SMART ENERGY CODE COMPANY LIMITED
Company Number 08430267

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

SMART ENERGY CODE COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

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SMART ENERGY CODE COMPANY LIMITED
OFFICERS, ADVISORS AND REGISTERED OFFICE

DIRECTORS

Ralph Francis Baxter	Director
Alexander Travell	Director
James Walter Burney	Director
Emslie James Law	Director
Carolyn Jane Jones	Director
Michael Edward Snowden	Director
Angela Love	Director & Chair
Caroline Elizabeth Farquhar	Director
Ian Drummond	Director
Joshua Abner Cooper	Director
Christopher David Jones	Director
Thomas Christopher Stuart	Director

COMPANY SECRETARY

Louise Evans

REGISTERED OFFICE

77 Gracechurch Street
London EC3V 0AS

Telephone: 020 7090 1000
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AUDITORS

Gerald Edelman LLP
73 Cornhill
London EC3V 3QQ

BANKERS

The Royal Bank of Scotland
440 Strand
London
WC2R 0QS

COMPANY REGISTRATION NUMBER

08430267

Contact Details

Email: secfinance@talan.com
Website: smartenergycodecompany.co.uk

Smart Energy Code

SMART ENERGY CODE COMPANY LIMITED

CHAIR'S STATEMENT

I am pleased to present the Annual Report and Financial Statements for Smart Energy Code Company Limited (SECCo) for the year ended 31st March 2026.

This has been an important year for SECCo and for the Smart Energy Code (SEC). We have continued to support the secure and effective operation of smart metering arrangements in Great Britain, while also strengthening the way the SEC is governed, managed and prepared for the future.

The energy sector is changing rapidly. Digitalisation, flexibility, consumer protection, data governance, cyber security and market reform are all increasing the expectations placed on industry governance bodies. Against that backdrop, we have focused on ensuring that SECCo is able to support today's SEC arrangements and is building the capability, discipline and resilience needed for the next phase of smart metering and wider energy system change.

During the year, we continued to mature SECCo's Target Operating Model. The Executive Team structure established by the Board is now fully in place, with clearer leadership across strategy, operations, business and technical architecture, commercial management, service management and corporate functions. This has strengthened accountability, improved internal capability and enabled SECCo to take a more active role in planning, delivery, oversight and engagement.

A key priority has been improving SEC governance and scrutiny. We mobilised the Performance Assurance Board to oversee the new SEC Performance Assurance Framework and appointed a Performance Assurance Partner to support its delivery. We established the Customer Challenge Group to review and challenged DCC's first ex-ante Business Plan and report to Ofgem on behalf of SEC Parties. We also progressed the establishment of a new Finance Sub-Committee to provide a clearer route for scrutiny of DCC cost and finance matters under SEC governance.

We also strengthened our oversight of major DCC programmes and services. The SEC Panel and Sub-Committees provided structured challenge across significant areas including Future Service Management, Virtual WAN, Future Connectivity North, the Data Service Provider re-procurement, PKI-E, Enduring Change of Supplier and DCC licence handover planning. This work is essential to ensuring that major changes are appropriately tested, evidenced and managed before they are rolled out to live operations.

The year marked a significant step in SECCo's future strategic role. We established DCC2 Ltd as a wholly owned Special Purpose Vehicle to support participation in the successor Smart Meter Communication Licence process. This work was progressed with careful Board oversight, including the creation of a Board Advisory Forum to provide independent challenge and input from industry. The activity was managed within the overall SEC budget and with a clear focus on prudence, transparency and value for money.

CHAIR'S STATEMENT (continued)

Financial stewardship remained a central Board priority. The SEC Panel approved a total annual budget of £17.76m for 2025/26, realising an underspend of £3.20m. This was achieved while delivering the full range of Business Plan activities and additional initiatives, including the Customer Challenge Group, the forthcoming Finance Sub-Committee and mobilisation of the Performance Assurance Framework. Efficiencies were delivered through the renewed contracts with major service providers, more streamlined service provider management, rephased recruitment aligned to organisational needs and lower-than-forecast demand for security and privacy assessments following transition to a new service provider.

