

## **SMICOP Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2019

Company Number 09136180

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**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Company Information**

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<b>Directors</b>	Ms C Hemmens Mr P B Tonkinson Mr R Finch Mr A Gonzalez Mr S Trivella (appointed 1 January 2020) Mr K R Wollard (resigned 31 December 2019)
<b>Company secretary</b>	Ms R Ollis
<b>Registered number</b>	09136180
<b>Registered office</b>	Third Floor Northumberland House 303 - 306 High Holborn London WC1V 7JZ
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

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# **SMICOP Limited**

## **(A Company Limited by Guarantee)**

### **Directors' Report** **For the Year Ended 31 December 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### **Principal activity**

The principal activity of the company is that of managing and maintaining the SMICoP agreement.

#### **Directors**

The directors who served during the year were:

Ms C Hemmens  
Mr P B Tonkinson  
Mr R Finch  
Mr A Gonzalez  
Mr K R Wollard (resigned 31 December 2019)

# **SMICOP Limited**

## **(A Company Limited by Guarantee)**

### **Directors' Report (continued)** **For the Year Ended 31 December 2019**

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#### **Future developments**

During 2019, the SMICoP Governance Board (SGB) and the Change Process Review Working Group considered and determined positions on a number of matters, including:

- a refined Change Management Process. Where by review and development they worked to resolve issues found utilising the defined process (since code designation) and (as directed by OFGEM) to include send-back powers for OFGEM, where post- SGB Decision there might be refinement to avoid Ofgem rejecting the change and then a probable delay before a brand new change is raised to resolve the issue. This also addressed what to do when a change proposer provides no instruction in order for the change to proceed through the process - from determining positions on Change Advisory Group proposals/comments, to refining the change or its report and preparing it for timely decision in line with the process.
- ensuring the code has the relevant principles-based provisions for the Supplier obligation to ensure installer recruitment takes into account the right criminal records check (moving from prescriptive named institution to principle, given the multiple changes required since 2013 to keep the provision in line with changes in legislation,
- the introduction of a formal standing report of SMICoP supplier members' compliance (anonymised),
- the introduction of a formal Escalation Process where there is potential or actual non-compliance with the code,
- the development of a template, to enact the OFGEM Direction to start anonymised publication of the quarterly SMICoP Domestic Supplier Monitoring and Compliance Customer Survey (MCCS) results report by the end of April 2020.

SMICoP and SMICoP Ltd Members via their boards continued to develop reporting/tools to aid the Authority (OFGEM) by providing information about potential or actual SMICoP non-compliance, via a new Compliance Monitoring anonymised Supplier submissions spreadsheet and the new Escalation Process for non-submissions. A formal code process to try to ascertain with responsible Supplier Director/Managers why there might be missing submissions, seeking resolution via submission or reporting the potential non-compliance to OFGEM – where OFGEM is the only party which can consider Supplier compliance.

SMICoP Ltd, via its Board, continues to support and fund the work required by SMICoP Members under SMICoP Governance to ensure the code, its guidance, processes and key obligations are clear to all Suppliers, thus continuing to be clear what submissions are required and when to meet/continue to meet their obligations and that here are both a Code Administrator and Auditor in place to provide services.

For the coming year, SMICoP Ltd envisages supporting/funding work under the SMICoP Governance Board to publish Domestic Supplier MCCS results on the SMICoP website, to consider OFGEM's policy/proposals for SMICoP post-2020 and consider if they (SMICoP Ltd) can assist by preparing a refined code which works when transitioned into the new 2021 Retail Energy Code. Also, to consider if there is a way for Suppliers to share their best practice around the delivery of the principles-based regulation provisions for the offer/provision of tailored Energy Efficiency Guidance without compromising a Supplier's confidential commercial approach.

Directors have reviewed the going concern status in light of the Covid 19 pandemic and have concluded that there is no significant impact.

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Directors' Report (continued)**  
**For the Year Ended 31 December 2019**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Subsequent Events'**

There have been no significant events affecting the Company since the year end.

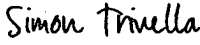
**Auditors**

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
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**Mr S Trivella**  
Director

Date: 8th April 2020

# **SMICOP Limited**

## **(A Company Limited by Guarantee)**

### **Independent Auditors' Report to the Members of SMICOP Limited**

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#### **Opinion**

We have audited the financial statements of SMICOP Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of comprehensive income, Statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (1A Small Entities).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **SMICOP Limited** **(A Company Limited by Guarantee)**

### **Independent Auditors' Report to the Members of SMICOP Limited (continued)**

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#### **Other information (continued)**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

#### **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.



**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report to the Members of SMICOP Limited (continued)**

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**Auditor's responsibilities for the audit of the financial statements (continued)**

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

**Use of our report**

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

DocuSigned by:

*Richard Willis*

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**Richard Willis** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 4/8/2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Statement of Comprehensive Income**  
**For the Year Ended 31 December 2019**

	Note	2019 £	2018 £
Turnover		271,427	165,821
<b>Gross profit</b>		<b>271,427</b>	<b>165,821</b>
Administrative expenses		(271,427)	(165,821)
<b>Operating profit</b>		<b>-</b>	<b>-</b>
<b>Profit for the financial year</b>		<b>-</b>	<b>-</b>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 13 form part of these financial statements.

