LOOKING FORWARD TO A SMARter FUTURE

GIVING CONSUMERS THE CONFIDENCE TO TAKE CONTROL OF THEIR ENERGY CONSUMPTION WITH SMART METERS.
The national smart meter roll-out is the most significant upgrade for a generation to the technology through which all of us, in every house across Scotland, England and Wales, buy the electricity and gas that power our homes.

From 2015 the five-year project to install around 50 million smart meters in almost 30 million homes will accelerate.

This is a transformation, unprecedented in its reach and scale, to improve a core part of the backbone of our nations’ energy infrastructure and benefit families, businesses and the country as a whole.

A smart meter doesn’t just replace an old electricity or gas meter. With a smart meter, the relationship between a consumer and their energy supplier can be transformed, with control finally shifting into the hands of consumers.

Smart meters are also essential to the nations future ability to generate energy reliably and distribute it through a smarter grid.

We are a voice for the consumer at the heart of the national smart meter programme. It is our aim that the interests of consumers are central to the planning and delivery of roll-out and that energy suppliers, power networks and government ensure that all the potential benefits that smart meters can deliver to consumers are delivered, and delivered in full. We want to give consumers the enthusiasm and confidence to say ‘yes’ to having a smart meter and the knowledge to use the smart meter to transform their relationship with energy.

In 2013 we took the first steps in building up our organisation with the skills and scale needed to deliver nationwide consumer engagement over the next six years. From a standing start at the end of March, we recruited an expert Board, the first members of our staff team and established the systems and capabilities that we need to deliver best practice public engagement at the best possible value.

A central focus of our activity was work with leading worldwide experts in consumer behaviour change to develop our Consumer Engagement Plan, which we published in December. The breadth of our task is to engage every single household in Great Britain, and so for us this was a critical publication, setting out a new analysis of why British consumers really will benefit from smart meters, and the approach that we will take in our design and delivery of nationwide consumer engagement.

The foundation of our thinking was driven by new research with consumers, and from working closely with a wide range of stakeholder groups with expertise in different communities across the country. We describe more on the findings of that research in this report, and look forward to extending that work in 2014 as we take on responsibility for nationwide consumer attitudes tracking research from the Department of Energy & Climate Change.

Time and again over the last year consumers have reminded us just how tough it is for so many households to manage today’s energy costs.

We heard an alarming number of stories of families who live in fear of unseen energy bills clocking up day to day and week to week. We were taken aback by the number who told us that they have switched to pre-pay, just to have some sight and control over what they spend. Consumers have asked us why, now well into the 21st century, their experience of buying gas and electricity is so different to the experience in almost every other area of their lives; relying on old technology that they cannot even trust to deliver that most basic of demands, an accurate bill. As the country entered the harshest winter for years, consumers asked us how, when we live in an era of global communications, it can be that today’s energy system does not even know if your house has been cut off in a storm.

When we explained that smart meter technology is being introduced to crack each and every one of these problems, consumers told us that they want the technology, and asked us to help the nationwide programme to deliver it successfully.

We are very happy to give consumers our commitment that we will work hard to bring the smart meter programme to life for the whole country, and never waver from playing our part to ensure that consumer interests and the consumer’s voice is centre stage as the country takes this vital step forward.

Margaret McDonagh
Chairperson

Sacha Deshmukh
Chief Executive
As a nation, we spend ENOUGH money in a SINGLE year on our gas and electricity to fund the police for approximately five years.

The cost of household energy has risen seven times faster than household income in the last ten years.

Bills are expected to continue to increase by approximately 50% by 2030.

More than one household in ten IS living in fuel poverty.

OVER 2 million people made an official complaint about their bill IN 2013.

Only 3% of people have ever switched supplier.

YOU’VE OVER CHARGED ME AGAIN! PLUS I’VE BEEN ON HOLD FOR 42 minutes!

Dual fuel prepayment customers pay on average £85 per year more than those paying by direct debit.
As a nation, we spend enough money in a single year on our gas and electricity to fund the police for approximately five years.

The cost of household energy has risen seven times faster than household income in the last ten years.

Bills are expected to continue to increase by approximately 50% by 2030.

More than one household in ten is living in fuel poverty.

Over 2 million people made an official complaint about their bill in 2013.

Dual fuel prepayment customers pay on average £85 per year more than those paying by direct debit.

Only 38% of people have ever switched supplier.
We started our activity in 2013 with a programme of intensive research with consumers to understand attitudes towards energy use, energy companies, the cost of energy and its impact on household budgets and potential interest in smart meter technology.

