The trading name of “Smart Metering Communications Body Limited” is “Smart Energy GB”.
Any references in this document to “Smart Energy GB” should be understood as referring to “Smart Metering Communications Body Limited.” Any references in the Standard Conditions of Electricity and Gas Supply Licences (“the licences”) to the “Central Delivery Body” should also be taken as referring to “Smart Energy GB”.

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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Networking Key Services (NKS) event in Edinburgh which was supported by our colleagues in the Policy Team. NKS describe themselves as an organisation that empowers south Asian women to make more informed life choices. The event explained the benefits of smart meters to those in attendance.
Foreword from the Chair and CEO

2021 was a year that continued to be dominated by the COVID-19 pandemic, but also saw another unwelcome development – soaring wholesale energy prices.

Despite these external events, the smart meter rollout continued to make strong progress, with the industry now working towards a completion date of end-2025. By the end of 2021, 27.8 million smart meters had been installed in homes and microbusinesses.

Throughout another extraordinary year, with many months spent working from home, the Smart Energy GB team has remained professional, agile and focused, delivering a high-quality programme of activity with strong results through enhanced collaboration and targeting whilst always keeping value for money front of mind.

Challenges aside, Smart Energy GB had one of its most successful years – if not its most successful – across a wide range of its responsibilities. The year-on-year percentage decrease of rejection, from 2020 to 2021, is the largest reduction ever seen. We also saw the highest proportion of proactive media coverage (90 per cent) versus reactive coverage (10 per cent) since the current media coverage reporting began in 2018.

In particular, 2021 saw the launch of a high-impact new creative brand campaign featuring one of the greatest physicists of all time, Albert Einstein. To measure the success of campaigns, Smart Energy GB has developed a state-of-the-art econometric model, in partnership with energy suppliers. The model uses statistical analysis to link media coverage reporting began in 2018.

Activity to engage customers in vulnerable circumstances (CIVCs) was scaled up in 2021. We delivered a wide range of digital, partnership, advertising, public affairs and PR activity, including a flagship partnership with the English Football League and our first ever multi-channel campaign targeting the UK’s 6.5m carers. Results in this area were particularly strong – we saw ownership of smart meters moving in line with, or ahead of, the GB average for most CIVCs groups, and there was strong growth in one of our most important metrics – seek and accept.

In September, we launched the Local Pilot – a highly localised and co-ordinated campaign in Derby, in collaboration with BEIS, Derby City Council and energy suppliers and further activity took place throughout the year to engage microbusinesses, resulting in increased smart meter awareness amongst this audience.

Although the news agenda of 2021 continued to be dominated by the COVID-19 pandemic, our proactive PR work delivered positive smart meter stories across a broad spectrum of media outlets. Three innovative ‘hero’ campaigns, many smaller activations and an always-on press office generated a total of 585.5m impressions, with reactive media coverage standing at just 62.1m impressions.

COP26, which took place in Glasgow in November, presented an invaluable opportunity for us to highlight the important role smart meters are playing in helping the UK reach its net zero goals. Our dedicated press office identified several opportunities which resulted in smart meter messaging becoming part of the media conversation around the event and Smart Energy GB featured on a number of panel events positioning smart meters as part of the solution to reaching net zero.

Einstein wasn’t the only new face to be welcomed to Smart Energy GB in 2021 as three new experienced senior hires were made during the year, replacing other roles: a Director of PR, a Director of Corporate Affairs and a Deputy Director of Marketing. And as working from home restrictions are lifted, we will all be looking forward to settling into our new London office south of the river in Southwark – a creative space with excellent sustainability credentials and good fitness facilities to support mental wellbeing.

Toward the end of the year, households and businesses saw their energy bills increase as suppliers passed on a sharp rise in wholesale gas prices. Unfortunately, the situation saw a number of suppliers cease to trade, with customers being automatically switched to new suppliers. With a further price cap increase expected in April 2022, and UK inflation at a 10-year high, we could very quickly be experiencing a cost-of-living crisis. Smart Energy GB must remain focused on supporting the most vulnerable members of society and continue to position smart meters as a tool every household and microbusiness can access to help gain greater control over their energy use.

The roll out has reached the 50 per cent mark, a very significant milestone in such a major infrastructure project, but there is still a sizeable proportion of the UK population who have yet to get a smart meter, so there is much more work to be done. Our role will be to further collaborate with energy suppliers to convert customer demand generated by Smart Energy GB campaigns into smart meter bookings and installations, paying particular attention to people whom our research shows have so far felt indifferent or negative about them; among customers in vulnerable circumstances and among microbusinesses. As more and more consumers move into smart meter ownership, communicating the usage and energy saving benefits from smart meters will be an ongoing focus.

On behalf of the Board, we’d like to thank all of our Smart Energy GB colleagues and industry partners for their continued commitment and support. We look forward to collaborating once again in 2022 and beyond as we strive to complete the biggest infrastructure project of our time.
Rollout progress and attitudes

**27.8m**
smart meters installed in total
Source: BEIS, Q4 2021

**26.1m***
domestic smart meters have been installed
Source: BEIS, Q4 2021

**41%**
would seek or accept a smart meter in the next six months
Source: Outlook, Nov 2021

**1.6m***
non-domestic smart meters have been installed
Source: BEIS, Q4 2021

**64%**
of people with a smart meter would recommend to family and friends
Source: Outlook, Nov 2021

**82%**
of smart meter owners with smart functionality understand what they need to do to save energy around their home**
Source: Outlook, Nov 2021

**73%**
of people with a smart meter have a better idea of costs**
Source: Outlook, Nov 2021

**71%**
of people with a smart meter believe their bills are accurate**
Source: Outlook, Nov 2021

**96%**
Awareness of smart meters is at
Source: Outlook, Nov 2021

**26.1m***
domestic smart meters
Source: BEIS, Q4 2021

**82%**
of people with smart meters understand what they need to do to save energy around their home**
Source: Outlook, Nov 2021

**73%**
of people with a smart meter have a better idea of costs**
Source: Outlook, Nov 2021

**71%**
of people with a smart meter believe their bills are accurate**
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**41%**
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**64%**
of people with a smart meter would recommend to family and friends
Source: Outlook, Nov 2021

**82%**
of smart meter owners with smart functionality understand what they need to do to save energy around their home**
Source: Outlook, Nov 2021

**73%**
of people with a smart meter have a better idea of costs**
Source: Outlook, Nov 2021

**71%**
of people with a smart meter believe their bills are accurate**
Source: Outlook, Nov 2021

2021: Smart Energy GB’s year in highlights

Successfully launched a new campaign platform featuring **Albert Einstein**

**c.85,000**
interviews conducted with consumers to shape our campaign

Launched a flagship partnership with the **English Football League**

Search-based digital campaign delivered **27%**
more traffic to suppliers’ websites than forecast

Generated **647.6m** media impressions (Source: Echo)

Part of the highly topical **COP26** conversation

**90**
interactions with MPs, MSPs and MSs

**67%**
smart meter awareness amongst microbusinesses
(Source: Microbusiness tracker, Nov 2021)

Relocated to a new office reducing workspace by **40%**
together with achieving notable cost savings

Three experienced **senior leaders** were hired

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* Statistics presented are independently rounded. This means the sum of their components may differ from the total
** Source: Outlook, Nov 2021
We speak to a large proportion of the British public and microbusinesses each year, with consumer opinions representing a range of ages and circumstances across the nation. In 2021, this amounted to c.85,000 research interviews to provide us with the most up to date information.

Our evaluation suite enables us to closely monitor our marketing and communications activity, build insight on our digital strategy and evaluate the work from our partnerships marketing programme. Our key bi-annual study, *Smart energy outlook*, provides us with in-depth knowledge of smart meter attitudes and how this is changing over time. Customers in vulnerable circumstances remain a key insight priority to ensure the campaign leaves no one behind during the rollout. Bi-annual research speaking to microbusiness owners informs decision making about the non-domestic side of our campaign.

Our in-house analytics has been embedded within the delivery of insight and building both the short- and long-term strategic campaign planning.

For the second year, our work has continued under varying levels of restriction and disruption brought by COVID–19. Despite this, we have maintained high levels of research activity and have continued contextualising findings to consider the effect of the pandemic where relevant. This has included tracking the possible impacts of COVID–19 on smart meter attitudes for both domestic and non-domestic consumers.

Following the increased collaboration in 2020 with key external stakeholders, we continued to publish key research reports and share our insight on smart meter attitudes to help inform wherever possible – including the latest information and understanding on consumer audiences who are harder–to–reach. In 2021, this included working alongside key partners to evaluate our Local Pilot work, a collaborative effort across multiple stakeholders, to build insights on targeted campaigns.

