


# Annual Report

and Financial Statements

Company registered no. 04000623

WED SATURDAY



\*A57FGXOY\*

|                 |            |      |
|-----------------|------------|------|
| A09             | 21/05/2016 | #443 |
| COMPANIES HOUSE |            |      |
| *A56SA98I*      |            |      |
| A14             | 11/05/2016 | #129 |
| COMPANIES HOUSE |            |      |

2015

# Annual Report

---

& Financial Statements

**2015**

# Contents

---

Annual Report & Financial Statements

Year ended 31 December 2015

---

## Annual Report

|   |                |
|---|----------------|
| <b>Good Energy - 2015 highlights</b>  | <b>4 – 5</b>   |
| <b>Strategic Report</b>   | <b>6 – 17</b>  |
| Chairman's Statement  | 7 – 8          |
| Strategic Review  | 9 – 11         |
| Chief Executive's Review  | 12 – 15        |
| Chief Financial Officer's Review  | 16 – 17        |
| <b>The Good Energy Group PLC Board</b>                                      | <b>18 – 19</b> |
| <b>Directors' Report</b>  | <b>21 – 34</b> |
| Directors' Remuneration Report  | 31 – 34        |
| <b>Independent Auditors' Report to the members of Good Energy Group PLC</b> | <b>35 – 39</b> |

---

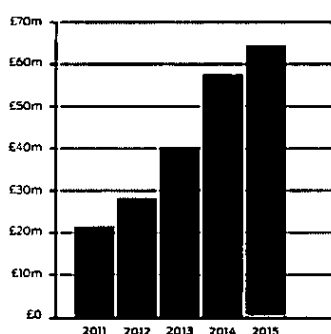
## Financial Statements

|  |         |
|--|---------|
| Consolidated Statement of Comprehensive Income | 41      |
| Consolidated Statement of Financial Position   | 42      |
| Parent Company Statement of Financial Position | 43      |
| Consolidated Statement of Changes in Equity    | 44      |
| Parent Company Statement of Changes in Equity  | 45      |
| Consolidated Statement of Cash Flows           | 46      |
| Parent Company Statement of Cash Flows         | 47      |
| Notes to the Financial Statements              | 48 – 90 |
| Directors and Corporate Resources              | 91      |

## Good Energy - 2015 highlights

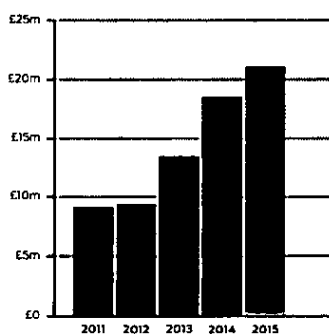
### Revenue

Compound annual growth  
over five years 26%



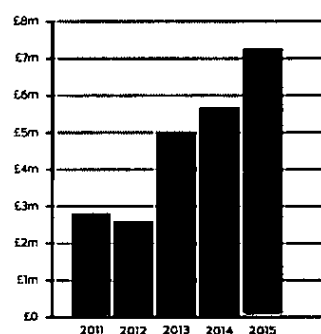
### Gross profit

Compound annual growth  
over five years 27%



### EBITDA

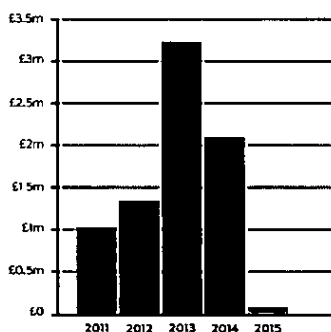
Compound annual growth  
over five years 42%



EBITDA is calculated using operating profit  
before exceptional costs

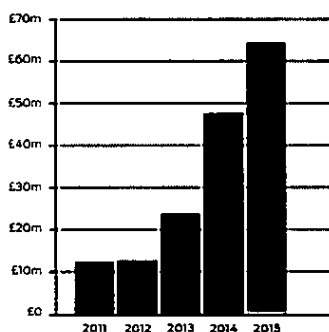
### PBT

Compound annual growth  
over five years -29%



### Non current assets

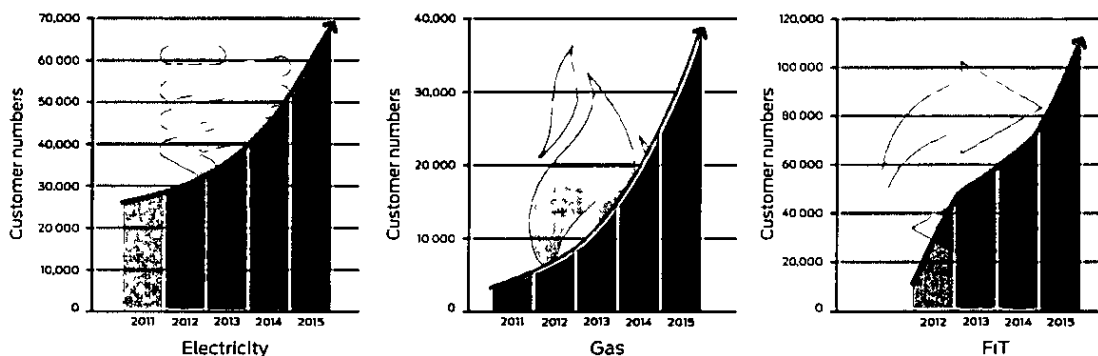
Compound annual growth  
over five years 37%



### Financial summary

- ◆ Revenue increased 12% to £64.3m
- ◆ Gross profit increased by 13% to £21.3m
- ◆ EBITDA increased by 28% to £7.3m
- ◆ Profit before tax of £0.1m
- ◆ Cash balance £4.8m
- ◆ Net debt £54.0m
- ◆ Basic (loss) / earnings per share (1.4p)
- ◆ Total dividend for the year maintained at 3.3p

## Customer growth



### Customers

- ◆ Electricity customer numbers grew 32% to 68,000
- ◆ Gas customer numbers rose 55% to 38,800
- ◆ Feed-in Tariff administration sites grew 48% to more than 112,600

“ Good Energy continues to focus on building its customer base and delivering excellent customer service.

### Generation & Development

- ◆ Four solar farms completed and commissioned – Rook Wood and Lower End (Wiltshire), Carloggas (Cornwall) and Crossroads (Dorset) with a total combined capacity of 23MW
- ◆ Total solar output at year end was 23.3GWh
- ◆ Total number of owned and operated solar farms at year end was six - with a total capacity of 30MW
- ◆ A seventh solar farm, Oaklands (Dorset) went live in early January 2016
- ◆ Planning permission for three additional solar sites was received in January 2016
- ◆ Wind farm installed capacity at year end was 175MW
- ◆ Total wind farm output during 2015 was 53.3GWh
- ◆ Total installed capacity at year end was 475MW
- ◆ The combined output of Good Energy's wind and solar sites was 76.6MWh - enough to power around 19,135 average homes



Hampole wind farm near Doncaster

# Strategic Report

---

Chairman's Statement 7 – 8

Strategic Review 9 – 11

Chief Executive's Review 12 – 15

Chief Financial Officer's Review 16 – 17

Our Strategic Report for 2015 contains contributions from Good Energy's Chairman, its Chief Executive and its Chief Financial Officer, in addition to a strategic review. Detailed financial information and data can be found in later sections of the document

## Chairman's Statement

Good Energy's strategic objectives for 2015 were to grow its customer base, to continue to invest in renewable generation capacity and to diversify its funding stream to support this investment

In 2015, overall customer numbers grew by 44% and Good Energy invested in bringing four new solar sites on stream, making a total as at year end of six. It also drew down £18.6m of funding from its debt facility to support the development of these generation assets

The company delivered profit before tax of £128k, in line with expectations

There was considerable focus on the renewable energy sector in the UK during the year. The Paris climate summit in December 2015 demonstrated a renewed commitment by all participating governments to take action to address climate change

At the same time, the UK has seen demand for renewable energy grow year on year. Nearly a quarter of the country's electricity needs are now being met by renewable sources such as wind and solar - evidence that there is a clear growth market for renewable energy in the medium to long term

Good Energy, which was set up more than 15 years ago, continues to offer a proven blueprint for a commercially viable and sustainable 100% renewable power supply and generation business

2015 saw a number of changes to UK energy policy and subsidy landscape which negatively impacted plans for wind and solar development and generation. It was also the UK's warmest year on record, resulting in decreased energy usage

However, as a vertically integrated utility business, both generating and supplying renewable electricity, Good Energy is well placed to deal with such challenges

“ There is evidence of a strong growth market for renewables in the medium to long term.

In September, it announced its new strategic focus and five-year business plan. This is designed to deliver the company's growth target of a five-fold increase in customer numbers (household equivalents) from a total of 176,500 as at June 2015 to approximately 900,000 as at 31 December 2020. This will enable Good Energy to leverage scale from its operating model in order to deliver sustainable, profitable growth

The strategy focuses on four key areas

- ◆ Improving efficiency
- ◆ Investing in technology to improve customer experience
- ◆ Developing new and differentiated propositions for domestic and business customers
- ◆ Identifying scalable acquisition channels

### Dividend details

Our dividend policy remains in line with our objective to continue to balance an appropriate return to shareholders with continued investment in the business.

The Directors recommend a final dividend of 2.3p per share (2014: 2.3p). The dividend has been maintained, subject to approval at the company's AGM.



Good Energy's ethical approach and focus on excellent service has been a consistent driver of both customer growth and retention. I'm pleased to report that the company scored an impressive 81% in the latest Which? energy company customer satisfaction survey, putting it in second place, just one percentage point behind the leader. The company has consistently secured first or second place in each of the last five years. At the same time, Good Energy has topped the three most recent Martin Lewis MoneySavingExpert energy company polls.

Matters of sustainability and corporate social responsibility are becoming increasingly important for businesses, and Good Energy received new accreditation during the year for its brand promise of delivering 100% renewable electricity to its customers. Renewable energy supplies are becoming of increasing importance to the business sector. The company is clearly in a strong position to respond to this, backed up by independent accreditation. This presents the company with a promising commercial opportunity.

A founder member of the Social Stock Exchange, Good Energy is now dual listed on the social impact segment of the ISDX, having successfully completed a social impact report and passed the high standards set by independent auditors.

During the year, the company further invested in its management team and leadership capability, bringing new people on board with a broad range of skills and experience. The benefits of this additional strength are already being felt across the business. In addition, the company is proposing to introduce a long term incentive plan (LTIP) for the Executive team.

**“ The business sector presents a promising commercial opportunity for us.**

All these factors provide a good foundation from which to support the company's ambitions for growth. There has been an encouraging start to 2016, with planning permission received for three solar farms, and continued momentum in customer growth. This gives confidence in the outlook for the remainder of the year.


I would like to set on record my thanks to everyone at Good Energy for all their hard work and dedication throughout what has undoubtedly been a challenging year.

Thanks to their commitment, the company has been able to continue to deliver strong customer growth and offer great levels of service.

I would also like to thank all our customers for their support and commitment in helping us to address climate change.



Good Energy commissioned four new solar farms during 2015

**John Maltby**

Chairman  
11 April 2016

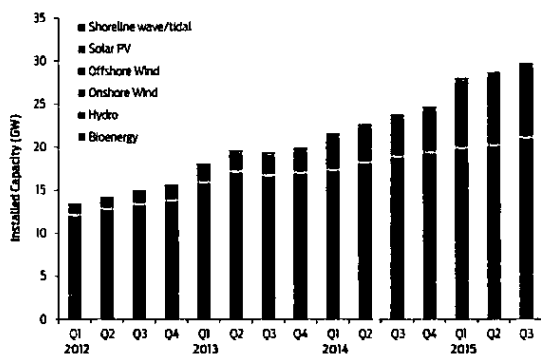
## Strategic Review

As noted in the company's 2015 interim report, Good Energy has undertaken a strategic review and set out clear priorities for the next five years

The company sees strong prospects for growth in the renewables sector as evidenced by the momentum achieved at the 2015 Paris climate talks, where governments around the world united in their commitment to tackle climate change

The challenge of delivering a climate change programme that keeps to the agreed pathway presents a major risk to the balance sheets of some of the world's largest companies. The Governor of the Bank of England has noted that the vast majority of reserves are 'unburnable' if global temperature rises are to be limited. As a result, fossil fuel assets such as coal, oil and gas are likely to continue to devalue as companies write down their reserves to reflect useable amounts.

At the same time, in the UK, there has been steady year on year growth in renewable generation



Renewable electricity capacity as at end Q3 2015  
Source: Department of Energy & Climate Change

Good Energy is looking to deliver growth across both its domestic and business customer bases, targeting a five-fold increase in customer numbers (household equivalents) to approximately 900,000 by 31 December 2020.

It seeks to achieve this by delivering improved efficiency, investing in technology to improve customer experience, developing new and

differentiated propositions for domestic and business customers, and identifying scalable acquisition channels.

In the business sector, Good Energy will pursue significant growth driven by corporate social responsibility requirements and carbon reduction commitments.

The focus on the domestic sector will be to drive down the cost to serve and introduce enhanced digital technology which will deliver a better experience for customers.

Similarly, it will target efficiencies in its Feed-in Tariff (FIT) business and explore new opportunities for solar and battery storage.

