpinned by the advice of NESO in its Clean Power 2030 report. Clean power by 2030 is designed to address three core challenges: the need for a secure and affordable energy supply, the creation of essential new energy industries for skilled workers and the need to reduce greenhouse gas emissions and limit our contribution to climate change. The result is the introduction of ambitious targets designed to transform the country's energy future.

Clean power signifies that, in a typical weather year, the 2030 power system will see clean sources produce at least as much power as Great Britain consumes in total over the whole year, and at least 95% of Great Britain's generation. This will require the construction and connection of greatly increased quantities of renewable generation, as well as much greater participation in the market of flexibility from various sources. The Clean Power Action Plan estimates a need for a five-fold increase (to between 10GW and 12GW) in the amount of flexibility that is available. The successful AR6 Contracts for Difference auction was a step in the right direction, it saw a record-breaking 128 projects win contracts, securing the delivery of approximately 9.6GW of new low-carbon capacity, enough to power 11 million homes.

As we build an energy system reliant increasingly on variable renewables, improving the flexibility of the wider electricity system is key.

Achieving this will be a collaborative effort – Elexon, BSC Parties, other industry stakeholders, regulators and the Government all have a part to play, and the role of the consumer is equally important. This is in keeping with Elexon's purpose of serving at the heart of the energy industry, building a path to Net Zero.

As the sector evolves, Elexon has sought to respond rapidly to industry needs and deliver more value. We have remained focused on our role of serving the wholesale market by providing accurate Settlement and excellent services, whilst also being receptive to new and changing developments and the potential to support industry through taking on new and expanded roles.

Embracing data and digitalisation will help us to create an affordable, clean and secure system

I talked last year about Elexon's dual role in the progression of Market-wide Half Hourly Settlement (MHHS), both as the Implementation Manager and as a Programme Participant. As we approach a half-hourly world, half-hourly settlement has been at the forefront of many organisations' priorities across the industry. Over the last year we have seen sector-wide preparations undertaken for one of the biggest overhauls of electricity systems and processes since the introduction of the competitive market 27 years ago. From October this year, our industry will start to feel the benefits of this work and we must take advantage of the opportunities we have to leverage such wide-scale, granular level data, the likes of which have not been accessible before.

With greater insight into consumer energy use, a very different competitive market may emerge. Suppliers will have more accurate information about the cost of supplying electricity to their customers, meaning that they will be better able to introduce new, innovative services with more tailored offerings, utilising data-driven technologies to enable more efficient usage and more accurate bills.

The delivery of MHHS is crucial for our industry and will act as the building block to so much of the work necessary to achieving CP30. Our entire industry relies on the timely sharing of accurate data, and this also underpins all three drivers of the Action Plan. The Elexon Board remains committed to ensuring the success of the MHHS Programme as a key development in GB energy history.

A more flexible system will increase energy security and drive market competition

Greater use of data is essential for unlocking the benefits of more use of flexibility in the market, and flexibility is key when it comes to achieving CP30. Flexibility providers are helping to transform our energy system by ensuring new generation technologies, battery storage and demand side response (DSR) offer increased levels of energy security at times of high demand. Despite this, the barriers that they face in terms of registering for the different markets, and tapping into consumer-led flexibility, mean that the pace of growth is slower than we need it to be.

Our industry must work together to tackle these hurdles and reduce the current complexities. To enable the growth of flexibility, we must focus not only on greater use of data, but also on achieving better coordination, improved transparency and more visibility across markets. Without a more flexible system, the journey to CP30 becomes far more challenging.

Elexon's selection by Ofgem to take on the role of market facilitator in July 2024, and appointment in March 2025 to develop and deliver an enduring solution for Flexibility Market Asset Registration are important milestones in the enabling of a greater role for flexibility in the market. The Board was delighted to see both the support from industry and Ofgem's confidence in Elexon in taking on these vital roles and is in full support of the Elexon team as they continue working on their development.

As flexibility continues to grow, consumers will have more opportunity than ever before to adapt their behaviours and engage with the market in a way that benefits them and helps drive our progress towards both CP30 and Net Zero. Before this can happen, Ofgem, Suppliers, and the industry more widely must first work together to ensure that consumers are informed on the opportunities that flexibility presents.

Energy code reform has made progress

This time last year I spoke of Ofgem's proposal for Elexon to be among the first bodies to become a licensed code manager. Over the past year we've seen a lot of progress made by industry in developing the new licensing regime, and it has been good to see the collaborative nature of this work. At Elexon, preparing to become a licensed code manager has been a collaborative effort too, with both our colleagues and the BSC Panel playing an important role in shaping the regime with Ofgem.

These reforms are designed to introduce wide-reaching benefits, enabling faster code updates, improved market efficiency and enabling Net Zero. We expect to see further progress made on this over the coming year.

Our people continue to deliver for industry

There were no changes to the Elexon Board in the last year, and its support remained consistent. It's been a transformative year for our sector and Elexon itself, and I'd like to take this opportunity to both congratulate and thank the Board, Executive Team, BSC Panel and all Elexon colleagues for their hard work.

The Board is in full support of Peter and the Elexon team as they continue working both on delivering excellence and efficiencies in our traditional roles, but also on the development of new roles that are helping to drive CP30 progress and enable further opportunities for our industry.

Report from the Chief Executive Officer



Delivering more value for our customers

Over the last year our focus has been driven by key commitments we made in our 2024/25 Business Plan:

1. Implementing Market-wide Half Hourly Settlement
2. Expanding our data provision and high-quality data-driven services
3. Preparing for code reform
4. Becoming a more customer focused organisation.

Although not included in our Business Plan, our focus on flexibility has also been a key priority over the last 12 months. Elexon was appointed to two new roles directly supporting flexibility markets this year: market facilitator and Flexibility Market Asset Registration (FMAR) delivery body. Through the delivery of these roles, Elexon will be removing barriers to enable the growth of flexibility markets and better realise the full value of flexibility. This supports creating better asset visibility and aligning the flexibility markets to improve data and market transparency. Elexon is therefore playing a crucial role in supporting the growth of consumer-led flexibility, directly

supporting the Clean Power 2030 (CP30) targets.

As a trusted, not-for-profit organisation, we are acutely aware that we must deliver the best possible value for industry and perform our roles in a cost-efficient way. I'm pleased to share that we were able to make cost savings of £3.8m over 2024–25 and will also be giving back to BSC Parties our unused budget of £5.8m – £3m of which has already been returned, with the remaining £2.8m to be returned in August 2025.

Implementing half-hourly settlement

Successful delivery of Market-wide Half Hourly Settlement (MHHS) has been Elexon's number one priority this year, and we have been working to ensure that programme participants' systems are ready for go-live in September 2025. It has been a cross-organisational effort to ensure that Elexon's own systems and processes under our Helix programme across the business, are ready.

Key deliverables from the Helix programme this year span the development of new systems, such as the Data Acquisition Hub, Confidential Assurance Reporting Platform and Data Integration Platform, comprehensive System Integration Testing (SIT), the implementation of key code Modifications and the further development of plans and frameworks to support industry qualification and our future operating approach.

The Data Acquisition Hub was designed and built to support a unified, open analytics platform, ingesting the anticipated 1.5bn meter readings Elexon will receive per day post MHHS migration, and directly supporting our Smart Meter Data Repository (where we will make half-hourly data available, once MHHS is fully implemented).

In October, the MHHS Programme submitted a request known as CR055 to Ofgem for approval, extending the timeline of Milestone 10 'Central systems ready for migrating MPANs' by just over six months. This ensures sufficient testing takes place for the first cohort of market participants to be ready for migration.

Whilst CR055 has delayed MHHS go-live from March 2025 to September 2025, it has been pleasing to see the collaboration and commitment of all stakeholders in meeting the revised timeline, ensuring we remain on track to migrate 80% of Metering Point Administration Numbers (MPANs) within the first 12 months from October 2025.

It's been an important year for the Data Integration Platform (DIP) too. This is the scalable cloud-based infrastructure that allows half-hourly data sharing across the industry and will deliver all smart meter consumption data to Elexon's Kinnect services. Elexon implemented Modification P474 'Governance, Funding, and Operation of the Data Integration Platform (DIP)' in October 2024, allowing us to take on full operation of the DIP from September 2025.

Focusing on data and digitalisation

Digitalisation is a key enabler within CP30, and Elexon is transforming our systems and capabilities to support this. In July, we published our first Digitalisation Strategy and Action Plan, publicly committing to our digitalisation vision and deliverables to help drive industry transformation. Since then, we have made substantial progress on achieving our goals.

In March 2025, we began consulting on our data sharing plans for the Smart Meter Data Repository. In sharing this data, Elexon will directly support Suppliers and other companies to develop new products and services to scale up consumer

flexibility provision, as part of the government's CP30 Action Plan. Our work on this continues as we begin to codify the data disclosure processes and ensure that Elexon is compliant with data protection laws.

Over the last year our Data Analytics Platform has seen significant enhancements. We have migrated 80% of our Internal Applications, our legacy offline modelling tools, and developed new data products to improve Settlement accuracy, as well as the new in-house reporting solution, the Confidential Assurance Reporting Platform. This platform will enable Suppliers to view key BSC performance assurance metrics defined within the Performance Assurance Framework. It will also streamline our reporting by giving Performance Assurance Parties access to our reports in near real-time.

Preparing to operate as a licensed code manager

Elexon will be among the first code bodies to become a licensed code manager in 2026, and we have been working with Ofgem as we prepare for this change.

Over the last year Elexon has responded to Ofgem's code reform proposals, considering how they might impact our expected deliverables, and how we can adapt to meet them. We have also been reviewing the drafted licensing conditions and working with the BSC Panel to help shape the new regime's requirements. Our key priority throughout all of this has been the benefits the new licensing regime can bring to industry. In March, Ofgem announced that we were eligible to be considered for the potential grant of a code manager licence and that the selection could proceed on a non-competitive basis.

Elexon becoming a licensed code manager will provide further stability for our stakeholders and allow us to manage the code more efficiently and effectively, supporting the required pace of change for the sector while also reflecting the commercial interests of different market participants to benefit competition and consumers.