We completed several important procurements and contract improvements. These included a new three-year operational services contract with Talan UK & Ireland, the re-procurement of the User CIO/Independent Privacy Auditor service to Ernst & Young, and the appointment of Moorhouse Consulting as Performance Assurance Partner. These changes have improved commercial discipline, strengthened supplier accountability and helped secure better value for SEC Parties.

Customer experience has remained a major area of focus. During the year, we developed customer principles, customer personas and journey mapping to better understand how SEC Parties interact with SECCo, SEC governance and our service providers. We also launched a new digital Service Desk in March 2026, providing a single channel for support requests and tracking. Customer satisfaction remained strong, including 100% satisfaction for Panel and Sub-Committee support and helpdesk accessibility, while also highlighting the need to keep improving communications, digital content, service handovers and the consistency of Party experience.

Looking ahead, SECCo's role will continue to evolve. Energy Code Reform, the future Licensed Code Manager role, DCC2, enduring smart metering governance, post-2025 obligations, Smart Data, cyber resilience and digitalisation will all require SECCo to be more strategic, more capable and more transparent. We will continue to build regulatory, technical, data, digital, security, privacy and analytical capability, while maintaining strong cost control and avoiding unnecessary burden on SEC Parties.

The principal challenge for the next period will be balancing transformation with reliable delivery. We must continue to support SEC Parties, maintain effective governance, build future capability and manage cost carefully. The Board will remain focused on ensuring that SECCo delivers this work in a disciplined, transparent and proportionate way.

I would like to thank my fellow Directors, SEC Panel and Sub-Committee members, the SECCo Team, our service providers and SEC Parties for their contribution during the year. Their expertise and commitment have enabled SECCo to make real progress in strengthening SEC governance and preparing for the future of smart metering.

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SMART ENERGY CODE COMPANY LIMITED
DIRECTORS' REPORT

INTRODUCTION

The Directors present their report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

SECCo was established on behalf of Parties to the Smart Energy Code (SEC) to assist the SEC Panel in meeting its responsibilities to ensure that the SEC objectives are achieved. The SEC is the legal agreement (an obligatory industry code) that sets out the rights and obligations between the holder of the SMCL (Smart Meter Communication Licence) and the organisations that fund and use the DCC services.

The Company operates as the corporate vehicle that assists the SEC Panel in the exercise of its functions and powers, including entering into contracts with third party providers.

The running costs and expenses of the Company are met by the DCC in accordance with the provisions of the SEC (Section C8.1).

RESULTS AND DIVIDENDS

The Company is run on a 'break-even', not for profit basis. The Company therefore makes neither a profit nor a loss, with any surplus being offset with amounts due from the DCC, in the following financial year. The Directors do not intend to declare a dividend.

SHARE ISSUES

All parties that accede to the SEC are offered the option to become a shareholder in SECCo Limited. Applicants acceding as Suppliers or Networks are obligated to purchase a share. 5 shareholders left the SEC, with 21 shareholders joining during 2025-26. The number of shares stands at 316.

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SMART ENERGY CODE COMPANY LIMITED
DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served during the year were as follows:

	DATE OF APPOINTMENT	DATE OF RESIGNATION
Ralph Francis Baxter	01.07.20	–
Ashley Francis Pocock	23.09.20	16.09.25
Alexander Travell	01.10.20	–
James Walter Burney	23.09.22	–
Emslie James Law	23.09.22	–
Caroline Elizabeth Farquhar	13.02.23	–
Angela Love	15.03.23	–
Carolyn Jane Jones	18.09.23	–
Martin Arthur Shannon	18.09.23	16.09.25
Michael Edward Snowden	18.09.23	–
Ian Drummond	25.03.25	–
Joshua Abner Cooper	16.09.25	–
Thomas Christopher Stuart	16.09.25	–
Diarmuid Patrick Cowan	24.11.25	26.05.26

PAYMENT OF COMMERCIAL DEBTS

The Company maintains a policy of paying its suppliers in accordance with agreed credit terms.