The Insight and Analytics team continues to use consumer insights and analytics data sources to inform Smart Energy GB’s business strategy to ensure that our campaigns and the decisions we make throughout the year are based on a strong understanding of attitudes throughout Great Britain.

In 2021 Einstein became our new creative vehicle to demonstrate smart meter benefits, such as the convenience of topping up a smart prepay meter on a mobile app.
Brand and Advertising

2021 saw the launch of a big new platform idea – Einstein – with campaign metrics indicating its performance to be almost twice as efficient and effective as any previous campaign. This was accompanied by a fully integrated re-brand across all touchpoints and continuous optimisation of creative and media based on in-market results.

Building on the new multi-audience, multi-channel, multi-message communications framework established in 2020, the year started with a continuation of The Quiet Revolution for the first burst of media from January to March, in sympathy with the prevailing national lockdown, whilst readying the new campaign for its launch in April.

In line with the progressive loosening of restrictions nationally, we consulted with industry to agree that the time was right to launch our new campaign, with a media and creative strategy to generate a high-impact launch whilst ensuring we could maintain maximum agility to respond to further restrictions. The new brand vehicle re-created Albert Einstein, embodying unimpeachable scientific credentials and associations with technology and progress, to be the spokesperson for smart meters.

The high-impact launch creative went ahead as planned in mid-April across TV, Radio, Press and Digital channels and made way for a suite of national and personal ‘benefit’ executions aligned to the core messaging pillars in our framework – Infrastructure, Environment, Energy Management and Innovation. After quickly gaining momentum, we launched the Microbusiness campaign in May, building on the equity generated from the consumer launch and a messaging focus on bill accuracy. Results to date show an increase in awareness of smart meters for microbusinesses – from 62 per cent in November 2020 to 67 per cent in November 2021.

With the platform establishing itself in the market and performing well, we were able to increase our focus on driving this success into more areas, including an increased focus on assisting suppliers in converting consideration into enquiries and installations, and increasing existing owners’ usage of their smart meter, all with a test-and-learn philosophy at its heart.

In the final burst of 2021, we tested the effect of having a search call-to-action (“search ‘get a smart meter today’) to replace “join the energy revolution”. In combination with Digital activity, this drove a significant uplift in traffic from PPC to the Smart Energy GB website, six times more than the baseline of consideration only activity. We will continue to test action-driving activity throughout 2022.

This burst also brought in executions for Prepay, in line with increased consumer awareness of energy usage over autumn and winter, and these will continue to run until spring 2022, targeted at a low-income audience.

Overall, our continuous campaign tracking indicates that the Einstein campaign remains the most effective and efficient in the organisation’s history and we look forward to evolving the platform from this strong start in 2022.

In 2021 we also undertook a significant pitch of our media planning and buying. Our first objective was to access ‘state of the art’ media strategy and targeting, to identify and persuade the remaining uninstalled base through the most sophisticated technology, tools and data. The strategy from the successful agency, m/SIX, significantly evolves our position from a broadcast approach towards tighter targeting, integrates Smart Energy GB marketing activity with that of suppliers, and harnesses the latest technology for creative optimisation, data handling and overall media planning.

Our second objective was to secure the industry’s best talent whilst seeking value for money from the agency team and media buying rates. We were assisted by MediaSense in evaluating multiple agency submissions to ensure substantial improvements in these areas.

Our final objective was to underpin this relationship with best-in-class transparency. We are using the latest industry contract (ISBA 3.0) which offers state of the art protections and transparency of the full media supply chain, from media owners all the way to client (via intermediaries, platforms, sub-contractors and agencies). This includes new clauses for the management and reporting of Inventory Media, access to records, outdoor media and intra-group mark-ups of pricing. We shall also be appointing contract auditors in 2022 (as well as conducting media audits) to ensure compliance with these terms.

Above: Einstein leaning into a strong wind to dramatise his passion for renewable sources of energy (such as wind power).
Digital

During Q1, as the rollout continued despite the national lockdown, the digital channels continued to run a combination of communications, including adverts that aimed to reassure the public that installs were happening with safety measures in place.

Ahead of the launch of Einstein, digital channels ran the Out of Daters campaign, which helped establish a more light-hearted tone, bridging the gap between The Quiet Revolution and the new campaign. The creative normalised the notion of tech upgrades by highlighting all the other upgrades that have taken place without question. As each creative honed in on a specific topic such as food or hairstyles, it was possible to target audiences based on interest groups. The campaign ran on social for six weeks from mid-March and performed well, with 66.54 per cent viewing at least 50 per cent of the content, versus a benchmark of 29.47 per cent.

In May, we launched Einstein on social which saw him out in the real world, taking selfies of the things that delighted him, from wind farms to smart, energy saving appliances. Einstein Selfies were created to deliver all the key benefits of smart meters, from environmental to money saving. We even created a version to talk to small business owners as part of our Microbusiness campaign. 68.1 per cent viewed at least 50 per cent of the Einstein domestic selfies content versus a benchmark of 57.4 per cent. The campaign re-ran in the second half of the year and continued to perform well, with 73.3 per cent viewing at least 50 per cent of the content, versus a benchmark of 55.1 per cent.

To capitalise on digital's ability to be hyper-targeted and tailored in its message, we created a campaign that drew inspiration from successful online political activity that had convinced hard-to-reach audiences to think differently. It used a range of behaviour change nudges, alongside bold and patriotic copy and images, to convince our rejecter audience to reconsider smart meters. The initial test campaign delivered excellent results with 0.78 per cent click through rate against a benchmark of 0.6 per cent. The campaign will be an ‘always on’ part of digital activity in 2022.

In Q4, we focused on a key organisational objective to drive better energy management after the point of installation. We launched a campaign to target smart meter owners and remind them of the benefits of having an in-home display (IHD), prompting them to re-engage with their devices and helping people understand the energy they’re using in their home and where they might save. We created an animated Einstein who spoke to the smart meter owner from the IHD and gave advice on simple steps that could be taken and how savings could be measured. The campaign launched in mid-November, and to date, results have been encouraging, with 69.32 per cent of people watching at least 50 per cent of the content on social media. The campaign has also delivered over 10,000 clicks to the campaign page, where the audience can read more energy saving tips from Energy Saving Trust. This initial campaign will lay the foundation of a greater focus on energy management next year.

To close out 2021, we tested a new direct response call to action and launched fresh digital assets to drive website traffic. The objective was to understand whether our campaign could work harder to capture and convert traffic. We launched a social campaign, featuring Einstein, that prompted the audience to click and get their smart meter via a tailored journey on smartenergyGB.org. Pay-per-click (PPC) was also an integral channel for the campaign, supporting all the above-the-line channels which now include a search-based call-to-action. A bespoke campaign was created to support the new drive to search with activity exceeding projections, delivering 27 per cent more traffic to supplier websites than forecast.

The website underwent a major revamp behind the scenes, seamlessly transitioning to a new content management system (CMS), unlocking significant cost savings as well as upgrading the website accessibility standards and analytics capabilities.

Right: Digital content used across social channels to encourage people to request an installation following restrictions being lifted.

Below left: An example of ‘Einstein Selfies’ which showcased Einstein highlighting the ways smart meters can benefit individuals and the environment.

Below: An example of content used in the ‘Vote smart meters’ campaign.
Partnerships marketing

In 2021, our partnerships marketing strategy was to scale up activity to engage vulnerable customers and target the ‘macro-characteristics’ of low-income and offline; vulnerable customers are more likely to experience these characteristics.

This strategy proved effective as we saw ownership of smart meters move in line with, or ahead of, the GB average for most CIVCs groups, and there was strong growth in seek and accept.

The programme worked with trusted brands to deliver over 80m impressions and engage over 67,000 vulnerable customers with smart meters and their benefits. Our Resource Centre, Smart Energy GB in Communities programme, and our national partners were the foundation of the partnerships programme that enabled us to deliver strong reach and results.

We continued to offer free resources to support partners, with materials made available on the Resource Centre in various formats, including BSL, easy read, audio, and large print to enhance accessibility. We increased the number of materials available in alternative formats and translated versions, with 140 assets available in total. Regional partners worked with a network of local partners to extend their reach and support, including Faith centres, food banks and local clinical commissioning groups.

Through our national partner programme, we leveraged strong consumer brands to tailor our message and show the specific benefits that smart meters can bring to our target audiences. We worked with national partners EFL (English Football League), RVS (Royal Voluntary Service), RNID (Royal National Institute for the Deaf), PayPoint, SOS (Students Organising for Sustainability - the National Union of Students sustainability charity) and Agility Eco.

