

Annual report and accounts

Year ended 31st December 2023



Smart Metering Communications Body LTD
Company number 08455995

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Smart Metering Communications Body Ltd, trading as Smart Energy GB
Registered office: Ground Floor, The Crane Building, 22 Lavington Street, London, SE1 0NZ

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, please contact:
enquiries@smartenergyGB.org

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Directors' report

Image: Smart Energy GB materials being distributed at Watford FC during EFL Trust community activity

Foreword from the Chair and CEO

2023 was another challenging year for households and small businesses in Great Britain, with significant cost-of-living pressures. Gas and electricity prices remained stubbornly high. Across 2023, on average, 70% of people said they were extremely or moderately concerned about rising energy prices. And in December, Ofgem reported that energy debt had reached its highest ever level (£3 billion).

Enduring concern about the cost of energy meant that people continued to seek ways to lower their bills in 2023. This provided opportunities for Smart Energy GB to explain how smart meters can help people to monitor their energy use, make changes and save money. At the same time, it was important that we adapted our approach and refreshed our messages to make sure we continued to reach people in new and effective ways.

The Smart Energy GB team responded to these opportunities and challenges with agility and creativity. Spontaneous campaign message takeout for the Einstein campaign was 53% on average, consistently higher than the 33% benchmark. Our PR activity generated 13,136 items of media coverage. And in the first six months of the year, the average number of positive messages per item of media coverage increased by a third on the same period in 2022.

Achieving strong results depends on having a high-performing and happy team and we were delighted that The Sunday Times recognised us in its Best Places to Work 2023. Notably, the results of our 2023 annual staff survey were even higher than those that helped us secure The Sunday Times accolade. Both attest to the weight we place on inspiring and supporting our people to deliver their very best.

New opportunities and new ways of tackling ongoing challenges

Increasing awareness and understanding of smart meters as an invaluable tool in managing energy use was a big focus in 2023. Our Energy Saving Tips and Super Smart Home Hacks campaigns shared helpful advice and quantified savings for households across a range of channels and creative routes. Following a partnership with Mail Metro Media, seven in 10 respondents to a survey said the Super Smart Home Hacks campaign made them think about smart meters in a new way.

A high-profile business leader, Deborah Meaden, became the face of a new campaign which positioned smart meters as delivering ‘business sense’ for Britain’s small businesses. Our new microsite for small businesses also saw twice as many clicks out to energy supplier sites between May and December than the equivalent pages did over the same period in 2022.

In 2023, households with smart meters were able to earn rewards for changing when they use energy through National Grid ESO’s Demand Flexibility Service (DFS). To further understand the benefits of a smart meter-enabled flexible energy system, we commissioned a report from Cornwall Insight. It found that Britain could save £14.1 billion in 2040 by embracing flexible electricity use. Our accompanying PR campaign secured coverage in 250 publications, while a marketing campaign explained how smart meters unlock access to schemes like DFS.

Collaboration is key

From suppliers and charities to MPs and local councils, close working with our stakeholders was central to our approach in 2023.

Our partners played an especially big role in helping us reach more vulnerable consumers. A new national partnership with Poundland gave us an opportunity to engage with its 13 million unique shoppers. We also continued our successful partnerships with the English Football League (EFL) and Carers UK. A PR campaign launched in partnership with Carers UK led to a shift in attitudes. In a survey, the proportion of unpaid carers who agreed that a smart meter would make it easier to manage their household finances rose from 55% before the campaign to 63% afterwards.

We also knew from our research that cost-of-living worries made some people less likely to get a smart meter installed. So, we developed an innovative new partnership with ITV and STV to address this, which reached 6.7 million adults on TV and 2.1 million on video-on-demand.

Our plans for 2024

The focus for 2024 is on utilising the extensive creative skills and experience of the Smart Energy GB team to uncover fresh ideas to maximise installations. We will expand our ‘test and learn’ approach in our marketing and communications activity, trying out even more new ideas.

We’ll also invest more to help drive smart meter awareness among small businesses, using money saved from efficiencies elsewhere in the organisation. We’ll maintain our focus on supporting the most vulnerable members of society to understand their energy use and the benefits of smart meters. And we’ll work closely with our stakeholders to meet the needs of people across England, Scotland and Wales.

Naturally, political campaigning will dominate the news media in the run-up to the much-anticipated General Election. We’ll flex the timings of our campaigns and other activity to make sure our messages land successfully.

We anticipate both challenges and opportunities in 2024, and we will be ready to meet them. On behalf of the Board, which worked with a great spirit of productivity and collaboration in 2023, we’d like to thank all our colleagues and our partners for their hard work and support this year.



Mark Lund OBE,
Chair



Dan Brooke,
Chief Executive
Officer

2023: Smart Energy GB's year in highlights

- ✓ In Q4 2023, recall of the Einstein campaign rose to the highest ever level, with two-thirds of people who don't own a smart meter recalling it
- ✓ Media coverage of our PR campaigns in the first half of the year contained six positive messages on average, up from four in the same period of 2022¹
- ✓ A new partnership with Poundland gave us access to 13 million unique shoppers across 600 stores
- ✓ SEGB spokespeople took part in 64 interviews to explain the impact of the energy price cap and how smart meters can help households
- ✓ New creative showing Einstein in his local community communicated the benefits of smart prepayment meters
- ✓ Our work with vulnerable customers, delivered alongside 38 regional partners, resulted in almost 15 million impressions
- ✓ A new campaign featuring Deborah Meaden raised awareness of smart meters among small businesses²
- ✓ Around 66,000 research interviews with consumers and around 500 interviews with small businesses informed our activity
- ✓ We had 200 direct engagements with politicians about our work
- ✓ The Sunday Times recognised us in its Best Places to Work 2023
- ✓ Our annual energy usage fell by almost 5% through the Mayor's 'Business Climate Challenge'

¹ Due to changes in our evaluation methodology, we don't have a comparable metric for the second half of the year.
² Where we say 'small businesses', we're referring to companies that fit the definition of 'microbusinesses' as set out in gas and electricity supplier licences. That's businesses using less than 100,000 kWh electricity / 293,000 kWh gas per year or employing fewer than 10 people (or their full time equivalent) with a turnover of no more than €2 million.

Rollout progress and attitudes



Strategic report

Image: Our marketing campaign highlighting the benefits of smart meters, following the introduction of the Demand Flexibility Service (DFS)

An overview of our work in 2023

In another challenging year for Britain's households and small businesses, we applied our experience and creativity to help make sure the right messages reached the right people, in the right places. Here's how we did it.