The focus on generation will shift to wind power in the medium term. In the longer term, Good Energy will seek new investment opportunities in the hydro and tidal sectors.

The company will also seek to secure access to long term supplies of renewable electricity through growing its network of power purchase agreements. Good Energy recognises the important role that innovation has to play in helping it meet its targets, and will continue to explore the potential offered by peer-to-peer energy trading in the form of its Piclo trial, and battery storage solutions.

As part of this approach, the company plans to launch a new 'green gas' product during April 2016, which will further differentiate it from its competitors.

The new five-year strategy will support Good Energy's focus on targeting the delivery of sustainable, profitable growth.

Although there are risks and uncertainties, Good Energy benefits from its vertically integrated structure and has robust plans in place to manage and mitigate these wherever possible. Further details on risks and uncertainties can be found in the Directors' Report on page 23.

## Investments

Good Energy continues to make strategic investments to underpin growth in its supply business and maintain its ability to capitalise on the long-term growth opportunity that exists. During 2015, this included investment in people and processes within our customer operations area.

For example, a new smart phone 'app' was launched to help customers take and submit meter readings. At the same time, the company has introduced a new on-line portal, enabling customers to opt for on-line billing, submit meter readings or activate other services.

2015 also saw the company's first successful 'clean energy' collective switch which delivered just under 10,000 new domestic customers, nearly 80% of which are dual fuel. It has also continued to invest in the planning and development of new generation projects with four solar farms coming on stream in 2015. A further three received planning permission early in 2016.

Planned investment for 2016 includes a new billing system, and enhancements to existing processes and systems.

## Key Performance Indicators

Good Energy uses a range of performance indicators (KPIs) to monitor business performance in four key areas - Customer, Operational, Financial and People. As part of the strategic review undertaken in 2015, enhancements were made to these metrics to align them to the delivery of the company's five year plan.

The strategic KPIs are reported to the Board, Executive and Heads of Function on a monthly basis with lead and lag success indicators reported more frequently within the business. This enables consistency of reporting at all levels and provides a balanced overview of the health and performance of the company.

## Customers

Good Energy continues to focus on building its customer base and delivering high quality customer service.

Good Energy monitors KPIs which will support the delivery of its customer strategy, including customer growth, and customer churn and retention. 2016 will see the introduction of three additional KPIs to measure customer satisfaction, competitiveness and brand awareness.

## Operational

### Supply

Good Energy's operational strategy for its supply businesses is to drive efficiency whilst delivering a great customer experience. Primary operational KPIs are 'cost to serve' for existing supply customers and 'cost to acquire' for new supply customers.

The customer is at the heart of the company's enhancements to its systems, processes and staff training and this ensures cost to serve reductions are managed alongside continual improvements in the whole Good Energy customer experience.

Good Energy also monitors the cost of power from the market and from the company's own generation assets to understand the effectiveness of its energy procurement approach.

### Generation

Its generation business goal is to maximise efficiency and return on investment across its portfolio of wind and solar sites. Performance will be measured by availability - the % of time each site is available to generate.

| Customer KPIs                          | Strategic goal  | 2015 | 2014 |
|--|---|------|------|
| Customer growth (all supply customers) | To increase the number of customers supplied with renewable electricity and to grow revenue | 44%  | 34%  |
| Customer churn                         | To develop a compelling proposition that enables long term customer retention               | <8%  | <8%  |

### Across the company

Two further operational KPIs, introduced early in 2016, will have an impact across Good Energy. One will measure the equivalent emissions of its activities.

The second will monitor the effectiveness of its risk management processes.

improved learning and development programme and company reward strategy.

Additional KPIs introduced in 2015 included employee engagement and employee retention. Employee engagement is measured company-wide on an annual basis. The first set of results, collected in Q4 2015, showed an engagement score of 78%, which is an extremely strong result for the organisation's first formal engagement survey. The highest performing businesses industry-wide aim for a score of 80% or higher.

## Financial Performance

The company's financial performance is of fundamental importance to all stakeholders. Good Energy's main objectives are to deliver growth in profit and value and to ensure it is adequately funded to meet its on-going requirements and long term objectives. The business monitors growth in revenue, gross margin and overhead costs to support the delivery of its financial targets.

The funding strategy of the business is also reviewed on a regular basis to ensure that both the cost of funding and the balance between debt and equity funding are appropriate for the business and provide the foundation to support its future growth plans.

Employee retention is also an important enabler of the company's growth plans, ensuring the business can retain the skills and knowledge it requires. By investing in employee development and encouraging internal promotions, Good Energy aims to offer employees longer term career growth opportunities.

To support the company's ambition for continued growth, investment in people, capability development and systems during the year was maintained. This investment enabled the company to hire a number of new senior roles, bringing in additional skills to ensure it is able to respond effectively to maximise the business growth opportunities.

## People

The Executive team is focused on developing the culture of Good Energy in a way which enables it to attract and retain employees with the right skills, knowledge and mind-set to help deliver its growth plans.

To achieve this, the company has invested in a programme to embed its core values into its people management processes. This is supported by an



Good Energy continues to invest in the skills and capabilities of its people.

| Financial KPIs                 |   | Strategic goal   | 2015 | 2014 |
|--------------------------------|---|--|------|------|
| Revenue growth (%)             | 1 | To generate strong revenue growth in line with customer growth   | 12%  | 43%  |
| Gross margin (%)               |   | To deliver the right level of contribution to overheads, investment and shareholder returns whilst maintaining attractive prices for our customers | 33%  | 33%  |
| Administration cost growth (%) | 2 | To grow administration costs at a lower rate than gross margin, enabling contribution to deliver against a wider range of targets                  | 14%  | 54%  |

1 2014 revenue included £10.1m from the sale of West Raynham

2 Excludes depreciation and marketing costs



Good Energy continues  
to work with like-minded  
partners, including the Eden  
Project in Cornwall.



## Chief Executive's Review

2015 was a year of political change and uncertainty for the renewable energy industry. Throughout this period, Good Energy demonstrated that as a business it is both flexible and responsive to change, while it continues to grow. It has delivered a year end performance in line with expectations.

In the autumn of 2015, Good Energy announced a renewed five-year strategy for profitable growth, setting out its future customer growth targets. Its goal is to have 900,000 domestic customers (household equivalents) by 2020.

This growth path will enable the company to further pursue its mission to tackle climate change, capitalising on the strengths of its vertically integrated supply and asset business model, and using its approach to innovation to gain market share, whilst growing profitably.

### Supply

Good Energy's electricity, gas and Feed-in Tariff (FIT) customer numbers continued to show strong growth, with 219,400 in total by 31 December 2015 (2014: 152,500). The company's domestic supply base received a major boost as a result of winning the Big Deal clean energy collective switch in the autumn, and by 31 December 2015, total electricity customers numbers had risen by 32% to 68,000 (2014: 51,500).

Gas customer numbers rose by 55% to 38,800 (2014: 25,000) while there was a 48% rise in FIT

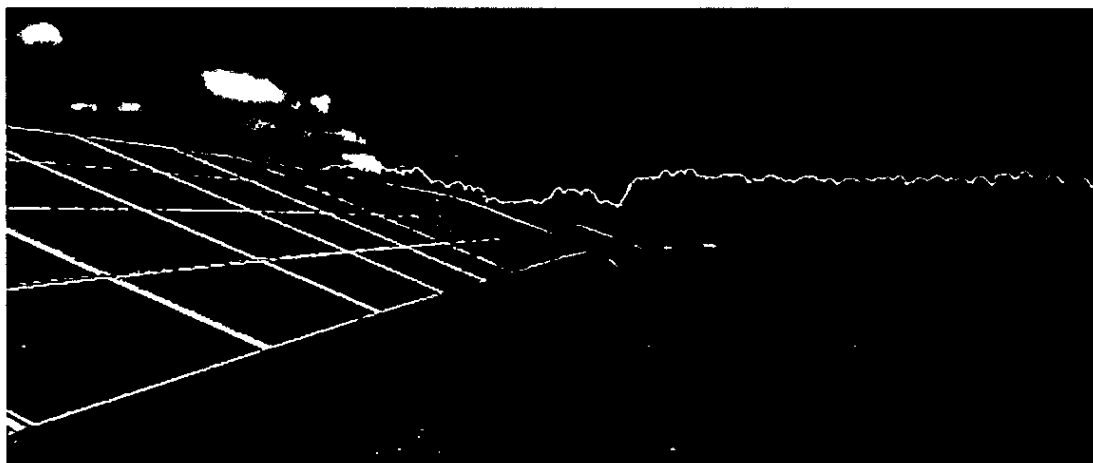
customer numbers to 112,600 (2014: 76,000). Business sales revenue grew 30% during the year (2014: 22%), reflecting a number of factors including a year on year improved competitive pricing position, rising brand awareness through avenues such as social media and increased interest in corporate social responsibility. The number of sites supplied almost doubled, while the amount of power delivered to business customers grew by more than 52%.

These figures reflect Good Energy's record of consistent year on year growth in customer numbers and reflect the ongoing investment in customer service, staff, and back office systems. Third-party endorsements from Which? and MoneySavingExpert have also helped drive customer growth and high levels of customer retention, along with endorsements from organisations such as Ethical Company Organisation, the Good Shopping Guide and the Social Stock Exchange.

### Generation & development

During the year, the company also continued to invest in its pipeline of generation sites. Four solar farms were built and commissioned during the 12-month period, bringing the total number of owned and operated solar sites to six, with a combined installed capacity of 30MW.

Construction of a seventh 5MW solar farm began during the last quarter of 2015 and the site is now 'live'.



The solar panels installed at Good Energy's Oaklands solar farm in Dorset are designed to follow the contours of the land.

Planning consent for a further three sites was received early in 2016. These sites will be developed to balance appropriate returns on the company's assets with an objective of securing access to long term renewable electricity to support customer growth.

Output from its two wind farms at Delabole (Cornwall) and Hampole (Yorkshire) during the full year totalled 53.3GWh, up 38% (2014: 38.7GWh). Work continued in 2015 on two new wind farm projects - one in Scotland and one in Cornwall - which together could power tens of thousands of homes.

Good Energy continues to review its ongoing strategy on asset development in light of the Government's review of renewable energy policy. As part of this, the company has taken the decision to write off £575k of early-stage development costs on a number of small sites which are now unable to progress, reduce the size of the development team, redeploying staff into other business roles where appropriate and reviewing the on-going focus.

As a result, the team will now concentrate on Good Energy's existing portfolio, and consider what development plans the company will explore in 2017 and beyond.

The company invested in a new finance system during the year to facilitate improved internal reporting and as an ongoing driver to reduce costs as the organisation continues to grow. It also rolled out a new on-line portal, which more than 25% of the customer base has already signed up to. A new meter reading 'app' was also unveiled, which is supporting the company to produce regular accurate bills.

The company has grown considerably since its creation and 2015 was a year of particularly strong expansion. It now employs more than 300 staff at its Chippenham, Wiltshire offices and this figure is set to rise in 2016.



10/10 Solar School winners receive their prize cheque to help boost their solar panel fund-raising campaign.

**“ The average Good Energy electricity customer saved 1.12 tonnes of carbon in 2015. ”**

A project to refresh and further embed the company's core values across the organisation was rolled out during the year. This has provided the framework to help all employees maximise their potential and successfully deliver the company's strategy and objectives. The work on this has been reflected in relatively high employee engagement scores, which compare well with other high performing organisations.

## Corporate Social Responsibility (CSR)

Good Energy has sustainability at the heart of its strategy, and as a progressive business, it understands that its role in society is far more than just delivering profit. It is committed to using its business as a force for good.

The company continued to make a positive impact on addressing climate change during the year. It added four new solar farms to its portfolio by the year end, increasing the amount of renewable electricity generation.

An increasing number of customers also opted to buy the company's 100% renewable electricity, enabling each individual to reduce their carbon footprint. The average Good Energy electricity customer saved 1.12 tonnes of carbon last year by being 100% renewable - the equivalent of not driving 5,700 miles. As generation and usage of renewable electricity increases, this in turn reduces the reliance on fossil fuels and energy imports.

The company will shortly be releasing its first Sustainability Report, which addresses and refreshes the company's approach to CSR and associated reporting. Good Energy is a founder member of the Social Stock Exchange and at the end of the year, was dual listed on the social Impact segment of the ISDX Growth Market.

The company has continued to build upon its work with a range of like-minded partners during the year, including the Soil Association, Friends of the Earth, 10/10 Solar Schools and the Eden Project. In the fourth quarter, the company also further cemented its relationship with the National Trust, and will now be the charity's energy partner for an additional two years.

The company remains committed to supporting and working with local communities so that they can benefit from its wind and solar development activities, and has set up community funds alongside each of the new solar farms it commissioned during the year. The local tariffs for customers living close to the company's two wind farms remain in place and in August, Delabole residents enjoyed a windfall payment to reflect the high performance of the site's four turbines.

Good Energy believes that innovation and technology will play a vital role in helping the UK move towards a future powered exclusively by renewables. Work on battery storage and peer-to-peer trading which it undertook during 2015 and will continue to explore, will help the company develop new 100% renewable solutions. These will play an important role in helping the drive to reduce carbon emissions in the future.