CORPORATE GOVERNANCE

The Company complies with the principles of good corporate governance and this statement describes how these principles have been applied.

Directors

The Directors supervise the management of the company. The Board meets frequently throughout the year and Directors may attend in person or by teleconference. The Board has reserved certain items for its review and approval, including the annual accounts, significant capital expenditure and services agreements. The annual budget is approved by the Board members sitting as the SEC Panel after an industry consultation with the SEC Parties. Other than the independent Chair, all Directors (with the exception of the Directors from Citizens Advice and Consumer Scotland) are representative of SEC Parties and accordingly are currently not remunerated apart from reimbursement of expenses. The Directors from Citizens Advice and Consumer Scotland are not remunerated either.

Internal Financial Controls

The Company has established a system of internal financial control which is designed to provide reasonable but not absolute assurance that the company's assets are safeguarded from misstatement or loss. The key procedures are:

1 ***Control environment***
There are clear responsibilities and accountabilities within a defined organisational structure.

2 ***Control procedures***
There are comprehensive policies and procedures which cover authorisation, recording of data and physical security, along with segregation of duty procedures that are in line with companies of this size and complexity.

3 ***Information and financial reporting systems***
There are planning procedures in place, which include detailed operational budgets for the year ahead. These budgets are approved by the Board and actual results are monitored regularly in comparison with budgets and forecasts.

AUDITORS

A resolution proposing the reappointment of Gerald Edelman LLP for the year ending 31 March 2026 will be posed to SECCo Shareholders for consideration at the Annual General Meeting on the 28th of July 2026.

GOING CONCERN

Smart Energy Code Company Limited operates as a stable enduring going concern. With regulatory oversight from the Office of Gas and Electricity Markets (Ofgem).

The shareholders receive income for the Company in accordance with the provisions of the SEC and the Company operates with the intention of breaking even. Therefore, the Board confirms that, after making appropriate enquiries, it is of the opinion that the Smart Energy Code Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and 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 judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on a 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 confirm that:

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

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

Signed by:
Angela Love
CCCB416FEC93436...

Angela Love
Director & Chair
30th June 2026

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SMART ENERGY CODE COMPANY LIMITED
STRATEGIC REPORT

Business Model/ Business Overview

Smart Energy Code Company Limited (SECCo) is a not-for-profit company established to support the governance, administration and effective operation of the Smart Energy Code (SEC).

The SEC provides the regulatory and operational framework for smart metering in Great Britain, covering obligations, technical requirements, security, privacy, operational processes and change arrangements for SEC Parties. SECCo supports the SEC Panel, SECCo Board and SEC Sub-Committees. It is funded through SEC Party charges and does not operate to generate profit. Its business model is therefore focused on delivering proportionate, transparent and value-for-money governance and support services, with clear accountability for the use of industry funds.

During 2025/26, we continued to mature SECCo's Target Operating Model. We embedded the Executive Team structure established by the Board, providing leadership across strategy, operations, business and technical architecture, commercial management, service management and corporate functions. Our delivery model combines internal capability, SEC governance and specialist service providers. We continued with the key activities during the year including oversight of DCC programmes, SEC modifications, Party engagement, market entry and exit. In addition to the range of the ongoing BAU (Business as Usual) activities we mobilised the Performance Assurance Board, established the Customer Challenge Group (CCG), and embedded the work of the Privacy Sub-Committee. We undertook initial set-up steps towards a new Finance Sub-Committee and improved operational issue management. SECCo also established DCC2 Ltd as a Special Purpose Vehicle (SPV) to support participation in the successor Smart Meter Communication Licence award process.

