Annual report and accounts
Year ended 31st December 2017
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If you would like to read the Smart Energy GB Annual Report in Welsh, it is available on our website at: smartenergyGB.org

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Since my last foreword one year ago, the number of smart meters installed in homes and small businesses across the country has almost doubled. This is a huge achievement and one that we know has immediate rewards, helping consumers to better manage their energy consumption.

With millions of smart meters in operation around the country, more smart meter customers than ever are reporting a transformation in the accuracy of their bills, a step-change in their understanding of their energy consumption and increased trust in the companies from whom they buy the energy that powers their homes.

2017 has not, however, been without its challenges in the smart meter rollout. Even as millions of meters have been installed, there have also been delays in the delivery of the national communication infrastructure, which will help deliver the next stage in the scaling up of the rollout. Given the importance of creating a strong cohort of positive Smart Meter users we welcome the opportunity for energy suppliers to scale up their installations and for smart meters to be integrated into this critical spine of national infrastructure with all speed.

Our task of consumer engagement continues to be significant. Energy remains a low interest category for most but near universal awareness of the rollout has been achieved and the nature of what a Smart Meter is and offers is very well understood. Media scrutiny of the smart meter rollout has been intense during 2017 and in that environment, it is more important than ever that we remain focused on communicating the real benefits of smart meters for consumers in their everyday lives, and for the critical importance of transforming the country’s energy system through digitisation for Britain’s future.

Our work, past, present and future, requires deserved thanks to the application and passion of my colleagues on the Smart Energy GB board from suppliers and consumer organisations alike along with all those who have contributed from among our stakeholders, from government officials to energy suppliers to our partner organisations and, of course, the Smart Energy GB team. We remain completely committed to the value of the end prize of the smart meter rollout and the benefits it will bring to individual energy users as well as the broader societal good.

Mark Lund,
Chair
2017 marked another important year in the engagement of Great Britain with the rollout of smart meters. Smart Energy GB’s campaign contributed to further significant increases in consumer awareness of smart meters, and more significantly, to large increases in strong consumer understanding of smart meter benefits and the smart meter installation process. As we saw our campaign grow in reach and scale, we saw strong levels of recommendation of smart meters from the millions who now have them which provides a powerful message on how well received they are.

As always, our work is not just focused on encouraging consumers to have a smart meter installed but also to start using it to better manage their energy consumption. In this area, I’m particularly proud of the SMART Squad project we ran in primary and secondary schools that demonstrates how an innovative approach can change people’s behaviours and attitudes towards energy.

Our charity partners managed to extend our campaign throughout communities across the country, helping us to talk to audiences who cannot be reached by traditional marketing alone and I’d like to thank them for their valuable contribution to the campaign.

2017 has also seen a strong collaborative relationship with energy suppliers. In particular, the work with the energy suppliers has contributed to a robust objective-setting process which contributed to our consumer engagement plan.

All of this could not be achieved without a hugely dedicated staff team. They are the engine room of the campaign, fuelled by enthusiasm and commitment. With them, we are well set to bring the campaign into 2018 with a passion to support the continued rollout of smart meters to millions more homes in the year ahead.
How smart meters are transforming

86% of people with a smart meter say they have changed how they do things around the house to use less energy.

A smart power grid could save £8bn per year.

73% of people with a smart meter would recommend them to others.

83% of senior decision-makers in British businesses think that Britain's energy system needs a digital upgrade.

Homes and microbusinesses will be offered a smart meter as part of the national upgrade.

Information which helps households to take control.

Energy use displayed in pounds and pence.

Smart pay as you go.

In-home display.

Gas and smart.

Enabling smart homes of the future.

Electric cars, smart appliances and beyond...

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Great Britain’s energy industry

Secure communications network
- New services from other providers
- Energy suppliers
- New tariffs
- Accurate bills

Power networks
- Integration of renewables

A smarter grid
- Easier to identify power cuts
- Managing supply and demand

Electrical meters

- 68% of people would find it appealing to receive cheaper energy for using appliances outside of peak energy times
- Smart meters will save an estimated 29.7m tonnes of CO₂ by 2030
- 82% of people with a smart meter say it gives them a better idea of their energy costs
- £5.7bn in savings will be delivered back to consumers
- 68% of people would find it appealing to receive cheaper energy for using appliances outside of peak energy times
2017: Smart Energy GB’s year in highlights
By the end of the year, **around 19 million adults** without a smart meter stated they would seek or accept a smart meter within the next six months.

- **82%** of people with a smart meter have done at least one thing to use less energy.
- **73%** of people who have upgraded to a smart meter would recommend them to their family and friends.
- **2 in 3 people** take action to find out more about smart meters and their energy use after seeing our campaign.

**Key information available on our website in 7 different languages**

**41 hours and 25 minutes** of broadcast news and current affairs coverage.

**Over 58 million** views of our films on **YouTube**.

**180 people in 88 organisations** trained to deliver smart meter information to local communities.

**We have conducted more than 100,000 interviews** with consumers to shape our campaign.
Smart Energy GB’s role in the smart meter installation journey

At its establishment, Smart Energy GB set out the balance of roles for our national consumer engagement activity alongside energy suppliers’ activation of individual customers, and their responsibility to organise and deliver smart meter installations for them. This was based on research with consumers and reflected Smart Energy GB’s legal duties and those of energy suppliers, as set out in the energy supplier licences.

The diagram below was published in our Consumer Engagement Plan (available on our website), and sets out these roles:

The purple circles in the customer journey represent Smart Energy GB’s task to get decision makers in households across Great Britain to understand what smart meters are, and be enthusiastic to seek out, or accept when offered, an installation by their energy supplier(s) or seek information as to when their energy supplier may be able to perform their installation. This reflects the obligations in the energy supplier licences for Smart Energy GB to complement the consumer engagement activity of individual energy suppliers.

Regardless of which company is their household’s energy supplier(s), individual decision makers made enthusiastic about smart meters by Smart Energy GB’s campaigns will need to interact with their own energy supplier to seek out their smart meter installation. They must also be enthusiastic when their energy supplier offers an installation; as well as be home to greet and facilitate the installation when it actually takes place.

Reflecting the obligations set out in the energy supplier licences for all energy suppliers to ensure that their own activity is coordinated with that of Smart Energy GB, individual energy supplier consumer engagement is represented by the blue circles in the diagram. This is largely focused at the point of direct activation (e.g. offering and booking the installation appointment and then arriving at the house as promised and completing the installation) of individual consumers.
The orange circle relates to the area of supporting consumers in successfully using their smart meters to better manage their energy and reduce waste. Energy suppliers have a responsibility for delivering this for their individual customers, both through engagement tools that they can provide thanks to the new data provided by smart meters (for example, online smart energy reports) and also through service innovations that are only possible in a digital smart meter world (such as modern pay-as-you-go, or new time-of-use tariffs).

Reflecting our objectives as set out in the energy supplier licences, Smart Energy GB also has a role in supporting consumers in successfully reducing energy using their smart meters, as represented in the orange circle.
Smart Energy GB’s campaign approach is based on a philosophy that the most effective and efficient public engagement campaigns use a range of channels, with coherence and complementarity in the messaging applied across those channels.

In our activity across all our campaigns, we have also reflected that our success is dependent on:

1. Applying lessons from best practice in behavioural science and welcoming that our task as set out in law is to support adoption and to support consumers in using their smart meters. We believe a campaign that helps consumers to understand the benefits of smart meters is also a positive driver to their willingness to accept an installation (i.e. the opposite of a “fit and forget” approach).

2. Recognising that energy is a low-interest category for consumers, and one in which there have historically been trust issues between consumers and many of the companies from whom they purchase energy. We have continued to establish and maintain the national nature and importance of the smart meter rollout, and the position of Smart Energy GB as the independent and trustworthy voice of a rollout reaching customers of all energy suppliers.

3. Recognising that the scale of our task, alongside the low-interest situation in the energy sector, means that we must be more imaginative, high-quality and exciting in our creative development across all our channels, than typical public engagement campaigns in other areas.

4. Using the best planning tools to manage our channel selection, including econometric modelling in our channel planning and budgeting (econometrics in campaign planning uses a statistical tool, which allows the impact of a mix of media channels to be forecast using both benchmark and actual data) and a unique tool, Smart compass, in then selecting and buying specific paid media. Alongside this, we segment and target our proactive earned media (“PR”) activity.

5. Understanding that many amongst harder to reach groups and microbusiness audiences either simply do not access traditional communication channels, or only trust messages if conveyed to them by a trusted intermediary. As such, outreach campaigns - often working in marketing partnerships with others such as charities who will deliver our messages and help engage consumers with smart meters - are key to reaching these groups in particular.

Throughout 2017 our work has been underpinned by this approach, allowing Smart Energy GB to deliver consistent, audience-specific messaging across all of our platforms, campaigns and partnerships.
Estimated bills got you in a spin?
Get accurate ones with a smart meter.

A smart meter automatically sends readings to your energy supplier, so that you get accurate bills without having to do a thing.

Contact your energy supplier today about getting your smart meter, at no extra cost.

During 2017, Smart Energy GB advertising continued to take a mass broadcast approach, supported by a variety of specific executions aimed at driving consumer engagement.

As in the second half of 2016 (H2), Television and other audio visual (AV) were our key channels, reaching 98 per cent of GB adults an average of 46 times across the year. This fell into three key phases.

The first phase was the final chapter of our Estimation Nation campaign, with the video content Supermarket, Bride and Runner appearing across Quarter 1 (Q1), each of which was seen an average of five times by 80 per cent of GB adults. The second phase ran from April-August, and saw new Gaz & Leccy adverts released, featuring messaging around accurate bills, visible usage in pounds and pence and how to arrange a smart meter installation. This sharp focus bore immediate success, with those understanding what a smart meter is and how to get one, moving from 33 per cent in November 2016 to 55 per cent by May 2017.