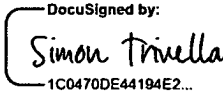
**SMICOP Limited**  
**(A Company Limited by Guarantee)**  
Registered number: 09136180

**Statement of Financial Position**  
**As at 31 December 2019**

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	11,254	51,994
Cash at bank and in hand	7	242,500	114,030
		<u>253,754</u>	<u>166,024</u>
Creditors: amounts falling due within one year	8	(253,754)	(166,024)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>		-	-

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
1C0470DE44194E2...  
**Mr S Trivella**  
Director

Date: 8th April 2020

The notes on pages 9 to 13 form part of these financial statements.

# **SMICOP Limited**

## **(A Company Limited by Guarantee)**

### **Notes to the Financial Statements For the Year Ended 31 December 2019**

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#### **1. General information**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 31 December 2019 and are presented to the nearest pound.

The principal activity of the company is that of managing and maintaining the SMICoP agreement.

The Company has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

The Company is a United Kingdom private company limited by guarantee. It is both incorporated and domiciled in England and Wales. The registered office address is Northumberland House, 303-306 High Holborn, London, WC1V 7JZ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The directors have reviewed the Going Concern status because of the Covid 19 pandemic. In light of the obligations that a smart metering system-installing supplier has under the SMICOP agreement, and the fact that the company has alternative arrangements in place to continue operationally, specifically via online and remote-access working, the directors have concluded there is no significant impact

The following principal accounting policies have been applied:

##### **2.2 Revenue**

Revenue represents the value of the recoverable costs borne by the company during the year under the Smart Meter Installation Code of Practice Agreement (SMICOP) and recoverable from the parties to the agreement. Where a party to the agreements has been invoiced on account during the year for a sum greater than their share of recoverable costs, the balance is included in creditors as other creditors, and where a party's share of recoverable costs exceeds their payment on account the balance is included in debtors as accrued income.

##### **2.3 Debtors**

Trade debtors are amounts due from members in respect of their share of costs. Trade debtors are recognised at the undiscounted amount of cash receivable, less any provision for bad debts.

Other short term debtors are measured at transaction price, less any impairment.

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

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**2. Accounting policies (continued)**

**2.4 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable within 3 months.

**2.5 Creditors**

Short term creditors are measured at the transaction price.

**2.6 Financial instruments**

Financial instruments are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Classification**

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

**Subsequent measurement**

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

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

Management do not consider that there are significant judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in the following reporting periods.

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

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**4. Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>6,100</b>	<b>5,250</b>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	<b>1,250</b>	<b>1,250</b>

**5. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2018: £NIL).

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**6. Debtors**

	<b>2019</b>	<b>2018</b>
	£	£
Trade debtors	11,254	51,173
Other debtors	-	821
	<u>11,254</u>	<u>51,994</u>

**7. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	£	£
Cash at bank and in hand	242,500	114,030
	<u>242,500</u>	<u>114,030</u>

**8. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	£	£
Trade creditors	41,645	42,494
Other creditors	33,703	11,669
Accruals and deferred income	178,406	111,861
	<u>253,754</u>	<u>166,024</u>

**9. Financial instruments**

	<b>2019</b>	<b>2018</b>
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	242,500	114,030
	<u>242,500</u>	<u>114,030</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

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**10. Company status**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**11. Controlling party**

The directors agree that there is no controlling party.



**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Detailed profit and loss account**  
**For the Year Ended 31 December 2019**

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	Note	2019 £	2018 £
Turnover		271,427	165,821
<b>Gross profit</b>		<u>271,427</u>	<u>165,821</u>
Administration expenses		(271,427)	(165,821)
<b>Operating profit</b>		<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<u>-</u>	<u>-</u>

**SMICOP Limited**  
**(A Company Limited by Guarantee)**

**Detailed profit and loss account**  
**For the Year Ended 31 December 2019**

	2019 £	2018 £
<b>Turnover</b>		
SMICoP agreement charges	271,427	165,821
	<u>271,427</u>	<u>165,821</u>
	<u><u>271,427</u></u>	<u><u>165,821</u></u>
	2019 £	2018 £
<b>Administration expenses</b>		
Legal and professional	17,832	28,701
Auditors' remuneration	7,525	4,700
Auditors' remuneration - non-audit	1,250	(1,250)
Bank charges	229	147
Insurances	2,804	3,058
Website development	8,075	20,000
SMICoP review	-	(313)
Brexit preparation	800	1,500
GDPR Phase 2	-	1,860
Meeting costs	7,000	3,050
Secretarial services	167,062	92,068
Website support and maintenance	-	12,300
Newsletter	2,325	-
New funding mechanism	10,250	-
SMF015 Stakeholder engagement	20,000	-
Customer survey	925	-
Digitalisation proposal	3,000	-
SMF 104 SMICoP Digitalisation	15,750	-
SMF 17 Statistical support for monitoring & compliance	6,600	-
	<u>271,427</u>	<u>165,821</u>
	<u><u>271,427</u></u>	<u><u>165,821</u></u>