1. We gathered relevant data and generated high-quality insights

Having a deep, up-to-date understanding of the people we are trying to reach is crucial to deciding where to focus our work. It's how we tailor our campaigns and messages to engage a large number of consumers and small businesses each year.

The findings from our surveys showed that, not surprisingly, the high cost of energy is still a big concern. In this context, people think about smart meters in different ways. Some proactively request a smart meter installation to help better manage their energy use, and hopefully save money, while others may be more inclined to stick to what they know. This makes it even more important to communicate the many benefits of smart meters to those who haven't yet had one installed.

Our research into small businesses suggested that many are looking to the future after a few challenging years. It also showed that when they become aware of the availability and benefits of smart meters for businesses, they often respond positively.

Other groups have specific needs to address. For example, our first private renters' tracker, conducted in late 2022, showed that they tend to be positively disposed to having smart meters installed. But challenges, such as a limited understanding of their rights as tenants, can create barriers to smart meter ownership. The results of our 2023 tracker will shape how we communicate with this group in 2024.

In 2023, we carried out creative propositions testing to understand which future-focused benefits resonate most with consumers. Examples included the role of smart meters in Time of Use tariffs (tariffs linked to using energy

at the cheapest times), along with electric vehicle charging and selling energy back to the grid. This work informed the messages we took to market in 2023 and will continue to influence us in 2024.

2. We created impactful campaigns and content

The cost-of-living crisis continued to put significant financial pressure on households and small businesses in 2023. We combined our understanding of these challenges with our consumer insights to launch impactful campaigns and content.

For households

Our Einstein advertising campaign went from strength to strength and remains our most effective and efficient campaign in driving top-of-mind awareness of smart meters. In Q4 2023, recall of the campaign rose to the highest ever level, with two-thirds of people who don't own a smart meter recalling it.

The Einstein Energy Saving Tips PR campaign, launched across TV, radio and digital in January, helped people find small energy-saving actions that added up to big savings. It also demonstrated how smart meters can help keep track of energy use. The campaign performed well all year, with recall of the TV creative and key message takeout rising in the second half of the year following adjustments to the campaign.

The Super Smart Home Hacks PR campaign also harnessed household appetites for energy-saving tips. It offered helpful advice about how to tackle energy costs and quantified the savings people can make through energy-efficient appliances, laundry and cooking. In a survey of smart meter attitudes following our media partnership with Mail Metro Media, nine in 10 described the campaign as informative. And almost one in

two (47%) said they would be more likely to seek a smart meter (compared to one in five who hadn't seen the campaign 22%).

Following the introduction of National Grid ESO's Demand Flexibility Service (DFS), we launched a marketing campaign across radio, print and digital to explain how smart meters can help households earn rewards for changing when they use energy. Lessons from the campaign will shape our future messages and campaigns that encourage consumers to use energy outside of peak times.



Above: Susannah Constantine for our Super Smart Home Hacks campaign

For small businesses

In 2023, we evolved our messages and approach to capture the attention of small businesses. In October, we launched a new campaign featuring business leader, Deborah Meaden, in which she provided her trademark business advice and positioned smart meters as delivering 'business sense'. The campaign ran on relevant radio, print and digital channels.

In May, we launched a dedicated small business microsite as part of a refresh of our website (see "A cycle of continuous improvement" on the right). Between May and December, the microsite attracted over twice as many sessions as the equivalent pages did over the same period in 2022. This in turn led to more than twice as many clicks out to supplier sites to request a smart meter.

Meanwhile, we used sports psychology as the hook for an integrated PR campaign, Small Hacks for Small Business. This looked at how sports people have applied marginal gains theory (small changes that ladder up to big results) to

running their business. It also positioned smart meters as a small change that can help with budgeting and cash flow. The campaign had specific activations for England, Wales and Scotland, and secured 1,464 items of media coverage across Britain.



Above: Former football player and business co-owner Dion Dublin for our Small Hacks for Small Business campaign

A cycle of continuous improvement

At Smart Energy GB, we use a 'test and learn' approach to continually improve what we do. In 2023, findings from our research and surveys helped us to refine campaigns and messages for specific audience groups. This included adjusting our messages to reflect the way the ongoing cost-of-living crisis has affected public attitudes and behaviours.

The year also saw us improve our website navigation and add dedicated microsites for specific audiences following an internal review. These changes led to a more streamlined user experience and a higher conversion rate (the number of people clicking through to their supplier to request a smart meter). When tested, conversion on the updated smart prepayment meter landing pages went up 77% and the cost per conversion fell 41%. Meanwhile, the engagement rate (a measure of people interacting with the site) on the Get a Smart Meter page went up 37%, rising to 49% for mobile traffic.

3. We reached the right people, in the right places

Targeting support to vulnerable consumers

Unpaid carers, those currently in fuel poverty and people lacking digital skills were a focus for us in 2023. Our Carer 2 Carer PR campaign used celebrities who have experience as unpaid carers to showcase the time-saving benefits of smart meters. It featured TV personality Malin Andersson, presenter and Paralympian Ade Adepitan MBE and music producer Shahid Khan (better known as Naughty Boy), alongside Madeleine Starr MBE from Carers UK.

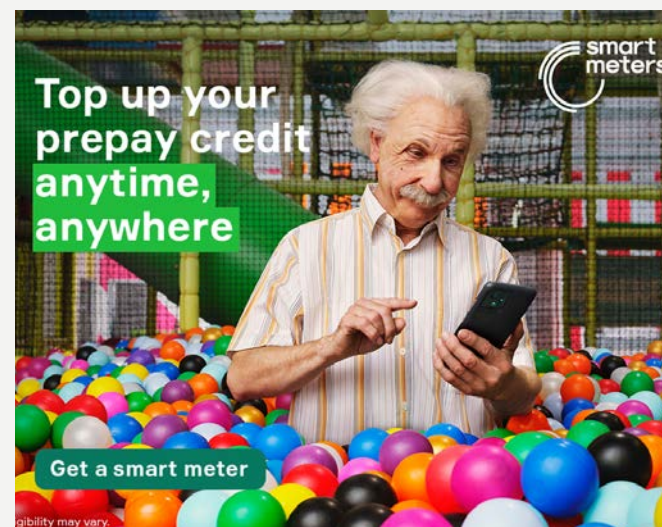


Above: Ade Adepitan MBE, featured spokesperson for our Carer 2 Carer campaign

The campaign secured 250 pieces of media coverage and 29 radio interviews, and the accompanying video was a big hit, with 850,000 views. A significant shift in attitudes followed: after seeing the coverage, 63% of carers and 53% of the general public were likely to agree that “a smart meter would make it easier to manage my household finances”. That’s compared with 55% and 44% respectively before the campaign.