Smart Energy GB in Communities – our programme for working with regional partners – continued in force. We worked with 30 regional partners across the nations, including the British Deaf Association, Groundwork North Wales and Argyll, Lomond and the Islands Energy Agency. 67,747 people were directly engaged through community events, telephone advice and home visits, and we saw positive uplifts in the likelihood to seek or accept amongst people exposed to the activity. Campaigns were extended across multiple channels, including local radio and social media, delivering over 11m impressions in total. Regional partners worked with a network of local partners to extend their reach and support, including Faith centres, food banks and local clinical commissioning groups.

In addition, we delivered a range of campaigns and multiple routes to engagement, including; a Smart Energy Sprint week of competitions and influencer activity with SOS, a social media campaign with RNID using bespoke BLS assets, leaflets and posters distributed through RVS’ network in some of the most deprived areas of Great Britain and telephone support for some of the most vulnerable customers by Agility Eco.

Our research shows that carers play a significant role in the lives of vulnerable customers and influence decision-making on energy so we found new routes to engage CIVCs through our first ever carers campaign. We developed a multi-channel campaign across digital, partnerships, PR and media partnerships to encourage carers to recommend a smart meter to the person they cared for. Our digital campaign used animated content to tell the real-life story of a carer and land the benefits of smart meters. Additional campaign activity included Carers UK advocating for smart meters, TV and Radio broadcaster Jo Whiley talking about smart meters as a useful tool for carers as part of our PR campaign and bespoke content being created for STV and Heart FM.

Partnerships were also central to other Smart Energy GB activity. As part of our non-domestic campaign to engage microbusinesses, we partnered with British Chamber of Commerce, Enterprise Nation, smallbusiness.co.uk, PayPoint and ICAEW (Institute for Chartered Accountants in England and Wales). Partner campaign activity ranged from interviews hosted on microsites, to printed newsletters and blogs. Total partner impressions exceeded their target KPI.

Our flagship partnership with EFL provided an innovative route into the low-income audience, generating over 49m impressions through their digital channels. This multi-channel partnership harnessed consumers’ passion for football, with clubs in England and Wales reaching out to their supporters and actively advocating for smart meters. EFL published content on its website and social channels, all of the clubs’ websites and social channels, delivered enhanced activity at 12 clubs through our PR campaign and advertised at three of the Play Offs/ Cup Finals.

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Public relations

Although the news agenda of 2021 continued to be dominated by the COVID-19 pandemic, positive smart meter stories nonetheless featured across a broad spectrum of media outlets.

Three innovative ‘Hero’ campaigns, many smaller activations and an always-on press office generated a total of 585.5m proactive impressions (90 per cent of total coverage), with reactive media impressions totalling just 62.1m (10 per cent of total coverage), demonstrating a continuation of the strong media appetite for Smart Energy GB’s creative content. 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 was 53 per cent.

To begin the year, we launched a research-led story focusing on the issues prepay customers were experiencing during lockdown. By providing helpful advice, whilst being sensitive to the situation, the story saw significant success, resulting in 19.9m impressions.

Our Q1 Hero PR campaign, Green on Screen, ranked the nation’s favourite TV shows on the eco-behaviours of their characters and highlighted that simply by getting a smart meter installed, households were contributing to Great Britain’s net zero targets. A team of researchers at Goldsmith’s University compiled the list and TV personality Alexander Armstrong brought it to life.

In June, the PR team worked with former football manager Harry Redknapp on a story centred around his new eco-home. Harry took part in a series of media interviews, where he discussed the importance of reducing your carbon footprint and how smart meters can help everyone play their part. 46.7m impressions were secured across a range of high-profile media outlets, including BBC’s Saturday Kitchen, Sky News, ITV Meridian, TalkSPORT and TalkRADIO.

2021 also saw the PR team support the launch of a new policy paper, Future Smart Energy Consumer. This campaign, fronted by TV presenters Rachel Riley and Gail Porter, received an incredibly positive reception, producing 77m impressions. Standout coverage was a full-sized image of Gail holding an IHD on the front cover of The Scotsman magazine and a double-page interview featuring strong messaging throughout.

We also retained our focus on how smart meters can support renters and landlords, enlisting the help of property expert Kate Faulkner to secure close to 20m impressions throughout March and December. Our flagship partnership with the English Football League saw us work with football legends Dean Windass and Rob Green and 12 EFL clubs across Great Britain, securing a total of 101.5m impressions throughout the national and regional phases. Microbusiness outreach also continued in 2021, with two campaign spikes in May and October. Tech expert Jason Bradbury and TV personality Deborah Meaden fronted the activity, offering energy efficiency advice resulting in over 120m impressions, including front page coverage in The Times.

With a media landscape still heavily focused on COVID-19 and the repercussions of the pandemic, there were a small number of reactive enquiries in 2021. Several requests for information were received from The Daily Telegraph, with topics including whether first generation meters were still being installed and when those which had lost smart functionality would regain it and questions around how the 2G/3G switch-off will affect smart meters.

The team reacted promptly to all enquiries, with a notable positive outcome relating to a survey by Moneysupermarket.com into consumer attitudes towards the smart meter rollout. We provided a statement to key target media ahead of the press release being distributed, which resulted in 24.2m impressions.

As we go beyond the halfway mark in the rollout, the job of persuading the remaining 50 per cent becomes harder. Our PR efforts will focus on increasing understanding, particularly among rejecters and other priority groups, through proactive campaign and press office activity and effective news management.
Media Partnerships

In the first part of 2021, our media partnership programme focused on explaining and illustrating the big picture benefits of smart meters for our environment.

The Guardian ran a series of print and digital articles on interesting people developing technological solutions to climate change, allowing us to highlight the important role smart meters have in building a modern, greener energy system. Working with special interest titles including Countryfile Magazine, Focus, Homestyle and Gardeners’ World gave us the opportunity to develop engaging content that directly addressed how green tech, including smart meters, might make a difference to the things some of our harder to reach audiences are passionate about. The dwell time for the online versions of the special interest titles was almost double the benchmark, demonstrating the interest from readers.

Media partnerships also had a role in reaching audiences less likely to use traditional media channels, including renters, younger customers in vulnerable circumstances, carers and ‘digital natives’. Working with major media owners including The Independent, Time Out, News UK and Global, content mainly ran across social media and websites.

The COP26 summit in November increased public interest in climate change, providing an important opportunity to emphasise the role of smart meters in our country’s efforts to reach net zero. We partnered with “STV Zero” – a sustainability initiative from the Scottish broadcaster consisting of sponsorship identities, advertising spots, advertorials and sponsorship of bespoke sustainability programming, with activity peaking before, during and after COP26. Partnerships with The New Statesman and The Spectator enabled us to reach a wide range of political stakeholders. They included long-form articles, as well as participation in fringe events at COP26, and podcasts, which enabled us to discuss the potential of smart meters in a relaxed and accessible format. In addition, collaborating with The Times and The Scotsman targeted members of the public with content positioning smart meters as part of an exciting green tech revolution. The Times online articles achieved an average dwell time of 2:49 minutes, against a benchmark of 1:49 minutes.

The public affairs team produced outreach materials that highlighted the CO2 savings smart meters enable which included sending MPs a small pack of native tree seeds to plant and emphasising the equivalent number of mature trees needed to make the same smart meter CO2 savings in each constituency. We also worked closely with the Conservative Environment Network and Labour’s environment campaign, SERA, to organise fringe events at the party conferences. The Conservative event focused on low carbon heating technologies for homes with Lord Callanan, BEIS minister with responsibility for smart metering, EUK and Saqib Bhatti MP speaking alongside ourselves. The Labour fringe featured Mike Amesbury MP, Shadow Housing Minister and Leonie Cooper AM, GLA member discussing ‘Green and warm homes for all’.

Chief Executive Dan Brooke spoke at three different events during COP26, including our own sponsored event – ‘Our low-carbon energy future’. Dan spoke alongside Murdo Fraser MSP and Alex Sobel MP about the importance of smart meters, data and supporting consumer behaviour change in our energy future.

Public Affairs

During 2021, the public affairs, policy and industry relations teams came together to form the new Corporate Affairs Directorate. With COP26 taking place in the autumn, our communications to stakeholders and politicians throughout the year focused on the benefits of smart meters to the environment as well as consumers.

The public affairs team also worked with microbusiness stakeholders throughout the year to support awareness-raising and conversion. We spoke at 17 events throughout the year, reaching almost 3,000 people across GB. These events included Tech Severn, BEIS Net Zero, Chambers of Commerce and an Enterprise Nation session. Towards the end of the year, we worked with Cornwall Insight and Dr Jeff Hardy from Imperial College to produce ‘The future of energy for smaller businesses’, looking at the potential innovations that data from smart meters could facilitate.