## Looking ahead

Good Energy believes there is real potential for it to take full advantage of the long-term opportunity as the UK begins to embrace a new decentralised, low carbon energy market. Since 2010, more than one million homes are now producing power in their own homes from sustainable sources of energy, and in 2015, in quarter two alone, renewable energy provided over 25% of the UK's electricity. Good Energy is at the heart of this change, and has the right long-term proposition, the right experience and a proven strategic approach to deliver growth going forward.

The business sector will be a focus for Good Energy in 2016 and beyond. For example, the commitments of the RE100, a collaboration of the world's most influential companies which have pledged to work towards 100% renewable power, play well to Good Energy's strengths. The company is in an excellent position to support these organisations in their drive both to reduce carbon emissions and demonstrate their CSR and carbon credentials to customers.

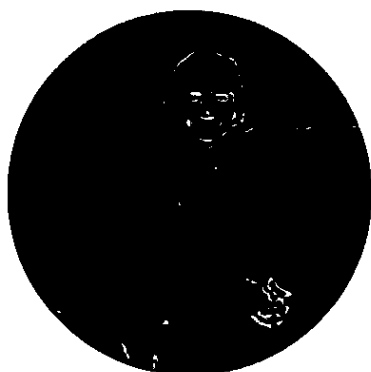
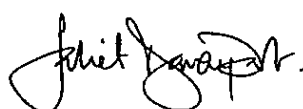
The domestic customer proposition will continue to develop and build on the progress made in 2015, such as the on-line portal and the Good Energy 'app'. The company's long-term vision is for the domestic customer to be the central hub for all sustainable energy initiatives in the home, and to help consumers take advantage of a smart-enabled future. It will seek to engage with its customers and make it possible for them to manage and understand their energy use more effectively than ever before.

The company's approach to its development of assets will be adapted in the short term to reflect the impact of government policy. It remains optimistic about the available returns from operational assets and its ability to secure the long term supply of renewable electricity required to match growing customer demand.

Good Energy's customer numbers have risen an average 36% year on year for the last three years, demonstrating a clear, consistent record of growth. During 2015, it has continued to build on these strong foundations already laid and I am confident Good Energy will be able to both continue to maximise the opportunities for growth and respond to changing energy policy throughout the coming year and beyond.



The company's second local tariff applies to residents living near Hampole wind farm.

**Juliet Davenport**

Chief Executive  
11 April 2016

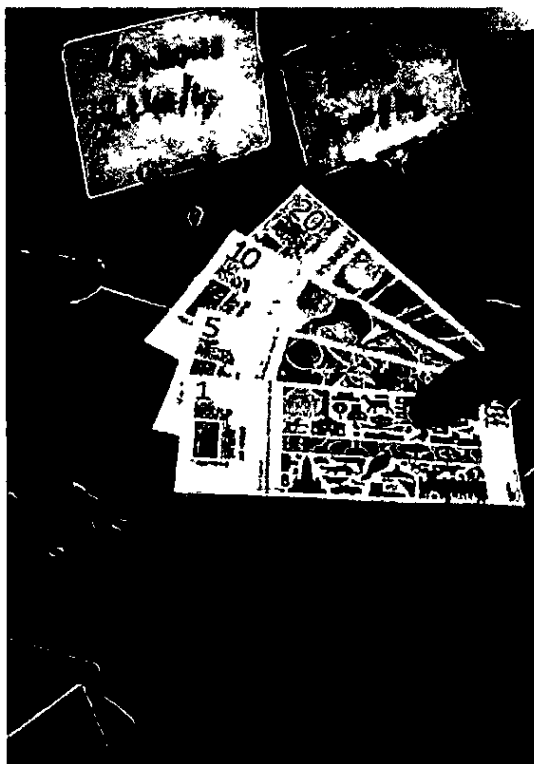


## Chief Financial Officer's Review

### Financial performance overview

Good Energy's strategic objectives for 2015 were to continue to deliver customer growth, improve the profitability of the supply business and invest in renewable generation assets

It delivered a profit before tax of £128k which was in line with expectations. Revenue grew by 12%, supported by strong growth in customers up 44% in the supply business and 93% growth in generation revenue. 2014 results included revenue from the sale of West Raynham. Total assets grew by 18% as a result of continued investment in generation. The company had cash balances of £4.8m at the year end and borrowing had increased from £46m in 2014 to £62m as further drawdowns were made from the fixed rate debt facility announced at the end of 2014 to finance the construction of the four solar farms built and commissioned during 2015, and to start work on the two new wind farm projects noted previously.



In June Good Energy became the UK's first energy company to accept a local currency with customers now able to pay their energy bills using the Bristol Pound

**“ Revenue grew by 12%, supported by strong growth in both customer numbers and in generation.**

Profit before tax and exceptional items of £128k was down by £1.2m compared with 2014, despite an improvement of £3.2m PBT in the Supply business. The results for 2014 included a profit from the sale of West Raynham of £3.6m. The 2015 results included £113k PBT in relation to site sales and a write-off of £575k for sites no longer to be developed.

### Financial performance by segment

The Supply business delivered a profit before tax of £3.7m in 2015, up by £3.2m from 2014. Revenue grew by 32%, with gross margin flat at 29%. Overall customer numbers grew by 44%, and the business has benefited from falling power prices, partially offset by the over-purchase of gas referred to in the interim results.

The Supply business benefitted from a non-recurring credit of £1.0m which arose following the removal of Levy Exemption Certificates (LECs) announced by Government with effect from 1 August 2015. Good Energy had purchased LECs in excess of those needed to ensure compliance with regulatory requirements for supplying 100% renewable energy and had written back this excess cost to the income statement. The Autumn Statement confirmed that these LECs could be used up to March 2018 to offset the cost of Climate Change Levy for business customers. For this reason, the LEC inventory has been written back with a corresponding credit to the income statement.

Total administration costs grew by 13%, reflecting strong cost control. The Supply business generated a positive cash flow in 2015.

The Generation business delivered a loss before tax of £636k, which was in line with expectations. This reflects the performance of solar sites, which are cash positive but profit negative in their first few years and also reflects the removal of the benefit of LECs from 1st August 2015. Overall generation revenue grew by 93%.

The Development business reported a loss before tax of £2.1m. This includes the costs of the development team that cannot be capitalised against on-going projects and a write-off of early-stage development costs on sites that will not be developed. As a result of the strategic review undertaken during the year, the Development team has been reduced in size going forward to reflect the change in focus with a reduction in investment in solar development anticipated in the future.

Good Energy continually reviews the funding requirements for the business to ensure that it can meet its strategic growth objectives with appropriate funding products taking into account the cost of capital, duration and overall gearing levels.

In the autumn, Good Energy announced its new strategy and growth targets for 2020. There is good potential for growth in the supply of renewable energy for both business and domestic customers and the company continues to invest to take advantage of these opportunities.

## Financial position and financing

The long term fixed rate funding facility secured at the end of 2014 has supported the growth of £16m of solar assets with an additional four sites having been completed in 2015. The company has adopted a prudent approach to drawing down against this facility, in order to optimise the overall level of borrowings.

The planned implementation of the billing system in 2016 and further process improvements in our operations teams will deliver reductions in cost to serve as well as improving customer experience and enable the business to deliver increased profitability as it leverages its cost base.

| Revenue growth by segment | 2015   | 2014   | %    | Notes   |
|---------------------------|--------|--------|------|---|
| Supply                    | £60.5m | £45.7m | +32% | Strong growth in both domestic and business customers                                     |
| Generation                | £7.5m  | £3.9m  | +93% | Four new solar sites commissioned in year and a full year of operation for existing sites |
| Development               | £0.2m  | £10.2m | -98% | 2014 sale of West Raynham, 2015 sale of small solar site                                  |




**Denise Cockrem**

Chief Financial Officer  
11 April 2016

## Introducing the Good Energy Group PLC Board



### John Maltby – Chairman

John holds a number of roles in UK and international companies including Chairman-elect of Swedish Bank BlueStep, Non-Executive Director of Bank of Ireland UK, and Non-Executive Director and Chairman of Risk and Audit for Tandem Bank plc

Previous roles include Chief Executive Officer of Williams & Glyn, Senior Advisor to Corsair Capital, Group Director of the UK commercial bank of Lloyds Banking Group, Group Chief Executive of Kensington Group plc and a number of senior executive positions across the financial services sector, including NatWest Group plc, Barclays Bank plc and Abbey National plc

#### Other directorships

Bank of Ireland (UK) plc  
Tandem Bank Ltd  
Lunar Investors (Holding) LLP

**Joined Board**  
October 2012

**Responsibilities**  
Member of Audit and  
Risk Committee  
Member of Remuneration  
Committee



### Juliet Davenport – Chief Executive Officer

Juliet was appointed Chief Executive of Good Energy Group and Good Energy in 2002. She started her career in renewable energy at Energy for Sustainable Development Ltd (ESD) in 1995 and was appointed Executive Director of both ESD (now CAMCO) and ESD Ventures Ltd in 1996. Passionate about renewable energy and its potential to impact on climate change, in 2013 she was awarded the OBE for services to the sector.

Juliet is highly regarded in the renewable energy industry and has held positions on many strategic and advisory boards, including DECC's Renewable Advisory Board, OFGEM's Environmental Advisory Committee, Ministerial Smart Metering, and Regen SW. She also represents small suppliers on the remuneration committee of Energy UK and is a council member of NERC.

**Appointed CEO:**  
2002



### Denise Cockrem – Chief Financial Officer

Denise was appointed Chief Financial Officer in May 2014. Her previous experience includes senior finance roles in FTSE 100 companies within the financial services sector. Prior to joining Good Energy, Denise was Finance Director for RSA Insurance Group's UK & Western Europe region. She has previously worked as Finance Director for Direct Line Insurance, and her career includes finance roles with Royal Bank of Scotland, Barclays Bank and Ernst & Young. Denise is an FCA, who qualified with Neville Russell and has an MA from Oxford in Law.

Denise is also a Trustee on the Board of Macintyre, a charity providing learning, support and care for more than 900 children and adults with learning disabilities. She is a member of the CBI South West Council and a Non-Executive Director of Skipton Building Society.

**Appointed CFO**  
May 2014



**Joined Board**  
November 2012

**Responsibilities**  
Member of Audit and  
Risk Committee  
Member of Remuneration  
Committee

### Francesca Ecsery – Non-executive

Francesca is a Portfolio Non-Executive Director with 23+ years' experience in directing both blue chip companies and start-ups in the digital, retail, FMCG, leisure and travel industries. She is an investor in a number of start-ups, acts as advisor in the leisure, travel, retail and digital marketing sectors and is a commercial coach to several entrepreneurs. Francesca is also the founder and Director of Advantage Portugal.

Previously, Francesca worked as Global Business Development Director and UK General Manager at Cheapflights Media. She has extensive experience encompassing consultancy with McKinsey & Co, marketing with PepsiCo, and general management in a range of blue-chip travel companies.

**Other directorships**  
Marshall Motor Holdings  
Advantage Portugal LLP  
Foreign & Colonial Investment Trust plc  
Share plc  
The Share Centre Limited  
Sharefunds Limited  
VISTA (Logistik Holdings Ltd)



**Joined Board**  
June 2000

**Responsibilities**  
Chairman of Remuneration  
Committee

### Martin Edwards – Non-executive

Martin was appointed as a director of Good Energy Group at its formation, bringing to the Group valuable knowledge of the renewable generation business. He was instrumental in taking Delabole wind farm – the UK's first commercial wind farm – from concept to completion in the 1990s. Delabole wind farm was acquired by Good Energy Group in 2002 and Martin continued to direct all local operations, maintenance and contract negotiations associated with it. He also played a key role in implementing the £12 million redevelopment of the site during 2010/11.

**Other directorships**  
Windelectric Ltd  
Windelectric Management Ltd



**Joined Board**  
March 2008

**Responsibilities**  
Chairman of Audit and  
Risk Committee

### Rick Squires – Non-executive

Rick holds a number of non-executive board directorships of companies within the renewable energy sector, including Green Investment Bank Financial Services and Green Energy For Education Limited.

Until 2009, Rick was the Non-Executive Chairman of Eclipse Energy Company Ltd, a UK-based privately owned wind power company with a development portfolio of approximately 250MW. Rick is also the founder of PiEnergy Ltd. He has held senior commercial positions with Royal Dutch Shell Group and InterGen, a US-based power producer.

**Other directorships**  
UK Green Investment Bank Financial Services Limited  
Chippenham Rotary and Inner Wheel Trust Limited  
PiEnergy Limited  
Milford Haven Port Authority  
Green Energy for Education Ltd

Schoolchildren discover  
biodiversity in action at  
Woolbridge solar farm  
in Dorset.



# Directors' Report

---

Directors' Remuneration Report 31 – 34

21 34

The Directors submit their report, together with the audited consolidated financial statements of the Good Energy Group of companies, for the year ended 31 December 2015. This report includes the Corporate Governance section and the Directors' responsibility statement

The company is required to set out a fair review of the group's activities and a description of the principal risks and uncertainties facing the business. This requirement includes an analysis of the development and performance of the company's business during the financial year, and the position of the Group at the end of the reporting period consistent with its size and complexity.