Unlocking flexibility to help support CP30

In November 2024 Elexon implemented Modification P415 'Facilitating access to wholesale markets for flexibility dispatched by Virtual Trading Parties', a landmark change that enabled Virtual Trading Parties to trade flexibility services in the wholesale market. Since then, we have registered eight companies and are currently working with a further 11, enabling their participation.

In April 2025, Ofgem approved Modification P444 'Compensation for Virtual Lead Party actions in the Balancing Mechanism' for implementation in November 2025. This Modification will introduce compensation to Suppliers and Virtual Lead Parties for adjusted volumes in the Balancing Mechanism, ensuring a level playing field within the Balancing Mechanism and further incentivising industry to engage with flexibility.

Following our appointment as market facilitator, we have worked with key stakeholders across the industry in a series of detailed design workshops to build on Ofgem's proposed market facilitator policy framework and enduring governance arrangements. We have consulted on proposed governance arrangements for the role to ensure that it is clearly defined, effectively implemented, and adaptable to evolving market conditions. Ofgem is due to make a decision on our proposals this summer.

Both of Elexon's roles as market facilitator and FMAR delivery body, combined with half-hourly settlement, are essential for rapidly scaling up flexibility to help meet the CP30 target. Through the market facilitator role, Elexon will align local and national flexibility markets, making them more open, coordinated and transparent. The alignment of these markets is a critical enabler for lowering barriers to entry and increasing volumes of flexibility trading. We will develop a solution for flexibility market asset registration to act as the 'single source of the truth' for recording details of assets. It is critical that we tightly couple market rule development with the underlying data infrastructure that supports participation in these markets.

In March 2025, we published our draft provisional handover plan from Open Networks, defining the key activities, processes and expected market impact the handover will generate. The plan provides clarity on how Elexon can begin to deliver value in the lead up to go live of market facilitator operations (at the end of 2025), via development of the Flexibility Market Rules, which will be finalised by November 2025. Our continued engagement and collaboration with industry on this will ensure we develop a layered framework that separates governance arrangements from technical and operational detail, creating a structure that reduces complexity and allows for progressive enhancement as reform, or new requirements arise.

Whilst there is still much to do regarding market facilitator development, I'm pleased to say that due to our early focus on delivering value, our stakeholders will feel the benefits of our work before the role goes live at the end of this year.

Improving our customer experience

With the expansion of our role, we are now serving more stakeholders than ever before across almost all GB electricity markets. We recognise that our customers are becoming increasingly diverse and have differing needs based on their role in the industry. Despite the individual needs of our different customer segments, all require a seamless, low-friction experience that recognises the multiple roles organisations may hold, coupled with excellent service.

Over the last six months we have embedded customer experience more widely across the organisation - redefining the role of Operational Support Managers to more closely align their activities with our Performance Assurance Team,

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helping Parties improve their Settlement performance which in turn improves the accuracy of Settlement. We have further strengthened the team to enable improved support for Parties as they move through the Qualification process ready for a post half hourly world.

The Customer Experience team is now able to focus on developing an improved understanding of customer journeys, implementing UX metrics embedded in at the point of work, and have started building a Voice of Customer programme to provide a solid foundation for research, insight and data-driven decision making in the year ahead.

In March 2025, we also consolidated and aligned the websites for both Elexon and EMRS and have implemented single sign-on to reduce friction when accessing our products. Phase two of our project continues in 2025-26, when we will further develop our website's capabilities and align many more of our products with the redesign to support a strong user experience.

Redefining our sourcing strategy to deliver services more efficiently

In the last 12 months we have also completed the delivery of our Kinnect platform. The final phase of this transferred the Central Data Collection Agent (CDCA) and Energy Contract Volume Notification Agent (ECVNA) to the Kinnect cloud environment in June 2025 allowing us to develop and test BSC changes more quickly, ultimately shortening the time it takes to deliver changes. The completion of Kinnect led to financial savings too – we were able to switch off the legacy BMRS (the forerunner of the Insights Solution), resulting in a significant part of our £3.8m cost saving.

The potential benefits of faster product development can only be realised by changing our approach to software development and release management. We have enabled this through Modification P482 'Enable flexible splitting of BSC Agent services and establishing contracts for MHHS Delivery' which took effect in November 2024. P482 enables BSC Agent Services to be split, which allows continuous development and integration of software code, delivering future efficiencies in more competitive pricing, increased cost transparency and consistency across products.

These changes have been critical to implementing a more efficient product development model and BSC Agent services. They give us the ability to competitively tender for individual Statements of Work for the first time since the placement of the CGI contract 25 years ago.

Building a strong performance culture to continue to meet the needs of industry

Our people are central to our abilities to deliver for industry and over the last year we have continued our investment in both our performance culture and our colleagues. We are ensuring that Elexon attracts and retains industry expertise and maintains a diverse and inclusive culture.

Our focus has been on developing a cohesive and high-performing leadership team, taking a holistic approach with initiatives targeting both our current and future leaders. We have created a Senior Leadership Team comprising the Executive Team and extended leadership team of their direct reports, all of whom completed a development training programme in June 2024. In October 2024 a cohort of future leaders started our Aspire talent programme, developing the skills to help ensure continued business success and delivery of our strategic objectives. The success of these programmes is evidenced through positive employee survey feedback, and our recognition via several organisational awards. In early 2025 Elexon was shortlisted for the Women in Utilities 2025 Best Employer for Women (under 500 employees) award and secured a place in the top 20 at the 2025 UK & Ireland Inspiring Workplaces Awards, also receiving 'best in class' recognitions for inclusion, employee voice and employee experience.

Sara Vaughan

Chair

Sara Vaughan

Sara Vaughan (Jun 16, 2025 13:10 GMT+1)

16 June 2025

Peter Stanley

Chief Executive Officer



16 June 2025

Strategic Report

Our business

Elexon is vital to the operation of the wholesale electricity market, the capacity market and flexibility markets:

- Our role in the wholesale electricity market involves overseeing the strategic operation and day-to-day management of the Balancing and Settlement Code (BSC). The BSC contains the rules and governance arrangements for the Balancing Mechanism and imbalance settlement processes. In addition, Elexon is leading the industry-wide implementation of Market-wide Half Hourly Settlement and is also responsible for the Data Integration Platform, which supports the exchange of data between electricity industry participants;
- The Capacity Market is designed to ensure sufficient reliable capacity is available by providing payments to encourage investment in new capacity or for existing capacity to remain open. Our role involves calculating and administering those payments;
- Flexibility markets are required in order to deliver the Government's target for clean power by 2030. In July 2024, Ofgem designated Elexon as the Market Facilitator to support the streamlining and standardisation of flexibility markets.

Elexon has taken on responsibilities as the Energy Intensive Industries (EII) Support Payment Administrator and the EII Levy Administrator under the Network Charging Compensation (NCC) Scheme.

Elexon and its subsidiaries form a not-for-profit group, which (save for our subsidiary EMR Settlement) recoups its costs from BSC Parties in accordance with the terms of the BSC. All licensed electricity generators and suppliers in Great Britain are obliged to become signatories to the BSC. Other companies, such as flexibility service providers, may choose to do so. EMR Settlement recoups its costs under a contract for services with Low Carbon Contracts Company and Electricity Settlements Company.

The Balancing and Settlement Code (BSC) requires Elexon to produce an Annual BSC Report by no later than 30 June each year. The Annual BSC Report includes full details of Elexon's performance as BSCCo during 2024/25, including performance against our budget and a range of financial and non-financial key performance indicators. The Annual BSC Report for 2024/25 will be available on the Elexon website (www.elexon.co.uk).

Business Performance

Turnover of the Group for the year ended 31 March 2025 was £122.1m (2024: £117.2m) including £7.2m (2024: £6.6m) of EMR income and £1.2m from NCC (see note on

Group Turnover). Excluding the EMR and NCC income, turnover in relation to the BSC was £113.7m compared with £110.6m in the previous year. The increase in turnover of the Group from £117.2m to £122.1m was mainly due to our investment into delivering the Kinnect, Helix and MHHS programmes. Our interest income of £0.8m was higher than last year due to higher interest rates driven by inflation.

	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021
	£'000	£'000	£'000	£'000	£'000
BSC Turnover	113,684	110,600	93,850	67,958	49,943
NCC Turnover	1,226	-	-	-	-
EMR Turnover	7,152	6,635	5,569	6,001	5,833
Total Turnover	122,062	117,235	99,419	73,959	55,776
Cost of Sales	(122,817)	(117,900)	(99,848)	(73,957)	(55,783)
Net Interest Income	755	665	429	(2)	7

Table 1: five-year comparison figures

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The total cost for the year was £112.9m, (2023/24 £110.0m), against the approved amended budget of £119.0m in 2024/25. For more details on our performance during 2024/25, please refer to the 2024/25 Annual BSC Report, which will be published by 30 June 2025. The report will be available on the Elexon website.

Looking forward, the Group budget for 2025/26 has been set at £118.9m. For more details of the budget, please refer to our Business Plan on the Elexon website:

(<https://www.elexon.com/documents/about/finances-report-policies/business-plan/2025-26/elexon-2025-26-business-plan/>).

As the Group is not-for-profit, costs and interest charges are exactly matched by turnover for the year. During the year, based on our forecasting, we adjust our charges (rather than continuing to charge the equivalent of our budget) seeking to match our revenue to our costs. However, as forecasting cannot be entirely accurate, there is, for the 2024/25 financial year as in every year, a reconciliation of BSC costs charged to Trading Parties based on the final audited costs and interest charges shown in this report. Consequently, a credit of £2.8m for the 2024/25 financial year will be returned to BSC Trading Parties in August 2025 in addition to £3.0m that was already returned during the current financial year.

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) strategy ensures that we behave in a sustainable, socially and environmentally responsible manner, and contributes to our overarching purpose as an organisation serving at the heart of the energy industry, building a path to Net Zero.

Environment

Elexon is committed to working with the industry to deliver BSC changes that support progress to Net Zero. Various examples of what we have done to support this during 2024/25 are contained in the 2024/25 BSC Annual Report.

At our London office, we aim to reduce our environmental impact. In addition to colleague awareness campaigns and monitoring energy consumption and recycling, we have a dedicated group of Elexon colleagues who meet monthly to assess our environmental impact and brainstorm ways to reduce it.