We spoke with consumers at 18 specially convened panels held in Livingston, Hackney, Liverpool, Cambridge, Birmingham, Cardiff, Shrewsbury, Brighton and Leicester; as well as through a nationwide quantitative survey of just over 6,000 consumers.

What we heard formed the foundation of our thinking on our task and our plans.

Consumers are already trying to change their behaviour to reduce their energy use and cut their bills. But today they are doing this without sight of what in their homes actually uses the most energy and costs them the most.

Today’s bills are not transparent. Consumers worry about bill-shock and some are switching to pre-pay meters just so they can take a measure of daily and week to week control over their spend on energy.

Some consumers are worried that they are being ripped off by estimated readings and don’t trust that manual meter readings will be accurately reflected in their bills.

There is concern that if you switch energy supplier you may end up on a worse deal, unless you have access to lots of complex information on the energy you currently use.

Today’s pre-payment customers were particularly frustrated that pre-pay technology is old fashioned in the way that it works, and that they are forced to pay more just because they are on pre-pay.

More than three-quarters of consumers told us that they would want a smart meter to help them better manage their energy costs and consumption.
“LISTENING TO CONSUMERS WAS THE FIRST THING THAT WE DID AND WE WILL CARRY ON LISTENING THROUGHOUT THE CAMPAIGN”
CONSUMERS TOLD US THAT THE SMART METER BENEFITS THAT THEY MOST VALUE ARE.

JOAN FROM NUMBER 54...
has just switched suppliers, “Surprisingly the whole process was a doddle with the smart meter technology.”

DUDLEY THE DOG FROM NUMBER 56...
is a little disappointed. No more visits from a meter reader means nobody to woof at! :

JANICE FROM NUMBER 52...
loves being able to see what she is buying in £ and pence

DAVE FROM NUMBER 58...
Has switched to pre-pay and finds it a bit like topping up his mobile
It was these consumer insights that helped us to start painting a picture of the role that people across the country want smart meter technology to play in their lives.

Christian & Barry from Number 64...
“We are all for the accurate bills. No more estimates. Woohoo!”

The Old Oak tree at the top of the road...
“Reduced emission of carbon dioxide and fewer new power plants means good news for me, and my mate Trevor.”

Ted & Trisha from Number 62...
(Trisha) “Real time information helped us to change our behaviour, we can see what energy we may be wasting so we can see how to save money.”
(Ted) “My washing machine is so smart, it turns on when electricity is cheaper”

Mick from Number 66...
Is excited at the prospect of opening the door to future smart technology, such as appliances and electric cars

I wish I was Electric

Hi, I’m Trevor
Starting with the stakeholders

In 2013 we started our work with stakeholder organisations, focusing on securing input into the development of our Consumer Engagement Plan.

We worked with over 100 different experts feeding into our Plan, whom we met individually, in small groups and at three stakeholder collaborative workshops (held in Cardiff, Edinburgh and London).

This strong stakeholder input at such an early stage in the life of our company forged our model of working. We will put partnership working at the heart of our approach, developing open source content and materials for use by stakeholder partners, as well as supporting those partners as a consumer engagement delivery channel in and of themselves.

Producing the Consumer Engagement Plan

The Consumer Engagement Plan set out our analysis of what will be needed to engage the country during the roll-out of smart meters.

The Plan was published on 5 December 2013 and can be found on our website at www.smart-meter.org.uk/plan

Building our team and infrastructure

Following the establishment of the Board and appointment of its Chairperson the operational team was developed, starting with the recruitment of the Chief Executive.

An Interim Director of Communications, a Communications Assistant and an Administrative Assistant were recruited and started work at the company in 2013.

Two additional senior staff appointments (Director of Finance & Operations and Director of Marketing) were made in 2013, although both of these members of staff started work with the organisation in 2014. In early 2014 recruitment took place for the Director of Communications, Head of Planning and Web Architect.

We moved into our current office in Farringdon, London in September 2013. The office was chosen on the grounds of both value for money and the excellent environmental footprint of the building.

Developing the Performance Management Framework

We developed our Performance Management Framework, having consulted on its proposed content with the Secretary of State for Energy & Climate Change. The Performance Management Framework was submitted to Ofgem in December 2013.
The roll-out of smart meters across Great Britain will be a time-limited project, aimed to be completed by the end of 2020. 2014 will be a key year for the Smart Meter Central Delivery Body as we move to the first stages of engagement activity, and so ensure that we meet our objectives over the lifetime of the smart meter programme.