The Directors' Report has been prepared and is published in accordance with, and with reliance upon, applicable English company law and the liabilities of the Directors in relation to that report are subject to the limitations and restrictions provided by such law.

## Risk Management Approach

Good Energy recognises that effective risk management is critical to enable it to meet its strategic objectives.

The Board has overall responsibility for the company's risk management and internal controls framework. The Audit and Risk Committee, under delegation from the Board, reviews the nature and extent of risk exposure.

The company has a clear framework for identifying and managing risk, both at an operational and strategic level. Its risk identification and mitigation processes have been designed to be responsive to the changing environment in which it operates. The impact of emerging risks on our business model are also considered and this is used to make informed decisions as we continue to refine our strategy.

## The Board's review of internal control

The Board retains overall responsibility for the company's risk management and internal controls framework. Responsibility for reviewing the effectiveness of internal control is delegated to the Audit and Risk Committee.

The Audit and Risk function is responsible for Good Energy's risk management activities, and for provision of its internal audit service. As such, its activities include ensuring the regular review of internal controls relating to key risks, reporting on risk events to the Audit and Risk Committee, and reviewing and testing the effectiveness of internal controls through audit reviews.

In 2015, the Audit and Risk function worked collaboratively with the business to establish a control environment - the 'Guiding Principles' approach that is appropriate for a fast-growing business. This will help ensure that everyone who works at Good Energy adheres to a way of working together that reflects the company's ethos. In turn, this will ensure Good Energy employees can make informed decisions that are in the best interests of the business and the environment in which it operates.

### Registered office details

The company's registered office and principal place of business is:

Monkton Reach  
Monkton Hill  
Chippenham  
Wiltshire SN15 1EE

The company's registered number is 04000623.

## Principal risks and uncertainties

**Political and regulatory risk:** Good Energy faces a range of political pressures that could potentially lead to adverse, additional legislation or regulation for the business

In 2015, this took the form of the removal of significant levels of renewable support by the government. At the same time, the government's support for nuclear power and the exploitation of shale gas has increased. Good Energy does not believe this is the best solution to long-term energy security and ignores the potential of renewable technologies. Any such changes to regulations or policies are considered as part of the regular and continuing review of the Group's operating strategy.

Ahead of the June 2016 referendum, public debate continues about the relative benefits and drawbacks of the UK's potential withdrawal from the European Union. Good Energy believes that 'Brexit' would lead to a period of increased regulatory uncertainty, but that the company is adaptable and well placed to meet any regulatory changes.

Good Energy believes that Brexit may lead to higher energy prices for UK households and businesses as a possible decline in the value of sterling and new trade tariffs would make imported energy relatively more expensive.

**Wholesale market and price volatility:** Revenue from sales of electricity and gas are affected by fluctuations in wholesale prices and the associated costs of purchases when market conditions are volatile. Good Energy mitigates this risk partly through the benefits of its vertical integration, and partly via its forward-looking and prudent hedging policy.

Good Energy announced one price change in 2015 - a reduction in both its electricity and gas prices. Subsequently, in early February 2016, the company announced a 7.2% gas price drop, effective from 1 April 2016.

**Weather, forecasting demand and generation:**

On the supply side, temperature drives demand and customer behaviour. From a generation perspective, the annual variability of wind speeds and solar radiation can result in year-to-year volatility. Any material reduction could have a consequent adverse impact on financial results and potentially, the future prospects for the business.

Accurate forecasting is key, in the long term, to informed hedging and thus mitigating against adverse market movements, and in the short term to avoiding imbalance risk. Investment in forecasting systems has provided Good Energy with a greater degree of granularity and a reduction in forecasting errors related to demand and all forms of generation.

**Cyber-attack:** As with many businesses, a successful cyber-attack on Good Energy's network could result in the company being unable to deliver service to its customers, potentially damaging its reputation, and leading to consequential customer and revenue loss. It could also lead to the imposition of financial penalties.

Good Energy continually assesses its security policies, standards and procedures and adjusts them so they are proportionate to the threat profile the company faces.

**Data management:** Good Energy carries and stores confidential, personal and commercially sensitive information. Failure to protect or correctly use this data could result in unintentional loss of, or unauthorised access to, customer data. This could adversely affect Good Energy's reputation and potentially lead to legal action.

Good Energy takes the security of customer data very seriously. It has a mandatory data privacy programme in place designed to ensure it uses data in its possession appropriately. The programme is based on existing regulations and reflects the nature of the data the company possesses.

All applications which hold or transmit confidential personal and commercially sensitive information include appropriate security features. All staff undergo data protection training to ensure they are fully aware of their roles and responsibilities in this matter.

**Financial risk management:** This has been considered within note 3.1 in the Notes to the Financial Statements.





Night falls at Good Energy's Lower End solar farm in Wiltshire

## General company information

The Group is a public limited company incorporated in the United Kingdom under the Companies Act 1985, and is listed on the Alternative Investment Market (AIM) of the London Stock Exchange

The company's registered office and principal place of business is Monkton Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE. The company's registered number is 04000623

## Capital structure

The Group is financed through both equity share capital and debt instruments

As at 31 December 2015, the company's issued share capital was 14,970,680 Ordinary Shares of 5p each. Ordinary Shares in the Group carry rights to dividends and Ordinary shareholders are entitled to attend and vote at general meetings

The company's share register is maintained and managed by Computershare Investor Services PLC for which contact details can be found in our Directors and Corporate Resources section on page 91

The company does not have shareholder authority to acquire its own shares. Clarke Willmott Trust Corporation Limited holds 521,989 (2014: 208,863) Ordinary Shares of the company in trust for current and future beneficiaries of the Good Energy Group Employee Share Option Scheme. These are deducted from equity as shown in the Consolidated and Parent Company Statements of Changes in Equity

During 2015 the trust disposed of 197,000 (2014: 179,135) shares as a result of exercised options

## Significant shareholders

Significant shareholders holding over 3% of the issued share capital as at 31 December 2015, other than any Directors and their family as defined in the AIM rules, are detailed below

|                                 | 31 December 2015 | % of Issued<br>Share Capital | 31 December 2014 | % of Issued<br>Share Capital |
|---------------------------------|------------------|------------------------------|------------------|------------------------------|
| Green Beannie Limited           | 2,457,457        | 16.42%                       | 2,352,597        | 16.04%                       |
| Legal and General<br>Investment | 1,021,117        | 6.82%                        | 1,176,471        | 8.02%                        |
| Schroders PLC                   | 743,874          | 4.97%                        | 592,685          | 4.04%                        |
| John Sellers                    | 479,797          | 3.20%                        | 588,797          | 4.01%                        |
| Berti Investment Limited        | 486,318          | 3.25%                        | 486,318          | 3.32%                        |
| Peter Dixon Edwards             | 451,098          | 3.01%                        | 451,098          | 3.08%                        |

## Directors' interests and their interests in the company's shares

Details of the company's Directors who served during the year and up to the date of approval of this report (unless otherwise stated) are detailed on page 27

The interests (all of which are beneficial unless otherwise stated) of the Directors and their families as defined in the AIM Rules in the issued share capital of the parent company are

|                             | 31 December 2015 | % of Issued<br>Share Capital | 31 December 2014 | % of Issued<br>Share Capital |
|-----------------------------|------------------|------------------------------|------------------|------------------------------|
| Martin Edwards <sup>2</sup> | 686,827          | 4.68%                        | 686,827          | 4.68%                        |
| Juliet Davenport            | 592,810          | 4.04%                        | 592,810          | 4.04%                        |
| John Maltby                 | 120,000          | 0.82%                        | 120,000          | 0.82%                        |
| Richard Squires             | 36,000           | 0.25%                        | 36,000           | 0.25%                        |
| Francesca Ecsery            | 2,400            | 0.02%                        | 2,400            | 0.02%                        |

### Notes

<sup>1</sup> Certain of the Directors hold share options for which details are set out in the Directors' Remuneration Report (on page 31)

<sup>2</sup> In addition to the shareholding of Martin Edwards detailed above, his father Peter Dixon Edwards holds 123,450 Ordinary Shares as trustee of a discretionary trust under which Martin Edwards is one of the potential beneficiaries.

## Directors' Indemnity Statement

As permitted by the Group's Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

## Financial instruments

The Group's financial instruments include bank loans and other borrowings, a corporate bond, overdraft and revolving credit facilities.

The principal objective of these instruments is to raise funds for general corporate purposes and to manage financial risk. Further details of these instruments are given in Note 22 in the Financial Statements.

## Future developments

Details of future developments are given in the Chief Executive's Overview on page 12.

## Research and development

Given the nature of the Group's activities it does not carry out any material research and development work. However, the company does invest in small-scale R&D projects, often grant-funded, as it believes innovation is key to the future development of its business proposition.

## Dividends

Details on 2015 final dividend proposed are given in the Chairman's Statement on page 7.



Turbines at Good Energy's Hampole wind farm near Doncaster

## Corporate Governance

The Group recognises the importance of good corporate governance practices. The Board is familiar with the UK Corporate Governance Code, although it is not currently required to comply with the Code. In the interests of transparency, the Directors have decided to provide certain corporate governance disclosures that would be required of a fully listed company.

## The Board and its committees

### Board of Directors

The Board comprises the following individuals:

| Executive Directors |                         | Non-Executive Directors       |  |
|---------------------|-------------------------|-------------------------------|--|
| Juliet Davenport    | Chief Executive         | John Maltby <sup>1</sup>      | Non-Executive Chairman of the Board, Member of the Audit and Risk Management Committee, Member of the Remuneration Committee |
| Denise Cockrem      | Chief Financial Officer | Richard Squires               | Chair of the Audit and Risk Management Committee   |
|                     |                         | Martin Edwards                | Chair of the Remuneration Committee  |
|                     |                         | Francesca Ecsery <sup>1</sup> | Member of the Audit and Risk Management Committee, Member of the Remuneration Committee                                      |

### Notes

<sup>1</sup> Independent Non-Executive Directors

## Operations of the Board

The roles of Chief Executive and Chairman have always been split, with the Chairman operating in a Non-Executive capacity. The Chief Executive is responsible for the day-to-day management and running of the business and is supported by a team of senior management including a Chief Financial Officer, Managing Director, Supply, Director of Trading & Origination and Director of People & Culture.

During the year ended 31 December 2015, there were seven scheduled Board meetings. Additional Board meetings were convened when the Board was required to deal with the review and approval of material matters affecting the Group.

The Group's performance is reviewed at these scheduled meetings and the Board is responsible for agreeing and reviewing the strategy for the Group, for which it maintains both short term (12 months) and longer-term plans (five years). In addition, it is also responsible for matters relating to Director and employee recruitment and remuneration, audit and accounting policies, risk management, strategy, health and safety and other specific subjects.

Directors have the right to request that any concerns they have are recorded in the appropriate committee or Board minutes.

The Board reviews the operational and financial results of the Group on a monthly basis against a pre-agreed set of performance targets operating within the delegated authorities, which are reviewed annually by the Board or as and when changes are required.

In addition, the Board receives information obtained through a system of continuous financial planning which is used to better manage profit and cash flow forecasting, and to inform investment decision-making. The formal financial plan for the forthcoming year is set out as a detailed proposition and authorised by the Board before the end of each year.

## The Remuneration Committee

The members of the Remuneration Committee are John Maltby, Francesca Ecsery and Martin Edwards. This committee held three scheduled meetings in the year ended 31 December 2015. The primary duty of the Remuneration Committee is to supervise and advise the Group's policy in relation to the remuneration of the Executive Directors and senior managers of the Group, on behalf of the Board. No Director may be involved in any decisions as

to their own remuneration. Further details of the Remuneration Committee and remuneration policy are set out in the Directors' Remuneration Report on pages 31-34.

## Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are John Maltby, Richard Squires and Francesca Ecsery. John Maltby is considered to have recent, relevant financial experience. The Chief Executive and Chief Financial Officer are normally invited to attend meetings of the Committee. The Committee met four times in the year ending 31 December 2015.

The primary duty of the Audit and Risk Management Committee is to oversee the accounting and financial reporting process, the internal accounting practices, external audit arrangements and effectiveness of the Group's risk management and internal control system.

The Audit and Risk Management Committee also meets at least annually with the Group's external auditors to review and agree the auditor services being provided to the Group, including any non-audit services. It also meets with external auditors, without management being present, to discuss audit process.

## Risk management and internal control

The Board has overall responsibility for the Group's system of internal controls. The responsibility for reviewing the effectiveness of its internal control system has been delegated to the Audit and Risk Management Committee, which reviews this on an annual basis. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives.

## Going concern

The Group and Board closely monitor and manage liquidity. The Directors have taken account of the current financial position of the Group, its anticipated future performance and investment plans in assessing the Group's going concern status. The Directors consider that the Group has adequate resources to continue in operation for the foreseeable future and continue to adopt the going concern basis in preparing the 2015 accounts. Further details on this can be found on page 49.



During the year Good Energy announced that its partnership with the National Trust would continue for a further two years.

## Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 this law, the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and the company and of the profit or loss of the Group for that period.

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 the Group. They must also ensure that the Financial Statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website.