In August 2017, results published in Smart energy outlook - the largest independent barometer of national public opinion on energy and smart meters - indicated that the task to increase understanding had been completed ahead of schedule. We then moved onto our third phase in Q4, with new Gaz & Leccy creatives, using a wider messaging range to drive enthusiasm.

Across the year, our AV output was supported by consistent presence in our best performing support channels. Gaz & Leccy adverts on the radio and in print ran throughout the year, reaching over 95 per cent of GB adults. In addition to these, we used urban out-of-home (OOH) sites at key moments to maximise impact and ensure that light consumers of traditional media were touched by our campaign. Econometric modelling confirmed that our blend of channels had been used in the most efficient way.

Media partnerships continued to drive engagement with priority audiences, with over 67 pieces of content secured in 2017. People aged 21-28, who are more disengaged with energy generally, needed something original that spoke to them, in places they go.

In Q2, our partnership with Shortlist Media resulted in content titled Flatmate Jury appearing in Shortlist and Stylist magazine. Post campaign research showed it boosted knowledge of smart meter benefits among Shortlist readers by as much as seven per cent. Continuing our media partnerships work, the Power of 10p Challenge content appeared in Cosmopolitan, with Digital Spy and Men’s Health during Q4. Both of these campaigns put social media and video content at their heart to get young people thinking about smart meters for the first time.

Also in Q4, we spoke to our 60+ audience with activity in The Daily Express, Radio Times, Gardener’s World and BBC Good Food. These partnerships all used nostalgia to talk about big changes that we’ve gone through as a country before, and asked whether maybe in the future we’ll just see smart meters as another everyday and obvious item we can’t remember being without.

In December, we launched a new ‘debate shaping’ strand of work in print and OOH. This strand took three everyday items, which seemed very bizarre once (the kettle, the microwave, the TV) and used them to ask anyone resistant to change: is the smart meter rollout really any different to those? By using eye-catching design, intriguing stories, and avoiding classic advertising tropes, we created a campaign that people would struggle to miss. This campaign was seen by 61 per cent of GB adults an average of 11.5 times over five weeks.
Our delivery in branded digital channels

During 2017, we worked to positively influence 21-28 year olds to seek or accept smart meters by creating a campaign designed for that demographic. To ensure we could meet the challenge head on, we developed a truly social first campaign, tailored specifically to both the demographic and the channels, and built a robust measurement framework to assess its success.

**The Power of 10p**

One of the key barriers to engaging the youth audience is one of relevance. This audience is hard to reach through traditional advertising, particularly in a low interest category such as energy.

The Power of 10p work tackled the issue of relevance by constructing fun challenges, around passion points which appealed to those within the demographic, and with which they were already digitally engaged. These include beauty, gaming, food, comedy and music festivals, featuring relevant influencers and celebrities competing in the challenges.

Over the course of a year, The Power of 10p challenges saw beauty influencer Helen Anderson take on doggy make-overs, YouTuber Ali A counting laps in an electric go-kart and Tattoo Fixers Jay and Sketch tattooing as many Bestival-goers as possible. The final installment featured celebrity chef Ainsley Harriott seeing how many body builders he could feed, armed with only 10p of energy and a smart meter to show when the 10p ran out. From each of these entertaining moments, we created short films to showcase the results and broadcast them on digital platforms.

To assess the success of the campaign we developed a series of bespoke studies and a measurement framework to make sense of the wealth of data a digital campaign provides.

Early results are encouraging. A study of the first two campaigns using Google search data shows an impact on real behaviour following exposure to the films, with both driving an uplift in search for terms related to smart meters. The *Smart energy outlook* report also shows that the pool of 21-28 year olds who report a willingness to seek or accept a smart meter increased during the year.

**Beyond the Power of 10p**

Our Power of 10p campaign was designed to grab the attention of a young audience who had previously not engaged with smart meters. Once we had their attention we wanted to take them further by demonstrating how using a smart meter can benefit them. To do this we created a selection of helpful, energy saving content called Smart Ideas, made available via a hub on [smartenergyGB.org](http://smartenergyGB.org). To make them relevant to young people, we made each Smart Ideas page light-hearted in tone and attributed them to social influencers featuring in our campaigns. The content was promoted on social channels and appeared on various magazine websites. Launched in February, the hub has received 195,000 page views, with user’s visits averaging 1 minute 19 seconds.
In 2017, we cemented our role as the most trusted voice on smart meters across earned media while handling our highest volume of reactive media queries to date. We were quoted in 8.17 per cent of all coverage of smart meters, with our work generating more than 860 articles and interviews.

We activated three audience-focused campaigns targeting private renters, working with comedian and writer Jessica Knappett, inventor and artist Dominic Wilcox and fitness blogger, Zanna van Dijk. In total, this activity secured almost 200 pieces of coverage containing specific key messages for renters, with a reach of more than 21 million.

Our activity to target people aged 65+ without personal internet access saw us hold a series of low-energy cookery events across the country. Working with Great British Bake-Off star Ian Cumming in England and Beca Lyne-Pirkis in Wales, as well as Gary Maclean winner of MasterChef: The Professionals 2016 in Scotland, we secured regional and national coverage on radio, in print and online. We also worked with supermodel and sixties icon, Twiggy, who recreated some of her most famous portraits with a supersized in-home display to promote the benefits of the smart meter rollout across Great Britain.
We continued to work with a range of consumer-focused media to ensure that people know the benefits of smart meters. This resulted in coverage across numerous outlets including Saga magazine and Metro, as well as an extensive guide to smart meters on the Money Saving Expert website.

Our PR activity for microbusinesses saw us focus on industries and media from the hairdressing, hospitality, construction, retail and environmental sectors.

Last year Energise, a choir singing about smart meters, generated broadcast coverage across Welsh language and English TV and radio, as well as regional print coverage across England and Wales. In Scotland, we worked with Scottish comedian Daniel Sloss who wrote an Estimated Guide to Scotland, a light-hearted look at inaccurate estimates about Scotland, which highlighted the absurdity of estimated bills.

Our press office worked hard during the year, responding to queries from broadcast media and print and online titles, in total our 24/7 press office responded to more than 160 media queries during the year.
Our investment in marketing partnerships in 2017 built on achievements in 2016, delivering more activations with new and existing partners and a wider range of engaging content for different audiences around the country.

In 2017, our partnership activity was focused on reaching 65+ offline audiences, a task we knew needed particular support, and where marketing partnerships would be most effective and value for money. This narrow focus on one, rather than multiple audiences, reflected the encouraging evidence gathered during 2016, that many vulnerable audiences are more effectively activated by our core campaign than we had anticipated.

Our national partnership programme developed five partnerships to actively engage the 65+ offline audience. Partnering with the Royal Horticultural Society gave us new platforms to reach people in 2017, through creating an experiential activation at the RHS Wisley Garden Christmas Glow event. Patrons could control the lights of the night time illuminations in two positions around the garden trail, seeing in real time how the energy used showed on a device that replicated a smart meter in-home display. Two rounds of advertorial content in RHS Garden magazine showcased how easy getting and using a smart meter is to their readers. We also partnered with Age UK, Age Scotland and Age Cymru to provide support and resources to their national networks. We continued our national relationships with the social housing sector by partnering with the Scottish Federation of Housing Associations, Community Housing Cymru and the National Housing Federation in England.
We also continued our programme of support for grassroots partners, Smart Energy GB in Communities. This programme is delivered by a consortium made up of National Energy Action (NEA), Energy Action Scotland, and the Charities Aid Foundation (CAF). Funding grants for regional and local partners enabled partners to carry out active engagement campaigns, whilst identifying smart meter Champions allowed us to train and to build advisory capacity. In 2017, we awarded 66 organisations grants for smart meter projects to commence before the end of the year. Through this project we have built important expertise at local and regional level, by creating 180 new smart meter Champions across 88 organisations.

During 2017 our online Resource centre provided partners with a wide range of free resources, designed specifically to help them reach the 65+ offline audience. Available in a variety of formats on our website, these resources will continue to be updated to provide valuable access to information for the public, our partners and those with which they communicate.

We constantly monitor the impact of our campaign across a wide range of vulnerable audiences and will continue to take into account learnings as we implement our activity in 2018.
Working with stakeholders and parliamentarians

Engaging parliamentarians and stakeholders in 2017 has resulted in a greater awareness of the work of Smart Energy GB and the benefits smart meters will bring for the people they represent.

Across the three parliaments, a wide range of activity was undertaken to make sure MPs, AMs and MSPs were engaged with the campaign and kept up to date on the rollout. This ranged from information drop-ins for Westminster and Welsh Assembly politicians, to a light-hearted challenge to see which MSP could cook pancakes with the least energy, as well as demonstrating low-energy cooking with a smart meter.

Receptions were also held in both Westminster and Holyrood, and presentations were made to several cross-party groups such as the Welsh Assembly group on fuel poverty.

Our parliamentary activities in 2017 saw us engage directly with 141 elected representatives across the three nations to discuss the benefits that smart meters can bring to households across the country.

Community engagement continued to grow in strength through our work with local authorities, where we managed to bring more councils on board to work with us. This has produced some positive results with 40 councils using our materials to promote smart meters through their channels, helping us to reach consumers in their areas. This programme of work will continue in 2018 as the influence local authorities have as trusted sources of information will help us reach even more consumers.
Throughout 2017, much of our work with stakeholders was based on our Smart Future thought leadership strands. This was devised to bring to life the positive benefits of smart meters, the data produced and how they can provide significant societal improvements. Smart Future examined areas such as the benefits to health and social care, rural renewable energy projects, the potential for innovation in energy products and services and how smart meters will revolutionise the way consumers will buy their energy in the future.