The Public Correspondence team continued to deliver a high-quality service to energy consumers who had questions or concerns about the rollout. In total, the team responded to over 850 letters, emails and phone calls.

Above: A double–page spread in The Sun, using a case study to demonstrate how using a smart meter helps her make better energy choices.

Above right: A double–page spread in YourHomeStyle, with content focusing on the future of the home with insight informed by the Consumer of the Future policy paper.

Right: CEO, Dan Brooke speaking during COP26 at the Smart Energy GB and Bright Blue panel event, ‘Smarter and greener? Our low–carbon energy future’. 
Through our policy activity, we published two Smart Future reports. The first looked at the profile of a future energy consumer, and the role innovation will play in supporting them to manage their energy better in support of net zero.

Just ahead of COP26, we produced a report on communicating about climate change. One of the key recommendations in the report ‘Tackling Climate Change from Home: How to Turn Good Intentions into Positive Actions’ is to make any communications reflect language already used and understood by the public. Both reports were shared widely through online events and PR activity and continue to be amplified.

As part of our efforts to engage landlords and letting agents in the private rental sector, we organised the first Smart Meter Awareness Week, during which we hosted events and produced myth busting information shared online alongside a PR campaign that highlighted the benefits of smart meters. In addition, we continued to work with the Governments across the three nations on effecting change in the sector by removing policy barriers for tenants to get a smart meter installed. This included advice on removing unhelpful clauses from standard rental contracts about meter replacements.

Below: CEO, Dan Brooke speaking during COP26 at Energy UK’s ‘The role of smart metering in supporting consumers to reduce their carbon impact’ event, alongside energy experts from Citizens Advice, Geo and Engage Consulting.
At Smart Energy GB, we recognise that to create an engaging campaign that engages all of GB we need an enthusiastic team. In our 2021 staff survey, we were pleased to see that 73 per cent of our people said they feel proud of what we accomplish.

This year has seen a continued commitment to training and development with Smart Energy GB investing in organisational-wide training on two themes; resilience and line management capabilities. A cross-functional learning programme, Smart Meter Genius, was also introduced for existing staff members with new starters undertaking the training within their first three months. New starters are also given a comprehensive induction which includes being sent information on how the office works, an office tour and a separate meeting to discuss the importance of environmental sustainability. Staff are also encouraged to make suggestions and encourage us to be more responsible, efficient and environmentally friendly.

Smart Energy GB is committed to improving diversity, equality and inclusion and will continue to focus on mental health in the workplace. The Diversity and Inclusion (D&I) working group has continued to play an important role in shaping our approach to improving diversity and inclusion in the workplace. After a consultative process with the staff and the D&I working group, four priority areas were identified and non-binding targets in three out of four areas have been set to be achieved by 2025. The priority areas are:

- women at senior levels*;
- people from ethnic minority backgrounds at senior levels;
- people from working class socio-economic backgrounds at all levels;
- people living with disabilities at all levels (further review required before setting a target).

*Senior levels is Heads of and above

To support the achievement of these targets, we have a comprehensive action plan in place that includes initiatives such as:

- hosting at least two students for work experience from the Mayor of London’s Access Aspiration programme;
- creating apprenticeships amongst entry–level and junior posts, where possible;
- fair and inclusive recruitment activities that reflect the latest best practice in this area (blind CVs and targeted recruitment for under-represented categories).

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- creating apprenticeships amongst entry–level and junior posts, where possible;
- fair and inclusive recruitment activities that reflect the latest best practice in this area (blind CVs and targeted recruitment for under-represented categories).

In 2021, we continued to drive reductions in our carbon footprint. We moved to a new London office reducing our working space by 40 per cent. The office move and fit-out were as sustainable as possible; minimal changes to the existing space, no new furniture bought and sustainable materials used through out. The new office is more efficient with a smarter heating and AC system that we can self-manage. Solar panels on the roof benefit the whole building and our new electricity supplier provides 100 per cent sustainably generated electricity, with access to our near real-time energy data helping us track our energy usage more accurately.

One of our objectives is to regularly review products and supplies used in our offices to ensure that our environmental impact is minimised. Our hand soaps are now all-natural, bee–friendly and are provided by a disability–positive employer. Most of our cleaning products are now eco–friendly versions, and we shop locally when we can to reduce deliveries.

In addition to our drive to reduce our environmental impact, we are delighted to have become a Carbon Neutral organisation. In 2021, we received carbon offsetting certification for our 58.48 tCO2e footprint from the previous year via the Woodland Fund Portfolio of certified carbon reduction projects worldwide. We continue to work with the Carbon Trust and achieved the standard and certification in 2020 (valid until 2022).
Results against our 2021 targets

Smart Energy GB’s annual targets are derived through consultation amongst and direction from large energy suppliers (those with over 150,000 domestic customers, or those that provide energy to over 100,000 business premises), who work alongside Smart Energy GB’s Board to determine which goals should make up Smart Energy GB’s Performance Management Framework (PMF).

The responsibility for maintaining and monitoring the progress of this framework now sits with the Board, supported by the PMF domestic and non-domestic advisory subcommittees. This responsibility covers performance reviews throughout the year against these targets in order to track progress for the campaign and the wider smart metering rollout and make any necessary amendments. The PMF subcommittees met regularly in 2021 to review Smart Energy GB’s ongoing performance and provide support in determining the right goals for Smart Energy GB. In 2021, Maxine Frerck, who had previously chaired both the domestic and non-domestic PMF forums, stepped down and was replaced by Daren Carter as Chair of both advisory subcommittees.

Multiple research sources provide data against which to measure Smart Energy GB’s performance across the year. One of the key data sources is our bi-annual national survey, Smart energy outlook, which is provided by research agency Yonder. This measures attitudes to smart meters and energy, providing a robust view of national attitudes and enabling analysis of several different demographic groups within the broader sample, including those in vulnerable circumstances, through the 10,000-person sample per wave. In addition, Econometric analysis enables the Board and PMF subcommittees to attribute outcome results to Smart Energy GB’s campaign activities.

Left: Smart Energy GB’s resources being used to communicate the benefits of smart meters at the ‘Keep warm, Keep well’ event run by Sefton Council.
# Domestic PMF targets and results

## Seek/accept metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek/accept (GB adults)</td>
<td>Maintain or improve percentage</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>11.06m or 38%</td>
<td>10.50m or 41%</td>
</tr>
</tbody>
</table>

## Rejection metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rejecters (GB adults)</td>
<td>Reduce absolute numbers</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>11.65m or 40%</td>
<td>8.96m or 35%</td>
</tr>
</tbody>
</table>

## Sub-demographics metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>cf 1-2 for Low Income, Prepay, Renters, 65+ and Offline</td>
<td>Monitor Low Income, Renters, 65+ and Offline</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>Prepay Seek/Accept: 41%</td>
<td>Low Income Seek/Accept: 36% Reject: 39%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Prepay Seek/Accept: 46% Reject: 27%</td>
<td>Renters Seek/Accept: 47% Reject: 27%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>65+ Seek/Accept: 27% Reject: 53%</td>
<td>Offline Seek/Accept: 19% Reject: 53%</td>
</tr>
</tbody>
</table>

## VFM metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent assessment of value for money of paid media prices</td>
<td>A: excellent</td>
<td>H2 MediaSense review, Mar 2021</td>
<td>A: excellent</td>
<td>A: excellent</td>
</tr>
</tbody>
</table>

## PR metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>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>Maintain or improve</td>
<td>National Smart Tracker (Continuous) as conducted by Yonder</td>
<td>57% (Jul-Dec 2020)</td>
<td>53%</td>
</tr>
<tr>
<td>Total earned media impressions containing positive messages about smart meters placed by Smart Energy GB</td>
<td>Maintain or improve</td>
<td>As quantified by Echo Research</td>
<td>669.4m</td>
<td>647.6m</td>
</tr>
</tbody>
</table>

## Usage metrics*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart population who have smart functionality reporting “I actively manage how much energy I use around my home”</td>
<td>Maintain or improve</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>48%</td>
<td>54%</td>
</tr>
<tr>
<td>Smart population who have smart functionality reporting “great deal of difference/fair amount of difference” for “What difference, if any, has having a smart meter made to how you use energy at home?”</td>
<td>Maintain or improve</td>
<td>Smart energy outlook as conducted by Yonder</td>
<td>40%</td>
<td>41%</td>
</tr>
</tbody>
</table>