These activities include:

- encouraging environmentally friendly means of transport to work for staff;
- using adaptive lighting controls for the office and carefully managing the running times of air conditioning units;
- turning off IT equipment when it is not in use;
- ensuring that the energy supply to Elexon's office is 100% renewable and that our office has an A+ rating for energy efficiency;
- working with specialists to continually improve our energy efficiency in the office. Our energy use has increased over the past few years as staff returned to the office post-pandemic, and we are working toward a decarbonisation plan to tackle our carbon footprint;
- working with our cleaning contractor to reduce the usage of hazardous chemicals and waste, resulting from cleaning.

Climate Change

For the period ending 31 March 2025, our annual energy consumption was 288,132 kWh (2024: 294,729kWh).

The energy consumption data is based on meter readings from the Group's office. Our renewable electricity tariff is certified by the Carbon Trust to be compliant with the Greenhouse Gas Protocol Scope 2 Guidance. This means Elexon can report zero carbon emissions for purchased electricity when reporting using the market-based method. This is a Carbon Trust method which allows companies to quantify their emissions based on how much carbon is emitted by generation of electricity that they purchase from suppliers. Elexon's energy usage in 2024/25 was 2,361 kWh per £1 million revenue (2023/24: 2,514 kWh).

Despite an 11.5% increase in headcount we are pleased to see our energy usage has reduced by 2% through changes we have begun to make. We have begun our journey to Net Zero and have brought together a taskforce of colleagues from across the business to actively work on compiling our full carbon footprint and work to reduce this to achieve Net Zero by 2050 or earlier. We have partnered with Positive Planet to support us with this challenge.

Community

At the beginning of January 2024, we started a three-year partnership with two charities, Eve Appeal and the Trussell Trust, which were both chosen by Elexon colleagues. Between 1 April 2024 and 31 March 2025, we raised more than £3,800 for the two charities. Between April 2025 and March 2026, we aim to raise over £1,500 for each charity through various fundraising activities. As well as supporting the charities through fundraising, we encourage our employees to use volunteering days or to participate individually in charitable activities. From running marathons to charity boxing

matches, and cycling, our colleagues are frequently willing to raise money for both the company's chosen charities and personal causes.

Workplace

As a business, we understand that creating a positive work environment requires a sustained emphasis on health, wellbeing, flexible work arrangements, and personal growth opportunities. We offer colleagues access to resources such as the Mental Health Foundation and an Employee Assistance Programme.

Throughout 2024/25, we ran multiple campaigns to raise awareness about mental health and wellbeing among our colleagues. We also have a community of Mental Health First Aiders who are trained to provide support and guidance to those who may be struggling. Another critical area of focus during this period was on promoting Equality, Diversity and Inclusion in our workplace. Our Diversity Forum members meet regularly to explore ways to continually improve in these areas and foster a more inclusive work environment. Regular EDI forums are held throughout the year, featuring a diverse range of topics proposed and led by colleagues who are passionate about advancing equality, diversity and inclusion.

Helping colleagues to develop in their career

At Elexon, we believe in cultivating and retaining long-term value by investing in our colleague's expertise. That's why we provide a range of training, coaching, and mentoring opportunities to support career development. We also prioritise knowledge sharing and transfer.

To support colleagues aspiring to leadership roles, we offer dedicated development programs. This includes leadership development initiatives for those looking to become line managers, as well as tailored support for newly appointed managers. Additionally, our Aspire Talent Programme—a comprehensive 15-month course that equips colleagues with the skills, knowledge, and confidence needed to excel in leadership positions at Elexon.

As part of our commitment to professional growth, we will host our second Careers Week in October 2025. This week-long event will feature keynote speakers, hands-on coaching and mentoring workshops, and insightful career forums—all designed to empower our colleagues and help them navigate their career journeys with confidence.

Marketplace

We work within our marketplace, alongside new, potential and existing suppliers to ensure that they are providing CSR credentials that are compatible with our own. We look to ensure that all our current suppliers and vendors follow ethical practices. We have also undertaken work to ensure our supply chain is free from practices involving slavery; this work is ongoing, and will continue to be a focus into the future. In addition, we also specify that suppliers local to the London area that provide services to our office pay their staff the London Living Wage.

Business Environment

Risk Management

The Board is committed to protecting Elexon's reputation in delivering our services to industry. Whilst we recognise that it is not possible to eliminate all risks and uncertainties, our comprehensive Risk Management Framework supports Elexon in managing the risks and opportunities that we face in pursuit of achieving our strategic objectives.

The Audit and Risk Committee oversees the effective implementation of Elexon's Risk Management Framework. The Board monitors the amount of risk that Elexon takes in pursuit of our strategic objectives and sets risk appetite annually for implementation by management to mitigate risks to acceptable levels. Risks are monitored through a 'top-down' and 'bottom-up' approach and each risk is assigned an Executive owner who is responsible for monitoring and managing their respective risks. Each risk is analysed using Elexon's tailored risk assessment criteria to assess the likelihood that the risk will materialise and (both qualitative and quantitative impacts) if the risk did materialise. Risk appetite and effectiveness of internal controls are considered in determining whether to tolerate current risk levels or set target risk levels along with actions to further mitigate risks to an acceptable level. Risks are aligned with our Internal Audit plan to provide the Board with assurance over the effective operation of internal controls in mitigating our principal risks.

Principal risks and any new and emerging risks are reviewed by the Executive Committee on a quarterly basis and are reported to the Audit and Risk Committee and the Board. The Board completes a robust assessment of the principal risks facing the business on a biannual basis with support from the Executive team.

Principal Risks and Uncertainties

The table below sets out the principal risks faced and outlines how those risks have been mitigated.

Principal Risk	Managing and mitigating the risk
<p>Cyber resilience</p> <p>There is a risk that Elexon, EMRS or key service providers are subject to a successful cyber-attack on critical business systems breaching cyber resilience and impacting on our ability to deliver service obligations to industry and key business processes, ultimately impacting on brand and reputation.</p>	<ul style="list-style-type: none"> • Maintain a business continuity plan and crisis management plan. • Business continuity and IT disaster recovery plans for all BSC agent services. • Maintain ISO27001 information security accreditation, subject to annual audits and implements identified improvement. • Third party providers who are responsible for systems support operate in line with ISO27001 best practice, including issue and risk management reporting. • Third party annual penetration testing at Elexon and its Service Providers and corrective actions are implemented. • Expert external provider to provide critical response facility in the event of a cyber-attack. • Threat intelligence to monitor cyber security risks that may pose a threat to Elexon and respond using proposed mitigating actions accordingly. • Participation in industry cyber resilience forums and supplier forums to discuss threats and best practice. • Regular patching and updating in place. • 24/7 managed security operations centre, monitoring Elexon on-prem and cloud-based systems.
<p>Delivery risk of the MHHS and Helix programmes</p> <p>There is a risk that the MHHS and Helix programmes fail, experience delays or encounter other major issues caused by either programme management issues, programme interdependencies, scope change or implementation issues, impacting our reputation in industry.</p> <p>Upon implementation operational risk factors will be addressed under our customer service delivery risks and operational risks.</p>	<ul style="list-style-type: none"> • Ongoing programme governance for Helix and MHHS, tracking progress against programme objectives, milestones, budget and plan. Regular issue management and reporting with attributable parties. • Controls over design and delivery of Helix business requirements including systematic process for approval of changes. Standard testing procedures for functional integration and regression testing and central programme assurance (Component Integration Testing, Pre-integration testing and Systems Integration Testing) with defined exit criteria for software releases. • Monthly MHHS Programme Steering Group including representation from regulator Ofgem and monthly reporting to the MHHS Committee which in turn reports to the Elexon Board for areas within our responsibility. Helix Programme reported to the Transformation Committee quarterly which itself reports to the Elexon Board. • Monthly programme reporting by Independent Assurance Providers for MHHS and Helix to support effective programme leadership and coordination across parties. • Use of Independent Programme Assurance (IPA) expertise to support with the design, development and implementation of participant plans.
<p>Attract, retain and develop talent</p> <p>There is a risk of insufficient or inadequate skills and resources to deliver strategic priorities, programmes, operational objectives and future capability requirements. This could be because of an inability to attract the right talent, retain key resources, manage appropriate attrition, succession planning and</p>	<ul style="list-style-type: none"> • Proactive recruitment and headhunting process, data analytics used to inform predictive resourcing. • Succession planning process and periodic review. • Talent management across our talent pool, including our Emerging Leaders and Development programme. • Equality, Diversity and Inclusion (EDI) policy, programme and steering group, regular EDI Forums.

<p>develop the right skills, compounded by the scale of recruitment across the energy industry. This may result in insufficient bandwidth and capabilities, impacting our service delivery and reputation, our ability to scale, successful implementation of strategic initiatives and achievement of our vision.</p>	<ul style="list-style-type: none"> • The People and Remuneration Committee approves colleague remuneration including external benchmarking against our employee value proposition and reviews pay gaps (gender and ethnicity). • Annual employee engagement survey to identify and address concerns • Quarterly performance management, colleague objectives aligned to strategic goals, functional objectives and personal development.
<p>Unable to achieve our strategy</p> <p>There is a risk that we are unable to achieve our long-term vision and strategy caused by external factors (e.g. geopolitical environment, REMA, political or industry change) or internal circumstances (e.g. bandwidth, capability and budget) resulting in loss of trust in industry and loss of advocacy from Panel and parties.</p>	<ul style="list-style-type: none"> • Ongoing discussions and communications with customers and stakeholders to ensure our strategy remains aligned to delivery of energy policy and customer value. • Monitor relevant legislation or regulation changes that may impact Elexon’s strategy and asserting our positions on these to support shaping policy outcomes. • Regular monitoring of political and industry news. • Strategy programme governance and regular Board reporting.
<p>Customer service delivery</p> <p>There is a risk that we fail to delivery our services and meet customer expectations due to operational failures caused by service providers or our own operations which affect settlement or result in a degradation of service, which could impact on customer experience and have a negative impact on our reputation with industry.</p> <p>Following implementation of MHHS, in addition to other industry roles, operational risk factors will continue to be identified, monitored and mitigated through appropriate enhancements in our control environment.</p>	<ul style="list-style-type: none"> • Stakeholder and customer relationship management. • Customer surveys to assess satisfaction with our services. • Significant Operational Issue Procedure and processes in place and operational staff training. • Operational risk register in place linked to BSC obligations. • Real time monitoring of system response times • Operating Model design ensures a clear line of sight and ownership of risk for mitigation. • Finance and cash flow controls. • Trading Disputes process. • Enhanced support until decommissioning of legacy systems and applications in hyper care • Business Continuity Plan and IT Disaster Recovery, crisis management plan and policy.