Meanwhile, our new partnership with Poundland allowed us to target those currently in fuel poverty among its 13 million unique customers. Co-branded assets in over 600 stores included in-store radio, point of sale and high-street-facing digital posters and leaflets. We also worked with 38 regional partners to allow us to reach some of the most vulnerable consumers, including people lacking digital skills. Partner activity included community events, phone calls and home visits, along with mailouts and newsletters.

Our trademark creativity came into play when exploring fresh ways to communicate the benefits of smart prepayment meters. Our new creative, which showed Einstein with real people in his local community, demonstrated how convenient and flexible it is to top up through smart prepay. Activity ran across digital, radio and outdoor advertising. We also targeted households that were more likely to be prepay customers.



Above: Digital creative promoting the benefits of prepayment meters

Sharing our messages through the right people and channels

In October and November, we developed an innovative new partnership with ITV and STV to persuade their viewers about the benefits of smart meters. Our co-branded creative, featuring ITV presenters Coleen Nolan and Angellica Bell, mirrored the format of ITV/STV daytime shows. It reached 6.7 million adults on TV and 2.1 million adults on video-on-demand.

Collaborating with stakeholders allowed us to identify and target areas where smart meter adoption is below the national average. For example, we worked with energy suppliers to communicate the benefits of smart prepayment meters over analogue prepayment meters to customers in Glasgow. This included coordinated marketing, PR and public affairs activity. We’ll apply what we learnt from this project to our local and regional activity in 2024.

More broadly, we worked with a wide range of stakeholders to answer common questions and set out facts about smart meters. For example, we shared our report about the benefits of flexible energy use, along with assets for carers and private renters, with politicians. We also worked closely with Citizens Advice, the Federation of Small Businesses and organisations across the energy industry. This included sharing useful information about smart meters for their own audiences.

Smart Energy GB spokespeople took part in many TV and radio interviews across the year — for example, to explain how changes to the energy price cap would affect people across the country. We targeted Instagram, TikTok and YouTube to amplify our PR campaigns, evolved our media partnerships to increase reach and provided journalists with information to support balanced coverage.

As ever, it was vital that everyone could access our information and campaign materials. So, we made sure that all the free materials in the Smart Energy GB Resource Centre met a range of accessibility needs. That included our most downloaded and printed asset in 2023 — a debt guide to support people worried about their energy bills.



Above: Attendees of EFL Trust event, hosted by Tranmere Rovers Football Club



People and environment

People

At Smart Energy GB, we recognise that creating a happy and enthusiastic team is central to high performance and achieving our goals.

We're proud that The Sunday Times included us in its Best Places to Work 2023. It was particularly pleasing that our annual staff survey, taken subsequently, recorded even stronger results.

Also, for the second year running, the 'All In' initiative named us an All In Champion. Run by trade bodies in the UK marketing and advertising industries, the initiative aims to build workplaces where everyone feels they belong.

These achievements reflect three areas of focus:

- 1. Supporting our people to continuously learn, grow and develop.** In 2023, we rolled out a mandatory management development initiative for all our people managers.
- 2. Keeping diversity, equity and inclusion (DEI) at our core.** We celebrated milestone events including International Women's Day. We also kept working to achieve our non-binding targets around gender, ethnicity, disability and socio-economic status.
- 3. Looking after the wellbeing of our people.** We organised a Mental Health Awareness Week in May and a Stress Awareness Week in October, featuring sessions with external speakers. We also set up an employee resource group to better understand the challenges facing employees who have parental responsibilities and how we can support them.

The environment

We partnered with Positive Planet to measure and reduce our emissions. In 2023, we reduced the energy consumption of our London office by almost 5% on the previous year. We did this by implementing recommendations from an independent energy audit carried out as part of the Mayor's 'Business Climate Challenge'.

We also kickstarted carbon-reduction projects by joining the Southwark Climate Collective and continued to provide all new starters with a sustainability induction.



How we performed against our 2023 targets

Each year, the Board defines our targets after consulting with large energy suppliers and government. By large energy suppliers, we mean those with over 150,000 domestic customers, or those that provide energy to over 100,000 business premises.

The resulting goals make up our Performance Management Framework (PMF). The Board is responsible for maintaining and monitoring the progress of this framework, with support from the PMF Board advisory subcommittees (domestic and non-domestic). Their work involves tracking the progress of the campaign and the wider smart metering rollout against our targets and making any necessary changes. The PMF Board advisory subcommittees met throughout 2023 to review our performance and provide ongoing feedback.

At the end of 2023, we are pleased to see that the percentage of people who want a smart meter (either would 'seek' or 'accept' one) met the target. The level of rejection in percentage terms is also very close to target. Conversion results exceeded target though installation levels were below the Department for Energy Security and Net Zero (DESNZ) target. Our work continues to be effective, with good performance against message take out and usage targets.

Performance against non-domestic PMF targets was good with results close to target for awareness, seek/accept and rejection. Installations were lower than the DESNZ targets.



Domestic PMF targets and results

Metric	Target		End–2022 Baseline	End–2023 Results
Seek/accept The percentage of the non-smart GB adult population who would seek or accept in the next six months	Minimise the softening — set a realistically ambitious level	33% (mid-year check = 35%)	37%	33%
Rejection The number of the non-smart GB adult population who would reject if offered in the next six months	Reduce absolute numbers	4.3m hholds* (mid-year check = 4.6m hholds)	39% or 5m hholds	45% or 5.8m hholds
Sub–demographics^ Seek/accept	Monitor for all. Maintain or improve low income and over-65	Low income: min 29% Over-65: min 22%	Low income Seek/accept: 29%	Low income Seek/accept: 23%
			Prepay Seek/accept: 42%	Prepay Seek/accept: 36%
			Private renters Seek/accept: 45%	Private renters Seek/accept: 44%
			Over-65 Seek/accept: 22%	Over-65 Seek/accept: 15%
			Fuel poverty Seek/accept: 31%	Fuel poverty Seek/accept: 25%
Conversion The proportion of GB adults previously without a smart meter reporting as ‘got/due/tried to get’ a smart meter in the following six months	Minimise expected taper — set a realistically ambitious level	23% (mid-year check = 25%)	27%	28%
Installations Rolling weekly run rate of smart meter installations (using Electricity meters as household proxy)	Monitor vs DESNZ required run rate	c.97k per week	Established by Electralink electricity meter installs and extrapolated to full market using Q4 2022 average = c.62k	c.62k