This work has enabled us to progress our conversations with politicians and stakeholders and start the process of imagining the future with smart meters and what they can deliver. One key partnership, which resulted from the Smart Future work was with WWF. The organisation worked with us around their annual Earth Hour event to highlight the environmental and sustainability benefits of smart meters for the planet. A Twitter Thunderclap to promote Earth Hour and smart meters resulted in a reach of around 500,000 people and direct engagement with 1,824 twitter users.

Smart Future will continue to evolve in 2018 with some further research and thought leadership. This will allow us to deepen our engagement and drive forward the potential for smart meters to bring wider societal benefits to Great Britain long after the rollout has been completed.

We also continued to evolve our regular campaign updates as well as grow their distribution. Updates are now issued to 825 recipients across all stakeholder groups including parliamentarians, advocacy groups, the energy sector as well as the wider third sector.

The Public Correspondence function continued to play an important role throughout the year. During the year, we responded to a range of queries about smart meters from 2,500 members of the public more by email, letter and post.
Our programme to engage employers across Great Britain got underway in 2017. Employers have a vital role to play in encouraging people to take up smart meters and helping them to reduce their energy use. By allowing staff to work flexibly for the installation, employers can also help to remove a potential barrier to getting a smart meter installed.

In 2017, we activated 20 employers with a potential staff reach of 1.4 million across the three nations.

To become a Smart Energy Employer, an employer need to commit to proactive activity that promotes energy management and sustainability. This year, we have developed an employers’ resource centre with information about how to get involved and featured case studies of smart meter customers. Based on employer feedback, we created a suite of resources such as text for newsletters and posters available to print.

Our approach to engaging employers has been multifaceted: targeting employers directly alongside engaging sector-wide intermediaries, as well as producing evidence to demonstrate the benefits to employers of promoting smart meters to their employees.

Over the past year, direct engagement has resulted in companies such as Skyscanner, Hilton Hotels, Adnams brewers, the University of Edinburgh, and TfL working with us. These companies have placed information on their internal communications channels, sharing smart meter messages with employees and providing a call to action to contact their energy supplier about getting a smart meter installed.
NHS Employers worked with us to cascade smart meter information to all health service staff across England and Wales particularly around their NHS Sustainability day in March. Our partnership worked by embedding energy efficiency and sustainability messaging across all their activity and helping their staff save money through more environmentally friendly practices at work and at home – including getting a smart meter installed.

We have also worked with organisations such as the Carbon Trust, which produced a guide offering advice to businesses on sustainability, targeting employers wishing to run internal campaigns with their colleagues. We also worked with the Energy Institute and edie.net, an organisation providing energy, sustainability and resource efficiency advice to professionals and consumers, to encourage their members to sign up to become Smart Energy Employers. These organisations have been important to this campaign as they are the voices that many employers listen to and seek guidance from.

The campaign has also seen support from renowned environmentalist Sir Jonathon Porritt, who worked with us to encourage employers to come on board.
In Q1 2017, we launched the SMART Squad project as a follow up to the publication of *A Smart Route to Change*, a white paper published by Smart Energy GB, that sets out how everyone involved in Britain’s smart meter rollout should apply behavioural science to help change our energy use for the better.

This paper helped identify the opportunity for young children to act as real catalysts for behaviour change in the home. It also informed the development of a range of school resources, designed to educate young students on energy saving and smart meters, and prompt energy efficient behaviours at home.

In Q1, we ran a three-month pilot among 12 primary and secondary schools in Wales, in collaboration with the specialist education consultancy, EdComs. EdComs found that SMART Squad made a real and sustained difference to primary school pupils’ knowledge of energy efficiency, bringing them closer to the level of understanding that secondary school pupils already have and leading to a direct change in their energy saving awareness and behaviours at home. Key findings included:

- more than half of pupils (54 per cent primary, 57 per cent secondary) agreed they learned how to identify good energy habits during the SMART Squad pilot project
- after a six-week period, significantly more pupils were able to identify a range of activities correctly as energy efficient after taking part in SMART Squad than a control group
- the majority of parents (83 per cent) were aware that their child had participated in a lesson on energy efficiency and smart meters
- more than half of pupils (52 per cent) reported conversations about SMART Squad at home immediately after participating in the pilot project, and this was sustained six weeks after the project, with 49 per cent reporting that they had spoken to their parents about SMART Squad ‘in the last few weeks’
- the resources successfully encouraged more frequent energy efficient behaviour amongst pupils and their families. Immediately after participating 61 per cent of primary school pupils said that they or their family turned the lights off every time they left the room, an increase of 13 percentage points over the rate reported before participating in the pilot
- before participating in the pilot project, 29 per cent of pupils said they were aware of smart meters. This rose to 83 per cent of pupils who said they were aware of smart meters immediately after participating

Following the success of the SMART Squad pilot, we have worked with EdComs to develop a nationwide rollout of the programme. Launched in November 2017, and supported by email marketing, social media and PR and educator outreach, this programme aims to reach all primary schools across England, Scotland and Wales (approx. 21,000) and engage several hundred teachers. Evaluation will run throughout H1 2018 with a final report due in Q3 2018.

As the national rollout continues, we hope to work with others in the energy industry and beyond to explore more ways that behavioural science can help Britain to reduce its carbon footprint.
82% of people with a smart meter say it gives them a better idea of their energy costs.
Informing and evaluating our campaign activities through comprehensive use of consumer research continued to be a vital part of Smart Energy GB’s approach in 2017.

Throughout the year we sought the views of the British population, and have conducted over 100,000 interviews as part of our research activities.

We have continued numerous tracking research vehicles, which allow us to understand how public views on smart meters are evolving, and how our campaign activities are performing in order to guide our activities moving forwards.

These include *Smart energy outlook*, as well as our microbusiness tracker, and smart meters and energy usage report, each of which are conducted biannually. Further key learnings come from the continuous tracking of advertising, social media listening, PR monitoring, and the evaluation of our marketing partnerships and their activity, such as interviews with visitors to the Smart Energy GB installation at RHS Wisley in December 2017.

We have continued our approach to pre-testing key new pieces of advertising, which has enabled us to optimise its impact prior to launch. We also conducted bespoke evaluations around specific campaign activities such as the Power of 10p digital activity.

Two further key research publications in 2017 included insight into the potential requirements for optimisation of the smart meter installation experience for audiences with additional barriers, plus the results from research into what consumers want from new smart energy products and services.

Research conducted in 2017 has supported the Performance Management Framework (PMF) Forum in defining new target metrics for our activities moving forwards. In light of this new target metric for activating consumers, research has been undertaken to explore motivating messaging territories to be used in 2018 activities.

We would like to thank the research agencies who have worked with us across our research and evaluation activities in 2017.
As ever, working closely with energy suppliers to keep them informed of our campaign activity and secure input into our work was important in 2017. Throughout the year we reported regularly to the forum of large energy supplier representatives that was established by industry to scrutinise and feed back on our achievements against our Performance Management Framework (PMF).

We also worked with energy supplier representatives to secure input to the development of our campaign, and provided information for dissemination to their own teams through the Smart Energy GB Supplier PR Forum and the Smart Energy GB Marketing Forum. We have approximately 100 energy supplier representatives across both forums, and hosted eight individual, and two joint face-to-face, sessions throughout 2017. All relevant suppliers have attended at least one of these meetings.

We also hosted a number of strategic workshops, which allowed us to gather energy suppliers’ feedback and inform our plans, including the strategic challenges of the first half of 2017 and the development of key campaign messages and a call to action to meet those challenges. Mid-year we discussed evolving strategic challenges and gained inputs to help shape our 2017 marketing plans for the second half of the year, with a specific focus on audiences where insight identified that additional effort beyond our core campaign was required. We agreed our Major Incident Protocol with the PR Forum to help Smart Energy GB and energy suppliers respond more effectively to a major incident, such as a service delivery issue affecting a significant number of consumers. This worked well during the year and helped us and other forum members respond robustly and quickly to a number of high profile media queries. In Q3 we engaged energy suppliers for contributions towards the development of an updated communications framework for 2018.

Five new assets were added to our existing suite available to energy suppliers, offering a range of new online and offline formats. There have been over 40 requests for assets from nine relevant suppliers for use across their own channels.

Plans and updates continue to be provided to energy suppliers on a regular basis, including a detailed quarterly advertising summary which includes media plans and planned creative, monthly press coverage and PR sentiment, an analysis of the numbers of people recalling seeing or hearing news, articles or opinion pieces about smart meters.

Further to this, we also carried out requests for information and conducted continuous and frequent bilateral meetings with a wide range of large and small energy suppliers throughout the year.

We also presented to energy suppliers through various Smart Metering Implementation Programme bodies, which are convened by the Department of Business Energy & Industrial Strategy including:

- the Smart Metering Delivery Group
- the Smart Metering Steering Group
- the Smart Metering Operations Group
- the Implementation Managers Forum
- the Independent Suppliers Forum
- the Consumer Reference Group
Large energy suppliers (those with over 250,000 domestic customers) have the legal responsibility to set the results that they would like Smart Energy GB to achieve in any year. They exercise this responsibility by determining which goals (and resulting metrics to allow measurement against those goals) should be included in Smart Energy GB’s Performance Management Framework (PMF) for the year. They then also have a responsibility to review Smart Energy GB’s performance against those goals through the year, making any amendment to them as they believe is necessary. Large energy suppliers have exercised this responsibility through the operation of a forum, known as the PMF forum, which has met regularly through 2017 to review Smart Energy GB’s on-going performance through the year and determine, based on that performance and overall progress in the smart metering rollout, the right goals for Smart Energy GB in 2018. The PMF forum membership is made up of all energy suppliers with more than 250,000 domestic customers, and in 2017 it was independently chaired by Maxine Frerk.