Viability Statement

Taking account of the Company’s current position and principal risks, the Directors have assessed the prospects of the Company over a period of three years. The Directors believe three years to be an appropriate period as this is the period in respect of which the Company undertakes financial projections as part of its business planning process.

The funding arrangements for the Company are set out in Section D of the BSC. As a result of the BSC funding arrangements, there is no medium/long term risk of Elexon failing to meet its liabilities. The BSC funding arrangements ensure that all of the Company’s BSC costs are funded by BSC Parties. To the extent that there is any short-term cash flow risk to the Company, there are robust mitigations in place as described in the [Principal Risks](#) and Uncertainties table and the [Going Concern statement](#).

The Directors therefore have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. This assessment is based on the assumption that Elexon’s funding model remains unchanged. We have no expectation of any change to our funding arrangements.

On 1 October 2024, the ownership of the Company transferred from National Grid ESO to a wider group of Elexon’s 13 largest funding parties under the BSC. This change of ownership will not impact the funding arrangements described above, and accordingly does not impact the Directors’ assessment of the Company’s viability.

During the winter, when there is greater risk to some of Elexon’s funding parties through wider energy industry pressures, the Company undertakes stress testing and scenario cash flow analysis in order to identify any risk to the viability of the business. The Directors’ assessment is based on this analysis.

Section 172(1) statement

Section 172(1) of the Companies Act 2006 sets out the general duties of directors, a copy of which can be found [here](#). Elexon’s engagement with its stakeholders takes place at all levels within Elexon’s organisation. The table below summarises engagement by the Board and Executive Team, and how engagements at other levels in the organisation are escalated, where relevant, to the Board and Executive Team.

The key matters considered by the Board and its Committees are set out in the [matters discussed by the Board](#) section. Engagement with stakeholders, as described below, forms a key part of Directors’ considerations on those matters. When making decisions, the Board strives to balance the different and competing priorities and interests of our stakeholders in a way compatible with the long-term, sustainable success of the business and which maintains a standard of business conduct aligned to our values and purpose.

The impact of Elexon’s operations on the community and environment is explained in the [CSR Report](#). Supporting the achievement of the UK’s Net Zero target is central to the Company’s operations as explained further in the [environment](#) section.

	Industry	BSC Panel	Colleagues
Who	BSC Parties; industry participants (e.g. Party Agents); industry advisors and experts	The BSC Panel and its committees	Elexon’s workforce
How we engage	<p>Specific board level engagement with industry includes:</p> <ul style="list-style-type: none"> three of Elexon’s Non-Executive Directors are appointed from industry and so are able to provide an industry perspective at Board meetings; consultation on Elexon’s Annual Business Plan; the Company conducts an annual customer survey which is considered by the Board; there are regular meetings between members of the Executive team and BSC Parties which are reported, where relevant, to the Board; Board members will from time to time engage directly with industry participants; the BSC provides for an Annual BSC Meeting where BSC Parties can ask questions of the Board and the BSC Panel 	<p>Specific board level engagement with industry includes:</p> <ul style="list-style-type: none"> the Chair of the Board also chairs the BSC Panel; the CEO attends the BSC Panel; occasional attendance by Board members at Panel meetings and informal Panel events; consultation on Elexon’s Annual Business Plan; 	<p>Specific board level engagement with the workforce includes:</p> <ul style="list-style-type: none"> the Board has appointed the Chair of the People and Remuneration Committee (Anne Heal) as its designated workforce Non-Executive Director (‘Link NED’), who ensures that the ‘employee voice’ is considered. She fulfils this role through a number of engagements with the workforce, both formal and informal. She also ensures that workforce interests are fed back to the Board which enables the Board to take these into account; the Elexon Chair regularly spends time in the office, engages generally with colleagues and regularly meets new starters; direct engagement with the workforce through colleague attendance at regular breakfast briefings on various topics; the Board reviews the annual employee survey results and the actions being taken to address any issues; attendance by individual Non-Executive Directors at monthly Town Hall meetings (where they can be introduced to colleagues).

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2025.

Going concern

During the year, the Group arranged a £0.1m overdraft facility for Elexon and a £5.0m overdraft facility for Elexon Clear respectively with Barclays PLC at the variable rate of 1.75 percent above the bank's base rate. The Board believes that this provides a secure financial base for the Group for the foreseeable future. Financial risks are also mitigated by the nature of the debtor balances owed, with the Code providing for other BSC Parties to meet the liabilities of any debtor in default; and the provision of the BSC whereby Elexon recovers its costs one month in advance. The Group has a positive cash flow closing balance within the rolling twelve months of signing the financial statements. As a result, the Board considers that there is a reasonable expectation that the Group will continue in operating existence for the foreseeable future and has therefore used the going concern basis of accounting in the preparation of the financial statements.

Employees

See [Note Directors and Employees](#) for details on the number of employees and related costs.

Dividends

Under the terms of the BSC, the Company has no power or authority to declare or pay any dividends.

Charitable and political contributions

During the year, the Company has made charity matching donations totalling £543.00 and no political contributions.

Financial Instruments

There are no financial instruments that the company holds as at 31 March 2025.

Important Events and Future Developments

Details of important events that have affected the Company since the end of the financial year and future developments are included in the [Strategic Report](#).

Qualifying Third Party Indemnity Provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

Directors

The Directors that served throughout the year were as follows:

Sara Vaughan – Elexon Board and BSC Panel Chair

Sara was appointed as Chair of the Elexon Board and the BSC Panel on 1 October 2022. She previously served as interim Chief Executive Officer between November 2021 and April 2022. Sara has been a member of the Elexon Board since March 2019. Sara was previously at E.ON UK, where she was Executive Director for Strategy and Regulation and, latterly for Political and Regulatory Affairs, after holding a number of senior roles in legal, regulatory affairs, energy policy and CSR. Sara's background was as a competition and regulatory lawyer at Slaughter and May before moving to Powergen (later E.ON).

Sara is a Non-Executive Director of the North Sea Transition Authority, a member of the Energy Advisory Panel at the Energy Institute, where she is a Fellow, and Steering Group Co-chair in Icebreaker One's work on Open Energy.

Sara is an independent non-executive director at South Staffordshire Water Plc and took on the role of Chair from 1 May 2025.

She was a Board Member of the UK Business Council for Sustainable Energy, which later merged into Energy UK, where she was an alternate Board member and was a member of the CBI West Midlands Regional Council. She is also a local Parish Councillor.

Board Roles: Elexon Chair, Chair of Nominations Committee, MHHS Committee and EMRS Board, and a Member of the Transformation Committee and People and Remuneration Committee.

Peter Stanley – Chief Executive Officer

Peter has been Chief Executive Officer of Elexon since 1 October 2023. Peter oversees the corporate strategy and direction of the company, accountable to the Board for the successful delivery and development of the services Elexon delivers. He also leads the Elexon Executive Team who are responsible for the day-to-day management of the company.

Previously Peter was a member of the Executive team and the Chief Operating Officer (COO) at Elexon. As Chief Operating Officer, he oversaw Digital Operations that handled substantial funds to ensure electricity market compliance.

ELEXON LIMITED

He was also responsible for operational delivery of our obligations under the Balancing and Settlement Code (BSC) and for realising the vision for the Elexon Kinnect platform that is underpinning the transformation of Elexon's business, driving key initiatives for market insight services, data analytics, and emerging flexibility markets to support Net Zero.

Peter has over 35 years' experience in the electricity industry and has gained a strong background in driving technology and data focused transformations within the energy sector.

Anne Heal – Independent Non-Executive Director

Anne was appointed to the Elexon Board as an independent Non-Executive Director on 1 October 2017. She is also the designated workforce Non-Executive Director ('Link NED'), who ensures that the 'employee voice' is considered by the Elexon Board.

Anne is the Chair of Market Operator Services Limited (normally known as MOSL), is a Board Member of ORR, the rail and road regulator, an independent member of the Bank of England Enforcement Decisions Making Committee and the FCA Regulatory Decision Committee. She is also the Chair of the London Design and Engineering UTC and a member of the Board of the Fundraising Regulator.

She was previously Director of Regulatory Affairs for BT Group, leading the regulatory negotiations that led to the creation of Openreach, where she then became MD, Strategy. She has also been a Board Member of Ofqual, the qualifications regulator.

Anne chairs a charity, Volunteering Matters, is a trustee of BalletBoyz, and also chairs the Governance and Nominations Committee of Diabetes UK.

Board Roles: Chair of People and Remuneration Committee and a Member of the Nominations Committee.

David Titterton – Industry non-executive director

David was appointed to the Elexon Board as an industry non-executive director on 6 March 2019 and was appointed as the Senior Independent Director from 1 November 2023. He is an engineer by background and has over 35 years' experience in the energy industry.

David held many senior roles in Npower, latterly as Energy Services Director, and prior to that at Scottish Power; in all parts of the energy retail business including Customer Service & Field Operations, Sales & Marketing and Trading.

David has a wealth of experience in initiating and developing business strategy, business development, acquisitions, business integration, divestment, transformation, leading people through major change and senior stakeholder engagement.

David is also a Non-Executive director for both Horizon Energy Ventures Ltd (who finance sustainable energy solutions) and Yorkshire Energy Services CIC (who deliver energy efficiency measures to help alleviate fuel poverty). For nine years he was a Governor/Director of The Aspire Academy, an alternative provision school whose aim is to reduce the rate of permanent exclusion in key stage 4 pupils.

Board Roles: Senior Independent Director, Chair of the Transformation Committee; Member of the People and Remuneration Committee and Nominations Committee.

Ian Graves – Industry non-executive director

Ian was appointed to the Elexon Board as an industry Non-Executive Director on 1 January 2023.

Ian started his career at Midlands Electricity, joining just after privatisation. His career journey has taken him on a variety of roles across networks and the power generation sector.

After directing the Power Sector at Costain, he joined National Grid leading interconnector development amongst other non-regulated activity. Until recently he was the CEO of PeakGen, a company that provided flexibility and ancillary services to electricity network system operators. Under Ian's leadership, PeakGen won competitive tender processes to build, own and operate 400kV Transmission assets, as well as energy trading and optimisation services.