Note: Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

### In preparing these Financial Statements, the Directors are required to:

- ◇ Select suitable accounting policies and then apply them consistently
- ◇ Make judgements and accounting estimates that are reasonable and prudent
- ◇ State whether applicable IFRSs as adopted by the European Union 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 and the Group will continue in business

## Referral Arrangements

The company has operated and continues to operate referral arrangements with the Liberal Democrats and the Green Party. It considers these to be commercial arrangements, with a referral payment made for each customer referred by them to Good Energy. However, the Companies Act 2006 definitions of the making of political donations or the incurring of political expenditure are capable of a wide interpretation. In the interests of transparency, the company obtained shareholder approval for the referral arrangements at its Annual General Meeting in 2015 and anticipates requesting that authorisation be refreshed at the Annual General Meeting in 2016.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the business. Communication with all employees continues through a variety of mechanisms, including regular team briefs and twice-yearly off-site all-company meetings. A network of company champions was established during the year to encourage grassroots involvement and feedback on all aspects of working for Good Energy.

## Disclosure of Information to Auditors

So far as each Director is aware, there is no relevant audit information of which the company's auditors are unaware and 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 auditors are aware of that information.

## Reappointment of Auditors

PricewaterhouseCoopers LLP acted as auditors for the financial year to 31 December 2015. A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

By order of the Board

## Employees

The Group's employment policies follow best practice based on equal opportunities for all employees, irrespective of race, gender, nationality, colour, sexual orientation, disability, marital status, religion or age. All decisions relating to employment are objective, free from bias and based upon work criteria and individual merit.





---

**Stephen Rosser**

Company Secretary  
11 April 2016

# Directors' Remuneration Report

## Introduction

This report sets out the information about the remuneration of the Directors of the company for the year ended 31 December 2015. This report has been prepared in accordance with the requirements for AIM listed companies set out in the Companies Act 2006 and the AIM rules.

The Group aims to align the interests of shareholders with those of Directors and senior management by giving the latter the opportunity to build up a shareholding interest in the company. In addition, it is proposing to introduce a long-term incentive plan (LTIP) for the Executive team.

## Remuneration Committee and policy

Details of the company's Remuneration Committee are set out on page 28. The Remuneration Committee has agreed a remuneration policy to ensure that the company is able to attract, retain and motivate its Executive Directors and senior management.

The Group operates in a competitive environment. It therefore sets out to provide competitive remuneration to all its employees, appropriate to the business environment and geographical location.

## Service agreements, notice periods and termination payments

### Executive Directors

The service agreements for the Executive Directors are not for a fixed term and may in normal circumstances be terminated on the notice periods listed below.

| Name             | Position                | Date of contract | Notice period | 2015 Salary £ |
|------------------|-------------------------|------------------|---------------|---------------|
| Juliet Davenport | Chief Executive         | 2 August 2007    | 9 months      | 196,809       |
| Denise Cockrem   | Chief Financial Officer | 22 January 2014  | 6 months      | 192,159       |

The company reserves the right to pay Executive Directors in lieu of notice.



#### Chairman and Non-Executive Directors

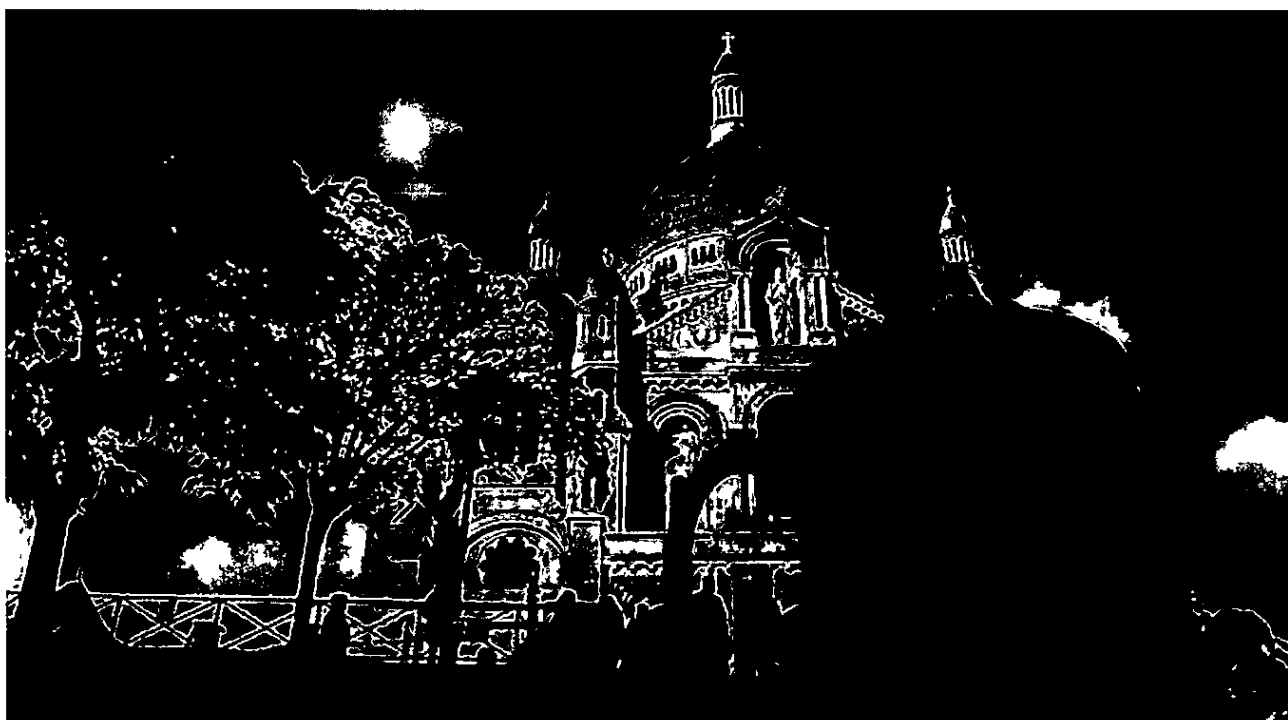
The remuneration of the Chairman of the company and the Non-Executive Directors consists of fees that are paid monthly in arrears. Salaries are benchmarked on an annual basis. The Chairman and the Non-Executive Directors did not participate in any bonus scheme or long-term incentive reward schemes, nor did they accrue any pension

entitlement. Following the publication in August 2015 of HMRC's express confirmation of the travel rules that apply to non-executive directors, the company reimburses non-executive directors' travel expenses between home and the company's Head Office.

The key terms of the Non-Executives' appointments are as follows:

| Name             | Date of appointment | Notice period | 2015 Salary £ |
|------------------|---------------------|---------------|---------------|
| John Maltby      | 15 October 2012     | 3 months      | 41,303        |
| Richard Squires  | 28 June 2011        | 3 months      | 28,050        |
| Martin Edwards   | 7 May 2008          | 3 months      | 24,000        |
| Francesca Ecsery | 15 November 2012    | 3 months      | 20,910        |

It is the Board's policy to allow the Executive Directors to accept directorships of other companies provided that they have obtained the consent of the Board.



The climate talks in Paris in 2015 represented a potential turning point in history

## Salary, annual bonus and benefits (Audited)

| Non-Executive<br>Chairman          | Salary/<br>fees £ | Pension<br>Contributions £ | Benefits in<br>kind £ | Annual Bonus £ | Total<br>2015 £ | Total 2014 £   |
|------------------------------------|-------------------|----------------------------|-----------------------|----------------|-----------------|----------------|
| John Maltby                        | 41,303            | -                          | -                     | -              | 41,303          | 40,800         |
| <b>Executive Directors</b>         |                   |                            |                       |                |                 |                |
| Juliet Davenport                   | 196,809           | 23,868                     | 2,063                 | nil            | 222,740         | 252,183        |
| Denise Cockrem                     | 192,159           | 18,200                     | 1,598                 | nil            | 211,957         | 272,129        |
| Garry Peagam*                      | -                 | -                          | -                     | -              | -               | 239,026        |
| <b>Non-Executive<br/>Directors</b> |                   |                            |                       |                |                 |                |
| Richard Squires                    | 28,050            | -                          | -                     | -              | 28,050          | 28,050         |
| Martin Edwards                     | 24,000            | -                          | -                     | -              | 24,000          | 24,000         |
| Francesca Ecsery                   | 20,910            | -                          | -                     | -              | 20,910          | 33,456         |
| <b>Total</b>                       | <b>503,231</b>    | <b>42,068</b>              | <b>3,661</b>          | <b>nil</b>     | <b>548,960</b>  | <b>889,644</b> |

\*Stepped down as Group Financial Director on 30th April 2014

## Directors and managers 2015 bonus

No bonus was paid in 2015 to directors or managers and therefore no cost was included in the 2015 financial results. However, as the company had met its other non financial targets, it was agreed by the Remuneration Committee that 50% of the maximum bonus would be paid to directors and managers contingent on the completion of a site

sale that commenced in 2015, but which could not be recognised in the financial results for that year. The profit on the site sales will be reported in the financial results for 2016, together with these related bonus costs but this site sale profit will be excluded from the financial results in 2016 for the purposes of calculating whether financial targets have been met for 2016 bonus purposes.

## Directors' share options (Audited)

Details of the Directors' share options outstanding at 31 December 2015 are shown below

| Name                 | Date option granted | Number of options | Option price | Exercised | Cancelled/<br>surrendered |
|----------------------|---------------------|-------------------|--------------|-----------|---------------------------|
| Juliet Davenport     | 01/06/2004          | 35,000            | £0.75        | -         | -                         |
| Juliet Davenport     | 13/02/2012          | 86,956            | £1.15        | -         | -                         |
| Juliet Davenport     | 13/02/2012          | 17,390            | £1.15        | -         | -                         |
| Juliet Davenport     | 18/09/2012          | 189,052           | £0.50        | -         | -                         |
| Juliet Davenport     | 13/07/2013          | 144,000           | £1.25        | -         | -                         |
| Juliet Davenport     | 07/07/2015          | 80,350            | £0           | -         | -                         |
| <b>Total</b>         | -                   | <b>552,748</b>    | -            | -         | -                         |
| Denise Cockrem       | 07/07/2015          | 21,822            | £0           | -         | -                         |
| Denise Cockrem       | 07/07/2015          | 200,000           | £2.29        | -         | -                         |
| <b>Total</b>         | -                   | <b>221,822</b>    | -            | -         | -                         |
| Richard Squires      | 13/02/2012          | 75,000            | £1.15        | -         | -                         |
| <b>Overall Total</b> | -                   | <b>849,570</b>    | -            | -         | -                         |

# Independent Auditors' Report

---

To the members of Good Energy Group PLC

# Independent Auditors' Report to the members of Good Energy Group PLC.

## Report on the financial statements

### Our opinion

#### In our opinion

Good Energy Group PLC's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2015 and of the Group's loss and the Group's and the parent company's cash flows for the year then ended,

the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union,

the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and

the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

### What we have audited

The financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), comprise

the Consolidated and Parent Company Statements of Financial Position as at 31 December 2015,

the Consolidated Statement of Comprehensive Income for the year then ended,

the Consolidated and Parent Company Statements of Cash Flows for the year then ended,

the Consolidated and Parent Company Statements of Changes in Equity for the year then ended, and

the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the Information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## Other matters on which we are required to report by exception

### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

we have not received all the information and explanations we require for our audit, or

adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or

the parent company financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

## What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed,
  - the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

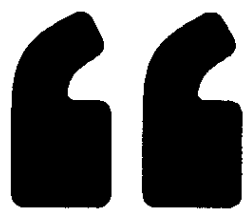
In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



---

### Colin Bates (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
11 April 2016



Delabole wind farm in  
Cornwall produces enough  
renewable electricity to power  
around 6,200 homes.