In setting goals for 2017, large energy suppliers had to be duly mindful of Smart Energy GB’s objectives, as set out by government and contained in the Standard Conditions of Electricity & Gas Supply, namely:

- to build consumer confidence in the installation of smart metering systems by gas and electricity suppliers
- to build consumer awareness and understanding of the use of smart metering systems and the information obtained through them
- to increase the willingness of energy consumers to use smart metering systems to change their behaviour so as to enable them to reduce their consumption of energy
- to particularly assist consumers with low incomes or prepayment meters, or consumers who may encounter additional barriers in being able to realise the benefits of smart metering systems

As such, at the start of 2017 considerable emphasis was placed within the goals set for Smart Energy GB on increasing consumer understanding of smart meters (defined as consumer awareness of smart meters, combined with consumer knowledge of key benefits of smart meters and knowledge that smart meters can only be installed by energy suppliers).

A variety of research sources are used to provide the thorough data against which Smart Energy GB’s performance in achieving its goals can be judged. One of the most important sources of data is the twice-yearly national survey of public attitudes to smart meters and energy, provided by research agency Populus, which is called Smart energy outlook. This survey has one of the largest sample groups of any research focused on public attitudes in the energy sector (a 10,000 person research sample), which means that it provides a robust view of national attitudes, as well as providing a sufficiently large sample to be able to analyse the attitudes of different demographic groups within the national sample. Smart Energy GB has commissioned Populus to provide Smart energy outlook twice-yearly for a number of years, with waves seven and eight of this research being conducted in the mid-year (May) and year-end (November) of 2017 respectively.
In the first six months of 2017 Smart Energy GB’s campaigns achieved near-universal national awareness of smart meters, with *Smart energy outlook* wave seven reporting awareness of smart meters hitting a high of 97 per cent of the GB adult population. This compares to national awareness of smart meters of 35 per cent in the first comparable wave of *Smart energy outlook* at the end of 2014, and so shows that the national public awareness campaign has since its inception considerably increased national awareness of smart meters and the rollout. Wave eight of *Smart energy outlook* showed awareness is stable at this near-universal level, with 98 per cent of the GB adult population in November 2017 reporting that they are aware of smart meters.

The large energy suppliers set specific targets for Smart Energy GB to achieve through 2017 on levels of consumer understanding of key smart meter benefits and the role of energy suppliers as providers of smart meters.

At the mid-year, the level of understanding amongst the GB adult population was 55 per cent. At the year-end, this had risen to 58 per cent. These are equivalent to 26.4 million adults with understanding at the mid-year, and 27.8 million adults with understanding at the year-end respectively. The mid-year result considerably exceeded the target that we had been set by energy suppliers for that point in the year, with the year-end result delivering against the target within the margin of error.

Reflecting Smart Energy GB’s legal objectives relating to assisting consumers with low incomes, prepayment customers and consumers with other vulnerabilities, the large energy suppliers in 2017 set targets for the level of understanding amongst consumers with low-incomes, prepayment consumers, consumers aged 65+ and consumers living in rental accommodation.

The campaign in the first half of 2017 delivered strongly against all mid-year targets set for understanding amongst all these groups, with understanding at 66 per cent amongst 65+ adults, 52 per cent amongst those with low incomes, 47 per cent amongst prepayment customers and 51 per cent amongst those living in rental accommodation respectively.

The campaign in the second half of 2017 continued progress in increasing consumer understanding of smart meters amongst these specific groups. At the year-end, understanding levels had risen to 68 per cent amongst 65+ adults, 57 per cent amongst those with low incomes, 52 per cent amongst prepayment customers and 53 per cent amongst those living in rental accommodation respectively.

In the second half of 2017, whilst considering Smart Energy GB’s goals for 2018, the large energy suppliers considered in detail the achievements against the awareness and understanding goals, and in particular the levels of knowledge of the different benefit attributes contained within the understanding metric. This analysis supported them in concluding that Smart Energy GB has over the first three years of its existence in practical terms completed the task of raising public awareness and understanding of smart meters to necessary levels, and to levels above that of most comparable technologies or other initiatives in the energy space. This means that looking ahead, in 2018, the large energy suppliers have no longer tasked Smart Energy GB with achieving specific goals relating to increasing consumer understanding of smart meters, although of course Smart Energy GB’s campaigns will continue to talk about the benefits enjoyed by consumers with smart meters in ways that will best support the delivery of our goals in 2018 and in the remaining years of the smart meter rollout.

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1 In the mid-year the large energy suppliers removed the prepayment customer group as a specific target metric area for Smart Energy GB in the second half of 2017. However, at that time we committed to continue to track progress against this group, and so results for the prepayment group in both halves of 2017 are reported here.
In 2017 energy suppliers were still only intending to install smart meters to a relatively small proportion of their customer base; with the larger proportion planned for installation in 2018 and beyond. As a result, as part of delivering against our objective build consumer confidence in the installation of smart metering systems by gas and electricity suppliers, the large energy suppliers wanted Smart Energy GB to ensure that our campaign was careful to manage consumers’ expectations, and achieve consumer comprehension of the timing of the GB smart meter rollout and in particular that smart meters are being offered to consumers over a number of years and so consumers may not be able to get their own smart meters straight away.

As such, Smart Energy GB had in 2017 to deliver against a range of metrics that tested the level of comprehension of the timing of the rollout amongst different demographic groups. The campaign was very successful in delivering against these targets. At the mid-year, 83 per cent of GB adults demonstrated comprehension of the timing of the rollout, with 82 per cent amongst the 65+ group, 79 per cent amongst low income consumers, 78 per cent amongst prepayment customers and 82 per cent amongst those living in rental accommodation. At the year-end, these results were 84 per cent (GB adults), 84 per cent amongst the 65+ group, 79 per cent amongst low income consumers, 77 per cent amongst prepayment customers and 81 per cent amongst those living in rental accommodation respectively. In both the mid-year and year-end, these results comfortably exceeded the minimum targets (30 per cent at the mid-year and 45 per cent at the year-end) that applied to all demographics.

In 2017 the goal of building understanding amongst consumers was considered a necessary element in terms of the construction of the metric that measured Smart Energy GB’s achievement in building consumer enthusiasm to adopt smart meters amongst the still non-smart population; i.e. in order to be judged to have enthusiasm for the product through a metric known as consideration, a non-smart consumer was required to pass the test of stating that they are aware of smart meters and pass the test of demonstrating knowledge of the key attributes of smart meters and that they are installed only by energy suppliers and then state that they definitely would or probably would seek or accept a smart meter immediately (defined as within the next six months).
The 2017 campaign generated considerable numbers in the non-smart population with consideration (and who were thus enthusiastic to enter the top of the customer installation “funnel”). At the mid-year there were 12.2 million GB adults yet to get smart meters who had consideration (equivalent to 29 per cent of the non-smart GB adult population at that time). At the year-end measure, there were 10.6 million GB adults yet to get smart meters who had consideration (equivalent to 27 per cent of the non-smart GB adult population at that time). This was on target for the numbers of non-smart adults that we wanted to generate in the first half of the year but, although still a significant number, were lower (10.6 million vs 13.8 million) than the numbers of non-smart consumers that with consideration that we aimed to generate at the year-end measure. It is our view that the primary driver of that difference was consumer concern about some elements of the delivery of the smart meter rollout thus far, including concern about the loss of smart functionality that can sometimes occur for some smart consumers on switch of energy supplier.

Reflecting the successful completion of the awareness and understanding tasks, from 2018 large energy suppliers have asked Smart Energy GB to focus a large part of our efforts on the generation of non-smart consumers stating that they wish to seek or accept a smart meter in the next six months, with greater flexibility allowed on our part as to the particular benefits of smart meters that we believe will be most compelling to convey to those consumers. From 2018 we also hope that some causes of some consumer concerns about upgrading to smart meters that existed in 2017 should be removed; in particular by the commencement of SMETS2 meter installations following the commissioning of Data Communication Company (DCC) services, and the plans for enrolment and adoption of SMETS1 meters into the DCC.

At the end of 2017, 18.9 million non-smart GB adults stated that they would seek or accept a smart meter in the next six months (equivalent to 48 per cent of the non-smart population at that time). Whilst that number was a positive achievement on the part of the campaign, it was lower than the 22.9 million non-smart adults stating that they would seek or accept a smart meter in the next six months (equivalent to 55 per cent) that we had aimed to achieve at that time. Looking to 2018, we have been tasked in the first half of 2018 with the goal of generating 22 million non-smart adults stating that they would seek or accept a smart meter in the next six months (equivalent to 55 per cent of the non-smart GB adult population at the mid-2018 measure) and 20.6 million non-smart adults stating that they would seek or accept a smart meter in the next six months (equivalent to 59 per cent of the non-smart GB adult population at the year-end 2018 measure). We shall thus in 2018 be designing our campaign to most compellingly convey the benefits of smart meters, including the very strong support for smart meters amongst the millions of consumers who have already upgraded, in order to best support delivery against those goals.
Our responsibility to communicate with microbusiness is limited to extending our domestic campaign where cost effective to do so. The nature of our creative means that it communicates well with those microbusiness that are home-based but has always struggled to cut through to microbusinesses located away from home. This is reflected in the results. We performed strongly against the objective regarding the comprehension of the timing of the rollout with 77 per cent of microbusiness consumers demonstrating comprehension of the timing of the rollout (compared to a target of 45 per cent). However, consideration amongst the non-smart population of microbusinesses was lower than the target of 35 per cent with 14 per cent reporting consideration to seek or accept a smart meter in the next six months. A key factor in this result is that it was dependent on respondents demonstrating understanding of smart meters and, amongst microbusinesses, this was low at 38 per cent compared to a target of 59 per cent. That result is dragged down by responses from microbusiness that are based away from home.