Metric	Target		End–2022 Baseline	End–2023 Results
Message takeout Though not a metric, sharing of analysis of takeout vs intended takeout for the audiences targeted	Monitor. Expected levels will vary but guide = 45% (prompted), 33% (spontaneous)		Comparison made using National Smart Tracker comparator levels	While the top message takeout varied across the year depending on the creative, channel and nature of the message, as a guideline we saw in 2023: Prompted average: 50% Spontaneous NET average: 53%
SEGB contribution to installations The level of SEGB positive effect towards installations	Monitor vs 2022 noting impact of wider market conditions		SEGB activity contributed to 1.9m installations in 2022	2.2m
Population with smart meters in smart mode reporting “I actively manage how I use around my home”	Maintain or improve	Min 66%	Established by Outlook, Nov '22 = 66%	62%
Population with smart meters in smart mode reporting that having a smart meter has made a ‘great/fair difference’ to their energy use	Maintain or improve	Min 45%	Established by Outlook, Nov '22 = 45%	45%

* Assumes end-H2 2022 non-smart hhld pop is 12.9m hhlds, and conversion results for 2023 are as per above targets, resulting in an EOY non-smart hhld pop of 9.8m hhlds. NB: the end of 2023 official non-smart size is pending the publication of official DESNZ smart meter statistics, but is expected to be higher than the assumed 9.8m level used in the calculations.

Non-domestic PMF targets and results

Metric	Target		End-H2 2022 Baseline	End-H2 2023 Results
Awareness among premise-based small businesses	Monitor	n/a	Microbusiness Tracker, Nov '22 = 73%	69%
Seek/accept Percentage of small businesses who would seek/accept in next six months	Increase	28% (mid-year check = 27%)	Microbusiness Tracker, Nov '22 = 26%	24%
Rejection Number of small businesses who would reject if offered in next six months	Reduce	15% (mid-year check = 16%)	Microbusiness Tracker, Nov '22 = 17%	15%
Installations Rolling weekly run rate of smart meter installations (using electricity meters as a proxy)	Monitor vs DESNZ required run rate	c.5k per week	Electralink electricity meter installs and extrapolated to full market using Q4 2022 average = c.2.6k	c.3.2k
Usage Owners reporting “I actively manage how I use energy in my business”	Monitor		Established by Microbusiness Tracker, Nov '22 = 74%*	53%
Usage Owners reporting that having a smart meter has made a ‘great/fair difference’ to their business energy use	Monitor	n/a	Established by Microbusiness Tracker, Nov '22 = 72%*	62%

*NB: low base size. The extent of the shift in this data vs mid-year 2022 suggests there may be some data volatility in these results.

Our work in 2024

The impact of the cost-of-living crisis looks set to remain a dominant feature of the year ahead. So, our goal for 2024 is to bring fresh thinking to tackle the challenges and identify any opportunities this context poses, while helping suppliers to meet their smart meter rollout targets.

We have identified a wide range of new ideas and ways of doing things that will help us achieve this goal. These range from driving installations among particular groups (for example, private renters and small businesses) to myth-busting.

We have agreed the same budget as in 2023, absorbing the effects of inflation through efficiencies and budget reductions. We'll increase the proportion of budget we spend on raising awareness of the benefits of smart meters for small businesses. We'll also continue to invest in our Einstein campaign, maintain our spend in paid media, invest more in targeted channels and refresh our energy-saving tips creative.

On top of that, we'll keep monitoring the ever-changing external environment closely and maintain our agile and flexible mindset. We'll apply the same mindset when responding to the impact of the General Election on our communications and corporate affairs activity.

Below are the domestic and non-domestic metrics and targets set out in our 2024 Performance Management Framework (PMF).

Domestic PMF metrics for SEGB in 2024

The key changes since 2023 are the planned introduction of an 'intention to stay in' metric (subject to establishing a robust metric) and splitting out the rejection metric.

Metric	End-H2 2023 Baseline	Target
Seek/Accept (GB adults)	Established by Outlook, Nov '23 = 33%	Minimise expected softening to a level sufficient for fuelling required installs, in combination with the conversion rate
Rejection (GB adults)	Established by Outlook, Nov '23 = 45% (c.9.8m adults)	Reduce absolute numbers
Rejection (GB households)	5.4m hhlds	5.1m hhlds (mid-yr check = 5.2m)
Attitude sub-demographics — Seek/accept for low income, prepay, private renters, over-65, and in fuel poverty	Established by Outlook, Nov '23 Low income: 23%, prepay: 36%, private renters: 44%, over-65: 15%, fuel poverty: 25%	Monitor for all. Maintain/improve for low income and over-65

Metric	End-H2 2023 Baseline	Target
Conversion The proportion of GB adults without a smart meter reporting as 'got/due/tried to get' a smart meter in the following six months	Established by Re-contact study, Nov '23 = 28%	Minimise expected taper to a level sufficient for fuelling required installs, in combination with the S/A level
Intention to stay in The proportion of non-smart adult population stating it would be a priority for them to stay in for their appointment at least for their whole appointment window	Established by Outlook, Nov '23 = 39%	Monitor initially
Installations Rolling weekly run rate of smart meter installations	Electralink electricity meter installs using 2023 avg, extrapolated to full market = c.62k	Monitor vs required DESNZ run rate
SEGB contribution to installations The level of SEGB positive effect towards installations	To be established by Annalect Econometric analysis of 2023	Monitor
Message takeout Though not a metric, sharing the analysis of message takeout vs intended takeout with the audience segment(s) being targeted	Comparison made using National Smart Tracker comparator levels	Monitor
Usage Population with smart meters in smart mode reporting "I actively manage how I use energy around my home"	Established by Outlook, Nov '23 = 62%	Maintain or improve
Usage Population with smart meters in smart mode reporting that having a smart meter has made a 'great/fair difference' to their energy use	Established by Outlook, Nov '23 = 45%	Maintain or improve

Non-domestic PMF metrics for SEGB in 2024

PMF metrics for SEGB in 2024, monitoring within premise-based small businesses where possible.

Area	End-H2 2023 Baseline	Target
Awareness Among premise-based small businesses, awareness that smart meters are available to businesses	Established by Microbusiness Tracker, Nov '23 = 69%	Increase
Seek/accept The percentage of premise-based small businesses who state that they would seek or accept a smart meter in the next six months	Established by Microbusiness Tracker, Nov '23 = 24%	Minimise expected softening
Rejection The number of premise-based small businesses who state that they would reject a smart meter if offered one in the next six months	Established by Microbusiness Tracker, Nov '23 = 15% (NB: # businesses tbc subject to market sizing)	Minimise expected growth
Installations Rolling weekly run rate of smart meter installations	Established by Electralink electricity meter installs using 2023 average, extrapolated to full markete = c.3.2k	Monitor vs DESNZ required run rate
Usage Population with smart meters reporting "I actively manage how I use energy in my business"	Established by Microbusiness Tracker, Nov '23 = 53% (NB: low base size)	Monitor
Usage Population with smart meters reporting that having a smart meter has made a 'great/fair difference' to their business energy use	Established by Microbusiness Tracker, Nov '23 = 62% (NB: low base size)	Monitor

Statutory duties

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.