As well as his successful executive career, Ian has enjoyed a portfolio of non-executive roles within a broad range of organisations. He was previously on the board of the Midlands Air Ambulance Charity, as well as providing non-executive oversight on a redevelopment project for Birmingham Symphony Hall. Currently Ian serves as Chair of TNEI, where he was involved in taking the organisation to employee-owned status and growing the business in new territories including the USA, Ireland and India. On 5 May 2025, Ian was also appointed as a Non- Executive Director at Green GEN Cymru.

Board Roles: Member of the Audit and Risk Committee, MHHS Committee, Nominations Committee and People and Remuneration Committee.

Tim Fitzpatrick – Independent non-executive director

Tim was appointed to the Elexon Board as an independent Non-Executive Director on 1 July 2022.

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Tim is the senior Non-Executive Director at Oxbury Bank Plc where he chairs both the Audit committee and the Remco. He is also a senior advisor to Reply Group, a digital services, technology and consultancy multi-national company.

Previously he was a Non-Executive Director and Audit committee chair at Pay.UK, Chair of Synch Payment DAC as well as CEO at the UK high value payment operator CHAPS. Tim has also held a variety of senior executive positions in HSBC in the UK and overseas, as well as senior advisory roles in the Bank of England and London Metal Exchange. His experience brings a broad range of competencies focusing on business transformation, critical national infrastructure, regulatory engagement, and systemic and operational risk.

Board Roles: Chair of Audit and Risk Committee and a Member of the EMRS Board, MHHS Committee and Nominations Committee.

Devrim Celal - Industry non-executive director

Devrim joined the Elexon Board on 1 November 2023.

He is the Chief Flexibility and Marketing Officer at Kraken. Prior to joining Kraken, Devrim held executive roles at leading management consultancy and finance firms, including Publicis Sapient, Kearney, and Lansdowne. He holds an MBA from Yale University.

Devrim also serves as a Non-Executive Director on the Greater Manchester Business Board.

Board Roles: Member of the Audit and Risk Committee, Transformation Committee and Nominations Committee.

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors consider that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary to assess the Company's position, performance, business model and strategy.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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Approved by the Board of Directors and signed on behalf of the Board.

Nicholas Brown

Company Secretary

A handwritten signature in black ink, appearing to read 'N.E. Brown', with a stylized flourish at the end.

16 June 2025

Corporate Governance Statement

Corporate governance

Elexon occupies a unique position of accountability and responsibility to the electricity industry and the Company’s Board therefore recognises the importance and value of good corporate governance. Consequently, whilst Elexon is not a listed company and the UK Corporate Governance Code (2018) is not formally applicable to the Company, we do seek to follow best practice, including those principles in the Corporate Governance Code that are relevant to the Company. A general narrative statement relating to the governance of the Group appears below.

Key Matters Discussed by the Board

The Board has considered and made decisions in respect of the following key matters:

Strategy and Business Plan	Governance	People	Industry, policy and stakeholders	Performance
<ul style="list-style-type: none"> • 2025/26 Business Plan development and approval • Codes Review consultations • Market Facilitator role decision • Flexibility Market Asset Registration • Smart and Secure Energy System governance • Nuclear RAB 	<ul style="list-style-type: none"> • 2024 Annual Report • Transfer of Ownership • Risk Appetite • Risk Clean Sheet Exercise • External Board and director Performance review 	<ul style="list-style-type: none"> • Employee turnover and retention • Elexon’s EDI journey • 2024 employee engagement survey 	<ul style="list-style-type: none"> • 2024 customer survey results • Stakeholder engagement and policy universe • Business plan consultation responses • REMA consultation • Consumer Consent consultation • Industry, policy and stakeholder aspects of ‘Strategy and Business Plan’ matters 	<ul style="list-style-type: none"> • Sourcing strategy and contracting approach • Regular supplier status updates • MHHS Readiness • TAA Contract Approval •

Board Leadership and Company Purpose

Sustainability of business model

We generate and preserve value over the longer term by:

- providing up-to-date IT infrastructure and platforms to build scalable, flexible and stable services that support new markets and new products and services in an open and accessible way;
- leveraging our existing skills, experience and understanding of markets, policy and regulation to enable us to explore new opportunities for the benefit of the energy industry, innovators and consumers; and
- continuing to focus on the development of our people in order to build capability in the business to support the rapidly changing energy market, and to aid our customers and stakeholders in achieving their ambitions.

The Board considers and addresses opportunities and risks to the future success of the business through:

- receiving regular reporting on and discussing the strategic activities;
- developing thinking on opportunities and risk through focused strategy meetings as well as regular strategy discussions at the Board; and
- the Audit and Risk Committee considering, monitoring and assessing risks across the wider business, including focussing on risks to the ongoing robustness of the business and its business transformation activity.

Culture

One of the key initiatives in the Company's strategy is to build a sustainable performance culture. The Board encourages and monitors this through regular reporting to it, and to the People and Remuneration Committee, on achieving the deliverables and milestones that comprise this initiative. In addition, the Board:

- receives regular reporting on people (including, health, safety and wellbeing);
- reviews the employee engagement survey;
- engages with the workforce (e.g. through the "Link NED" position and by attendance at colleague 'town hall' meetings);
- receives, through the Audit and Risk Committee, internal audit updates on fraud and whistleblowing;
- monitors the nature and extent of workforce engagement with internal and external reviews;
- strives, through Board members' own behaviours, to set the 'tone from the top' for management and the workforce in sharing and living the purpose, values and strategy.

Equality, Diversity and Inclusion (EDI)

As regards Equality, Diversity and Inclusion:

- the Board focuses on EDI in its own work: The Board is mindful of keeping this at the forefront and looking at further opportunities to be involved in EDI-related matters. Board Members are able to undertake the same EDI awareness sessions as the workforce and expect to be able to attend Company EDI-related talks, forum meetings and events such as National Inclusion Week and Elexon's Careers Week. During the course of this year, the Board and Executive team held a joint workshop on EDI;
- the gender balance of the Board comprises of five males and two female Directors, including our Chair. The membership of the Executive Team is comprised of three males and four females.
- Board members have agreed ways of working that create a safe inclusive and friendly environment for presenters to the Board, where challenge is present but is respectful and constructive.

Investing in and rewarding the workforce

The People strategy includes a number of components including supporting diversity, inclusion and the wellbeing of Elexon's workforce, more details of which can be found in the [Corporate Social Responsibility report](#).

The Company's approach to rewarding the workforce is set out in the colleague remuneration policy approved by the Board and which is based on the following principles:

- ensuring equal treatment as regards to pay and benefits;
- paying market rates that have been benchmarked against roles in comparable sectors; and
- endeavouring within reason to reflect remuneration best practice.

Whistleblowing

The Board has established a whistleblowing policy and procedures, and the Chair of the Audit and Risk Committee is the Company's whistleblowing Champion. The policy and procedures for handling whistleblowing are reviewed annually by the Audit and Risk Committee.

Engagement with shareholders and stakeholders

The ownership of Elexon Limited was transferred from a sole shareholder (NGESO) to 13 licensed BSC Parties on 1 October 2024. The rights and responsibilities of the Company's shareholders are constrained by the BSC so they are unable to exercise any control over Elexon. Details on Elexon's engagement with its stakeholders can be found in the [Section 172\(1\) statement](#).

Division of Responsibilities

The Board

The Board is comprised of a Non-Executive Chair, the Chief Executive Officer, and five independent Non-Executive Directors. It therefore satisfies the requirement for at least half the Board, excluding the Chair, to be Non-Executive Directors whom the Board considers to be independent. The Board has a written division of responsibilities between the Chair and Chief Executive Officer, which is available on the Company's website.

Independence of Non-Executive Directors

The Board considers that all of the Non-Executive Directors are independent.

Devrim Celal is the Chief Flexibility and Marketing Officer at Kraken (Octopus Energy's technology platform) and until recently, Ian Graves was the CEO of Peakgen. On 5 May 2025, Ian Graves was also appointed as a Non-Executive Director at Green GEN Cymru. As BSC Parties, PeakGen, Octopus Energy, and Green GEN Cymru currently have, or had within three years prior to the 2024/25 year, a material business relationship with the Company. This is relevant to the criteria identified in the UK Corporate Governance Code relating to Directors' independence, but the Board nonetheless considers that Ian Graves and Devrim Celal are independent. The rationale for this is that appointing industry Non-Executive Directors from amongst BSC Parties is an important element of ensuring that Elexon has the appropriate balance of skills, experience, independence and knowledge on the Board. The Board has considered the contribution of Ian Graves and Devrim Celal to the discussions and decisions of the Board and has determined that they continue to demonstrate independence of judgement and character.

Scrutinising the Performance of Executive Directors

Elexon only has one Executive Director, the Chief Executive Officer, whom the Non-Executive Directors are responsible for appointing and removing.

The People and Remuneration Committee (in consultation with the other Non-Executive Directors and, in relation to the Executive Team and the CEO) sets performance objectives for the CEO and Executive Team and holds management to account against these objectives.

Composition, Succession and Evaluation Principles

Board Composition

Our Board comprises a Non-executive Chair (independent on appointment), one Executive Director (Chief Executive Officer) and five independent Non-executive Directors. There is a clear division of responsibilities between the Chair and Chief Executive. A list of our Directors' biographies can be found in the [director's report](#).

Annual re-election

All Directors seek re-election on an annual basis.