## Installations

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling weekly run rate of smart meter installations (using Electricity meters as household proxy)</td>
<td>Monitor</td>
<td>As quantified by Electralink independent reporting</td>
<td>c.44,000/ week (w/c 4th Oct – w/c 20th Dec 2020)</td>
<td>40,300</td>
</tr>
</tbody>
</table>

* The survey question wording for usage metrics was amended at the start of 2021. Comparisons to end 2020 baseline levels are still applicable as the change in wording is minor and unlikely to impact endorsement levels.
### Mental availability

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spontaneous first mention of smart meter as a ‘product or service that helps you manage your household energy consumption’ (GB adults)</td>
<td>Monitor</td>
<td>National Smart Tracker (Continuous) as conducted by Yonder</td>
<td>37% (Q4 2020 average)</td>
<td>47%</td>
</tr>
</tbody>
</table>

### Enquiries**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google searches for positive information on smart meters, including how to get one (N.B. Index based measure)</td>
<td>Monitor</td>
<td>Google Enquiries data</td>
<td>59 (Q4 2020 average)</td>
<td>63</td>
</tr>
</tbody>
</table>

### Willingness

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-smart population that are very/fairly willing to allow someone in their home to install a smart meter</td>
<td>Monitor</td>
<td>National Smart Tracker (Continuous) as conducted by Yonder</td>
<td>46% (Q4 2020 average)</td>
<td>48%</td>
</tr>
</tbody>
</table>

** The list of keyword terms was updated in 2021 to reflect terms relating to our campaigns

### Non-domestic PMF targets and results

#### Seek/accept metric

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek/accept (GB adults)</td>
<td>Increase</td>
<td>Smart energy microbusiness research as conducted by Yonder</td>
<td>21%</td>
<td>24%</td>
</tr>
</tbody>
</table>

#### Awareness

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amongst premise-based microbusinesses</td>
<td>Increase</td>
<td>Smart energy microbusiness research as conducted by Yonder</td>
<td>62%</td>
<td>67%</td>
</tr>
</tbody>
</table>

#### Installations*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Measurement</th>
<th>End H2 2020 Baseline</th>
<th>End H2 2021 Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling weekly run rate of smart meter installations (using electricity meters as a business proxy)</td>
<td>Monitor</td>
<td>Electralink electricity meter installs using Q4 2021 average</td>
<td>c.1,800 installs per week (w/c 4th Oct – w/c 20th Dec 2020)</td>
<td>c.1,740 installs per week</td>
</tr>
</tbody>
</table>

* Figure includes advanced meter installations, the proxy definition for microbusiness used is based on kWh consumption, rather than number of employees
Our campaign in 2022

Our budget for 2022 is in line with the budget for 2021, with marketing and communications activity continuing at a similar scale as was planned for 2021. Our task and how we plan to meet it is laid out in the Smart Energy GB Consumer Engagement Plan and Budget 2022.

Smart Energy GB’s role will be to continue to encourage the take up of smart meters and to influence consumer behaviour to benefit from smart meter technology. We still have roughly half of consumers yet to get a smart meter, meaning this task remains a large one. Yet, as more and more consumers move into smart meter ownership, the consumer benefit from smart meters will be an ongoing focus.

Based on this, the domestic PMF includes the following metrics and targets for the 2022 campaign:

### Seek/Accept

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>The % 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>Established by Outlook, Nov 2021 = 41%</td>
<td>H1 = 41% H2 = 39%*</td>
</tr>
</tbody>
</table>

### Rejection

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>The # of people in the non-smart GB adult population who state that they would reject a smart meter if offered in the next six months</td>
<td>Established by Outlook, Nov 2021 = 8.96m adults**</td>
<td>H1 = 8.1m adults H2 = 7.3m adults***</td>
</tr>
</tbody>
</table>

### Attitude Sub-demographics

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seek/accept for Low Income, Prepay, Private Renters, 65+</td>
<td>Established by Outlook, Nov 2021 Low Income = 36% Prepay = 46% PRenters = 50% 65+ = 27%</td>
<td>Monitor Renters and Prepay. Maintain or improve Low Income and 65+ (which under index vs GB average) Low Income = min 36% 65+ = min 27%</td>
</tr>
</tbody>
</table>

### Conversion

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>The proportion of previously non-smart GB adults reporting as ‘got/ due/have tried to get’ a smart meter in the following six months</td>
<td>Pre-Covid baseline = 23% (NB - Established by Re-contact study, Nov 2021 = 26%)</td>
<td>Reach/Improve on pre-Covid baseline in H2 H1 = 19% H2 = 23%</td>
</tr>
</tbody>
</table>

### Installations

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling weekly run rate of smart meter installations (using Electricity meters as household proxy)</td>
<td>Established by Electralink electricity meter installs and extrapolating to full market using Q4 2021 average = c.61,400</td>
<td>Monitor c.96,000 per week****</td>
</tr>
</tbody>
</table>

### Message takeout

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Though not a metric, analysis of message takeout compared to the intended takeout for the audience segment(s) being targeted will be shared</td>
<td>Comparison made compared to National Smart Tracker comparator levels</td>
<td>Monitor. Expected levels will vary according to target audience, channel and nature of message, but as a guide the total audience campaign level guideline for top message = 45% (prompted) and 33% (spontaneous)</td>
</tr>
</tbody>
</table>

### Usage

<table>
<thead>
<tr>
<th>Metric</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart population who have smart functionality reporting “I actively manage how I use energy around my home”</td>
<td>Established by Outlook, Nov 2021 = 54%</td>
<td>Maintain or improve min 54%</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Metric</th>
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<th>Target</th>
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<tbody>
<tr>
<td>Smart population who have smart functionality reporting “great deal/fair amount of difference” for “What difference, if any, has having a smart meter made to how you use energy at home?”</td>
<td>Established by Outlook, Nov 2021 = 41%</td>
<td>Maintain or improve min 41%</td>
</tr>
</tbody>
</table>

---

* Assumes, non smart hhdl pop is 14.7m at end 2021, and conversion results for 2022 are as per above targets  
** Assumes non smart hhdl pop is 14.7m at end 2021  
*** Households base derived from Electralink. Households converted to adults using Outlook ratio from Nov 2021, and assumes the relationship between households and adults remains consistent with end 2021  
**** Required installs to meet 2022 target, based on an extrapolation of Electralink electricity meter installs to total meters, allowing for typical seasonal trends
The Board and PMF subcommittees have reviewed and given direction on the role Smart Energy GB will play in delivering the Microbusiness campaign in 2022. Details can be found in the published Consumer Engagement Plan 2022. The campaign will continue to leverage the success from the 2021 Microbusiness campaign and the effect of the domestic campaign. As such, the non-domestic PMF includes the following targets:

### Awareness

<table>
<thead>
<tr>
<th>Area</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amongst premise–based microbusinesses, awareness that smart meters are available to businesses</td>
<td>Established by Microbusiness tracker, Nov 2021 = 67%</td>
<td>Increase</td>
</tr>
</tbody>
</table>

### Seek/Accept

<table>
<thead>
<tr>
<th>Area</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>The % of premise–based microbusinesses who state that they would seek or accept a smart meter in the next six months</td>
<td>Established by Microbusiness tracker, Nov 2021 = 24%</td>
<td>Increase</td>
</tr>
</tbody>
</table>

### Installations

<table>
<thead>
<tr>
<th>Area</th>
<th>End H2 2021 Baseline</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling weekly run rate of smart meter installations (using Electricity meters as business proxy)</td>
<td>Established by Electralink electricity meter installs and extrapolating to full market using Q4 2021 average = c.1,900</td>
<td>Monitor</td>
</tr>
</tbody>
</table>

* Assumes that end H2 2021 benchmark is as per end H1 2021 results

** Required installs to meet 2022 target, based on an extrapolation of Electralink electricity meter installs to total meters, and assumption of microbusiness meters within total meters, allowing for typical seasonal variations.

### Management and administration

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:

- increase consumer demand for and acceptance of Smart Metering Systems, including by increasing consumer confidence in their installation by gas and electricity suppliers;

- in respect of Energy Consumers at Relevant Designated Premises, build consumer awareness and understanding of Smart Metering Systems and their benefits, including the benefits to be derived from the data that may be obtained through the use of Smart Metering Systems;

- increase the willingness of Energy Consumers to use Smart Metering Systems to change their behaviour so as to enable them to more effectively and efficiently manage their use of energy;

- in respect of Energy Consumers at Domestic Energy Premises who have low incomes or prepayment meters, or who due to their particular circumstances or characteristics may encounter additional barriers in being able to realise the benefits of Smart Metering Systems:
  - build their awareness and understanding of Smart Metering Systems; and
  - assist them to realise the benefits of Smart Metering Systems while continuing to maintain an adequate level of warmth and meet their other energy needs;

- establish and maintain an administrative framework for facilitating the coordination of consumer engagement activities in respect of Smart Metering Systems that are carried on (or proposed to be carried on) by individual Energy Suppliers.
In support of these objectives, Smart Energy GB’s business model comprises marketing and communications activity. Underneath the CEO, Dan Brooke, our staff team is made up of four divisions (Marketing, PR, Corporate Affairs and Operations).