SECCo operates at the intersection of energy regulation, smart metering infrastructure, data services, cyber security, privacy, consumer protection and digitalisation. As smart metering becomes increasingly important to flexibility, consumer choice and decarbonisation, SECCo continues to evolve from an administrative support model into a more strategic and professionally governed organisation.

Strategy

SECCo's strategy for 2026–2029 is based on five long-term priorities: building an agile business model, transforming service delivery, developing Code Manager capabilities, becoming customer-centric and providing excellent value. These priorities provide continuity while allowing SECCo to respond to a suite of ongoing industry changes such as Energy Code Reform, various projects in the data and digitalisation domain, consumer protection and enduring smart metering governance.
SECCo will continue to strengthen planning, portfolio management, Sub-Committee coordination, strategic horizon scanning and internal corporate governance. This is intended to ensure that SEC governance remains effective during major industry changes, including the successor DCC licence transition and associated programme, and service provider changes.

Service transformation remains central. SECCo will continue to improve the consistency, responsiveness and reliability of SEC services through the Performance Assurance Framework, stronger issue and incident management, improved DCC oversight and more data-led operational monitoring.

Energy Code Reform will require stronger capabilities in strategic planning, transparent delivery, robust change control, measurable performance and user-centred service design. SECCo is therefore continuing to build regulatory, technical, analytical, digital, cyber security, privacy and data capability to prepare for future Code Manager expectations.

SECCo is also embedding a more customer-centric approach. Customer journey mapping, customer principles, personas and the new digital Service Desk will inform improvements to service standards, onboarding, communications, website content and support for existing and prospective SEC Parties.

Value for money remains a core strategic objective. Contract renegotiations and re-procurements completed during 2025/26 generated significant cost reduction over the next three years, enabling investment in priority services while maintaining a stable overall budget. The re-procurement programme not only delivered cost efficiencies, it secured improved, consistent commercial terms with key suppliers, ensuring continuity and stability of service provision. Through our digital transformation, including CRM capability, website improvements, document lifecycle management, analytics and automation, we will support a more efficient and scalable governance model.

Key Performance indicators

We monitor our performance through a combination of financial and non-financial indicators. These include annual and longer-term metrics and are an important factor in determining bonus pay-outs. The indicators also provide greater foresight, enabling us to better anticipate forward trends, acting as an early warning so we can adapt to changing circumstances.

2025/26 was a year of consistent delivery and organisational development. SECCo strengthened SEC governance, improved service delivery and supported SEC Parties across operational, regulatory, technical and assurance matters.

The SEC Panel approved a total annual budget of £17.76m for 2025/26. Actual income for the year was £19.25m, with the final actual expenditure for the year totalling £16.05m in the 2025/26 regulatory year. The savings that we generated through contract re-procurement were used to fund additional activities without the need to increase overall SEC Party costs. We delivered the full range of Business Plan activities and several additional initiatives, including the Customer Challenge Group, the forthcoming Finance Sub-Committee and mobilisation of the Performance Assurance Framework.

DCC2-related activity was progressed within the overall budget, including the establishment of DCC2 Ltd and the Board Advisory Forum. These activities were managed with Board oversight and a focus on prudence, transparency and value for money.

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The SEC Panel and Sub-Committees provided oversight and challenge of DCC programmes, including Future Service Management, Virtual WAN, Future Connectivity North, DSP re-procurement, PKI-E, Enduring Change of Supplier and DCC licence handover planning. The modifications process also remained active, with 31 new issues received, 26 modifications concluded and 24 approved modifications implemented.

SEC Party engagement and support improved. SECCo processed 23 applications from prospective SEC Parties, supported User Entry activity and managed Party exit and Supplier of Last Resort processes. A new digital Service Desk was launched in March 2026. Customer satisfaction remained strong, including 100% satisfaction for Panel and Sub-Committee support and helpdesk accessibility. SECCo also completed major procurement and contract improvements, including a new three-year operational services contract with Talan UK & Ireland, re-procurement of the User CIO/Independent Privacy Auditor service to Ernst & Young, and appointment of Moorhouse Consulting as Performance Assurance Partner.