**Key objectives in 2014**

- Develop detailed channel plans and more detailed marketing plans to ensure that our activity will be best targeted, most effective and best value.
- Take over responsibility (from the Department of Energy & Climate Change) for the commissioning and publication of nationwide tracker research into public attitudes to, and understanding of, smart meters. In addition, we will undertake a comprehensive programme of qualitative consumer research to inform the campaign narrative, theme and identity that will form the centrepiece of our activity.
- Source the creative agency who will develop the campaign identity and brand (that will also become our organisation brand) that we will use in our marketing campaigns.
- Engage with key stakeholder groups, consulting on specific areas of implementation as needed.
- Identify a location within which we can execute a consumer engagement “beacon” project.
- Further develop our internal management and control systems to ensure we have robust models for value for money assessment, performance management and appropriate infrastructure (in IT, HR, finance and general office systems) for an organisation that will grow significantly in 2014 and beyond.
- Continue to grow our team through further appointments in our London office, as well as in Scotland and Wales.
HOME SMART HOME
REAL TIME INFORMATION...
I can see when I could save money by using energy differently

> **Money Spent Today**

£ 1.30
0.08 £/hour

SWITCHING SUPPLIERS...
I am confident in switching supplier, with technology that makes the process easier

ACCURATE BILLS...
My bill no longer comes with a shock and I am confident that it is accurate

SMARTER NETWORK
The next time my power goes off, the network will know so I won’t have to phone anyone

MY BRAND NEW SMART METER.

> **REAL TIME INFORMATION**

<table>
<thead>
<tr>
<th>Current Temperature</th>
<th>21°C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Predicitive</td>
<td>08%</td>
</tr>
<tr>
<td>Current</td>
<td></td>
</tr>
<tr>
<td>Under Budget</td>
<td></td>
</tr>
<tr>
<td>Past</td>
<td></td>
</tr>
</tbody>
</table>

> **PAYMENT TIMELINE**

22 JUNE
08%
Under Budget

THE FUTURE IS SMART...
So I can sit back, relax and enjoy a cuppa.
The Smart Metering Communications Body Ltd was incorporated on 21 March 2013. The company is limited by guarantee and governed by its Memorandum and Articles of Association adopted on 15th August 2013. The company is currently trading as The Smart Meter Central Delivery Body.

We aim to:

• Build consumer confidence in smart meters;
• Build consumer awareness and understanding;
• Increase the willingness of energy consumers to use Smart Meters to enable them to reduce energy consumption; and
• Assist more vulnerable consumers to realise the benefits of Smart Meters.

We are funded by contributions from energy suppliers. These contributions are proportionate to the latest available data on energy supplier market share to domestic customers. These contributions meet our costs on an annual basis, and are paid at the start of the year.

As an independent body, the company is governed by a Board made up of Directors nominated by the National Consumer Council (Consumer Futures), representatives of groups of consumers, and representatives of the small & large (domestic and non-domestic) gas and electricity suppliers. The term of individual Directors extends to the Annual General Meeting that falls two years after their appointment, although they can be re-appointed. Observers from Ofgem, the energy networks and the Department of Energy & Climate Change attend Board meetings. The Chairperson of the Board is Baroness McDonagh of Mitcham and of Morden. The Chief Executive is Sacha Deshmukh.
“WE WANT TO GIVE CONSUMERS THE ENTHUSIASM AND CONFIDENCE TO SAY ‘YES’ TO HAVING A SMART METER”
“IN 2013 WE TOOK THE FIRST STEPS IN BUILDING UP THE ORGANISATION WITH THE SKILLS AND SCALE NEEDED TO DELIVER NATIONALWIDE CONSUMER ENGAGEMENT.”
# Our Serving Directors During 2013...

<table>
<thead>
<tr>
<th>Director</th>
<th>Appointed/(resigned)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margaret McDonagh (Chairperson)</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Stephen Alambritis</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Paul Clark</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Jean Fiddes</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Vaughn Harris</td>
<td>30 June 2013 (15 Aug 2013) re-appointed 19 Feb 2014</td>
</tr>
<tr>
<td>Audrey Gallacher</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Leyton Jones</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Mervyn Kohler</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Steve Mulinganie</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Paul Nickson</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Neil Pennington</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Teresa Perchard</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Andrew Ward</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Chris Welby</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Shwezin Win</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Richard Westoby</td>
<td>30 June 2013 (resigned 28 February 2014)</td>
</tr>
<tr>
<td>Melissa Gander</td>
<td>30 June 2013 (resigned 25 February 2014)</td>
</tr>
<tr>
<td>Gayle Terry</td>
<td>30 June 2013 (resigned 26 February 2014)</td>
</tr>
<tr>
<td>Zoe Mcleod</td>
<td>30 June 2013 (resigned 11 March 2014)</td>
</tr>
<tr>
<td>Martin Aylward</td>
<td>30 June 2013 (resigned 4 March 2014)</td>
</tr>
<tr>
<td>Natalie Griffiths</td>
<td>30 June 2013 (resigned 15 August 2013)</td>
</tr>
<tr>
<td>Lawrence Slade</td>
<td>21 March 2013 (resigned 30 June 2013)</td>
</tr>
</tbody>
</table>
We are a not for profit organisation. We are funded on an annual basis. We agree our budget annually and monies are received from energy suppliers, reflecting obligations in the Standard Conditions of Electricity & Gas Supply, Electricity Distribution and Gas Transporter Licences. The budget for the 2013 year was £864k.