Marketing
Director of Marketing: Chris Taggart
Deputy Director of Marketing: Imogen Landy
Deputy Director of Specialist Audiences: Philippa Brown
Head of Digital: Penny Mills
Interim Head of Media: Rob Ellison
Head of Brand and Consumer Advertising: Steve Osaer

PR
Director of Public Relations: Victoria Bacon
Deputy Director of Public Relations: Fay Jennings

Corporate Affairs
Director of Corporate Affairs: Sara Higham
Head of Public Affairs: Fflur Lawton
Head of Policy: Iagan MacNeil
Head of Industry Relations: Victoria Spooner

Operations
Director of Operations: Alistair Gibbons
Deputy Director of Strategy and Insight: Claire Baines
Head of Insight and Analytics: Emily Ewens
Head of Technology: Peter Thorne
Head of Finance and Operations: Shaun Tyndall
Head of People: Soumya Singh

Board directors
Smart Energy GB is a not-for-profit company limited by guarantee.

The company is governed by a Board, whose make-up is set out in law, led by an independent Chair. The Board is made up of:

- The Chair
- Four directors representing the interests of energy consumers
- Six directors representing the interests of energy suppliers
- The Chief Executive

The term of individual directors is two years (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, and the Chair of the Audit and Risk Committee to observe Board meetings.

The directors of Smart Energy GB during 2021 are detailed below.

<table>
<thead>
<tr>
<th>Director</th>
<th>Appointed</th>
<th>Resigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Lund (Chair)</td>
<td>01-Jan-16</td>
<td></td>
</tr>
<tr>
<td>Martin Aylward</td>
<td>30-Jun-21</td>
<td></td>
</tr>
<tr>
<td>Daren Carter</td>
<td>06-Nov-20</td>
<td></td>
</tr>
<tr>
<td>Alexander Constanti</td>
<td>23-Jan-20</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Steven Crabb</td>
<td>30-Jun-21</td>
<td></td>
</tr>
<tr>
<td>Pamela Conway</td>
<td>18-Oct-19</td>
<td>09-Feb-21</td>
</tr>
<tr>
<td>Steven Day</td>
<td>06-Jun-19</td>
<td></td>
</tr>
<tr>
<td>Jill Dougan</td>
<td>24-Sep-19</td>
<td></td>
</tr>
<tr>
<td>Maxine Frerk</td>
<td>30-Jun-21</td>
<td></td>
</tr>
<tr>
<td>Andrew Green</td>
<td>07-Jul-20</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Richard Hughes</td>
<td>24-Sep-19</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Christopher Macleod</td>
<td>11-May-16</td>
<td></td>
</tr>
<tr>
<td>Ann McKechin</td>
<td>30-Jun-21</td>
<td></td>
</tr>
<tr>
<td>Fiona Mayo</td>
<td>07-Jul-20</td>
<td></td>
</tr>
<tr>
<td>James Taylor</td>
<td>03-May-17</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Edward Tarelli</td>
<td>11-Apr-19</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Penny Shepherd</td>
<td>14-Jun-18</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Dhara Vyas</td>
<td>06-Nov-18</td>
<td>30-Jun-21</td>
</tr>
<tr>
<td>Dan Brooke</td>
<td>30-Jun-21</td>
<td></td>
</tr>
</tbody>
</table>
Audit and risk committee

The Board is supported in its work by an independently chaired sub-committee, the Audit & Risk Committee (ARC). The ARC meets four times a year and is chaired by Hugh Spicer. Its membership in 2021 comprised:

- **Hugh Spicer** (Co-opted independent Chair and observer to Board meetings)
- **Jill Dougan** (Director, appointed July 2021)
- **Christopher MacLeod** (Director, appointed September 2018)
- **Brian Stratton** (Co-opted committee member and observer to Board meetings nominated by energy network operators)
- **Dhara Vyas** (Director, appointed November 2018, resigned June 2021)

During 2021, the main areas of focus of the ARC have been:

- Value for money review of our media plan;
- The risk register;
- Key financial policies (e.g., procurement and treasury management);
- The scheme of delegation review;
- A review of governance best practice; and
- 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.

Remuneration Committee

The Board is also supported by a remuneration sub-committee. This committee meets once a year to review the remuneration of the senior leadership team. The committee is chaired by the Chair of the Board. In 2021, the committee’s membership included Mark Lund, Martin Aylward, Jill Dougan and Chris MacLeod.

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: Ground Floor, The Crane Building, Lavington Street, London, SE1 0NZ

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

Another example of Einstein as our new creative vehicle, showing how smart meters are updating our energy system so it can use more renewable power, like wind.
The business environment

Our activity, costs and risks are dependent on the wider environment of the smart meter rollout, as well as 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 2021

We are a not-for-profit company which is funded on an annual basis. We agree our budget annually, and funds were received from domestic energy suppliers in 2021, reflecting legal obligations in the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences.

The budget for the 2021 financial year was originally £38.289m (2020: £36.665m).

Smart Energy GB finished the year with operating expenses of £36.769m (2020: £31.225m). 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 58 presents a surplus of £1,061,064 and a net assets position at each of its meetings and year-end. It has reviewed the financial position of the organisation regularly during the year as well as at year-end. It has reviewed the accumulated surplus of the organisation.

Total fixed assets as at 31st December 2021 were £0.302m (2020: £0.094m).

We raised invoices to the value of £11.3m (ex VAT) for the first quarter’s activity in 2022 before 31st December 2021 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 2021 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 2021.

Financial outlook for 2022

Our energy supplier members approved by vote our budget of £36.264m for 2022 for the domestic campaign and £2.007m for the non-domestic campaign. Details of our 2022 Consumer Engagement Plan and Budget can be found on our website at smartenergyGB.org.

Our plans for 2022 were based on analysis of the scale of campaign required to meet the responsibilities set out for 2022 in the Performance Management Framework (PMF).

The Board has a duty to keep the PMF under review. If at any point in 2022 the PMF objectives were to change during the year, it could have a material impact on our plans and budget.

Tracking the continued impact of the pandemic will be critical. Smart Energy GB will be required to be flexible to adjust activity to meet the needs of the rollout as it progresses.

If the Smart Metering Implementation Programme fails to deliver remaining technical elements of metering infrastructure in the way that is intended in 2022, this may lead to public concern about the delivery of smart metering and/or reputational damage to smart meters.

If energy suppliers fail to deliver to a sufficient standard, their obligations regarding the booking of installation appointments or the installation of smart meters, this may adversely affect the reputation of Smart Energy GB’s campaign, which will be directing consumers to start their customer journeys with those energy suppliers. Any such failures by energy suppliers may also lead to a wider public reluctance to seek out or accept smart meter installations.

One impact of the gas crisis is that suppliers may go into administration. In those circumstances, there is a risk that suppliers will not pay their invoices. The Board is monitoring this risk, including reviewing the credit control position along with the bad debt provision, and currently does not believe that this risk will materially affect Smart Energy GB’s ability to deliver the activity as set out in the Consumer Engagement Plan.

Any one of these scenarios could materially affect Smart Energy GB’s ability to meet its targets in 2022. This might result in Smart Energy GB modifying (either reducing, redirecting or increasing within the boundaries of available budget) the amount of activity that is carried out in 2022 to maintain consumer enthusiasm for adopting 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. The Board decided that, even though Smart Energy GB is not in the public sector, it should reflect the most respected cost-effectiveness/value for money model used by public service organisations – the model that has been developed by the National Audit Office (NAO).

The NAO model is used in all its independent assessments 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. The latter 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 partnerships programme.
The model for the assessment of cost-effectiveness/value for money is set out below, in diagrammatic form as published by the NAO:

**Objectives**

**Resources**

**Inputs**

**Processes**

**Outputs**

**Outcomes**

(intended and unintended)

**Economy**

Minimising the cost of resources used while having regard to quality

**Efficiency**

Relationship between outputs, e.g. services, and the resources used to produce them

**Effectiveness**

Extent to which objectives are achieved and the relationship between intended and actual impacts of a service

**Cost-effectiveness**

The optimal use of resources to achieve the intended outcomes

Contributes to the measurement of...