Overall, SECCo delivered a strong year of progress, maintaining expenditure below budget while strengthening governance, improving operational oversight, investing in future capability and delivering better value for SEC Parties.

Principal Risks and Uncertainties

SECCo operates in a complex regulatory and operational environment. Its principal risks are managed through Board, Panel, Executive and Sub-Committee governance.

Regulatory and policy uncertainty remains a material risk. Energy Code Reform, the future Licensed Code Manager role, DCC2, enduring governance, post-2025 smart metering obligations and wider digitalisation policy may affect SECCo's responsibilities, cost base and governance model. SECCo mitigates this through engagement with relevant Government Departments including DESNZ, Ofgem, DCC and other code bodies, horizon scanning, flexible business planning and continued capability development.

DCC programme and operational dependency also remains significant. SEC Parties rely on DCC services and programmes, with major change underway across DSP, Communications Hubs and Networks, PKI-E, Future Service Management, Virtual WAN and Future Connectivity North. SECCo mitigates this through Panel and Sub-Committee scrutiny, readiness reviews, issue resolution groups and direct engagement with DCC.

Operational performance in the smart metering ecosystem remains a further risk. Non-operating and non-communicating devices, installation quality, 4G transition, no-WAN incidents and future Guaranteed Standards of Performance expectations create operational pressure. SECCo mitigates this through OPSG oversight, the Non-Operating Devices Intervention Group, enhanced reporting and collaboration with DCC and SEC Parties.

SMART ENERGY CODE COMPANY LIMITED

STRATEGIC REPORT (continued)

SECCo is also managing delivery capacity, financial control, security, privacy, data governance and stakeholder confidence risks. Mitigations include phased recruitment, clearer functional ownership, improved PMO controls, enterprise risk management improvements, functional budgeting, quarterly financial reporting, procurement controls, security and privacy assurance, customer experience work and continued financial transparency.

Future Prospects/Strategy

SECCo's prospects are shaped by digitalisation, flexibility, consumer protection, smart data, cyber resilience, market reform and the transition to the successor DCC licence. These developments increase the importance of the SEC as a stable, transparent and effective governance framework for smart metering.

Over the 2026–2029 period, SECCo will continue to consolidate its Target Operating Model and mature into a more integrated, professional and forward-looking organisation. A key priority will be preparing for the Licensed Code Manager role under Energy Code Reform by strengthening regulatory, technical, data, digital, security, privacy and analytical capability.

SECCo will continue to support DCC2 and successor licence transition activity, ensuring that SEC governance, operational processes and industry support remain effective as the DCC model changes. Operationally, SECCo will maintain focus on smart metering performance, including non-operating devices, installation and commissioning outcomes, 4G Communications Hub performance, no-WAN incidents, Future Service Management and major DCC change programmes.

SECCo will also continue to invest in customer experience and digital transformation. Customer principles and journey transformation will be embedded into service standards, onboarding, communications and reporting. CRM, website improvements, document lifecycle management and analytics will support a more intuitive and efficient experience for SEC Parties.

Financially, the 2026/27 proposed budget of £17.850m remains broadly in line with the 2025/26 published budget of £17.756m, demonstrating that increased activity and complexity can be accommodated without material budget growth. The principal challenge for the next period will be balancing transformation with reliable delivery. SECCo must continue to build capability, support major industry change and meet rising expectations while maintaining proportionate costs and avoiding unnecessary burden on SEC Parties.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART ENERGY CODE COMPANY LIMITED

Opinion

We have audited the financial statements of Smart Energy Code Company Limited (the 'company') for the year ended 31 March 2026 which comprise of the income statement, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART ENERGY CODE COMPANY LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in 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
- in the strategic report and the directors report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART ENERGY CODE COMPANY LIMITED (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 March 2026.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMART ENERGY CODE COMPANY LIMITED (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Audit response to risks identified

Fraud due to management override

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

Irregularities and non-compliance with laws and regulations

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, the Smart Energy Code (SEC) and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities' and evaluating advice received from tax advisors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SMART ENERGY CODE COMPANY LIMITED (continued)

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of Smart Energy Code Company Limited.