Working with partner organisations to deliver our campaign has been critical in 2017, particularly to reach communities that needed a different approach to engagement to supplement the rest of our channel mix. We want to thank all the national partners and grassroots organisations for their work in 2017. Due to the significance of their work, the PMF forum set targets on the delivery of the partnership programme. The programme was independently reviewed and successfully met the target set for us of fully meeting the contractual commitments of both the national partners and the bid fund recipients (formally, this meant that we received a conclusion from the auditors that the programme was scored as “4: commitment fully met”).

Reflecting our third objective relating to consumers using smart meters to change their behaviour so as to enable them to reduce their consumption of energy, the PMF forum set a usage target throughout the year on reported energy use reduction amongst a sample of the generalised British adult population who have had a smart meter installed in their homes. The target for the year was 40 per cent and our research showed that at the end of the year (November fieldwork) the percentage of the population who claimed to reduce their usage was 46 per cent.

Working to achieve and demonstrate value for money is paramount to everything we do. The PMF forum continued, in 2017, to task us to achieve excellent value for money in our advertising expenditure (our largest area of expenditure). This is assessed by independent consultants, MediaSense, who audit our expenditure in this area twice a year. We’re pleased to have met that high target at both the mid-year point and the year end.
The three pillars of Craft, Cause and Community. Between them, they define Smart Energy GB as an organisation which supports and develops our people to perform at their best and deliver a great campaign. In 2017, we were proud to be classified as a ‘Great Place to Work’, which recognises our organisation as one of the best workplaces in the UK. The assessment for this award includes a trust and engagement survey completed by our employees, as well as a comprehensive culture audit. Smart Energy GB was also recognised as 2017’s top in-house employer in PR and communications, with a Gold award win from the PRWeek Best Places to Work Awards.

In Craft, we aim for every single person in our company to have the skills they need to demonstrate excellence in their field. In 2017, we gave the responsibility of the training and development budget to each of the department heads so that training can be tailored to individual and departmental needs. We have commissioned training providers to develop bespoke courses on a variety of topics that help our team be the best at what they do.

Cause relates to our motivation to be part of a campaign that aims to do something good for the world: on an individual, household, community, national or even global level. It means that we have to articulate how our work together is having a positive impact on the world. We need to bring this to life and show how each of our efforts contributes to a bigger goal.
We have also continued our commitment to good causes in the wider community (outside our Smart Energy GB walls) by actively encouraging our people to make the most of their five annual paid volunteer days. In June, we held a volunteer fair in our London office. The varied volunteering activities undertaken by our staff have included befriending lonely elderly people, helping in soup kitchens and working in charity shops. We have also held numerous fundraising activities in our offices including a ‘Smart Attire Day’ where employees dressed up and donated money to Smart Works and Suited and Booted; charities who help vulnerable people to gain employment.

Community is about how we work together as a team. Our offices are creative workspaces where we have access to all the equipment and support we need to perform at our best. We have also continued to focus on reducing our environmental impact. Having designed our own environmental management system in 2016, we believe it is vital for us to continue to minimise our environmental impact as an organisation. Our environmental policy covers:

- our commitment to reducing our carbon footprint through energy and waste reduction
- how we engage our team in environmental sustainability
- how we engage our operational suppliers to ensure any associated emissions are kept to a minimum

For the 2016/17 period, we are proud to have had our emissions data from energy consumption and waste generation verified by the Carbon Trust and are working towards being certified by the Carbon Trust for 2018/19.

At the beginning of the year we introduced the wellbeing initiative, ‘Smarter Living’. Through this scheme we have offered our staff advice and workshops on health, wellbeing, fitness and nutrition. To demonstrate our commitment to diversity we have registered as a ‘disability committed’ employer and will work towards full ‘disability confident’ status in 2018 and are also proud to be officially accredited as a London Living Wage Employer.

We are proud of the diversity of our team. Seventeen per cent of the team are from BAME backgrounds compared to 13 per cent for the UK population as a whole (as per the 2011 Office of National Statistics census). Similarly, 16 per cent of our employees identify as being LGBT compared to an average two per cent across the population as a whole.

We are pleased to see that our efforts to make Smart Energy GB a great place to work do have an impact. In our 2017 Staff Survey, we were delighted to, once again, receive outstanding feedback from our people about how they feel about working for Smart Energy GB:

- 95 per cent of staff said they are proud of what we accomplish at Smart Energy GB
- 85 per cent agreed that Smart Energy GB does enough to promote and support diversity amongst the team
- 82 per cent agreed that Smart Energy GB gives the training opportunities they need to enhance their future career
- 77 per cent agreed that we work collaboratively across teams and locations
Our campaign in 2018

2018 will see the continuation of the core strands of our work with effective use of our media channels to best communicate the benefits of smart meters to the public. We will look at our creative that is deployed across these channels to ensure that it is right for the next phase of our work during the year. The main focus of this work will be to continue to get the British public ready to seek or accept smart meters to support the installations expected during the year. The metric to get the population ready to seek or accept smart meters and the associated target has been agreed in the knowledge of the number of smart meters suppliers are expecting to install in 2018. We will also, though, continue our activity to encourage the public to use smart meters to manage their energy consumption.

As it did in 2017, our core advertising will be supplemented by key marketing partnerships. In 2018, we will establish marketing partnerships to communicate with the severe or profoundly deaf and the offline population aged 60 and above.

In 2018, our PR activity will be as important as ever with more and more consumers being offered smart meters during the year. We will also continue to work with elected representatives across the three nations to ensure that they too are familiar with the benefits that smart meters bring to consumers.

We have worked closely with the PMF forum as they have to set robust metrics and targets for 2018. The PMF targets that Smart Energy GB has been tasked with achieving in 2018 are set out below:

## The following 2018 PMF metrics relate to domestic activation outcomes

<table>
<thead>
<tr>
<th>Metric</th>
<th>Mid-year 2018 target</th>
<th>Year-end 2018 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The percentage of the non-smart GB adult population who state that they would seek or accept a smart meter in the next six months</td>
<td>57%</td>
<td>59%</td>
</tr>
<tr>
<td>2. The percentage of the non-smart GB adult population who are prepay (PPM) customers and who state that they would seek or accept a smart meter in the next six months</td>
<td>57%</td>
<td>59%</td>
</tr>
<tr>
<td>3. The percentage of the non-smart GB adult population who have a low income and who state that they would seek or accept a smart meter in the next six months</td>
<td>57%</td>
<td>59%</td>
</tr>
<tr>
<td>4. The percentage of the non-smart GB adult population who are over 65 and who state that they would seek or accept a smart meter in the next six months</td>
<td>57%</td>
<td>59%</td>
</tr>
<tr>
<td>5. The percentage of the non-smart GB adult population who are living in rented accommodation and who state that they would seek or accept a smart meter in the next six months</td>
<td>57%</td>
<td>59%</td>
</tr>
</tbody>
</table>

## The following 2018 PMF metrics relate to domestic usage behaviour change outcomes

<table>
<thead>
<tr>
<th>Metric</th>
<th>Mid-year 2018 target</th>
<th>Year-end 2018 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. The percentage of GB adults (who have a smart meter) who agree that, “I always keep track of the amount of energy I use around the home”</td>
<td>54%</td>
<td>52%</td>
</tr>
<tr>
<td>7. The percentage of GB adults (who have a smart meter) who agree that, “Having a smart meter makes me feel more in control of my energy”</td>
<td>66%</td>
<td>66%</td>
</tr>
</tbody>
</table>
The following 2018 PMF metrics relate to PR achievements to support the news/media environment relating to smart meters

<table>
<thead>
<tr>
<th>Metric</th>
<th>Mid-year 2018 target</th>
<th>Year-end 2018 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. The percentage of GB adults who recall seeing or hearing any news, articles or opinion pieces about smart meters recently who state it made them feel more positive about smart meters</td>
<td>50% average across H1</td>
<td>50% average across H2</td>
</tr>
<tr>
<td>9. Total earned media impressions containing positive messages about smart meters placed by Smart Energy GB</td>
<td>100 million (average per quarter)</td>
<td>100 million (average per quarter)</td>
</tr>
</tbody>
</table>

The following 2018 PMF metrics relate to organisational value for money in key areas of Smart Energy GB’s activity

<table>
<thead>
<tr>
<th>Metric</th>
<th>Mid-year 2018 target</th>
<th>Year-end 2018 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Value for money in paid media activity</td>
<td>A: Excellent</td>
<td>A: Excellent</td>
</tr>
</tbody>
</table>

There are no planned significant changes to the general operations of the organisation in 2018.

Our 2018 budget was approved by our members as per the requirements of our Articles of Association. Details of our 2018 consumer engagement plan and 2018 budget were published in December 2017 in our Consumer Engagement Plan and budget 2018.
Smart Energy GB’s role and objectives were established in law, and are set out in the Modifications to the Standard Conditions of Electricity and Gas Supply Licences, Electricity Distribution Licences and Gas Transporter Licences (Smart Meters). These state that the objectives of Smart Energy GB are to:

- build consumer confidence in the installation of smart metering systems by gas and electricity suppliers
- build consumer awareness and understanding of the use of smart metering systems (and the information obtained through them)
- increase the willingness of energy consumers to use smart metering systems to change their behaviour so as to enable them to reduce their consumption of energy
- Assist consumers with low incomes or prepayment meters, or consumers who may encounter additional barriers in being able to realise the benefits of smart metering systems due to their particular circumstances or characteristics, to realise the benefits of smart metering systems while continuing to maintain an adequate level of warmth and to meet their other energy needs

These objectives apply in respect of energy consumers at domestic premises and, where it is cost effective to extend consumer engagement activities undertaken by Smart Energy GB so as to also include the engagement of energy consumers at relevant designated premises (i.e. microbusiness customers), in respect of such consumers.