# Financial Statements

---

Consolidated Statement of Comprehensive Income 41

Consolidated Statement of Financial Position 42

Parent Company Statement of Financial Position 43

Consolidated Statement of Changes in Equity 44

Parent Company Statement of Changes in Equity 45

Consolidated Statement of Cash Flows 46

Parent Company Statement of Cash Flows 47

Notes to the Financial Statements 48-90

Directors and Corporate Resources 91

## Consolidated Statement of Comprehensive Income

### For the year ended 31 December 2015

|   | Note | 2015<br>£000's | 2014<br>£000's |
|---|------|----------------|----------------|
| <b>REVENUE</b>  | 5    | <b>64,281</b>  | <b>57,618</b>  |
| Cost of Sales   | 5    | (42,982)       | (38,782)       |
| <b>GROSS PROFIT</b>   |      | <b>21,299</b>  | <b>18,836</b>  |
| Administrative Expenses   | 6    | (17,065)       | (15,045)       |
| <b>OPERATING PROFIT</b>   | 6    | <b>4,234</b>   | <b>3,791</b>   |
| Finance Income  | 10   | 23             | 87             |
| Finance Costs (Including exceptional items)   | 11   | (4,129)        | (2,590)        |
| <b>PROFIT BEFORE TAX AND EXCEPTIONAL FINANCE COSTS</b>  |      | <b>128</b>     | <b>2,169</b>   |
| Exceptional finance cost  | 11   | -              | (881)          |
| <b>PROFIT BEFORE TAX</b>  |      | <b>128</b>     | <b>1,288</b>   |
| Taxation  | 12   | (323)          | 520            |
| <b>(LOSS)/PROFIT FOR THE YEAR</b>   |      | <b>(195)</b>   | <b>1,808</b>   |
| <b>OTHER COMPREHENSIVE EXPENSE</b>  |      |                |                |
| Items that may subsequently be reclassified to profit or loss   |      |                |                |
| Loss on cash flow hedge   |      | -              | (328)          |
| <b>Other comprehensive expense for the year, net of tax</b>   |      | <b>-</b>       | <b>(328)</b>   |
| <b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR<br/>ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b> |      | <b>(195)</b>   | <b>1,480</b>   |
| <br>(Loss)/earnings per share   |      |                |                |
| - Basic   | 13   | (1.4p)         | 12.6p          |
| - Diluted   | 13   | (1.4p)         | 11.9p          |

The notes on pages 48 to 90 form part of these Financial Statements

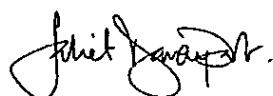
# Consolidated Statement of Financial Position

## As at 31 December 2015

Company registered no 04000623

|   | Note | 2015<br>£000's | 2014<br>£000's |
|---|------|----------------|----------------|
| <b>Non-current assets</b>   |      |                |                |
| Property, plant and equipment                                     | 14   | 60,984         | 44,729         |
| Intangible assets   | 15   | 3,317          | 3,530          |
| Restricted deposit accounts                                       | 3    | 2,803          | -              |
| Available-for-sale financial assets                               | 16b  | 500            | 500            |
| <b>Total non-current assets</b>                                   |      | <b>67,604</b>  | <b>48,759</b>  |
| <b>Current assets</b>   |      |                |                |
| Inventories   | 17   | 9,482          | 6,466          |
| Trade and other receivables                                       | 18   | 11,598         | 10,281         |
| Current tax receivable  | 12   | 126            | 109            |
| Cash and cash equivalents   | 19   | 4,751          | 13,703         |
| <b>Total current assets</b>                                       |      | <b>25,957</b>  | <b>30,559</b>  |
| <b>TOTAL ASSETS</b>   |      | <b>93,561</b>  | <b>79,318</b>  |
| <b>Equity and Liabilities</b>                                     |      |                |                |
| <b>Capital and reserves</b>                                       |      |                |                |
| Called up share capital   | 20   | 748            | 733            |
| Share premium account   | 20   | 9,786          | 9,077          |
| EBT shares  | 20   | (1,074)        | (127)          |
| Retained Earnings   |      | 7,483          | 8,260          |
| <b>Total equity attributable to members of the parent company</b> |      | <b>16,943</b>  | <b>17,943</b>  |
| <b>Non-current liabilities</b>                                    |      |                |                |
| Deferred taxation   | 21   | 567            | 15             |
| Borrowings  | 22   | 55,911         | 39,676         |
| <b>Total non-current liabilities</b>                              |      | <b>56,478</b>  | <b>39,691</b>  |
| <b>Current liabilities</b>  |      |                |                |
| Borrowings  | 22   | 5,626          | 6,608          |
| Trade and other payables  | 23   | 14,514         | 15,076         |
| <b>Total current liabilities</b>                                  |      | <b>20,140</b>  | <b>21,684</b>  |
| <b>Total liabilities</b>  |      | <b>76,618</b>  | <b>61,375</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                               |      | <b>93,561</b>  | <b>79,318</b>  |

The Financial Statements on pages 41 to 90 were approved by the Board of Directors on 11 April 2016 and signed on its behalf by



Juliet Davenport  
Chief Executive  
11 April 2016

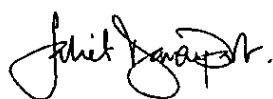
The notes on pages 48 to 90 form part of these Financial Statements

# Parent Company Statement of Financial Position As at 31 December 2015

Company registered no. 04000623

|                                      | Note | 2015<br>£000's | 2014<br>£000's |
|--------------------------------------|------|----------------|----------------|
| <b>Non-current assets</b>            |      |                |                |
| Investments                          | 16a  | 35,206         | 29,941         |
| <b>Total non-current assets</b>      |      | <b>35,206</b>  | <b>29,941</b>  |
| <b>Current assets</b>                |      |                |                |
| Trade and other receivables          | 18   | 22             | 365            |
| Cash and cash equivalents            | 19   | 234            | 509            |
| <b>Total current assets</b>          |      | <b>256</b>     | <b>874</b>     |
| <b>TOTAL ASSETS</b>                  |      | <b>35,462</b>  | <b>30,815</b>  |
| <b>Equity and liabilities</b>        |      |                |                |
| <b>Capital and reserves</b>          |      |                |                |
| Share capital                        | 20   | 748            | 733            |
| Share premium account                | 20   | 9,786          | 9,077          |
| EBT shares                           | 20   | (1,074)        | (127)          |
| Retained Earnings                    |      | 4,713          | 4,071          |
| <b>Total Equity</b>                  |      | <b>14,173</b>  | <b>13,754</b>  |
| <b>Non-current liabilities</b>       |      |                |                |
| Borrowings                           | 22   | 14,646         | 14,695         |
| <b>Total non-current liabilities</b> |      | <b>14,646</b>  | <b>14,695</b>  |
| <b>Current liabilities</b>           |      |                |                |
| Borrowings                           | 22   | 6,511          | 2,272          |
| Trade and other payables             | 23   | 132            | 94             |
| <b>Total current liabilities</b>     |      | <b>6,643</b>   | <b>2,366</b>   |
| <b>Total liabilities</b>             |      | <b>21,289</b>  | <b>17,061</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>35,462</b>  | <b>30,815</b>  |

The Financial Statements on pages 41 to 90 were approved by the Board of Directors on 11 April 2016 and signed on its behalf by



Juliet Davenport  
Chief Executive  
11 April 2016

The notes on pages 48 to 90 form part of these Financial Statements

## Consolidated Statement of Changes in Equity

### For the year ended 31 December 2015

|  | Note | Share<br>Capital | Share<br>Premium<br>Account | EBT<br>Shares  | Retained<br>Earnings | Total<br>Equity |
|--|------|------------------|-----------------------------|----------------|----------------------|-----------------|
|  |      | £000's           | £000's                      | £000's         | £000's               | £000's          |
| <b>At 1 January 2014</b>   |      | <b>733</b>       | <b>9,077</b>                | <b>(236)</b>   | <b>6,890</b>         | <b>16,464</b>   |
| Profit for the year  |      | -                | -                           | -              | 1,808                | 1,808           |
| Other comprehensive expense for the year   |      | -                | -                           | -              | (328)                | (328)           |
| <b>Total comprehensive income for the year</b>   |      | <b>-</b>         | <b>-</b>                    | <b>-</b>       | <b>1,480</b>         | <b>1,480</b>    |
| Share based payments   | 26   | -                | -                           | -              | 30                   | 30              |
| Tax credit relating to share option scheme   | 27   | -                | -                           | -              | 311                  | 311             |
| Sale of shares by EBT  | 20   | -                | -                           | 109            | 21                   | 130             |
| Dividend Paid  | 24   | -                | -                           | -              | (472)                | (472)           |
| <b>Total contributions by and distributions to owners of the parent, recognised directly in equity</b> |      | <b>-</b>         | <b>-</b>                    | <b>109</b>     | <b>(110)</b>         | <b>(1)</b>      |
| <b>At 31 December 2014</b>   |      | <b>733</b>       | <b>9,077</b>                | <b>(127)</b>   | <b>8,260</b>         | <b>17,943</b>   |
| <b>At 1 January 2015</b>   |      | <b>733</b>       | <b>9,077</b>                | <b>(127)</b>   | <b>8,260</b>         | <b>17,943</b>   |
| Loss for the year  |      | -                | -                           | -              | (195)                | (195)           |
| Other comprehensive income for the year  |      | -                | -                           | -              | -                    | -               |
| <b>Total comprehensive expense for the year</b>  |      | <b>-</b>         | <b>-</b>                    | <b>-</b>       | <b>(195)</b>         | <b>(195)</b>    |
| Share based payments   | 26   | -                | -                           | -              | 51                   | 51              |
| Tax charge relating to share option scheme   | 27   | -                | -                           | -              | (151)                | (151)           |
| Issue of ordinary shares   | 20   | 15               | 709                         | -              | -                    | 724             |
| Purchase of shares by EBT  | 20   | -                | -                           | (1,150)        | -                    | (1,150)         |
| Sale of shares by EBT  | 20   | -                | -                           | 203            | (4)                  | 199             |
| Dividend Paid  | 24   | -                | -                           | -              | (478)                | (478)           |
| <b>Total contributions by and distributions to owners of the parent, recognised directly in equity</b> |      | <b>15</b>        | <b>709</b>                  | <b>(947)</b>   | <b>(582)</b>         | <b>(805)</b>    |
| <b>At 31 December 2015</b>   |      | <b>748</b>       | <b>9,786</b>                | <b>(1,074)</b> | <b>7,483</b>         | <b>16,943</b>   |

The notes on pages 48 to 90 form part of these Financial Statements

## Parent Company Statement of Changes in Equity For the year ended 31 December 2015

|  | Note | Share<br>Capital | Share<br>Premium<br>Account | EBT<br>Shares  | Retained<br>Earnings | Total<br>Equity |
|--|------|------------------|-----------------------------|----------------|----------------------|-----------------|
|  |      | £000's           | £000's                      | £000's         | £000's               | £000's          |
| <b>At 1 January 2014</b>   |      | <b>733</b>       | <b>9,077</b>                | <b>(236)</b>   | <b>1,602</b>         | <b>11,176</b>   |
| <b>Profit for the year and total comprehensive income</b>  |      | <b>-</b>         | <b>-</b>                    | <b>-</b>       | <b>2,920</b>         | <b>2,920</b>    |
| Sale of shares by EBT  | 20   | -                | -                           | 109            | 21                   | 130             |
| Dividend Paid  | 24   | -                | -                           | -              | (472)                | (472)           |
| <b>Total contributions by and distributions to owners of the parent, recognised directly in equity</b> |      | <b>-</b>         | <b>-</b>                    | <b>109</b>     | <b>(451)</b>         | <b>(342)</b>    |
| <b>At 31 December 2014</b>   |      | <b>733</b>       | <b>9,077</b>                | <b>(127)</b>   | <b>4,071</b>         | <b>13,754</b>   |
| <b>At 1 January 2015</b>   |      | <b>733</b>       | <b>9,077</b>                | <b>(127)</b>   | <b>4,071</b>         | <b>13,754</b>   |
| <b>Profit for the year and total comprehensive income</b>  |      | <b>-</b>         | <b>-</b>                    | <b>-</b>       | <b>1,124</b>         | <b>1,124</b>    |
| Issue of ordinary shares   | 20   | 15               | 709                         | -              | -                    | 724             |
| Purchase of shares by EBT  | 20   | -                | -                           | (1,150)        | -                    | (1,150)         |
| Sale of shares by EBT  | 20   | -                | -                           | 203            | (4)                  | 199             |
| Dividend Paid  | 24   | -                | -                           | -              | (478)                | (478)           |
| <b>Total contributions by and distributions to owners of the parent, recognised directly in equity</b> |      | <b>15</b>        | <b>709</b>                  | <b>(947)</b>   | <b>(482)</b>         | <b>(705)</b>    |
| <b>At 31 December 2015</b>   |      | <b>748</b>       | <b>9,786</b>                | <b>(1,074)</b> | <b>4,713</b>         | <b>14,173</b>   |

The notes on pages 48 to 90 form part of these Financial Statements

## Consolidated Statement of Cash Flows

### For the year ended 31 December 2015

|   | Note | 2015<br>£000's  | 2014<br>£000's  |
|---|------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                         |      |                 |                 |
| Cash generated from operations                                      | 25   | 1,590           | 3,697           |
| Finance income  |      | 23              | 87              |
| Finance cost  |      | (3,277)         | (2,644)         |
| Income tax received/(paid)  |      | 59              | (500)           |
| <b>Net cash flows (used in)/generated from operating activities</b> |      | <b>(1,605)</b>  | <b>640</b>      |
| <b>Cash flows from investing activities</b>                         |      |                 |                 |
| Purchase of property, plant and equipment                           |      | (17,748)        | (18,316)        |
| Purchase of intangible fixed assets                                 | 15   | (492)           | (619)           |
| Deposit into restricted accounts                                    |      | (2,803)         | -               |
| Acquisition of unquoted investment                                  |      | -               | (500)           |
| <b>Net cash flows used in investing activities</b>                  |      | <b>(21,043)</b> | <b>(19,435)</b> |
| <b>Cash flows from financing activities</b>                         |      |                 |                 |
| Payments of dividends   | 24   | (451)           | (472)           |
| Proceeds from borrowings  |      | 24,749          | 25,983          |
| Repayment of borrowings   |      | (10,348)        | (11,035)        |
| Capital repayments of finance leases                                |      | -               | (83)            |
| Purchase of own shares  |      | (453)           | -               |
| Sale of own shares  |      | 199             | 130             |
| <b>Net cash flows generated from financing activities</b>           |      | <b>13,696</b>   | <b>14,523</b>   |
| Net decrease in cash and cash equivalents                           |      | (8,952)         | (4,272)         |
| Cash and cash equivalents at beginning of year                      |      | 13,703          | 17,975          |
| <b>Cash and cash equivalents at end of year</b>                     |      | <b>4,751</b>    | <b>13,703</b>   |