Leadership

To support these objectives, Smart Energy GB’s operations comprise marketing and communications activity. Led by the CEO, Dan Brooke, our staff team is made up of four divisions (Marketing, Communications, Corporate Affairs and Operations).

Marketing

Director of Marketing:

Chris Taggart

Deputy Director of Marketing:

Imogen Landy

Deputy Director of Specialist Audiences:

Phillippa Brown

Communications

Director of Communications:

Victoria Bacon

Corporate Affairs

Director of Corporate Affairs:

Sara Higham

Operations

Director of Operations:

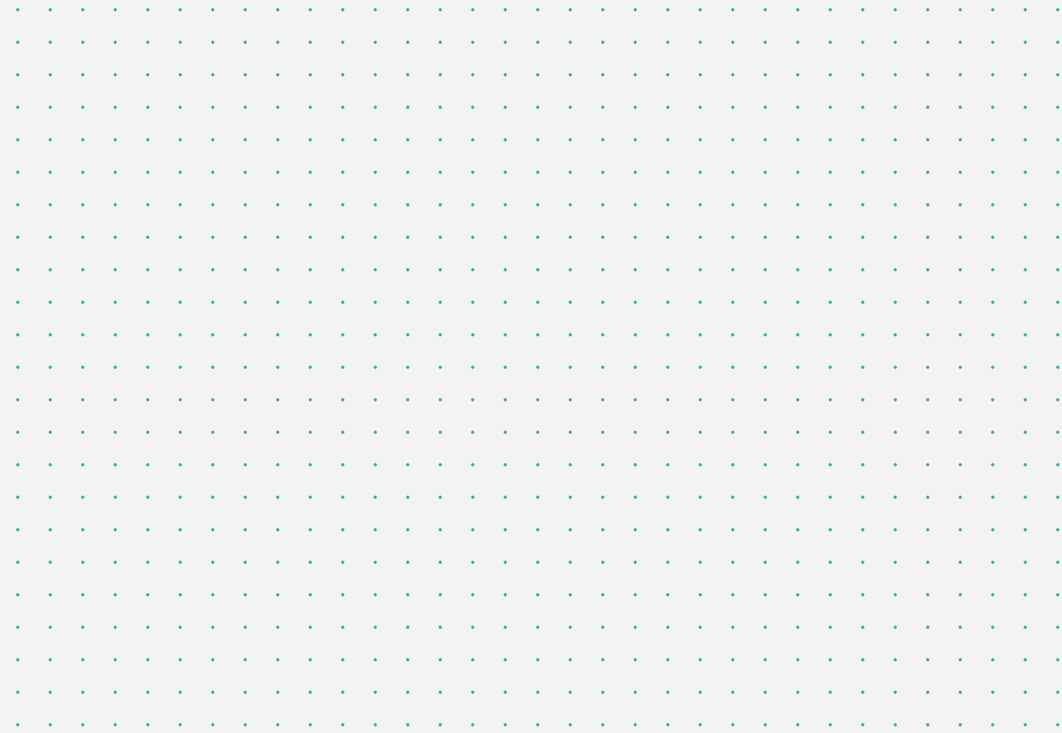
Alistair Gibbons

Deputy Director of Strategy and Insight:

Claire Baines

Deputy Director of People:

Soumya Singh



Governance

Smart Energy GB is a not-for-profit company limited by guarantee. It’s governed by a Board, which is led by an independent Chair.

Board directors

The Board’s make-up is set out in law and consists 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 the Department for Energy Security and Net Zero and the energy network operators. In addition, Smart Energy GB has invited Ofgem and the Chair of the Audit and Risk Committee to observe Board meetings.

Below, are details of the directors of Smart Energy GB during 2023 up until the accounts were approved.

Director	Appointed	Resigned
Mark Lund (Chair)	01-Jan-16	
Martin Aylward	30-Jun-21	
Daren Carter	06-Nov-20	
Nick Clark	01-Jan-24	
Stephen Crabb	30-Jun-21	
Rebecca Dibb-Simkin	01-Jan-23	8-Mar-24
Jill Dougan	24-Sept-19	30-Sept-23
Maxine Frerk	30-Jun-21	
Christopher MacLeod	11-May-16	
Kerry Maisey	01-Apr-22	
Ann McKechin	30-Jun-21	
Elvin Nagamootoo	01-May-22	
Dan Brooke	30-Jun-21	

Audit and Risk Committee

An independently chaired subcommittee, the Audit and Risk Committee (ARC), meets four times a year to support the Board in its work. The Chair of the ARC, Hugh Spicer, also reports on its activities at the company’s Annual General Meeting.

In 2023, the ARC’s membership consisted of:

- Hugh Spicer (co-opted independent Chair and observer to Board meetings)
- Martin Aylward (Director, appointed October 2023)
- Jill Dougan (Director, appointed July 2021, resigned Sept 2023)
- Christopher MacLeod (Director, appointed September 2018)
- Brian Stratton (co-opted committee member and observer to Board meetings, nominated by energy network operators, resigned May 2023).

The external audit partner also attended two ARC meetings during the year.

The committee mainly focused on these areas in 2023:

- a value-for-money review of our media plan
- the risk register
- key financial policies (for example, procurement and treasury management)
- the scheme of delegation
- a review of governance best practice
- the year-end accounts preparation and audit process.

During 2023, the ARC didn’t report any material concerns with Smart Energy GB’s approach to risk management and internal control to the Board.

Remuneration Committee

Also supporting the Board is a remuneration subcommittee. This meets at least once a year to review the annual remuneration of all staff, including the senior leadership team. Its Chair is the Chair of the Board. In 2023, membership of the subcommittee included Mark Lund, Martin Aylward, Daren Carter, Rebecca Dibb-Simkin, Steve Crabb and Chris MacLeod.

Membership

The membership of Smart Energy GB consists of energy suppliers: relevant suppliers, small domestic suppliers and non-domestic suppliers. The Board welcomes applications from any licensed energy supplier interested in becoming 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
Auditors:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW



Image: After school play session hosted by Smart Energy GB partners
Leigh Youth and Community Development Trust

The business environment

Our activity, costs and risks are dependent on three things:

- 1. The wider environment of the smart meter rollout
- 2. The direction given to the rollout by government
- 3. The delivery of the rollout 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 2023

Smart Energy GB is a not-for-profit company which is funded by energy suppliers on an annual basis. This reflects suppliers’ legal obligations in the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences.