In support of these objectives, Smart Energy GB’s business model is broadly made up of marketing activity as well as communications through earned media (“PR”) and communication in partnership with other organisations who will assist us in taking the smart meter message to their audiences. Reflecting this, our staff team is made up of three directorates (Marketing, Policy and Communications, and Finance and Operations). The management team across the organisation is detailed below.
The management team across the organisation is detailed below:

- **Claire Baines**  
  Head of Insight

- **Phillippa Brown**  
  Head of Partnerships Marketing and Events

- **Robert Cheesewright**  
  Interim Director of Policy and Communications

- **Dan Denize**  
  Interim Head of Partnerships Marketing

- **Sacha Deshmukh**  
  Chief Executive

- **Ed Duncan**  
  Head of Brand and Consumer Advertising

- **Oliver Finegold**  
  Interim Head of Media Relations

- **Alistair Gibbons**  
  Director of Finance Interim Head of Partnerships Marketing

- **Claire Howes**  
  Deputy Director of Marketing

- **Fflur Lawton**  
  Head of Policy and Communications Wales

- **John MacNeil**  
  Head of Policy and Communications Scotland

- **Lucy Maggs**  
  Head of Media Relations

- **Penny Mills**  
  Head of Digital

- **Gavin Sheppard**  
  Director of Marketing

- **Sorrel Shalet**  
  Head of People

- **Peter Thorne**  
  Head of Technology

- **Shaun Tyndall**  
  Head of Finance

- **Rob Smith**  
  Head of Policy and Public Affairs

- **Victoria Spooner**  
  Head of Energy Supplier Marketing

- **Peta Simey**  
  Head of Marketing Operations

- **Alistair Gibbons**  
  Director of Finance Interim Head of Partnerships Marketing
Non-executive directors
Smart Energy GB is a not-for-profit company, limited by guarantee.
The company is governed by a non-executive board, whose make-up is set out in law, led by an independent non-executive chair. The non-executive board is made up of:

- a non-executive chair
- two non-executive directors nominated by and representing Citizens Advice
- two non-executive directors representing energy consumers
- two non-executive directors nominated by and representing small domestic energy suppliers
- two non-executive directors nominated by and representing non-domestic energy suppliers
- six non-executive directors nominated by and representing relevant energy suppliers (i.e. domestic energy suppliers with over 250,000 customers)

The term of individual non-executive directors extends to the annual general meeting that falls two years after their appointment (although they can be re-appointed). Smart Energy GB board meetings are also attended by observers nominated by and representing the Secretary of State for Business, Energy & Industrial Strategy and the energy network operators. In addition, Smart Energy GB has extended an invitation to Ofgem to observe board meetings.
The non-executive directors of Smart Energy GB during 2017 are detailed below

Mark Lund
(appointed 1st Jan 2016)

Shwezin Win
(appointed 30th Jun 2013)

Mervyn Kohler
(appointed 30th Jun 2013)

Jean Fiddes
(appointed 30th Jun 2013)

Steve Mulinganie
(appointed 30th Jun 2013)

James Taylor
(appointed 3rd May 2017)

Lynn Morrison
(appointed 10th Apr 2017)

Victoria MacGregor
(appointed 4th Jul 2016)

Jane Bednall
(appointed 11th May 2016)

Stephen Veal
(appointed 11th May 2016)

Peter Simon
(appointed 17th Feb 2017)

Chris Thewlis
(appointed 11th May 2016)

Chris MacLeod
(appointed 11th May 2016)

Patrick New
(appointed 10th Jun 2016)

Rofi Ihsan
(Resigned 10th May 2017)

Mike Dixon
(Resigned 24th Apr 2017)

Christine McGourty
(Resigned 31st Jan 2017)
Audit and Risk Committee
The board is supported in its work by an independently chaired Audit and Risk Committee (ARC). The ARC is chaired by Hugh Spicer and its membership in 2017 was:

- Hugh Spicer (Co-opted independent chair)
- Victoria MacGregor (Non-executive director)
- Brian Stratton (Co-opted committee member and observer to board meetings nominated by energy network operators)
- Shwezin Win (Non-executive director)

During 2017 the main areas of focus of the ARC have been:

- Value for money review of our media plan
- The risk register
- Key finance policies (e.g. procurement and treasury management)
- The scheme of delegation review
- The year-end accounts preparation and audit process

The external audit partner was present at two of the meetings during the year.
The ARC has been satisfied with the organisation's approach to risk management and internal control and has reported no material concerns to the board.
The chair of the ARC also reports on the work of this committee to members at the company’s Annual General Meeting.

Membership
The membership of Smart Energy GB is made up of energy suppliers: relevant suppliers, small domestic suppliers, and non-domestic suppliers. The board welcomes all applications from licensed energy suppliers to become a member.

Company Number: 08455995
Registered Office: 1 Alfred Mews, London, W1T 7AA
Company Secretary: Alistair Gibbons
Website: smartenergyGB.org
Bankers: Barclays Bank Plc, 27 Soho Square, London, W1D 3QR
Solicitors: Bates Wells Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE
Auditors: Crowe Clark Whitehill, St Bride’s House, 10 Salisbury Square, London, EC4Y 8EH
Our activity, costs and risks are dependent on the wider environment of the smart meter rollout, its successful leadership by government, and its delivery by energy suppliers and other parties in the smart metering programme.

This section gives further information on how we performed in the context of that wider environment.

**Financial review of 2017**

We are a not-for-profit company. We are funded on an annual basis. We agree our budget annually and funds are received from domestic energy suppliers, reflecting legal obligations in the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences.

The budget for the 2017 financial year was originally £49.140 million (2016: £43.589 million). Smart Energy GB finished the year with operating expenses of £46.997 million (2016: £38.509 million). The majority of this expenditure related to public engagement campaigns and included advertising, PR, consumer research, and stakeholder communications and events.

The Statement of Income and Retained Earnings on page 37 presents a nil surplus. The money saved against our budget has been treated as a reduction in the year’s income in accordance with FRS102.

Our staff costs were £4.166 million (2016: £3.441 million), a breakdown of which can be found in note number three of the accounts. Details relating to the remuneration of senior management can be found in note number three.

Smart Energy GB was set up as a not-for-profit company and, as confirmed by HMRC, is not liable to pay corporation tax on its trading profits. Indeed, all profits are repayable to energy suppliers. As such, we report a surplus of nil. No tax is therefore payable on our trading surpluses but we do pay tax, in full, on bank interest received.

As at 31st December 2017, our net assets were £0.374 million (2016: £0.374 million), representing the accumulated surplus of the organisation.

Total fixed assets as at 31st December 2017 were £1.009 million (2016: £1.482 million).

We raised invoices to the value of £12.262 million (ex VAT) for the first quarter’s activity in 2018 before 31st December 2017 in line with our approved budget. All invoices have been deferred and appear on the balance sheet within creditors. Invoices that were unpaid as at 31st December 2017 are included in trade debtors.

It is the board’s policy to review the financial position of the organisation regularly during the year as well as at year end. It has reviewed the financial position at each of its meetings during 2017.
Financial outlook for 2018

Our domestic energy supplier members approved by vote our budget of £50.113 million for 2018. Details of our 2018 Consumer Engagement Plan and budget can be found on our website at smartenergyGB.org.

Our plans for 2018 were based on analysis of the scale of campaign required to meet the 2018 PMF targets set for us by large energy suppliers and information provided to us and other parties involved in the Smart Metering Implementation Programme by the Department of Business, Energy & Industrial Strategy (BEIS) about the plans across the smart meter rollout.

Large energy suppliers have a duty to keep the PMF targets that they task Smart Energy GB with delivering under review. Were they at any point in 2018 to change our PMF targets for the year, that could have a material impact on our plans and budget for 2018.

If the Smart Metering Implementation Programme fails to deliver the elements of DCC infrastructure in the way that is intended in 2018 (for example, the enrolment of SMETS1 meters into the DCC), this may lead to public concern about the delivery of smart metering and/or reputational damage to smart meters.

If energy suppliers as a whole do not fulfil their elements of the customer journey in relation to the installation of smart meters to standards expected by the reasonable energy consumer, this may lead to public reluctance to seek out or accept smart meter installations, despite understanding of and enthusiasm for the benefits that those meters deliver when installed.

Any one of these situations, if realised, could require Smart Energy GB to modify (either reduce or increase) the amount of activity that we carry out in 2018 to maintain public understanding of, and enthusiasm to adopt and use smart meters.

Value for money

When Smart Energy GB was established in late 2013, as part of its process in setting the strategic direction for the company, the board considered how the company would best ensure that it reflected its legal obligations to deliver value for money in its activities and operations.

At the time the company considered a number of different value for money models, to determine which would best allow the company to consistently demonstrate to energy suppliers that through the quality of governance of the Smart Energy GB board, the company is giving them the assurance that they are meeting their licence obligation to do “such things within [their] power[s] to ensure that in achieving its objectives [Smart Energy GB] acts in a manner which is transparent, impartial, cost effective and represents value for money”.

The board has decided that, even though Smart Energy GB is not in the public sector, we should reflect the most respected cost effectiveness/value for money model used by public service organisations. We believe that model has been developed by the National Audit Office (NAO).