The notes on pages 48 to 90 form part of these Financial Statements

## Parent Company Statement of Cash Flows

### For the year ended 31 December 2015

|   | Note | 2015<br>£000's | 2014<br>£000's |
|---|------|----------------|----------------|
| <b>Cash flows from operating activities</b>                   |      |                |                |
| Cash generated from operations                                | 25   | (1,204)        | 1,424          |
| Finance income  |      | 786            | -              |
| Finance cost  |      | (1,195)        | (1,087)        |
| Income tax paid   |      | (20)           | -              |
| <b>Net cash (used in)/generated from operating activities</b> |      | <b>(1,633)</b> | <b>337</b>     |
| <b>Cash flows from financing activities</b>                   |      |                |                |
| Payment of dividends  | 24   | (451)          | (472)          |
| Repayment of borrowings                                       |      | (35)           | -              |
| Intercompany loans movement                                   |      | 2,098          | 135            |
| Purchase of own shares  |      | (453)          | -              |
| Sale of own shares  |      | 199            | 130            |
| <b>Net cash generated from/(used in) financing activities</b> |      | <b>1,358</b>   | <b>(207)</b>   |
| Net (decrease)/increase in cash and cash equivalents          |      | (275)          | 130            |
| Cash and cash equivalents at beginning of year                |      | 509            | 379            |
| <b>Cash and cash equivalents at end of year</b>               |      | <b>234</b>     | <b>509</b>     |

The notes on pages 48 to 90 form part of these Financial Statements



# Notes to the Financial Statements

## For the year ended 31 December 2015

### 1 General Information

Good Energy Group PLC is listed on the Alternative Investment Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom

The principal activities of Good Energy Group PLC are those of a holding and management company to the Group and a lender to, and seller of, generation development sites

The principal activities of its subsidiaries are the purchase, generation and sale of electricity from renewable sources, the sale of gas, services relating to micro-renewable generation and the development of new electricity generation sites

The purpose of the Annual Report and financial statements is to provide information to members of the company. It contains certain forward looking statements relating to the operations, performance and financial condition of the Group. By their nature these statements involve uncertainty since future events and circumstances can differ from those anticipated. Nothing in the Annual Report and financial statements should be construed as a profit forecast.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The principal accounting policies applied in preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRSIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention or historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

Although these estimates are based on management's reasonable knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in note 4 and the following accounting policy notes: revenue recognition (2.5), property, plant and equipment (2.7), inventories (2.11) including generation development sites (2.11.3) and credit risk (3.1.3).

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2. Summary of Significant Accounting Policies (continued)

#### 2.2 Going concern

The Group meets its day to day capital requirements through positive cash balances held on deposit or through its bank facilities. The current economic conditions continue to create opportunities and uncertainties which can impact the level of demand for the Group's products and the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of the possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

After making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Further information on the Group's borrowings can be found in note 22.

#### 2.3 Change in accounting policies and disclosures

There have been a number of new standards and interpretations issued in 2015, none of which are yet effective. At this stage, management have not applied these new standards in the preparation of these consolidated financial statements. Management has yet to fully assess the impact of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers which are both effective for the Group for its 2018 financial statements.

There are no other standards or interpretations that are not yet effective, that are expected to have a material effect on the Group's net assets or results.

#### 2.4 Basis of consolidation

The Group financial statements incorporate the financial statements of the company and its subsidiaries and enterprises controlled by the company (and its subsidiaries) made up to 31 December each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The acquisition of subsidiaries is accounted for using the purchase method. On acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values on the date of acquisition. Consideration payable on acquisition is measured at fair value.

For business combinations made after 1 July 2009, costs directly attributable to the business combination are not included in the measurement of cost, but expensed in the income statement in line with IFRS 3 (revised).

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Inter-company transactions and balances between Group enterprises are eliminated on consolidation.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2. Summary of Significant Accounting Policies (continued)

#### 2.5 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for the provision of goods and services which fall within the Group's ordinary activities, excluding transactions with or between subsidiaries. All revenue and profit before tax arose within the United Kingdom.

Revenue represents amounts recoverable from customers for supply of electricity, gas, generation of power and sale of generation development sites and is measured at the fair value of the consideration received or receivable, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Group, and when specific criteria have been met for each of the Group's activities, as described below.

##### 2.5.1 Power supply

Revenue for the supply of electricity is accrued based on industry data flows and national grid data. These include an estimate of power used, based on the estimated annual consumption of each customer. Accrued income is superseded when customer meter reads are received at which point estimates are adjusted to actual usage.

For gas, revenue is accrued based on information received from the Group's gas shipper, which includes details of all the sites held, their estimated annual quantities of gas used adjusted by a pre-determined weather correction factor. This information is subsequently adjusted and invoiced based on customer and industry meter reads.

For electricity and gas supply, payment is collected either as a direct debit or paid on receipt of bill in arrears. Overdue amounts are reviewed regularly for impairment and provision made as necessary.

##### 2.5.2 Feed-in Tariff (FIT) administration services

Good Energy provides FIT administration services to micro-generators who are signed up to the FIT scheme. For FIT services, revenue is earned from Ofgem for administering the scheme. For FIT services, revenue is recognised in two parts, there is an initial fee paid by Ofgem for taking on a generator, and then an ongoing amount that is received annually for provision of FIT services. The initial fee is spread over the 'take on' period for a new customer and the ongoing fee that is received is spread over the 12 month compliance period.

##### 2.5.3 Renewable Obligation Certificates (ROCs) revenue recognition

ROCs are awarded to the Group from Ofgem based on generation of power. These ROCs are sold on receipt of certificate from Ofgem allowing transfer of title.

The amount of revenue recognised on sale is in accordance with a contractual agreement where the pricing is based on Ofgem's minimum ROC value (the buy-out) and a prudent estimate of the re-cycle element of the final value of a ROC once all energy suppliers have complied or paid the penalty for non-compliance with the renewables obligation (the recycle). A final adjustment to ROC revenue and profit is recognised once Ofgem have announced the final out-turn ROC price.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2 Summary of Significant Accounting Policies (continued)

#### 2.5.4 Generation development site revenue recognition

Revenue is recognised on the completion date of the sale and purchase agreement pertaining to each site sold. Where there is contingent revenue included in the sale and purchase agreement, revenue is recognised based on management's assessment of the likelihood of the contingent revenue being received based on latest information available.

#### 2.6 Goodwill, intangible assets and amortisation

Goodwill represents the excess of the cost of acquisition of a business combination over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the business acquired at the date of acquisition and is carried as an indefinite life asset. Goodwill is initially recognised at cost. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Gains and losses on disposal of a business include the carrying amount of goodwill relating to the business sold.

At the date of acquisition, the amount of goodwill is allocated to cash generating units for the purpose of impairment testing and is tested annually for impairment, or more frequently if there is an indication that the value of the goodwill may be impaired.

##### 2.6.1 Definite life intangible assets

Definite life intangible assets comprise software licences and website development costs, which meet the criteria of IAS 38 "Intangible assets". The software licences and website development costs are carried at cost less accumulated amortisation and impairment losses. Cost comprises purchase price from third parties as well as directly attributable internally generated development costs where relevant.

##### 2.6.2 Indefinite life intangible assets

The Power Supply Licence is held as an indefinite life intangible asset according to the criteria of IAS 38 "Intangible assets". The Power Supply Licence is carried at cost less accumulated impairment losses. Cost comprises purchase price from third parties as well as directly attributable internally generated development costs where relevant.

##### 2.6.3 Amortisation

Amortisation on definite life intangible assets is charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives for intangibles with definite lives are as follows:

|                           |                        |
|---------------------------|------------------------|
| Software Licenses         | between 3 and 10 years |
| Website development costs | between 2 and 5 years  |

Amortisation of intangible assets is included in the Consolidated Statement of Comprehensive Income in 'administrative expenses'.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2. Summary of Significant Accounting Policies (continued)

#### 2.6.4 Impairment

The Directors regularly review intangible assets for impairment and provision is made if necessary. Assets with an indefinite useful life, eg goodwill and the Power Supply Licence are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 2.7 Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                                  |                            |
|----------------------------------|----------------------------|
| Fixtures, fittings and equipment | between 3 and 5 years      |
| Leasehold improvements           | over the life of the lease |
| Generation assets                | between 24 and 29 years    |
| Assets under construction        | not depreciated            |

The useful economic lives of assets and their residual values are reviewed on an annual basis and revised where considered appropriate. The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstance indicate that the carrying value may not be recoverable.

#### 2.8 Investments

An undertaking is regarded as a subsidiary undertaking if the company has control over its operating and financial policies. Investments in subsidiary undertakings that are directly owned by the company are stated at cost less amounts written-off for any permanent diminution in value.

#### 2.9 Leases

Assets financed by leasing agreements that give rights approximating to ownership (finance leases) are capitalised at their fair value and depreciation or amortisation is provided over the lower of the useful life and term of the lease. The capital elements of future obligations under finance leases are included as liabilities in the Statement of Financial Position and the current year's interest element, having been allocated to financial periods to give a constant periodic rate of charge on the outstanding liability, is charged to the Statement of Comprehensive Income.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2 Summary of Significant Accounting Policies (continued)

#### 2.10 Pensions

The Group operates a defined contribution pension scheme. Under this scheme the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. The pension charge for the year represents the amounts payable by the Group in respect of the year.

#### 2.11 Inventories

##### 2.11.1 Renewable Obligation Certificates (ROCs)

Under the provisions of the Utilities Act 2000, all electricity suppliers are required to procure a set percentage of their supplies from accredited renewable electricity generators. This obligation can be fulfilled by the purchase and surrender of ROCs originally issued to generators, or by making payments to Ofgem who then recycle the payments to purchasers of ROCs. Notwithstanding that Good Energy Limited, a subsidiary company, supplies electricity sourced entirely from renewable generation over a 12 month period, its percentage obligation to submit ROCs is set by Ofgem. The cost obligation is recognised as electricity is supplied and charged as a cost of sale in the Consolidated Statement of Comprehensive Income. Any gains or losses on disposal of ROCs which are in excess of the Group's compliance obligations are included as an adjustment to the compliance cost included within cost of sales. ROCs are valued at the lower of purchase cost and estimated realisable value.

##### 2.11.2 Levy Exemption Certificates (LECs)

The removal of Levy Exemption Certificates was announced by the Government in 2015, starting 1 August 2015. Excess inventory of LECs had been purchased by the company in the years prior to this date. The cost of this inventory was written back to the income statement in 2015, resulting in a non-recurring credit. It will be utilised against the cost of Climate Change Levy for business customers until March 2018, with costs charged through the income statement. LECs are valued at the lower of purchase cost and estimated realisable value.

##### 2.11.3 Generation development sites

The Group incurs costs in respect of generation development sites to secure development rights and planning permission to establish power generation units on a number of different sites. These are recognised as inventory at the lower of cost and net realisable value.

#### 2.12 Current and deferred taxation

The tax credit represents the sum of the tax currently receivable and deferred tax. The tax currently receivable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the end of each financial period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2 Summary of Significant Accounting Policies (continued)

The carrying amount of deferred tax assets is reviewed at the end of each financial period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 2.13 Available-for-sale financial assets

Equity instruments held by the Group and designated as available-for-sale are carried at fair value, with movements in fair value recognised in other comprehensive income. Where fair value cannot be reliably measured, the assets are approximated at cost. Cumulative fair value gains or losses on an asset are recycled through the income statement when the asset is disposed or impaired. A significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. Impairments are recognised in the income statement.

#### 2.14 Financial instruments

The Group uses certain financial instruments in its operating and investing activities that are deemed appropriate for its strategy and circumstances.

Financial instruments recognised on the Consolidated Statement of Financial Position include cash and cash equivalents, trade receivables, trade payables and borrowings. Financial assets and liabilities are recognised on the Consolidated Statement of Financial Position when the company has become a party to the contractual provisions of the instrument.

##### 2.14.1 Loans and receivables

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are shown inclusive of unbilled amounts to customers and of payments made in advance by customers, reflecting the underlying nature of customer account balances.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counter-party or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Consolidated Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2 Summary of Significant Accounting Policies (continued)

Restricted deposits are held by financing providers to cover debt service and maintenance expenses on generation sites to which the funding relates

Short-term security deposits are held by trading exchanges to cover short term electricity trades

#### 2.14.2 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities

#### 2.14.3 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the course of ordinary business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities

Trade payables are recognised initially at fair value and subsequently held at amortised cost

#### 2.14.4 Borrowings

The Group expenses borrowing costs over the term of the loan facility. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset. Details of the Group's borrowings are included in note 22

### 2.15 Share based payments

The Group applies IFRS 2 to share based payments. The Group operates a share based payment compensation plan, under which the entity grants key employees the option to purchase shares in the company at a specified price maintained for a certain duration

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted

including any market performance conditions, (for example, an entity's share price)

excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period) and

including the impact of any non-vesting conditions (for example, the requirement for employees to save)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied

At the end of each financial period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity

When the options are exercised, and the company issues new shares to meet that obligation, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium



# Notes to the Financial Statements

## For the year ended 31 December 2015

### 2 Summary of Significant Accounting Policies (continued)

#### 2.16 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. The Board of Directors review the Group's internal reporting in order to assess performance and allocate resources.