The main areas of expenditure for the period ended 31 December 2013 were:

- Consumer research
- Stakeholder events
- Expert contributions to the development of the Consumer Engagement Plan
- Staff costs
- Media monitoring
- General running costs

In reviewing the expenditure for the year, the Board believes that, when considering the achievements, the expenditure represents good value for money. We underspent against our original budget. The main area of underspend was on our general running costs. The level of our engagement spend was close to budget, following a reallocation of monies originally budgeted for brand development to the development of the Consumer Engagement Plan as this was judged to be the greater priority.

The company therefore ended the period with a surplus of £212k. This will be carried forward to 2014 and used to fund the company’s work in that year.

As at 31 December 2013, our net assets were £212k, being the accumulated surplus together with the remaining net book value of tangible fixed assets purchased in the period.

These financial statements have been extracted from the full version of our Directors’ Report and Financial Statements for the year ended 31 December 2013. The auditor has issued unqualified reports on the full annual financial statements including the Directors’ Report, which is included in those financial statements.

A full version of the Directors’ Report and Financial Statements can be requested by writing to the Director of Finance at 31–35 Kirby Street, London, EC1N 8TE.
Principal risks and uncertainties

The principal risk to the company is that we fail to engage the public and the take-up of smart meters is therefore negatively affected as a result. Failure to successfully engage could be a result of negative media coverage or poorly devised campaigns amongst other reasons. These risks and uncertainties will be actively managed and mitigated throughout the lifetime of the programme and will influence the design and implementation of our consumer engagement work.

An additional risk to the company is any uncertainty in the planning of the nationwide smart meter roll-out. Although largely outside our control, the company attempts to mitigate this risk by participating actively in liaison meetings organised by the Department of Energy & Climate Change and by actively communicating with civil servants and Ministers in government with the organisation’s views on the management of the smart meter programme.

Going concern

The Board of Directors have considered the funding position and the risks to which the organisation is exposed. We have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt the company’s ability to continue. The accounts have therefore been prepared on the basis that the company is a going concern.

It is the Board’s policy to review the financial position of the organisation regularly during the year as well as at year end. Third party indemnity insurance is provided for the Directors to cover them against claims that may arise from their legitimate actions as Directors, as long as they have acted honestly and reasonably.

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 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:

• Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

Approved on behalf of the Board.

Margaret McDonagh
Chairperson
Independent Auditor’s Report to the Members of the Smart Metering Communications Body Limited

We have examined the Summary Financial Statements of the Smart Metering Communications Body Limited for the year ended 31 December 2013 which comprises the Summary Income and Expenditure Account, Summary Balance Sheet and the related notes numbered 1 to 8.

This report is made solely to the company’s members, as a body. Our 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the summarised annual report.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Summarised Annual Report with the full Financial Statements and the Directors’ Report.

We also read the other information contained in the Summarised Annual Report on pages 1 to 15 and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statements.

We conducted our work in accordance with Bulletin 2008/3 ‘The Auditors’ Statement on the Summary Financial Statements in the United Kingdom’ issued by the Auditing Practices Board. Our report on the company’s full annual financial statements describes the basis of our audit opinion on those financial statements and the Directors’ Report.

Opinion

In our opinion the Summary Financial Statements are consistent with the full Annual Financial Statements and the Directors’ Report of the Smart Metering Communications Body Limited for the year ended 31 December 2013.