The NAO model is used in all their independent assessment of UK public bodies’ cost effectiveness and value for money for both service provision organisations (which is relevant for Smart Energy GB when we are delivering campaigns through channels under our own control) and commissioning bodies (which is also relevant for Smart Energy GB when we commission other organisations to deliver parts of our campaign on our behalf, such as charities contracted as part of our marketing partnership programme).
The model for the assessment of cost effectiveness/value for money is set out below, in diagrammatic form as published by the NAO:

The board has an obligation to report on the extent to which expenditure represents value for money.

The board has paid close attention to how Smart Energy GB applies its value for money model and uses its money. The board is presenting the financial statements with an underspend of £2.158 million against its 2017 budget.
This underspend is a result of the following main factors:

- efficiencies in purchasing media. We budgeted for contracted prices but managed to purchase media at lower rates throughout the year
- we scaled back activity in the final quarter of the year on media activations
- staff costs were lower than budgeted throughout the year as a result of us recruiting staff later in the year than originally planned

The board therefore believes that the expenditure of Smart Energy GB in 2017 enabled it to deliver as successfully as possible against its objectives to effectively engage with the GB population in a proportionate manner that supports the national rollout of smart meters in that year, and in preparation for future years.

**Going concern**

The board has considered the funding position and the risks to which the organisation is exposed. The board believes that the company has adequate resources to continue its existence for the foreseeable future.

The board believes that there are no material uncertainties that call into doubt the company’s ability to continue to exist. The accounts have therefore been prepared on the basis that the company is a going concern.

**Risk management and internal control**

Smart Energy GB has based its breakdown of governance and management responsibilities on a range of good practice, including the model set out by HM Treasury in its publication Managing Public Money.

This model states that “Public sector organisations should have good quality internal governance and sound financial management. Appropriate delegation of responsibilities and effective mechanisms for internal reporting should ensure that performance can be kept on track. Good practices should be followed in procuring and managing resources and assets; hiring and managing staff; and deterring waste, fraud and other malpractice.”

Applying this model has allowed the Smart Energy GB board to set and keep up to date appropriate policies and procedures regarding (but not restricted to) the following:

- procurement policy
- the full finance manual of all financial policies and procedures
- HR policies and procedures
- delegation of appropriate financial authorities
By applying this model (and also in addition, by receiving annual training on the proper exercise of fiduciary duties), the board is able to assure itself that it is properly fulfilling a number of its duties under the licences (for example, sections 45.4 to 45.8 of the licence conditions relating to the constitution of Smart Energy GB and the exercise of judgement and decision making by the board), and also properly exercising a number of the board’s broader fiduciary duties.

The board has taken a positive approach to risk management and internal control, and has welcomed the approach of the senior management team to review risks regularly and to use the risk register as an active management tool. The board has conducted formal reviews of the risk register twice during the year. It has also welcomed the contribution made by the ARC which has also reviewed and contributed to the register during the year.

Although largely outside our control, the principal risk to the company is any disruption to the planned quality or timescales of the nationwide smart meter rollout; for example caused by any difficulties encountered in the delivery of service by the central smart metering infrastructure (the DCC) or by issues in the quality of smart meter installation customer interaction by energy suppliers and the negative media coverage that could arise from either.

Although largely out of our control, the company attempts to mitigate these risks by participating in the stakeholder engagement forums of the Smart Metering Implementation Programme led by the Department of Business, Energy & Industrial Strategy. Risks and uncertainties are actively managed by both the board and the senior management team throughout the lifetime of the programme and will influence the design and implementation of our consumer engagement work.

Third party indemnity insurance is provided for non-executive directors to cover them against claims that may arise from their legitimate actions as non-executive directors, as long as they have acted honestly and reasonably. This also covers members of the Audit and Risk Committee.

We were paid in advance for our activity in the first quarter of 2018 by some energy suppliers. Therefore, our cash balances at the year-end of 2017 were relatively healthy. Our cash investments were made within the company’s Treasury Management Policy.
Non-executive directors’ responsibilities in relation to the financial statements

The non-executive directors are responsible for preparing the Directors’ Report and the financial statements in accordance with applicable law and regulations.

Company law requires the non-executive directors to prepare financial statements for each financial year. Under that law the non-executive directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the non-executive 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 non-executive directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The non-executive 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.

So far as each of the non-executive directors at the date of this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Each non-executive director has taken all the steps that he/she ought to have taken as a non-executive director in order to make himself/herself aware of any relevant audit information and to establish that the company’s auditor is aware of that information.

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor for the next financial year.

The Directors’ Report, which includes the Strategic Report was approved by the board on 14th March and signed on its behalf by:

Mark Lund
Non-executive director
Independent auditor’s report to the members of Smart Metering Communications Body Limited
Independent auditor’s report to the members of Smart Metering Communications Body Limited

Opinion
We have audited the financial statements of Smart Energy GB for the year ended 31st December 2017 which comprise statement of income and retained earnings, balance sheet, 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).

This report is made solely to the company’s members, as a body, in accordance with chapter three 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.

In our opinion, the financial statements:

• give a true and fair view of the state of the company’s affairs as at 31st December 2017 and of its result for the year then ended
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
• 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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

• the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate
• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue
Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our 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
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the 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 by the company, or returns adequate for our audit have not been received from branches not visited by us
- the financial statements are not in agreement with the accounting records and returns
- certain disclosures of directors’ remuneration specified by law are not made
- we have not received all the information and explanations we require for our audit
Responsibilities of directors
As explained more fully in the directors’ responsibilities statement set out on page 55, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

19/3/2018
To some, it was a sound more terrifying than the death ray. Dr Percy Spencer had a brainwave. The American military radar technician noticed that electromagnetic waves could be used to ‘excite’ food. Or put another way - cook it. The microwave oven, with its lightning quick cooking times and unrivalled domestic convenience was everything The Jetsons had promised. But for many it was initially to be treated with suspicion. The headlines raged: "Meet the nuclear reactor in your kitchen." "Is your microwave cooking you?" All untrue, of course. But alien technology was always going to make a better story than the truth. New is always a little strange at first. The microwave just needed to feel a bit more everyday. Thankfully help was on hand from a metal ball. When the USSR launched the first satellite into orbit, Sputnik, the public’s perception of what was science and what was fiction changed overnight. The ‘Space Oven’ or just plain Microwave, looked, well… domestic and ordinary. We welcomed its ‘PING’ into our homes. So, the next time you’re steaming your vegetables or warming a chicken tikka masala, think about the small revolution happening the other side of the socket: the smart meter. It’s the clever device that’s helping homes across the country see how much their energy is costing. Sure, it’s new now, but soon it might well seem as ordinary as that electromagnetic wave machine sitting on your kitchen work surface. smartenergyGB.org/microwave
## Statement of income and retained earnings for the year ended 31st December 2017

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
<td>46,982,185</td>
<td>38,485,167</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td>(46,997,229)</td>
<td>(38,509,227)</td>
</tr>
<tr>
<td><strong>Operating (deficit)/surplus</strong></td>
<td>2</td>
<td>(15,044)</td>
<td>(24,060)</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td></td>
<td>18,589</td>
<td>30,075</td>
</tr>
<tr>
<td><strong>Profit on ordinary activities before taxation</strong></td>
<td></td>
<td>3,546</td>
<td>6,015</td>
</tr>
<tr>
<td><strong>Taxation on profit on ordinary activities</strong></td>
<td>4</td>
<td>(3,546)</td>
<td>(6,015)</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>10</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The notes on pages 66 to 71 form part of these financial statements.
Balance sheet  
as at 31\textsuperscript{st} December 2017

<table>
<thead>
<tr>
<th>Fixed Assets</th>
<th>Notes</th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>5</td>
<td>57,500</td>
<td>87,500</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>6</td>
<td>951,882</td>
<td>1,394,775</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td></td>
<td><strong>1,009,382</strong></td>
<td><strong>1,482,275</strong></td>
</tr>
</tbody>
</table>

| Current assets | | | |
| Debtors | 7 | 11,922,473 | 15,418,220 |
| Cash at bank | | 10,516,215 | 11,258,836 |
| **Total Current Assets** | | **22,438,688** | **26,677,056** |

| Creditors: Amounts falling due within one year | 8 | (23,074,125) | (27,785,386) |
| Net assets | | **373,945** | **373,945** |

The accounts have been prepared in accordance with the Companies Act 2006, is approved by the board on 14\textsuperscript{th} March 2017 and signed on its behalf by:

Mark Lund  
Non-executive director

The notes on pages 66 to 71 form part of these financial statements.
# Cash flow statement
for the year ended 31st December 2017

## Notes

<table>
<thead>
<tr>
<th>Net cash inflow from operating activities</th>
<th>a)</th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax on ordinary activities</td>
<td></td>
<td>3,545</td>
<td>6,015</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td></td>
<td>493,756</td>
<td>468,189</td>
</tr>
<tr>
<td>Loss on Disposal</td>
<td></td>
<td>16,376</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td>(18,589)</td>
<td>(30,075)</td>
<td></td>
</tr>
<tr>
<td>Decrease/(Increase) in debtors</td>
<td></td>
<td>3,495,747</td>
<td>(6,141,345)</td>
</tr>
<tr>
<td>(Decrease)/Increase in creditors</td>
<td></td>
<td>(4,711,261)</td>
<td>12,951,447</td>
</tr>
<tr>
<td>Tax paid</td>
<td></td>
<td>(3,545)</td>
<td>(6,015)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td></td>
<td>(723,971)</td>
<td>7,248,216</td>
</tr>
</tbody>
</table>