The Smart Energy GB Board uses this model in its budget development processes and in its oversight of Smart Energy GB’s value for money in the delivery of planned activities.

The Board has an obligation to report on the extent to which expenditure represents value for money and has paid close attention to how Smart Energy GB applies its value for money model and uses its money.

**Going concern**

The Smart Energy GB Board has considered the funding position and the risks to which the organisation is exposed. Regarding finances, the Board takes comfort from the licence condition obligations on suppliers to fund Smart Energy GB on an annual basis. Therefore, the risk that Smart Energy GB will not be able to meet its liabilities as they fall due is negligible.

Regarding the length of Smart Energy GB’s existence, in considering the going concern status of the organisation, the Board considered the government’s policy on the deadline of the smart meter implementation programme which has been confirmed to be 2025.

The Board considered the risk that energy suppliers decide that they are better placed to deliver Smart Energy GB’s objectives through uncoordinated individual company activity rather than as a coordinated shared venture delivered by Smart Energy GB. Given the weight of evidence of the efficacy of the coordinated approach delivered by Smart Energy GB and the importance of this efficiency and effectiveness in delivering part of the government’s intended cost/benefits for the smart metering rollout, the Board believes that this risk is low in the foreseeable future.

COVID-19 brought challenges to the rollout during 2021. Whilst the pandemic presents some uncertainties in 2022, they do not threaten Smart Energy GB’s ability to continue as a going concern but rather uncertainties that need to be taken into account as we execute our campaigns.

The gas crisis, and its impact on suppliers’ ability to meet their obligations to fund Smart Energy GB is a live issue as a number of suppliers have gone into administration. The Board has been reviewing this issue since September and will continue to do so, ensuring there are appropriate mitigations in place (including tight credit control and the use of a bad debt provision). The Board does not believe it is so material to threaten the ability of the company to continue as a going concern.

The Board, therefore, has a reasonable expectation that Smart Energy GB has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and is not aware of any material uncertainties which may adversely affect the company. Accordingly, the financial statements continue to be prepared on the going concern basis.
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 description of value for money 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 Smart Energy GB 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 licenses and also properly exercising a number of the Board’s broader fiduciary duties.

The Smart Energy GB Board has taken a positive approach to risk management and internal control and has welcomed the approach of the senior leadership 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 during the year, and this has included the consideration of risks due to COVID-19. It has welcomed the contribution made by the ARC which has also reviewed and contributed to the register during the year.

Although outside of 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.

The company attempts to mitigate these risks by informing itself through 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 Smart Energy GB Board and the senior leadership 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 directors to cover them against claims that may arise from their legitimate actions as directors, as long as they have acted honestly and reasonably. This also covers members of the ARC.

Finally, we were paid quarterly in advance for our activity so there is no immediate cashflow risk.

Statement on compliance with s172(1) Companies Act 2006

The Board of Directors of Smart Energy GB consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a–f) of the Act) in the decisions taken during the year ended 31st December 2021. In particular:

• our Consumer Engagement Plan and Budget was designed to have a long-term beneficial impact on the delivery of the company’s objectives as well as meeting those annual objectives of the Performance Management Framework. We will continue to operate our business within tight budgetary controls and in line with our targets;
• our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and wellbeing of our employees are our primary considerations in the way we do business;
• our plan was informed by extensive engagement with consumers via a wide variety of research, enabling us to gain an understanding of their attitudes and priorities;
• our plan considered the impact of the company’s operations on the community and environment and our wider societal responsibilities, and in particular, how we impact the environment. Not least because our work encourages consumers to better manage their household energy consumption, it’s important we aim to minimise the impact on the environment;
• the intention of the Board of Directors is to behave responsibly and ensure that management operates the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan.
Directors’ responsibilities in relation to the financial statements

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are satisfied that appropriate safeguards are in place to prevent and detect fraud. Incidents of fraud and attempted fraud are reported to the audit and risk committee throughout the year.

So far as each of the directors at the date of this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Each director has taken all the steps that he/she ought to have taken as a 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.

The Directors’ Report, which includes the Strategic Report, was approved by the Board on 15th March 2022 and signed on its behalf by:

Mark Lund
Chair

Independent Auditors report to the members of Smart Metering Communications Body Limited

Opinion
We have audited the financial statements of Smart Metering Communications Body Limited (‘the company’) for the year ended 31st December 2021 which comprise Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31st December 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.
Other information
The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit
• the information given in the annual report, which includes the directors’ report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the directors’ report included within the annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors’ report included within the annual report.

We have nothing to report in respect of the following matters in relation to the Companies Act 2006:
• adequate and proper accounting records have not been kept; or
• the financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors’ remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.
Auditor’s responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to these risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Financial Reporting Standard 102. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health & Safety Legislation, Taxation Legislation and Employment Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on expenditure and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Companies House and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Nazir Hashemi
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

22nd March 2022
Smart Energy GB's new office space, within The Crane Building.
Statement of income and retained earnings for the year ended 31st December 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>37,820,716</td>
<td>31,149,298</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(36,769,250)</td>
<td>(31,224,573)</td>
</tr>
<tr>
<td>OPERATING SURPLUS/(DEFICIT)</td>
<td>2 1,051,466</td>
<td>(75,275)</td>
</tr>
<tr>
<td>Other income</td>
<td>10,774</td>
<td>79,360</td>
</tr>
<tr>
<td>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</td>
<td>1,062,240</td>
<td>4,085</td>
</tr>
<tr>
<td>Taxation on profit on ordinary activities</td>
<td>4 (1,176)</td>
<td>(4,085)</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME</td>
<td>10 1,061,064</td>
<td>-</td>
</tr>
<tr>
<td>Total Retained Earnings at the beginning of the period</td>
<td>373,945</td>
<td>373,945</td>
</tr>
<tr>
<td>Total Retained Earnings at the end of the period</td>
<td>1,435,009</td>
<td>373,945</td>
</tr>
</tbody>
</table>

Balance sheet as at 31st December 2021

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>302,397</td>
<td>93,807</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>7,350,578</td>
<td>13,764,132</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>11,225,564</td>
<td>9,874,441</td>
</tr>
<tr>
<td>CREDITORS: Amounts falling due within one year</td>
<td>(17,443,530)</td>
<td>(23,358,435)</td>
</tr>
<tr>
<td>NET CURRENT LIABILITIES</td>
<td>1,132,612</td>
<td>280,138</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>1,435,009</td>
<td>373,945</td>
</tr>
<tr>
<td>CAPITAL AND RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>1,435,009</td>
<td>373,945</td>
</tr>
</tbody>
</table>

The accounts have been prepared in accordance with the Companies Act 2006, and have been approved by the Board on 15th March 2022 and signed on its behalf by:

Mark Lund
Chair

The notes on pages 61–67 form part of these financial statements.
Cash flow statement 
January 2021 – December 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash inflow from operating activities</td>
<td>1,619,671</td>
<td>2,160,836</td>
</tr>
<tr>
<td>Net cash outflows/(inflow) from investing activities</td>
<td>-268,548</td>
<td>17,723</td>
</tr>
<tr>
<td>Increase/Decrease in cash in the period</td>
<td>1,351,123</td>
<td>2,178,559</td>
</tr>
</tbody>
</table>

- **a)** Reconciliation of profit on ordinary activities to net cash inflow from operating activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax on ordinary activities</td>
<td>1,062,240</td>
<td>4,085</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>66,207</td>
<td>92,750</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>-</td>
<td>1,238</td>
</tr>
<tr>
<td>Interest received</td>
<td>(6,249)</td>
<td>(17,723)</td>
</tr>
<tr>
<td>Decrease/(Increase) in debtors</td>
<td>6,413,554</td>
<td>(5,689,527)</td>
</tr>
<tr>
<td>(Decrease)/Increase in creditors</td>
<td>(5,914,905)</td>
<td>7,774,098</td>
</tr>
<tr>
<td>Tax payable/paid</td>
<td>(1,176)</td>
<td>(4,085)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>1,619,671</td>
<td>2,160,836</td>
</tr>
</tbody>
</table>

- **b)** Net cash flow from investing activities

<table>
<thead>
<tr>
<th>Notes</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>6,249</td>
<td>17,723</td>
</tr>
<tr>
<td>Purchase of tangible assets</td>
<td>(274,797)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td>-268,548</td>
<td>17,723</td>
</tr>
</tbody>
</table>

- **c)** Analysis of changes in net cash funds

<table>
<thead>
<tr>
<th>Notes</th>
<th>January 2021</th>
<th>Cashflows</th>
<th>December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>9,874,441</td>
<td>1,351,123</td>
<td><strong>11,225,564</strong></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 £11,225,564 (2020: £9,874,441).