We agree our budget each year. The budget for the 2023 financial year was originally £38.265m (2022: £38.265m). We finished the year with operating expenses of £38.224m (2022: £36.378m). Most 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 48 presents surplus of £315k, which will be retained to support campaign activity in 2024 (2022: £1.155m).

Our staff costs were £5.716m (2022: £5.164m). You can find a breakdown of these costs in note 3 of the accounts.

We aren’t liable to pay corporation tax on trading profits as all our profits are, or will be, repayable to energy suppliers. We do pay tax, in full, on the bank interest we receive.

On 31st December 2023, our net assets were £2.846m (2022: £2.443m), representing the accumulated surplus of the organisation.

Before 31st December 2023, and in line with our approved budget, we raised invoices to the value of £11.826m excluding VAT (2022: £11.315m) for the first quarter of 2024. We have deferred all invoices, which appear on the balance sheet within creditors. Any invoices unpaid as of 31st December 2023 appear within trade debtors.

Financial outlook for 2024

Our energy supplier members approved our 2024 budget of £38.265m, £35.832m for the domestic campaign and £2.433m for the non-domestic campaign. You can find more details in the Consumer Engagement Plan and Budget 2024 at [smartenergyGB.org](https://smartenergygb.org).

We based our plans for 2024 on analysis of the scale of campaign needed to meet the targets in our Performance Management Framework (PMF). The Board has a duty to keep the PMF under review.

Below, we have listed scenarios that could materially affect our ability to meet those targets in 2024. Any one of these scenarios might result in us reducing, redirecting or increasing (within the boundaries of available budget) the amount of activity we carry out to maintain consumer enthusiasm for adopting smart meters.

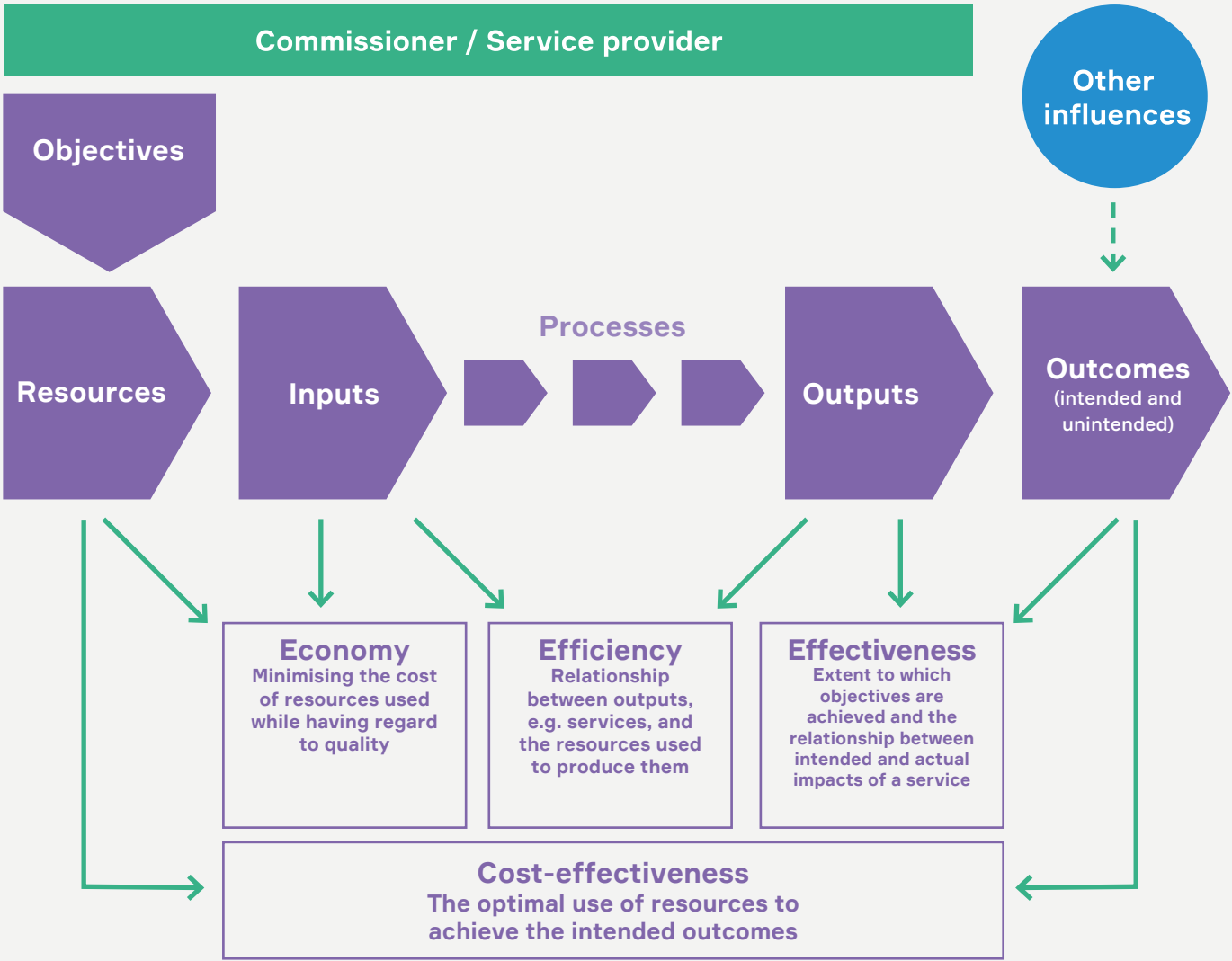
Scenario	Impact
Wider market factors including the cost-of-living crisis, consumer attitudes to energy, and switching could impact on smart meter uptake	Smart Energy GB campaigns would have to adjust accordingly to these factors outside of our control
The Smart Metering Implementation Programme does not deliver the remaining technical elements of metering infrastructure in the way intended	This may lead to public concern about the delivery of smart metering and/or reputational damage to smart meters
Energy suppliers are not able to deliver fully on their obligations (booking installation appointments and installing smart meters)	This may have a negative effect on the reputation of smart meters. It may lead to a wider public reluctance to seek out or accept smart meter installations

Another scenario is that more suppliers may go into administration. In those circumstances, there’s a risk that suppliers will not pay their invoices. The Board is monitoring this risk, including reviewing our credit control position and bad debt provision. It doesn’t currently believe that this risk will materially affect Smart Energy GB’s ability to deliver the activity in our Consumer Engagement Plan and Budget 2024.

Any of these scenarios could materially affect Smart Energy GB’s ability to meet its targets in 2024. This might result in Smart Energy GB modifying the amount or type of activity that is carried out in 2024.