Evaluation and effectiveness

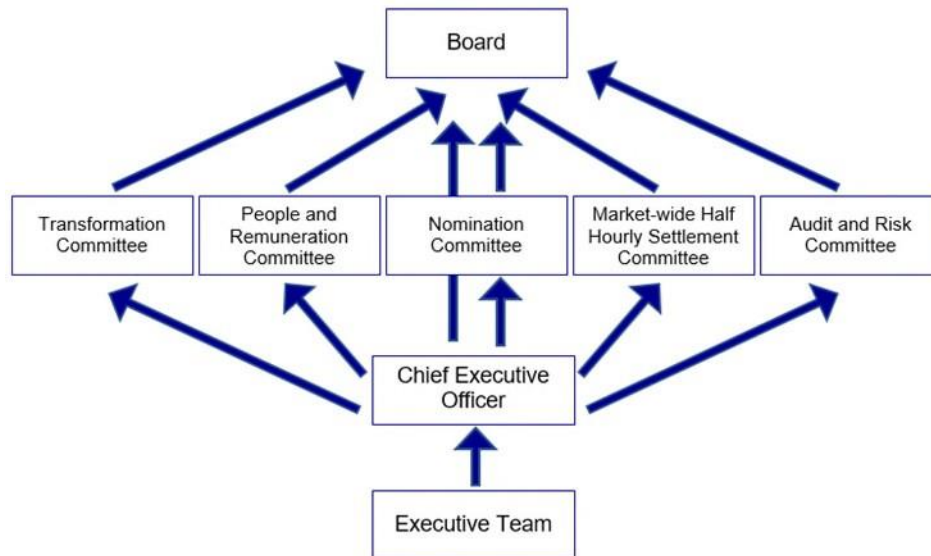
In March 2025, the Board completed an external performance review, facilitated by Campbell Tickell ('CT'). All of the Board and the Executive Team participated with the review comprising of a varied methodology including document review, survey work, interviews, and meeting observations. The review concluded that Elexon has good governance in place and that the Board is effective in executing its duties. It recommended that we now look at the best way to evolve our governance as the nature of the company changes.

Development

No new Directors were inducted this year. As regards the ongoing development of our Directors' knowledge and understanding of the Company, Board meetings regularly include briefings on specific topics of relevance to the Company's activities. During the course of this year, topics covered have included cyber security training and workshops on the impact of the Review of Electricity Market Arrangements (REMA), flexibility markets, the Market Facilitator role, BSC settlement and how these will be impacted by MHHS and artificial intelligence.

Governance Framework

The Governance framework at Elexon is set out in the diagram below.



The Board has a formal schedule of reserved matters, which is available on Elexon's corporate website (<https://www.elexon.com/governance/elexon-board/>). Each of the Board's Committees has formal terms of reference. There are descriptions in this Report of the roles of the [Audit and Risk Committee](#), [People and Remuneration Committee](#), [MHHS Committee](#), [Nominations Committee](#) and [Transformation Committee](#).

Attendance at Meetings

The Board, and each of its Committees, hold regular meetings scheduled throughout the year and ad hoc meetings as required. All Directors are expected to attend all Board and relevant Committee meetings. During the course of 2024/25, all Board meetings were held in person at the Elexon offices and Committee meetings through a hybrid approach (attendance at the Elexon offices and remotely). Details of attendance by Directors at Board and Committee meetings during 2024/25 are set out in the table below.

Name of Director	Board	Audit and Risk Committee	MHHS Committee	People and Remuneration Committee	Nominations Committee	Transformation Committee
Total number of meetings	9	4	12	4	2	6
Sara Vaughan	9 (9)	-	12 (12)	4 (4)	2 (2)	6 (6)
Anne Heal	9 (9)	-	-	4 (4)	2 (2)	-
David Titterton	9 (9)	-	-	4 (4)	2 (2)	6 (6)
Devrim Celal	8 (9)	4 (4)	-	-	2 (2)	5 (6)
Ian Graves	9 (9)	4 (4)	12 (12)	4 (4)	2 (2)	-
Peter Stanley	9 (9)	4*	11 (12)	4*	2*	6*
Tim Fitzpatrick	9 (9)	4(4)	12 (12)	-	2 (2)	-

Notes

- Numbers in brackets show the number of meetings that each Director was a member of the Board or a Committee and entitled to attend. Board and Committee membership is included in the [Directors](#) section.
- The asterisk details the CEO's attendance at Committees in order to support the work of those Committees, even where not a member of those Committees
- In addition to the meetings shown above, the Board held two strategy meetings during the year and the Audit and Risk Committee held two risk deep dive meetings during the year.

Audit, Risk and Internal Controls

Going Concern and Viability Statement

Elexon's [Going Concern statement](#) can be found in the Directors' Report. The [Viability Statement](#) can be found in the [Strategic Report](#).

Risk Management and Internal Control

The Board is responsible for determining the nature and extent of the [principal risks](#) it is willing to take in achieving its strategic objectives.

The Board, supported by the Audit and Risk Committee, is responsible for:

- determining the nature and extent of the principal risks that the Company is willing to take in achieving its objectives;
- the Company's system of risk management and internal control; and
- reviewing the effectiveness of those systems.

The Board sets and approves risk appetite on an annual basis at a risk category level to provide guidance to management on response to risks. Principal risks are reviewed by the Audit and Risk Committee on a quarterly basis. The Audit and Risk Committee also undertakes periodic deep dives into the management of specific risks and at least twice per year reviews all principal risks on the corporate risk register.

All risks on the corporate risk register are reviewed quarterly by the responsible individuals assigned to the risk. The quarterly review considers whether the risk is reducing or increasing as a result of inherent risk factors or the mitigation applied. Any new risks are also considered and added as necessary to the corporate risk register and any risks that are no longer relevant are closed. Significant changes to existing risks and any new or emerging risks are discussed quarterly by the Executive leadership team. All risks on the corporate risk register have an Executive team member assigned who is accountable for monitoring the management of that risk over time.

In addition, the Company's project management approach involves project teams identifying, analysing, evaluating and addressing risks associated with each project. Each project maintains its own risk register with significant project risks escalated to the corporate risk register. The Company maintains a project portfolio that ensures that risks and issues on one project which impact on other projects are identified and managed. Transformation programme risks are also reported to the Transformation Committee quarterly.

Elexon has an internal audit function that provides the Audit and Risk Committee with independent, objective assurance regarding internal controls and risk management processes as part of the Company's risk management and assurance regime. The Audit and Risk Committee agrees a programme of internal audit work annually and reviews progress at

each of its meetings with the internal audit manager. All members of the Committee are provided with the reports prepared by the internal audit manager as part of the internal audit work plan.

Elexon has also appointed an external advisor who has supported regular risk management processes, brings an external perspective and an enhancement to our risk management capabilities.

Committees

The Board has five standing Committees: Audit and Risk Committee, Market-Wide Half-Hourly Settlement (MHHS) Committee, Nominations Committee, People and Remuneration Committee and the Transformation Committee. Each is formally constituted with Terms of Reference that are available on Elexon's corporate website.

Report of Audit and Risk Committee

The Audit and Risk Committee is chaired by Tim Fitzpatrick, a non-industry NED, who has recent, relevant and significant financial experience and is a Fellow of the Institute of Chartered Accountants in England and Wales. The other members of the Audit and Risk Committee are Devrim Celal and Ian Graves who have relevant experience in the electricity industry. Regular attendees also include the CEO and CFO. The Company Chair is not a member of the Committee.

Report

This Committee's main responsibilities during 2024/25 included:

- monitoring the Company's system of risk management and internal control and reviewing the effectiveness of those systems;
- reviewing and monitoring the external auditor's independence and objectivity, in particular, the provision of non-audit services that they provide, and determining the nature and extent of the principal risks that the Company is willing to take in achieving its objectives;
- monitoring the integrity of the financial statements of the Company; and
- monitoring the Company's information security arrangements.

In discharging these responsibilities, the Audit and Risk Committee considers reports from the external auditor, internal auditor and from management, and monitors the implementation of any necessary actions including an independent review of nominated areas of internal control.

Significant issues

The Committee did not consider that there were any significant issues in relation to the financial statements that needed to be addressed.

Effectiveness of the External Audit Process

The Audit and Risk Committee undertakes an annual assessment of the independence and effectiveness of the annual audit process. The external auditors, BDO LLP, were appointed in October 2017 following a competitive tender.

Non-Audit Services

The objectivity and independence of the auditor are safeguarded by limiting the value of non-audit services performed by the external auditor, the periodic rotation of the lead audit partner, independent reporting lines from the auditors to the Committee and the opportunity to meet with the Committee privately.

Report of Market-wide Half-Hourly Settlement Committee

The MHHS Committee is chaired by Sara Vaughan. The other members of the MHHS Committee are Ian Graves, Tim Fitzpatrick and Peter Stanley.

Report

The Board established this Committee in order to oversee Elexon's role as the MHHS Programme Implementation Manager (IM). Taking into account the MHHS business separation requirements, the MHHS Committee fulfils the obligations on the Board to maintain oversight of the IM role, including the following key activities during 2024/25:

- monitoring and providing oversight of the performance of the MHHS Programme IM;
- monitoring and providing oversight of the performance of the MHHS Programme's service providers and personnel;
- monitoring and providing oversight of the financial performance of the MHHS Programme IM;

- monitoring and providing oversight of the MHHS Separation Solution requirements.

This Committee is not involved in providing any monitoring or oversight of Elexon's role as an MHHS Programme Participant. Additionally, it is not involved in any decision making on MHHS priorities, risks and issue mitigation, change requests, timelines, incentives or penalties in relation to the performance of other Programme Participants.

Report of Nominations Committee

The Nominations Committee is chaired by Sara Vaughan and is comprised of all Non-Executive Directors.

Report

The main responsibilities of this Committee during 2024/25 include:

- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- succession planning;
- identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- considering the re-appointment of Non-Executive Directors including, during 2024/25, Sara Vaughan, David Titterton and Tim Fitzpatrick.

The terms of reference of the Nominations Committee require, amongst other things, that appointments to the Board use open advertising and/or an external search consultancy.

Evaluations

The Board is responsible for the annual [evaluation process](#).

Report of People and Remuneration Committee

The People and Remuneration Committee is chaired by Anne Heal. The other members of the Committee are Sara Vaughan, David Titterton and Ian Graves. Regular attendees also include the CEO and Chief People Officer.

Report:

The People and Remuneration Committee main responsibilities during 2024/25 included:

- determining objectives for the performance related element of Executive remuneration and determining the extent to which such objectives have been achieved;
- determining Executive remuneration in accordance with the Company's Remuneration Policy;
- reviewing all employee remuneration, including a review of annual performance related remuneration;
- monitoring whether the culture of the organisation is aligned to its purpose, values and strategy;
- having oversight of the Company's People Strategy; and
- reviewing the Company's policies and relevant key performance indicators (in respect of Health, Safety and Wellbeing and monitors performance against the Company's EDI strategy).