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

Use of Our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Hemen Doshi
E23F2044CE614C5...

Hemen Doshi (Senior Statutory Auditor)
For and on behalf of Gerald Edelman LLP

Statutory Auditor

73 Cornhill, London EC3V 3QQ

30th June 2026

SMART ENERGY CODE COMPANY LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026

	NOTES	2026 £'000	2025 £'000
TURNOVER	3	16,051	12,849
Administrative Expenses		-	-
		16,051	12,849
PROFIT/LOSS BEFORE TAXATION	4	-	-
Tax on profit/loss on ordinary activities		-	-
RESULT FOR THE YEAR		-	-

All amounts relate to continuing operations.

The notes on pages 22 to 27 form part of these financial statements.

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SMART ENERGY CODE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2026

	NOTES	2026 £'000	2025 £'000
FIXED ASSETS			
Tangible fixed assets	7	14	15
CURRENT ASSETS			
Debtors falling due within one year	9	1,918	1,585
Cash at bank and in hand		3,447	4,036
		5,379	5,636
CREDITORS			
Amounts falling due within one year	10	(5,379)	(5,636)
NET CURRENT ASSETS		-	-
TOTAL ASSETS LESS LIABILITIES		-	-
CAPITAL AND RESERVES			
Share capital	11	-	-
Profit and loss account		-	-
EQUITY SHAREHOLDERS' FUNDS		-	-

The financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board on 30th of June 2026 and signed on its behalf by:

Signed by:
Angela Love
CCCB416FEC93436...

Angela Love
Director & Chair
Company Number 08430267

The notes on pages 22 to 27 form part of these financial statements.

SMART ENERGY CODE COMPANY LIMITED
STATEMENT OF CASHFLOWS
AT 31 MARCH 2026

	2026 £'000	2025 £'000
Profit before Tax	-	-
Depreciation of property, plant and equipment	5	2
Increase in debtors	(333)	(377)
(Decrease) / Increase in creditors	(257)	1,232
Net Cash Flows from Operating Activities	(585)	857
Purchase of Property, plant and equipment	(4)	(17)
Net Cash Flows from Investing Activities	(4)	(17)
NET CASH FLOWS	(589)	840
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	4,036	3,196
Net change in cash for period	(589)	840
Cash and cash equivalents at end of period	3,447	4,036

The notes on pages 22 to 27 form part of these financial statements.

SEC
Smart Energy Code

SMART ENERGY CODE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

1 COMPANY INFORMATION AND ACCOUNTING POLICIES

Smart Energy Code Company Limited (the Company) is a private company, limited by shares, domiciled in England and Wales. The registered office is 77 Gracechurch Street, London, EC3V 0AS.

(A) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year are set out below:

(B) GOING CONCERN

The shareholders receive income for the Company in accordance with the provisions of the SEC and the Company operates with the intention of breaking even. The directors are of the view that the company will have adequate resources to continue to operate and remain in existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

(C) TURNOVER

Turnover represents the amount chargeable for the year to SEC Parties under the terms of the SEC agreement. Turnover is stated net of value added tax.

(D) EXPENSES

Expenses are recognised as incurred and are measured net of value added tax.

(E) FINANCIAL INSTRUMENTS

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors. Both are measured at amortised cost.