Value for money

When Smart Energy GB was established in late 2013, the Board considered several models for making sure the strategic direction of the company reflected its legal obligations to deliver value for money. It decided that, even though Smart Energy GB isn't in the public sector, it should apply the most respected cost-effectiveness/value-for-money model used by public service organisations. That model, developed by the National Audit Office (NAO), is set out as a diagram below.



Contributes to the measurement of...

The Smart Energy GB Board has an obligation to report on the extent to which our expenditure represents value for money. As such, it pays close attention to how the company applies the model and uses its money. This includes using the principles in the model in its budget development processes and overseeing the value for money of the company's activities.

Going concern

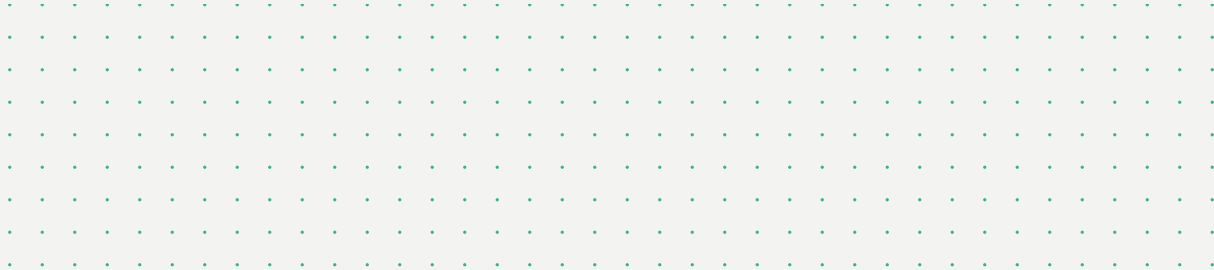
The Board of Smart Energy GB has considered the company's funding position and the risks to which it is exposed. As funding Smart Energy GB each year is a condition of supplier licences, the risk that the company won't be able to meet its liabilities is negligible.

In considering the going concern status of the company, the Board took into account the government's deadline for the smart meter implementation programme (end-2025). It also considered the risk that energy suppliers decide they are better placed to deliver Smart Energy GB's objectives through uncoordinated individual company activity. It concluded that the effectiveness and efficiency of our coordinated approach — and its importance in helping deliver the cost/benefits of the smart metering rollout — makes this a low risk for the foreseeable future.

The continued higher cost of energy, and its impact on suppliers' ability to meet their obligations to fund Smart Energy GB, is a live issue. The Board reviewed this issue during 2023 and will continue to make sure there are appropriate mitigations in place, including tight credit control and provision for bad debt.

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 effectively ends in December 2025. Confirmation has not been received that the statutory mandate will be extended beyond this point, however the activities of Smart Energy GB may continue if there is deemed to be an ongoing benefit of public engagement.

Given the board is confident that the activities of the company will continue for the foreseeable future, the financial statements have been prepared on the going concern basis. However, a material uncertainty exists on exactly if or when Smart Energy GB will cease operations. This uncertainty will continue until there is agreement on whether there is a role for Smart Energy GB beyond 2025. This will be monitored by the Board on an ongoing basis.



Risk management and internal control

Smart Energy GB has based its breakdown of governance and management responsibilities on a range of good practice. These include the description of value for money HM Treasury sets out in its publication, 'Managing Public Money'.

HM Treasury's 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. These include:

- procurement policy;
- the full finance manual of all financial policies and procedures;
- HR policies and procedures;
- delegation of appropriate financial authorities.

As well as applying the HM Treasury model, the Board also undergoes annual training in how best to carry out its fiduciary duties. This means it can assure itself it's properly fulfilling several of its duties under the licences, as well as its broader fiduciary duties.

The Smart Energy GB Board takes a positive approach to risk management and internal control. This includes welcoming the approach of the senior leadership team to review risks regularly and to use the risk register as an active management tool. During 2023, the Board conducted formal reviews of the risk register. It also welcomed the ARC's review of, and contribution to, the register.

Although outside of our control, the main risk to the company is any disruption to the planned quality or timescales of the nationwide smart meter rollout. Examples include:

- difficulties with the service delivered by the central smart metering infrastructure (the DCC)
- issues with the quality of customer service from energy suppliers when installing smart meters
- the negative media coverage that could arise from either.

The company attempts to mitigate these risks by staying informed. It takes part in the stakeholder engagement forums of the Smart Metering Implementation Programme, led by the Department of Energy Security and Net Zero. Both the Board and the senior leadership team actively manage risks and uncertainties throughout the lifetime of the programme. This influences how we design and implement our consumer engagement work.

We also closely monitor the risk that energy suppliers go into administration, which may put income at risk. We hold money on the balance sheet for this eventuality.

We provide all directors with third-party indemnity insurance. This covers them against claims that may arise from their legitimate actions as directors, as long as they have acted honestly and reasonably. It also covers members of the ARC.

Finally, we were paid quarterly in advance for our activity so there is no immediate cash flow 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 2023. 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 make sure that management operates the business in a responsible manner, within the high standards of business conduct and good governance expected for a business such as ours. In doing so, the Board 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. These should also enable the directors to ensure the financial statements comply with the Companies Act 2006. The directors 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 13th March 2024 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 2023 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 2023 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.

Material uncertainty relating to going concern

We draw your attention to note 1 in the financial statements, which indicates that the statutory mandate for their operations ceases in December 2025 and confirmation has not been received that this will be renewed beyond that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our 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: 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 those 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.



Jayne Rowe

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

Date: 25 March 2024



Statement of income and retained earnings

for the year ended 31st December 2023

	Notes	£ 2023	£ 2022
Turnover		38,264,775	37,482,413
Operating expenses		(38,223,940)	(36,377,738)
OPERATING SURPLUS	2	40,835	1,104,675
Other income		357,536	62,753
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		398,371	1,167,428
Taxation on profit on ordinary activities	4	(83,551)	(11,934)
TOTAL COMPREHENSIVE INCOME	9	314,820	1,155,494
Total retained earnings at the beginning of the year		2,590,503	1,435,009
Total retained earnings at the end of the year		2,905,323	2,590,503

The notes on pages **51–57** form part of these financial statements.

Balance sheet

as at 31st December 2023

	Notes	£ 2023	£ 2022
FIXED ASSETS			
Tangible assets	5	59,340	147,223
CURRENT ASSETS			
Debtors	6	8,171,228	7,614,558
Cash at bank		14,317,600	15,699,475
		22,488,828	23,314,033
CREDITORS: Amounts falling due within one year	7	(19,642,845)	(20,870,753)
NET CURRENT ASSETS		2,845,983	2,443,280
NET ASSETS		2,905,323	2,590,503
CAPITAL AND RESERVES			
Profit and Loss account	9	2,905,323	2,590,503

The accounts have been prepared in accordance with the Companies Act 2006. The Board approved the accounts on 13th March 2024 and signed on its behalf.