Note [Information regarding Directors and employees](#) to the financial statements sets out the Directors' remuneration for the year.

Process

In determining Executive remuneration, the Committee adheres to a formal and robust procedure. The Committee is comprised entirely of independent Non-executive Directors who determine Executive remuneration in accordance with a policy that has been set by the Board. Remuneration is set within the scope of the Company's total annual budget. Prior to approving the annual budget, the Board seeks comments from the Panel and BSC Parties.

The remuneration of the Non-Executive Directors is determined by the non-conflicted Directors (the Executive Director and the Company Chair). The level of remuneration reflects the time commitments and responsibilities of the role as well as taking into account the need to attract and retain individuals with the necessary skills and experience. Directors' fees are benchmarked periodically taking into account the fees paid by comparable organisations.

Report of Transformation Committee

The Transformation Committee is chaired by David Titterton. The other members of the Transformation Committee are Sara Vaughan and Devrim Celal. Regular attendees also include the CEO, CFO and Chief Technology Officer.

Report

The Committee's work during 2024/25 included:

- providing oversight of the Company's sourcing strategy and contracting approach;
- monitoring of the delivery of the Kinnect and Helix Programmes including cost, time, quality and outcomes;
- approval of investment proposals, and contracts, for both the Kinnect and Helix Programmes;
- oversight of Helix and Kinnect programme risks including in relation to financial, resourcing and stakeholder risks.

Independent Auditor's Report to members of Elexon Limited

Opinion on the financial statements

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 Group's and the Parent Company's result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Elexon Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the consolidated profit and loss account, consolidated balance sheet, company balance sheet, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

We are independent of the Group and the 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.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the 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 or the 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management, those charged with governance and the legal counsel; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Companies Act 2006 and corporation tax.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

ELEXON LIMITED

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in determining the useful life of tangible fixed assets and intangible fixed asset and the calculation of provision against dilapidation;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Evaluating management's controls designed to prevent and detect irregularities.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Jack Draycott

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Jack Draycott (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

16 June 2025

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

Consolidated profit and loss account

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
<u>TURNOVER</u>		
Cost of sales	122,062	117,235
	<u>(122,817)</u>	<u>(117,900)</u>
<u>OPERATING RESULT</u>	(755)	(665)
<u>Interest and similar income</u>	<u>755</u>	<u>665</u>
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXATION	-	-
<u>Tax on result from ordinary activities</u>	<u>-</u>	<u>-</u>
RESULT FOR THE FINANCIAL YEAR	<u>-</u>	<u>-</u>
Retained result brought forward	-	-
Retained result carried forward	<u>-</u>	<u>-</u>

There are no movements in reserves, shareholder's funds, or any other recognised gains or losses and consequently no Statement of changes in equity, Statement of comprehensive income or retained earnings have been presented.

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company, Elexon Limited, is not presented as part of these financial statements. The parent Company's result for the financial year was £nil (2024: £nil).

The [Notes](#) form part of these financial statements.

Consolidated balance sheet

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
FIXED ASSETS		
Tangible fixed assets	1,127	302
Intangible fixed assets	-	-
Investment	-	-
Total Fixed Assets	1,127	302
CURRENT ASSETS		
Debtors	287,678	196,029
Cash at bank and in hand	415,738	350,010
Total Current Assets	703,416	546,039
TOTAL ASSETS	704,543	546,341
LIABILITIES		
CREDITORS: amounts falling due within one year	(703,607)	(546,341)
NET CURRENT LIABILITIES	(703,607)	(546,341)
TOTAL ASSETS LESS CURRENT LIABILITIES	936	-
CREDITORS: amounts falling due after more than one year		
Provision for dilapidation	(936)	-
NET ASSETS	-	-
CAPITAL AND RESERVES		
Called up share capital	-	-
SHAREHOLDER'S FUNDS	-	-

The [Notes](#) form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 16 June 2025.

Signed on behalf of the Board of Directors

Company Registration Number; 03782949

Sara Vaughan

Sara Vaughan (Jun 16, 2025 13:10 GMT+1)

Sara Vaughan

Director

Company balance sheet

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
FIXED ASSETS		
Tangible fixed assets	1,127	302
Intangible fixed assets	-	-
Investment	-	-
Total Fixed Assets	1,127	302
CURRENT ASSETS		
Debtors	6,164	5,868
Cash at bank and in hand	17,569	13,101
Total Current Assets	23,733	18,969
TOTAL ASSETS	24,860	19,271
LIABILITIES		
CREDITORS: amounts falling due within one year	(23,924)	(19,271)
NET CURRENT LIABILITIES	(23,924)	(19,271)
TOTAL ASSETS LESS CURRENT LIABILITIES	936	-
CREDITORS: amounts falling due after more than one year		
Provision for dilapidation	(936)	-
NET ASSETS	-	-
CAPITAL AND RESERVES		
Called up share capital	-	-
SHAREHOLDER'S FUNDS	-	-

The [Notes](#) form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 16 June 2025.

Signed on behalf of the Board of Directors

Company Registration Number; 03782949

Sara Vaughan

Director

Sara Vaughan

Sara Vaughan (Jun 16, 2025 13:10 GMT+1)

Consolidated cash flow statement

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Operating activities		
<u>Net cash inflow/(outflow) from operating activities</u>	65,054	(144,230)
Returns on investments and servicing of finance		
<u>Interest received</u>	755	665
Net cash inflow from returns on investments and servicing of finance	755	665
Capital expenditure and financial investment		
<u>Payments to acquire tangible fixed assets</u>	(82)	(251)
<u>Payments to acquire intangible fixed assets</u>	-	-
<u>Receipts from sales of tangible fixed assets</u>	-	-
Net cash outflow from capital expenditure and financial investment	(82)	(251)
<u>Increase/(decrease) in cash and cash equivalents for the year</u>	65,727	(143,816)

The [notes](#) form part of these financial statements.

Notes to the financial statements

Accounting Policies

The financial statements are prepared in accordance with United Kingdom law and Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. They have all been applied consistently throughout the year, and to the preceding year.

The particular accounting policies adopted are described below.

Basis of accounting

Elexon Limited is a private company, limited by shares and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on [page 2](#). The nature of the Company's operations and its principal activities are set out in the [Strategic Report](#).

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements cover the reporting period 1 April 2024 to 31 March 2025.

The functional currency of Elexon Limited is in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Elexon Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to presentation of a profit and loss and cash flow statement.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries.

Basis of preparation

Arrangements are in place to manage financial risk, as stated in the [Strategic Report](#). As a result, the Board considers that there is a reasonable expectation that the Company will continue in operating existence for the foreseeable future and has therefore used the going concern basis of accounting in the preparation of the financial statements. Please refer to the [Directors' Report](#) of [Going Concern](#), [Viability Statement](#) and the [Strategic Report](#) for further information.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at original cost, together with any incidental cost of acquisition.

Depreciation is calculated on a straight-line basis over the useful life of the tangible fixed assets. The estimated useful life used for the purpose of these financial statements is:

Fixtures and fittings:	4 years
Office and IT equipment:	3 years
Operational assets – metering equipment:	10 years

Intangible fixed assets

Previous software developments costs have been recognised as intangible fixed assets and are stated at original cost, together with any incidental cost of acquisition. Amortisation is calculated on a straight-line basis over the useful life of the intangible assets. The estimated useful life used for the purpose of these accounts is three years which is the development cost of the asset.

Provision for dilapidation costs

The asset is initially measured at the present value of the expected reinstatement costs. The asset will be depreciated on a straight-line basis over the remaining lease term, commencing from 1 April 2025, reflecting the consumption of economic benefits arising from the reinstatement work.

Recognition of revenue

The financial statements have been prepared on the basis of revenue and cost incurred in the year, which are considered to reflect the services provided in the year relating to BSC Parties under the terms of the BSC. Income is therefore recognised over the periods necessary to match it with the related costs which it is intended to compensate on a systematic basis.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated or reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term. Rent free periods are spread over the lease term on a straight-line basis.

Pension and other post-retirement benefits

As described in the [pension scheme](#), the Group contributes to the NGET section of the Electricity Supply Pension Scheme (ESPS), a defined benefit scheme. The Group is currently unable to identify separately its share of NGET's section of the Scheme's underlying assets and liabilities and, accordingly, contributions are accounted for as if it were a defined contribution scheme.

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments in the balance sheet.

Following the change of ownership of Elexon from National Grid ESO to a 'federated model' of ownership by the 13 largest BSC Parties on 1 October 2024, Elexon continues to participate, for a small number of Elexon employees, in the defined benefit National Grid Electricity Group (NGEG) section of the Electricity Supply Pension Scheme (ESPS). A new Deed of Participation between National Grid Electricity Transmission plc (NGET) and Elexon Limited for these employees is in force, ending on 30 September 2027.

Related party transactions

In line with Financial Reporting Standard 102 section 33 (Related Party Disclosures), the Company is not required to disclose transactions with wholly-owned subsidiaries.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss in other operating expenses.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements to determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance unit.

Group Turnover

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
BSC Section D charges	113,676	110,595
NCC income	1,226	-
EMR operational levy funded income	7,152	6,635
Other Income	8	5
	122,062	117,235

Turnover in the year primarily represents amounts due from BSC Parties under the terms of the BSC. There is a reconciliation which charges/credits the difference between amounts invoiced to each BSC Party relating to the financial year and the amount due from each BSC Party under the terms of the BSC. Any difference is deferred or accrued as appropriate.

All turnover arises from activities in the UK.

Information regarding Directors and employees

The remuneration of Group Directors for the year ended 31 March 2025 is set out below:

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Directors' remuneration		
Emoluments (including benefits in kind)	682	880
Remuneration of the highest paid director:		
Emoluments (including benefits in kind)	359	306

The Directors received benefits of £2,562 from Elexon in 2025 (2024: £4,000). None of the Directors hold any shares or share options in the Company.

Information regarding employees is shown below.

	Year ended 31 March 2025	Year ended 31 March 2024
Average number of persons employed	256	241
Staff costs during the year (including Directors)	£'000	£'000
Wages and salaries	19,142	17,245
Social security costs	2,139	1,949
Pension costs	1,759	1,562
	23,040	20,756

Operating result

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Group Operating result is stated after charging		
Fixed Assets Depreciation	193	178
Amortisation of Intangible	-	-
Operating lease rentals		
– land and buildings	2,064	2,056
– plant and machinery	17	20
Fees payable to the Company's auditor for the audit of the Company's accounts	142	135
Total non-audit fees (tax, assurance and accounting advice)	7	7

Audit fees

Group audit fees payable to BDO LLP were £141,619 (2024: £134,830) of which £104,631 (2024: £95,512) relates to the Company.