## b) Net cash outflow from investing activities

<table>
<thead>
<tr>
<th>Interest received</th>
<th>Notes</th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disposal of tangible assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of tangible assets</td>
<td>(37,239)</td>
<td>(163,876)</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash outflow from investing activities</strong></td>
<td></td>
<td>(18,650)</td>
<td>(133,801)</td>
</tr>
</tbody>
</table>

## c) Analysis of changes in net cash funds

<table>
<thead>
<tr>
<th>Cash at bank and in hand</th>
<th>£ At 1st January 2017</th>
<th>£ Cashflows</th>
<th>£ At 31st December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,258,836</td>
<td>(742,621)</td>
<td>10,516,215</td>
</tr>
</tbody>
</table>

Cash at bank and in hand is a financial asset and is measured at amortised cost with a carrying value of £10,516,215 (2016: £11,258,836).
Notes to the financial statements for the year ended 31st December 2017

1. Accounting policies

The principal accounting policies adopted and critical areas of judgment and estimation uncertainties are as follows:

a) Status of company

The company was incorporated in the United Kingdom on 21st March 2013 and is limited by the guarantee of its members. The income and property of the company must be applied solely to the objects of the company and no distribution of any surpluses may be made to its members. As a private company limited by guarantee, registered in England and Wales, each member has no equity interest and every regular member has undertaken to contribute an amount up to £1 to the assets in the event of a deficiency on winding up. The company’s registered office is 1 Alfred Mews, London, W1T 7AA (08455995).

b) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis (as described on page 54) under the historical cost convention and in accordance with the Companies Act 2006.

c) Turnover

Turnover represents income received from domestic energy suppliers to meet our operating costs. The contribution from each supplier is agreed annually in advance and is recognised in the Profit and Loss account in the year to which the contribution relates. Contributions paid before the period to which they relate are recorded as deferred income. All amounts stated are exclusive of VAT.

d) Intangible assets

Intangible fixed assets represent creative development costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight line basis over the period which revenue is expected to be generated (five years). Amortisation is recognised within operating expenses in the Statement of Income and Retained Earnings.

e) Tangible assets

All assets are capitalised at cost when expenditure is deemed to meet the requirements for capitalisation as set out in FRS102. Depreciation is provided at the following rates in order to reduce each asset to its estimated residual value over its estimated useful life:

- Fixtures and fittings: 25% per annum on cost
- Computer equipment: 25% per annum on cost

Depreciation is charged on a monthly basis starting from the month of acquisition. Items purchased over the value of £1,000 are capitalised.

f) Pensions

Defined contributions are paid to the Group Personal Pension Plan via Scottish Widows in accordance with company policy. The policy allows for contributions from the employer up to a maximum of seven per cent. The cost of providing for employees’ pensions is charged to the profit and loss account as incurred.
g) Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term. The rent-free period is similarly spread on a straight-line basis over the lease term.

h) Taxation
Contributions from suppliers are not deemed to be trading income for corporation tax purposes. Corporation tax on any taxable income is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

i) Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost.

Financial assets are de-recognised when and only when:
(a) the contractual rights to the cash flows from the financial asset expire or are settled
(b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset
(c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party

### 2. Operating loss/profit
The operating surplus is stated after charging

<table>
<thead>
<tr>
<th>Description</th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation</td>
<td>493,756</td>
<td>468,189</td>
</tr>
<tr>
<td>Directors’ remuneration</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>797,911</td>
<td>704,696</td>
</tr>
<tr>
<td>Audit fee</td>
<td>16,300</td>
<td>15,810</td>
</tr>
</tbody>
</table>

### 3. Employee information
Total staff costs were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>3,581,947</td>
<td>3,024,849</td>
</tr>
<tr>
<td>Social security costs</td>
<td>409,041</td>
<td>334,283</td>
</tr>
<tr>
<td>Pension costs</td>
<td>174,831</td>
<td>82,159</td>
</tr>
<tr>
<td><strong>Total staff costs</strong></td>
<td><strong>4,165,819</strong></td>
<td><strong>3,441,291</strong></td>
</tr>
</tbody>
</table>
The average number of employees during the year was 74 (2016: 61).

During the year ended 31st December 2017 £40k was paid to 1 non-executive director (2016: £40k). No non-executive director (2016: nil) is accruing benefits under money purchase or defined benefit pension schemes.

Total remuneration for the executive senior management team (defined as the Chief Executive and three divisional directors) was £612k (2016: £599k) including all emoluments, pension contributions and employers NI. The remuneration of the senior management team was reviewed and agreed by the remuneration committee during the year, as it did in 2016.

### 4. Taxation

<table>
<thead>
<tr>
<th></th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current tax:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK Corporation tax on profits for the year</td>
<td>3,546</td>
<td>6,015</td>
</tr>
<tr>
<td>Adjustments in respect of prior periods</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tax charge on profit on ordinary activities</strong></td>
<td>3,546</td>
<td>6,015</td>
</tr>
</tbody>
</table>

### 5. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>£ Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2017</td>
<td>150,000</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
</tr>
<tr>
<td><strong>At 31st December 2017</strong></td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Amortisation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2017</td>
<td>62,500</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>At 31st December 2017</strong></td>
<td>92,500</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
</tr>
<tr>
<td>At 31st December 2017</td>
<td>57,500</td>
</tr>
<tr>
<td>At 31st December 2016</td>
<td>87,500</td>
</tr>
</tbody>
</table>

Intangible assets have a remaining amortisation period of one year and 11 months at 31st December 2017 (2016: two years and 11 months).
6. Tangible assets

<table>
<thead>
<tr>
<th></th>
<th>£ Fixtures and fittings</th>
<th>£ Computer Equipment</th>
<th>£ Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2017</td>
<td>1,606,615</td>
<td>276,931</td>
<td>1,883,546</td>
</tr>
<tr>
<td>Additions</td>
<td>8,173</td>
<td>29,066</td>
<td>37,239</td>
</tr>
<tr>
<td>Disposals</td>
<td>(8,710)</td>
<td>(35,733)</td>
<td>(44,443)</td>
</tr>
<tr>
<td><strong>At 31st December 2017</strong></td>
<td>1,606,078</td>
<td>270,264</td>
<td>1,876,342</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2017</td>
<td>377,746</td>
<td>111,026</td>
<td>488,772</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>400,450</td>
<td>63,306</td>
<td>463,756</td>
</tr>
<tr>
<td>Disposals</td>
<td>(4,285)</td>
<td>(23,782)</td>
<td>(28,067)</td>
</tr>
<tr>
<td><strong>At 31st December 2017</strong></td>
<td>773,911</td>
<td>150,550</td>
<td>924,461</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31st December 2017</td>
<td>832,167</td>
<td>119,714</td>
<td>951,881</td>
</tr>
<tr>
<td>At 31st December 2016</td>
<td>1,228,869</td>
<td>165,906</td>
<td>1,394,775</td>
</tr>
</tbody>
</table>

7. Debtors

<table>
<thead>
<tr>
<th></th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>10,472,444</td>
<td>14,950,670</td>
</tr>
<tr>
<td>Prepayments</td>
<td>486,162</td>
<td>386,443</td>
</tr>
<tr>
<td>VAT reclaims</td>
<td>908,286</td>
<td>-</td>
</tr>
<tr>
<td>Other debtors</td>
<td>55,581</td>
<td>81,107</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,922,473</strong></td>
<td><strong>15,418,220</strong></td>
</tr>
</tbody>
</table>

The carrying value of financial assets included within debtors and measured at amortised cost in 2017 was £10,528,025 (2016: £15,031,778).
8. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>2,070,990</td>
<td>679,350</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>160,012</td>
<td>1,259,179</td>
</tr>
<tr>
<td>Deferred income</td>
<td>12,262,229</td>
<td>13,858,327</td>
</tr>
<tr>
<td>Accruals</td>
<td>6,350,131</td>
<td>6,577,821</td>
</tr>
<tr>
<td>Year end underspend to be returned to energy suppliers</td>
<td>2,157,856</td>
<td>5,103,787</td>
</tr>
<tr>
<td>Other creditors</td>
<td>389,782</td>
<td>306,922</td>
</tr>
<tr>
<td></td>
<td><strong>23,074,125</strong></td>
<td><strong>27,785,386</strong></td>
</tr>
</tbody>
</table>

The carrying value of financial liabilities included within creditors and measured at amortised cost in 2017 was £8,494,028 (2016: £7,564,094).

9. Lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

<table>
<thead>
<tr>
<th></th>
<th>£ 2017</th>
<th>£ 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>880,983</td>
<td>868,796</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>3,487,581</td>
<td>3,519,870</td>
</tr>
<tr>
<td>Later than five years</td>
<td>2,333,331</td>
<td>3,181,815</td>
</tr>
<tr>
<td></td>
<td><strong>6,701,895</strong></td>
<td><strong>7,570,481</strong></td>
</tr>
</tbody>
</table>

Operating lease expenditure totalling £798k was recognised through the Statement of Income and Retained Earnings during the year (2016: £705k).

The company had no other off-balance sheet arrangements.
10. Capital and reserves

<table>
<thead>
<tr>
<th>Profit and Loss Account</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st January 2017</td>
<td>373,945</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>-</td>
</tr>
<tr>
<td>At 31st December 2017</td>
<td>373,945</td>
</tr>
</tbody>
</table>

11. Pensions

Defined contributions are paid to the Group Personal Pension Plan via Scottish Widows in accordance with Company policy. The policy allows for contributions from the employer up to a maximum of seven per cent.

The total pension cost to the Company for the year ended 31st December 2017 was £174,831 (2016: £82,159).
The revolution nearly wasn’t televised

IN 1925

Who knows how much more they could have done?