SMART ENERGY CODE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

(F) FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. The company's policy is to depreciate at rates calculated to write off the cost of plant, property and equipment, less its estimated residual value, over its expected useful life from the date of purchase on the following basis:

• Office and computer equipment: 3-4 years

(G) FIXED ASSET INVESTMENTS

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

(H) PARENT COMPANY DISCLOSURE EXEMPTIONS

In accordance with section 405(2) of the Companies Act 2006, DCC 2 Ltd, has not been consolidated within these financial statements as the subsidiary company has not traded in the year and therefore its inclusion is not material for the purpose of giving a true and fair view.

(I) CORPORATION TAX

Tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is recognised in the same statement.

Current tax is the expected tax payable or recoverable on the taxable profit or loss for the year, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences between the carrying amounts of assets and liabilities for accounting purposes and their corresponding tax bases, except as otherwise required by FRS 102. Deferred tax assets are recognised only to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

During the year the company made no taxable profit, and accordingly no current tax charge has arisen.

Smart Energy Code

SMART ENERGY CODE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2 ESTIMATES AND JUDGEMENTS

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

3 TURNOVER

	2026 £'000	2025 £'000
Turnover classified by class of business		
Smart Energy Code Charges	15,682	12,849
Other Services	369	0
	16,051	12,849

All turnover was derived from the principal activities of the Group, wholly undertaken in the United Kingdom.

4 PROFIT/LOSS BEFORE TAXATION

The profit/loss before taxation is stated after charging:

	2026 £'000	2025 £'000
Auditor's remuneration		
– Audit services	17	13
– Tax services	2	2
	19	15

SMART ENERGY CODE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

5 DIRECTOR AND EMPLOYEES

Employee Costs

Staff costs including directors remuneration during the year amounted to, this included wages, salaries, social security costs and pension costs:

	2026	2025
Staff costs including directors remuneration during the year amounted to:	£'000	£'000
Wages and Salaries	1,539	655
Social Security Costs	181	68
Pension Costs	127	46
	1,847	769

	2026	2025
The average monthly number of directors and permanent staff employed during the year were as follows:	No.	No.
Directors	11	11
Permanent Staff	14	6
	25	17

In the year ended 31 March 2026, the highest paid director received emoluments of £230k (2025: £195k) and pension contributions of £16k (2025: £10k).

6 TAXATION

	2026	2025
	£'000	£'000
The Taxation for the year is as follows:		
Profit before Taxation	0	0
Expected Tax charge based on the standard rate of Corporation Tax in the UK of 25.00% (2024: 25.00%)	0	0
Taxation charge for the year	0	0

SMART ENERGY CODE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

7 FIXED ASSETS

	Office Equipment & IT £
Cost at 31 March 2025	17
Additions	4
Cost at 31 March 2026	21
Depreciation at 31 March 2025	2
Charge for the year	5
Depreciation at 31 March 2026	7
Net Book Value at 31 March 2025	15
Net Book Value at 31 March 2026	14

8 SUBSIDIARIES

Details of the company's subsidiaries at 31 March 2026 are as follows:

Name of undertaking	Registered Office	Class of shares held	%Held Direct
DCC2 Ltd	One Fleet Place, London, England, EC4M 7WS	Ordinary	100.00

Nature of the business: Dormant

Smart Energy Code

9 DEBTORS

	2026 £'000	2025 £'000
Trade debtors	1,888	1,579
Other debtors	30	6
	1,918	1,585

As at 31 March 2026, "Trade debtors" includes receivables from the DCC, amounting to £1.88m (2025: £1.58 m) arising from expenses incurred and recharged to the DCC.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £'000	2025 £'000
Trade creditors	1,127	1,372
Other taxation and social security	189	34
Accruals and deferred income	3,863	4,056
VAT payable	200	174
	5,379	5,636

11 SHARE CAPITAL

	2026 £	2025 £
Authorised, Allotted	316	316
316 Ordinary shares of £1 each		

All parties that accede to the SEC are offered the option to become a shareholder in SECCo Limited.

12 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.