Interest receivable and similar income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Bank interest	755	665

Tax on result from ordinary activities

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
United Kingdom corporation tax at 19% based on the result for the year	-	-

Tangible fixed assets

Group and Company

	Operational assets/Meter Equipment	Office Equipment and Fixtures and fittings	Computer equipment	Dilapidation Asset	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	496	1,608	1,661	-	3,765
Additions	-	25	57	936	1,018
Work In Progress	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2025	496	1,633	1,718	936	4,783
Accumulated depreciation					
At 1 April 2024	496	1,588	1,379	-	3,463
Charge for the year	-	10	183	-	193
Disposals	-	-	-	-	-
At 31 March 2025	496	1,598	1,562	-	3,656
Net book value					
At 31 March 2025	-	35	156	936	1,127
At 31 March 2024	-	20	282	-	302

The dilapidation asset of £936,312 relates to the present value of the estimated cost of reinstatement obligations on leased properties at the end of the new lease term. This asset has been recognised following the identification of a legal or constructive obligation to restore leased premises at the end of the lease term.

Investments

Company investments at cost were £3 at 31 March 2025 (2024: £3).

Debtors

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Trade debtors	623	203	623	9
EPG scheme	1,362	3,334	1,362	3,334
Trading Party balances	280,142	188,875	-	-
Taxation and social security	-	-	-	-
Interest receivable on security deposits	1,686	1,434	-	-
Prepayments and accrued income	3,834	2,160	4,147	2,502
Other debtors	32	23	32	23
	287,679	196,029	6,164	5,868

£280,141,532 (2024: £188,874,835) of the Trading Party balances represents amounts due from trading parties under Section N of the BSC for the 31 days of trading from 1 March 2025 to 31 March 2025. An amount of £280,141,531 (2024: £188,874,834) is included in [Creditors: amounts falling due within one year](#). Total debtors includes an amount of £3,334,161 owing in respect of the EPG scheme.

Cash at bank and in hand

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Cash at Bank	19,136	14,087
Security Deposits	396,379	335,855
Pre-payment of trading charges	222	68
	415,737	350,010

Group cash of £ 415,737,836 (2024: £350,010,316) includes security deposits of £396,378,991 (2023: £335,855,072) lodged by Trading Parties with Elexon Clear under Section M of the BSC which also includes an amount of £837,135 (2024: £2,587,752) in respect of interest received on security deposits for subsequent disbursements to the Trading Parties in accordance with the BSC. £222,365 (2024: £67,845) of group cash at bank represents advance payments by trading parties for their trading balances. Amounts lodged as security deposits are the absolute property of Elexon Clear but can only be used as credit cover for trading balances as set out in the BSC. The BSC also sets out the limited instances whereby security deposits are repaid to Trading Parties.

Company cash of £17,569,461 (2024: £13,100,624) comprises of cash at bank only.

Creditors: Amounts falling due within one year

	Group		Company	
	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Security deposits lodged by Trading Parties and Interest on Security deposits	396,379	335,855	-	-
Pre-payment of trading charges	222	68	-	-
Trade creditors	7,030	1,491	6,358	1,384
EPG scheme	1,362	3,334	1,362	3,334
Trading Party balances	280,142	188,875	-	-
Accrued interest on security deposits	1,686	1,434	-	-
Taxation and social security	515	792	454	722
Other creditors	1,739	179	1,739	179
Accruals and deferred income	14,531	14,313	14,012	13,652
	703,606	546,341	23,925	19,271

Trading Party balances represent amounts due to trading parties under Section N of the BSC for the 31 days of trading from 1 March 2025 to 31 March 2025. Security Deposits lodged by Trading Parties represent amounts lodged by Trading Parties with Elexon Clear Limited under Section M of the BSC which also includes an amount of £837,135 (2024: £2,587,752) in respect of interest payable on the security deposits. Total creditors include an amount of £1,362,056 to be paid in respect of the EPG scheme. Other creditors include a loan of £1.5 million received to fund the system build costs required for the NCC scheme. The loan is interest-free and is repayable in six equal monthly instalments from April 2025 to September 2025.

Provision for dilapidation

A provision of £936,312 has been recognised in March 2025 as the present value of the estimated cost of reinstating leased premises to their original condition at the end of the lease term. The present value has been calculated using a discount rate of 4.5% (UK risk free rate as at March 2025).

The provision will be reviewed annually to reflect any changes in estimated costs or timing.

Called up share capital

	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Called up, allotted and fully paid:		
One Ordinary share of £1	13	1

Financial commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000	£'000	£'000
Leases which expire:				
- within one year	2,052	2,044	2,052	2,049
- between one and five years	2,749	4,783	2,749	4,783
- after five years	-	-	-	-

Operating lease commitments relate to land and buildings.

Ultimate Parent Company

During the period of Elexon's ownership by National Grid Electricity System Operator Limited (NGESO) (until 30 September 2024), the Company's ultimate parent company was National Grid plc. The ownership of Elexon Limited was transferred to 13 licensed BSC Parties on 1 October 2024. Elexon Limited's new owners have no control of the Company (either individually or collectively, due to each shareholder owning less than 10% of the company and because of restrictions in the BSC). As a result, Elexon Limited is not an affiliated company to any of its shareholders and is not part of any of their corporate groups.

Related Party transactions

There were no related party transactions this financial year (2024: nil).

Pension scheme

The total pension cost for the year ended 31 March 2025 from all schemes comprised regular contributions of £1,621,478 (2024: £1,561,784). At 31 March 2025, there were no pension liabilities (2024: nil).

Defined benefit scheme

As of 31 March 2025, 3% (2024: 4%) of the Group's employees were members of NGEN's section of the Electricity Supply Pension Scheme ('ESPS'), a defined benefit scheme. The ratio has reduced and is diluted as the number of staff employed has increased and this pension scheme is closed to new joiners. The assets of the Scheme are held in a separate trustee administered fund. The Scheme is divided into sections, one of which relates to NGEN. NGEN's section of the scheme provides final salary defined benefits and was closed to new entrants on 1 April 2006. The Group's pension contributions are determined on a section-wide basis as advised by the actuary and are fully expensed in the Profit and Loss Account.

For the scheme year 2024/25, Elexon incurred employer pension contribution costs of £307,432 (2024: £299,762); for its defined benefit scheme no contribution was made in 2024/25 (2024: nil) towards the deficit repair.

The ESPS, in accordance with the Pensions Act 2004, is subject to a full actuarial valuation every three years. An annual review is also performed every year. The last valuation (completed in September 2023) set out the position as at 31 March 2022. The results of the new actuarial valuation are expected in September 2025. The actuary used is Aon Hewitt Limited. The results of this actuarial valuation have been used as the basis for assessing pension costs. In summary, the results of the last full actuarial review available showed that as at 31 March 2022:

- the total assets of the NG Scheme were £3,363.3m
- liabilities i.e. the cost of providing the pensions/benefits were £3,423.2m
- the deficit was therefore £59.9m, a decrease of £177.5m from the deficit of £237.4m identified in the previous 2019 valuation. The NG Scheme assets were calculated as being sufficient to meet 98.2% of its accrued liabilities (at the previous 2019 valuation assets, were sufficient to meet 93.0% of accrued liabilities)

The main reasons for the deficit are;

- Negative returns on the Group's return seeking assets
- The changes to financial assumptions principally due to a reduction in the real yields on index linked gilts which have worsened the position (although the increase in liabilities is partly offset by an increase in the value of the Liability Driven investment asset); and

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- Company contributions which have mitigated the position.

Following the last review, employers' contribution is 42.3% (twice members' normal contributions, 2 x 8%, plus 26.3%). Elexon's share of the Deficit Repair is nil per month to 31 March 2025 (2024, nil).

Defined contribution scheme

Since 1 September 2006, all new permanent employees have been offered the option to join a new Elexon Pension Scheme. The Elexon Pension Scheme is a defined contribution Group Stakeholder Pension Plan. Elexon matches employee contributions on a two for one basis to a maximum of 12% of basic salary. All eligible staff were auto enrolled. In the scheme year of 2024/25, Elexon incurred employer's contribution costs of £1,391,930 (2023/24: £1,223,589) for its defined contribution scheme.

Additional information on subsidiary undertakings

Subsidiary undertaking	Country of registration	Activity	Portion of ordinary shares held %	Physical Address
Elexon Clear Limited	England and Wales	Legal counterparty to balance and imbalance transactions per the BSC	100	4th Floor 350 Euston Road London
Elexon Flex Limited	England and Wales	Dormant	100	
BSC Co. Limited	England and Wales	Dormant	100	
EMR Settlement Limited	England and Wales	Undertakes settlement functions for Electricity Market Reform	100	

The results of all of the above entities are included within the consolidated financial statements (other than Elexon Flex Limited which is newly incorporated so has not prepared accounts for the current period). This company is dormant and was established to facilitate process testing for industry programmes (for example, this company was used to test processes for verifying DIP applicants).

BSC Co. Limited [03837126] has taken advantage of the S448a exemption from preparing individual accounts as it is a dormant entity, and the directors of this company are exempt from the requirement to deliver a copy of the company's individual accounts to the register.

Reconciliation of operating result to net cash flow from operating activities

	Year ended 31 March 2025	Year ended 31 March 2024
	£'000	£'000
Operating result	(755)	(665)
Fixed Assets Depreciation	193	178
(Decrease)/Increase in debtors	(91,650)	33,442
Increase/(Decrease) in creditors	96,335	(33,627)
Increase/(Decrease) in trading deposit	60,931	(143,558)
NET CASH FLOW generated from/(used in) OP. ACTIVITIES	65,054	(144,230)

Reconciliation of net cash flow to movement in net cash

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Net cash at 1 April	350,010	493,826
Increase/(Decrease) in cash	65,727	(143,816)
Net cash at 31 March	415,737	350,010

Subsequent Events

There have been no significant events after the reporting date that fall outside the Company's normal activities.