Crowe Clark Whitehill LLP
Statutory Auditor
London
<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>864,400</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(652,599)</td>
<td></td>
</tr>
<tr>
<td>Surplus On Ordinary Activities Before Taxation</td>
<td>2</td>
<td>211,801</td>
</tr>
<tr>
<td>Tax on ordinary activities</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Surplus For The Year</td>
<td></td>
<td>211,801</td>
</tr>
</tbody>
</table>
# Balance Sheet

For the period to 31 December 2013

<table>
<thead>
<tr>
<th>Fixed Assets</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible Assets</td>
<td>12,434</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>6,155,020</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>1,516,713</td>
</tr>
<tr>
<td>Creditors: Amounts falling due within one year</td>
<td>(7,472,366)</td>
</tr>
</tbody>
</table>

Net Current Assets 199,367

Net Assets 211,801

Capital And Reserves

Income and expenditure account 211,801

Approved by the Board on

And signed on its behalf:

Margaret McDonagh
Chairperson
## CASH FLOW STATEMENT
FOR THE PERIOD TO 31 DECEMBER 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash inflow from operating activities</td>
<td>(a) 1,529,718</td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td>(b) 420</td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td>(c) (13,425)</td>
</tr>
<tr>
<td>Increase in cash in the period</td>
<td>(d) 1,516,713</td>
</tr>
</tbody>
</table>

### Notes:

#### a) Reconciliation of net incoming resources to net cash inflow from operating activities

<table>
<thead>
<tr>
<th>Item</th>
<th>2013 (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net incoming resources</td>
<td>211,801</td>
</tr>
<tr>
<td>Depreciation</td>
<td>991</td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>(6,155,020)</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>7,472,366</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>(420)</td>
</tr>
</tbody>
</table>

**Net cash inflow from operating activities** 1,529,718

#### b) Returns on investments and servicing of finance

<table>
<thead>
<tr>
<th>Item</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>420</td>
</tr>
</tbody>
</table>

#### c) Capital expenditure and financial investment

<table>
<thead>
<tr>
<th>Item</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of tangible fixed assets</td>
<td>(13,425)</td>
</tr>
</tbody>
</table>

#### d) Analysis of changes in net cash funds

<table>
<thead>
<tr>
<th>Cashflows</th>
<th>At 21 March 2013 (date of incorporation)</th>
<th>At 31 December 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>-</td>
<td>1,516,713</td>
</tr>
</tbody>
</table>
1. Accounting Policies

a) Status of Company
The company was incorporated on 21 March 2013 and is limited by the guarantee of its members. The guarantee of each member is restricted to one pound sterling.

b) Basis of accounting
The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.
The accounts have been prepared on a going concern basis as described on page 8.

c) Turnover
Turnover represents income received from the energy suppliers to meet our operating costs. The contribution from each supplier is agreed annually in advance and is recognised in the Income and Expenditure account in the year to which the contribution relates. Contributions paid before the period to which they relate are recorded as deferred income.

d) Tangible fixed assets and depreciation
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.

e) Operating leases
Rental costs under operating leases are charged to the Income and Expenditure Account as they fall due.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD TO 31 DECEMBER 2013

2. Operating Surplus

The operating surplus is stated after charging 2013 £
Depreciation & Amortisation 991
Directors’ remuneration 20,000
Operating lease rentals 16,045
Audit fee 14,500

3. Employee Information

Total staff costs were as follows: 2013 £
Wages and salaries 94,151
Employer’s national insurance 12,149

Total staff costs 106,300

The average number of employees during the year was 4.

4. Taxation

No tax has been provided on the company’s surplus for the year on the grounds that this does not represent taxable trading income.

5. Tangible Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Fixtures and fittings</th>
<th>Computer Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Additions</td>
<td>1,460</td>
<td>11,965</td>
<td>13,425</td>
</tr>
</tbody>
</table>

At 31 December 2013 1,460 11,965 13,425

Depreciation

Charge for the period 91 900 991

At 31 December 2013 91 900 991

Net book value

At 31 December 2013 1,369 11,065 12,434

6. Debtors

2013 £
Trade debtors 6,130,494
Other debtors and prepayments 24,526

6,155,020

7. Creditors: Amounts falling due within one year

2013 £
Trade creditors 121,173
Other taxes and social security costs 1,175,035
Other creditors and accruals 6,176,158

7,472,366

8. Operating Lease Commitment

<table>
<thead>
<tr>
<th>Land and buildings</th>
<th>2013 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leases which expire within one year</td>
<td>25,500</td>
</tr>
</tbody>
</table>
"From 2015 the project to install around 50 million smart meters in almost 30 million homes will accelerate"
THE FUTURE OF ENERGY IN THE PALM OF YOUR HAND

ACCURATE BILLS
REAL TIME INFORMATION
PAY-AS-YOU-GO
WHAT I’VE SPENT
FUTURE SMART TECHNOLOGY