**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 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 Ground Floor, The Crane Building, 22 Lavington Street, London, SE1 0NZ.

Notes to the financial statements
for the year ended 31st December 2021

1. **Accounting policies**

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

- **a)** 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.

- **b)** Going concern

The Smart Energy GB Board has considered the current financial position of the company for the foreseeable future along with the risk and uncertainties associated with its ability to operate as a going concern. The directors are confident the company will continue for at least twelve months from the date of approval of these financial statements. They have also considered the period beyond that date as the current statutory obligations placed upon the energy suppliers to offer smart meters to their consumers continues for the foreseeable future.

The Board, therefore, has a reasonable expectation that Smart Energy GB has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and are not aware of any material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

- **c)** Judgements and estimates

The judgements and estimates within the financial statements include depreciation, a provision for office dilapidations and a bad debt provision. The accuracy of the estimation of depreciation depends on the useful economic life of the assets (details of which can be found in note g). The accuracy of the estimation of office dilapidations depends on a commercial negotiation with landlords if and when we vacate an office. This has been based on published rate estimations or estimates from external consultants. The accuracy of the estimation of the bad debt provision depends on whether suppliers are able to pay their invoices; debts are provided against when it becomes probable the supplier will no longer be able to meet their obligation. The uncertainty around these estimations is not deemed to have a significant risk of material adjustment in the future.

- **d)** Turnover

Turnover represents income received from 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 received before the period to which they relate are recorded as deferred income. All amounts stated are exclusive of VAT.

- **e)** 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 in which revenue is expected to be generated (five years). Amortisation is recognised within operating expenses in the Statement of Income and Retained Earnings.
f) 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 cent per annum on cost
- Computer equipment – 25 per cent per annum on cost

Depreciation is charged on a monthly basis starting from the month of acquisition. Items purchased over the value of £5,000 are capitalised.

The only exception relates to the fit-out of the new London office where a depreciation rate of 44% has been adopted in line with the useful remaining life of the lease.

Smart Energy GB has adopted a policy of not capitalising website and other similar development expenditure.

i) Taxation
Contributions from suppliers are not deemed to be trading income for corporation tax purposes; tax is paid on interest earned only. 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.

j) 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></th>
<th>£2021</th>
<th>£2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation</td>
<td>66,207</td>
<td>92,750</td>
</tr>
<tr>
<td>Directors’ remuneration</td>
<td>99,523</td>
<td>66,523</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>869,487</td>
<td>796,485</td>
</tr>
<tr>
<td>Audit fee</td>
<td>18,000</td>
<td>17,500</td>
</tr>
<tr>
<td>Auditor’s remuneration for non-audit fees</td>
<td>1,550</td>
<td>1,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£2021</th>
<th>£2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,054,767</td>
<td>974,758</td>
</tr>
</tbody>
</table>

3. Employee information
Total staff costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>£2021</th>
<th>£2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>4,351,941</td>
<td>4,274,539</td>
</tr>
<tr>
<td>Social security costs</td>
<td>529,369</td>
<td>494,715</td>
</tr>
<tr>
<td>Pension costs</td>
<td>249,200</td>
<td>249,529</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£2021</th>
<th>£2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total staff costs</td>
<td>5,130,510</td>
<td>5,018,783</td>
</tr>
</tbody>
</table>

The average number of employees during the year was 74 (2020: 69).

During the year ended 31st December 2021, £66,523 was paid to one director (2020: £66,523) and £33,000 was paid to 11 non-executive directors (2020: £nil). No director (2020: nil) is accruing benefits under money purchase or defined benefit pension schemes.

Total remuneration for the executive senior leadership team was £1,365,634 (2020: £1,235,728) including all emoluments, pension contributions and employers’ NI. The remuneration of the senior leadership team was reviewed and agreed by the remuneration committee during the year, as it did in 2020.

During the year Smart Energy GB made termination payments of £59,210 (2020: £96,936), and £50,273 was outstanding at year-end (2020: £77,695).

4. Taxation

<table>
<thead>
<tr>
<th></th>
<th>£2021</th>
<th>£2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Corporation tax on profits for the year</td>
<td>1,176</td>
<td>3,368</td>
</tr>
<tr>
<td>UK Corporation tax on profits from prior year</td>
<td>–</td>
<td>717</td>
</tr>
<tr>
<td>Tax charge on profit on ordinary activities</td>
<td>1,176</td>
<td>4,085</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 2021</td>
<td>150,000</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
</tr>
<tr>
<td><strong>At 31st December 2021</strong></td>
<td><strong>150,000</strong></td>
</tr>
<tr>
<td><strong>Amortisation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2021</td>
<td>150,000</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>–</td>
</tr>
<tr>
<td><strong>At 31st December 2021</strong></td>
<td><strong>150,000</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
</tr>
<tr>
<td>At 31st December 2021</td>
<td>–</td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>–</td>
</tr>
</tbody>
</table>

Intangible assets are fully amortised (2020: fully amortised).

6. Tangible assets

<table>
<thead>
<tr>
<th></th>
<th>Fixtures and fittings</th>
<th>£ Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2021</td>
<td>1,619,949</td>
<td>333,020</td>
</tr>
<tr>
<td>Additions</td>
<td>274,797</td>
<td>–</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(2,492)</td>
</tr>
<tr>
<td><strong>At 31st December 2021</strong></td>
<td><strong>1,894,746</strong></td>
<td><strong>330,528</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st January 2021</td>
<td>1,619,949</td>
<td>239,213</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>29,859</td>
<td>36,348</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(2,492)</td>
</tr>
<tr>
<td><strong>At 31st December 2021</strong></td>
<td><strong>1,649,808</strong></td>
<td><strong>273,069</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31st December 2021</td>
<td>244,938</td>
<td>57,459</td>
</tr>
<tr>
<td>At 31st December 2020</td>
<td>–</td>
<td>93,807</td>
</tr>
</tbody>
</table>

7. Debtors

<table>
<thead>
<tr>
<th></th>
<th>£ 2021</th>
<th>£ 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>6,891,442</td>
<td>13,153,474</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>(90,000)</td>
<td>(90,000)</td>
</tr>
<tr>
<td>Prepayments</td>
<td>517,492</td>
<td>651,050</td>
</tr>
<tr>
<td>Other debtors</td>
<td>31,644</td>
<td>49,808</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,350,578</td>
<td>13,764,132</td>
</tr>
</tbody>
</table>

The carrying value of financial assets included within debtors and measured at amortised cost in 2021 was £6,923,086 (2020: £13,203,082).

8. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>£ 2021</th>
<th>£ 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>804,149</td>
<td>1,666,884</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>468,376</td>
<td>1,866,013</td>
</tr>
<tr>
<td>Deferred income</td>
<td>11,270,128</td>
<td>13,866,996</td>
</tr>
<tr>
<td>Accruals</td>
<td>3,786,833</td>
<td>3,496,728</td>
</tr>
<tr>
<td>Year-end underspend to be returned to energy suppliers</td>
<td>468,372</td>
<td>2,137,551</td>
</tr>
<tr>
<td>Provisions for leased properties</td>
<td>532,259</td>
<td>316,875</td>
</tr>
<tr>
<td>Other creditors</td>
<td>113,413</td>
<td>7,388</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17,443,530</td>
<td>23,358,435</td>
</tr>
</tbody>
</table>

The carrying value of financial liabilities included within creditors and measured at amortised cost in 2021 was £5,236,654 (2020: £5,487,875).
### 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>£ 2021</th>
<th>£ 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not later than one year</td>
<td>430,249</td>
<td>665,010</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>430,249</td>
<td>-</td>
</tr>
<tr>
<td>Later than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>860,498</td>
<td>665,010</td>
</tr>
</tbody>
</table>

Operating lease expenditure totalling £869,487 (2020: £796,485) was recognised through the Statement of Income and Retained Earnings during the year.

The company had no other off-balance sheet arrangements.

### 10. Capital and reserves

#### Profit and Loss Account

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st January 2021</td>
<td>373,945</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>1,061,064</td>
</tr>
<tr>
<td>At 31st December 2021</td>
<td>1,435,009</td>
</tr>
</tbody>
</table>

### 11. Pensions

Defined contributions are paid to the Group Personal Pension Plan via Scottish Widows Ltd in accordance with Company policy. The policy allows for contributions from the employer up to a maximum of 8 per cent.

The total pension cost to the Company for the year ended 31 December 2021 was £249,200 (2020: £249,529).