Mark Lund
Chair

Cash flow statement

January 2023 – December 2023

	Notes	£ 2023	£ 2022
Net cash (outflows) / inflow from operating activities	a)	(1,669,408)	4,416,202
Net cash inflow from investing activities	b)	287,533	57,709
(Decrease) / Increase in cash in the period	c)	(1,381,875)	4,473,911
a) Reconciliation of profit on ordinary activities to net cash inflow from operating activities		£ 2023	£ 2022
Profit before tax on ordinary activities		398,371	1,167,428
Depreciation and amortisation		155,886	160,218
Interest received		(355,536)	(62,753)
(Increase)/Decrease in debtors		(556,670)	(263,980)
(Decrease)/Increase in creditors		(1,227,908)	3,427,223
Tax payable		(83,551)	(11,934)
Net cash (outflow)/inflow from operating		(1,669,408)	4,416,202
b) Net cash flow from investing activities		£ 2023	£ 2022
Interest received		355,536	62,753
Purchase of tangible assets		(68,003)	(5,044)
		287,533	57,709
c) Analysis of changes in net cash funds		£ At 1st January 2023	£ At 31st December 2023
Cash at bank and in hand		15,699,475	(1,381,875)
			14,317,600

Cash at bank and in hand is a financial asset and is measured at amortised cost with a carrying value of £14,317,600 (2022: £15,699,475).

Status of the 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 2023

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. 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 effectively ends in December 2025. Confirmation has not been received that the statutory mandate will be extended beyond this point, however the activities of Smart Energy GB may continue if there is deemed to be an ongoing benefit of public engagement.

Given the board is confident that the activities of the company will continue for the foreseeable future the financial statements have been prepared on the going concern basis. However, a material uncertainty exists on exactly if or when Smart Energy GB will cease operations. This uncertainty will continue until there is agreement on whether there is a role for Smart Energy GB beyond 2025. This will be monitored by the Board on an ongoing 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) below).

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 that are capitalised in line with FRS102. The historical costs are provided and amortised on a straight-line basis over the period in which the assets are expected to generate revenue (five years). These figures can be found in the operating expenses of 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 annum on cost
- Computer equipment — 25% per annum on cost

Depreciation is charged on a monthly basis starting from the month of acquisition. Items purchased over the value of £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.

g) Pensions

Defined contributions are paid to the Group Personal Pension Plan via Scottish Widows Ltd in accordance with company policy. The policy allowed for contributions from the employer up to a maximum of 8%. The cost of providing for employees' pensions is charged to the Profit and Loss account as incurred.

h) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term. The rent-free period is similarly spread on a straight-line basis over the lease term.

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) Other income

Other income includes bank interest and other income not recognised within Turnover.

k) 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 (deficit) / surplus is stated after charging:	£ 2023	£ 2022
Depreciation and amortisation	155,886	160,218
Directors' remuneration	492,957	472,872
Operating lease rentals	340,702	345,400
Audit fee	24,610	23,000
Auditor's remuneration for non-audit fees	1,700	1,575
	1,015,855	1,003,065

3. Employee information

Total staff costs were as follows:	£ 2023	£ 2022
Wages and salaries	4,859,876	4,373,516
Social security costs	595,978	554,620
Pension costs	260,119	235,747
Total staff costs	5,715,973	5,163,883

The average number of employees in 2023 was 69 (2022: 75).

During the year ending 31st December 2023, Smart Energy GB paid £357,447 to one director for salary (including PAYE and employee's NI), performance-related pay and pension contributions (2022: £336,782) and £135,510 to 11 non-executive directors (2022: £136,000 and 13). No director (2022: nil) is accruing benefits under money purchase or defined benefit pension schemes.

Total remuneration for the executive senior leadership team was £1,738,212 (2022: £1,631,350) including all emoluments, employer pension contributions and employer's NI. The remuneration committee reviewed and agreed the remuneration of the senior leadership team during the year, as it did in 2022.

During the year Smart Energy GB made termination payments of £5,565 (2022: £64,631) and £nil was outstanding at year-end (2022: £nil).

4. Taxation	£ 2023	£ 2022
UK Corporation tax on profits for the year	83,551	11,923
UK Corporation tax on profits from prior year	–	11
Tax charge on profit on ordinary activities	83,551	11,934

5. Tangible assets	£ Fixtures and Fittings	£ Computer Equipment	£ Total
Cost			
At 1 st January 2023	728,222	249,221	977,443
Additions	–	68,003	68,003
Disposals	–	(25,183)	(28,183)
At 31st December 2023	728,222	292,041	1,020,263
Depreciation			
At 1 st January 2023	602,112	228,108	830,220
Charge for the period	126,110	29,776	155,886
Disposals	–	(25,183)	(25,183)
At 31st December 2023	728,222	232,701	960,923
Net book value			
At 31st December 2023	–	59,340	59,340
At 31 st December 2022	126,110	21,113	147,223

6. Debtors	£ 2023	£ 2022
Trade debtors	7,667,148	7,005,301
Provision for doubtful debts	(90,000)	(90,000)
Prepayments	533,606	659,330
Other debtors	60,474	39,927
	8,171,228	7,614,558

The carrying value of financial assets included within debtors and measured at amortised cost in 2023 was £7,727,622 (2022: £7,045,228).

7. Creditors: amounts due within one year	£ 2023	£ 2022
Trade creditors	2,110,691	2,995,178
Taxation and social security	303,406	258,095
Deferred income	11,826,207	11,315,373
Accruals	4,698,189	4,835,415
Year-end repayment to energy suppliers	–	783,014
Other creditors	704,352	683,678
	19,642,845	20,870,753

The carrying value of financial liabilities included within creditors and measured at amortised cost in 2023 was £7,513,232 (2022: £8,514,271).

8. Lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the periods below:	2023	2022
Land and buildings:		
Not later than one year	479,500	430,249
Later than one year and not later than five years	479,500	–
Later than five years		–
	959,000	430,249

Operating lease expenditure totalling £340,702 (2022: £345,400) was recognised through the Statement of Income and Retained Earnings during the year.

The company had no other off-balance sheet arrangements.

9. Capital and reserves

	Profit and Loss account
On 1 st January 2023	2,590,503
Surplus for the year	314,820
On 31 st December 2023	2,905,323

10. Pensions

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

The total pension cost to the Company for the year ended 31st December 2023 was £260,119 (2022: £235,747).