#### 2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.18 Finance income

Finance income is received in respect of cash deposits and is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income. Finance income on impaired loan and receivables is recognised using the original effective interest rates.

#### 2.19 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

#### 2.20 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 3 Financial and Capital Risk Management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including currency risk, cash flow and fair value interest rate risk and commodity price risk) and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group may use derivative financial instruments to hedge certain risk exposures.

##### 3.1.1 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Group has cash resources available to it and prepares, in the operating entities of the Group, forecasts for the forthcoming year which indicate that in the Directors' opinion it will have sufficient resources to fund the continuation of trade.

The Group monitors cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so as not to breach borrowing limits or covenants.

A liquidity analysis of financial instruments is provided below:

| Parent Company<br>31 December 2015 | Less than<br>1 year<br>£000's | Between<br>1 and 2 years<br>£000's | Between<br>2 and 5 years<br>£000's | Over 5 years<br>£000's |
|------------------------------------|-------------------------------|------------------------------------|------------------------------------|------------------------|
| Corporate bond                     | 1,110                         | 16,075                             | -                                  | -                      |
| Loan from group companies          | 6,389                         | -                                  | -                                  | -                      |
| Trade and other payables           | 132                           | -                                  | -                                  | -                      |
| <b>Total</b>                       | <b>7,631</b>                  | <b>16,075</b>                      | <b>-</b>                           | <b>-</b>               |

| Parent Company<br>31 December 2014 | Less than<br>1 year<br>£000's | Between<br>1 and 2 years<br>£000's | Between<br>2 and 5 years<br>£000's | Over 5 years<br>£000's |
|------------------------------------|-------------------------------|------------------------------------|------------------------------------|------------------------|
| Corporate bond                     | 1,088                         | 1,088                              | 16,189                             | -                      |
| Loan from group companies          | 2,272                         | -                                  | -                                  | -                      |
| Trade and other payables           | 94                            | -                                  | -                                  | -                      |
| <b>Total</b>                       | <b>3,454</b>                  | <b>1,088</b>                       | <b>16,189</b>                      | <b>-</b>               |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 3 Financial and Capital Risk Management (continued)

| <b>Consolidated<br/>31 December 2015</b> | <b>Less than<br/>1 year<br/>£000's</b> | <b>Between<br/>1 and 2 years<br/>£000's</b> | <b>Between<br/>2 and 5 years<br/>£000's</b> | <b>Over 5 years<br/>£000's</b> |
|--|--|---|---|--------------------------------|
| <b>Borrowings</b>                        | <b>7,702</b>                           | <b>4,220</b>                                | <b>13,828</b>                               | <b>55,311</b>                  |
| <b>Corporate bond</b>                    | <b>1,110</b>                           | <b>16,075</b>                               | <b>-</b>                                    | <b>-</b>                       |
| <b>Trade and other payables</b>          | <b>14,514</b>                          | <b>-</b>                                    | <b>-</b>                                    | <b>-</b>                       |
| <b>Total</b>                             | <b>23,326</b>                          | <b>20,295</b>                               | <b>13,828</b>                               | <b>55,311</b>                  |

| <b>Consolidated<br/>31 December 2014</b> | <b>Less than<br/>1 year<br/>£000's</b> | <b>Between<br/>1 and 2 years<br/>£000's</b> | <b>Between<br/>2 and 5 years<br/>£000's</b> | <b>Over 5 years<br/>£000's</b> |
|--|--|---|---|--------------------------------|
| <b>Borrowings</b>                        | <b>8,874</b>                           | <b>2,620</b>                                | <b>8,333</b>                                | <b>32,982</b>                  |
| <b>Corporate bond</b>                    | <b>1,088</b>                           | <b>1,088</b>                                | <b>16,189</b>                               | <b>-</b>                       |
| <b>Trade and other payables</b>          | <b>15,076</b>                          | <b>-</b>                                    | <b>-</b>                                    | <b>-</b>                       |
| <b>Total</b>                             | <b>25,038</b>                          | <b>3,708</b>                                | <b>24,522</b>                               | <b>32,982</b>                  |

#### 3.1.2 Market Risk

##### 3.1.2a Currency risk

The Group is exposed to foreign exchange risk arising from the purchase of capital equipment items from European countries. The primary currency exposure is with respect to the Euro. Management have set up a policy, that when it is deemed appropriate, the Group will forward buy euros against major contracts to reduce foreign exchange exposure. As at 31 December 2015 no euros (2014: nil) were purchased forward.

##### 3.1.2b Cash flow and fair value interest rate risk

The financial risk is the risk to the Group's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. For short-term bank overdraft facilities, the Group does not use derivative instruments to reduce its exposure to interest rate fluctuations as the policy of the Group is not to rely on short-term borrowing facilities for any significant duration. The Directors use interest rate swaps if they consider their exposure to interest rate risk to be material. For long term borrowings, the Group may use interest rate swaps to fix the interest rate payable on these material balances in order to mitigate the risk of any fluctuations in interest rates.

##### 3.1.2c Commodity price risk

The Group's operations results in exposure to fluctuations in energy prices. Management monitors energy prices and analyses supply and demand volumes to manage exposure to these risks. The Group typically buys power forwards in order to mitigate some of the risk of commodity price fluctuations.

If the wholesale market moves significantly upwards or downwards, the price risk to the Group will depend upon a number of factors including the excess or deficiency of power being supplied by renewable power purchase contracts in place at the time. The Group may be required to pass on the price risk to customers. Retail prices can be amended with 30 days' advance notification to customers. The Group closely monitors movements in the wholesale market and assess trends so it is ready to take necessary action when required.

Vertical integration of the Group helps further mitigate exposure to changes in power prices.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 3. Financial and Capital Risk Management (continued)

#### 3.1.3 Credit risk

The Group's exposure to credit risk arises from its receivables from customers. At 31 December 2015 and 2014, the Group's trade and other receivables were classed as due within one year, details of which are included in note 18. The Group's policy is to undertake credit checks where appropriate on new customers and to provide for doubtful debts based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience. Credit risk is also in part mitigated by the policy to offer direct debit as a preferred method of payment for customers. At the end of the reporting period the Directors have provided for specific doubtful debts and believe that there is no further credit risk. Should the level of bad debt increase by 0.25 per cent, this would have an impact of £44,000 on the Statement of Comprehensive Income.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Directors monitor credit quality of the institutions used when considering which banks and financial institutions funds should be placed with.

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders, and to maintain an optimal capital structure.

The Group monitors capital on the basis of the gearing ratio calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. The capital structure of the Group is as follows:

|   | Note | 2015<br>£000's | 2014<br>£000's |
|---|------|----------------|----------------|
| Total borrowings                          | 22   | 61,537         | 46,284         |
| Less: cash in restricted deposit accounts |      | (2,803)        | -              |
| Less: cash and cash equivalents           | 19   | (4,751)        | (13,703)       |
| Net debt                                  |      | 53,983         | 32,581         |
| Total equity                              |      | 16,943         | 17,943         |
| <b>Total capital</b>                      |      | <b>70,926</b>  | <b>50,524</b>  |
| <b>Gearing ratio</b>                      |      | <b>76.1%</b>   | <b>64.5%</b>   |

During 2015, the Group's strategy, which was unchanged from 2014, was to seek debt funding at appropriate margins from lenders against long term power generation assets. These assets have highly predictable revenue streams and are considered stable for long term borrowing. In future, in order to maintain or adjust its capital structure, the Group may re-structure its debt, issue new shares or sell assets.

The Group's borrowings are subject to maintaining covenants as defined by the debt funders. Throughout the year ended 31 December 2015 the Group complied with all external borrowing covenants and management monitors the continued compliance with these covenants on a monthly or quarterly basis.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 3 Financial and Capital Risk Management (continued)

#### 3.3 Fair value estimation

The table below presents the Group's financial assets that are measured at fair value, by valuation method at 31 December 2015. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3),

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value the unlisted securities included the assessment of the current status of the project and a review of any changes to circumstances since the initial acquisition of shares.

| 2015                                       | Level 1<br>£000's | Level 2<br>£000's | Level 3<br>£000's | Total<br>£000's |
|--|-------------------|-------------------|-------------------|-----------------|
| <b>Assets</b>                              |                   |                   |                   |                 |
| <b>Available for sale financial assets</b> |                   |                   |                   |                 |
| Unlisted securities                        | -                 | -                 | 500               | 500             |
| Total assets                               | -                 | -                 | 500               | 500             |

| 2014                                       | Level 1<br>£000's | Level 2<br>£000's | Level 3<br>£000's | Total<br>£000's |
|--|-------------------|-------------------|-------------------|-----------------|
| <b>Assets</b>                              |                   |                   |                   |                 |
| <b>Available for sale financial assets</b> |                   |                   |                   |                 |
| Unlisted securities                        | -                 | -                 | 500               | 500             |
| Total assets                               | -                 | -                 | 500               | 500             |

There were no changes in Level 3 instruments for the year ended 31 December 2015.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 4 Critical Accounting Estimates

In the process of applying the Group's accounting policies, management has to make judgements and estimates that have a significant effect on the amounts recognised in the financial statements. These estimates and judgements are evaluated continually and are based on historical experience and other factors, including expectations of future events. The most critical of these accounting judgements and estimates are detailed below. Given the nature of the estimates and judgements made, unless explicitly stated otherwise, it is not appropriate to provide a sensitivity analysis of the judgements and estimates noted.

#### 4.1 Revenue recognition

Revenue calculated from energy sales includes an estimate of the value of electricity or gas supplied to customers between the date of the last meter reading and the end of the reporting period. This will have been estimated by using historical consumption patterns and data available, and takes into consideration industry reconciliation processes, upon which the Group takes a prudent position until final reconciliation data is available from the industry fourteen months after the supply date.

#### 4.2 Power purchase costs

Power purchase costs can typically take 14 months from the date of supply to be finalised due to the processes that the energy market has to complete in order to finalise generation and consumption data for any one particular month. Therefore there is an element of power purchase costs that needs to be estimated based on a combination of in-house and industry data that is available at any particular point in time.

#### 4.3 Inventories

The Group carries ROCs as stock in its balance sheet. These are valued at the lower of cost or estimated realisable value. Gains or losses made on ROCs which are subsequently sold, are only recognised in the Statement of Comprehensive Income when they crystallise.

The final out-turn value of a ROC is only published by Ofgem in October following the compliance year (April to March) which may require a final adjustment to gains or losses on the sale or purchase of ROCs previously recognised in the Consolidated Statement of Comprehensive Income.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 4 Critical Accounting Estimates (continued)

#### 4.4 Provisions for bad and doubtful debt

The assessments undertaken in recognising provisions have been made in accordance with IAS 39. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of any loss is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement.

#### 4.5 Recoverability of capitalised generation project costs and generation assets

Generation project costs capitalised in inventory are reviewed by management on a monthly basis. Where management deems that on the balance of probability, the likely planning outcome for a given generation site will prevent it being constructed or sold, a write off provision is made for the full amount of the inventory relating to that site after excluding an assessment of recoverable costs. Where possible, recoverable costs will be estimated based on known market values.

The carrying value of the generating sites is considered in relation to the value in use and a provision will be recognised for any excess. For the current year no provision was deemed necessary.

### 5 Segmental Analysis

The chief operating decision-maker has been identified as the Board of Directors (the 'Board'). The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Board considers the business from a business class perspective, with each of the main trading subsidiaries accounting for each of the business classes.

The main segments are -

Supply Companies (including electricity supply, FIT administration and gas supply),

Electricity Generation Companies (including wind and solar generation companies),

Generation Development (including early stage development companies)

Holding companies, being the activity of Good Energy Group PLC

The Board assesses the performance of the operating segments based primarily on summary financial information, extracts of which are reproduced below. An analysis of profit and loss, assets and liabilities and additions to non-current asset, by class of business, with a reconciliation of segmental analysis to reported results follows.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 5 Segmental Analysis (continued)

| Year ended 31<br>December 2015          | Electricity<br>Supply | FIT<br>admin-<br>istration | Gas<br>Supply | Total<br>Supply<br>Companies | Electricity<br>Generation | Generation<br>Development | Holding<br>Companies/<br>Consolidation<br>Adjustments | Total         |
|---|-----------------------|----------------------------|---------------|------------------------------|---------------------------|---------------------------|---|---------------|
|   | £000's                | £000's                     | £000's        | £000's                       | £000's                    | £000's                    | £000's  | £000's        |
| <b>Revenue</b>                          |                       |                            |               |                              |                           |                           |   |               |
| Revenue from external customers         | 40,192                | 3,902                      | 16,411        | 60,505                       | 3,576                     | 200                       | -   | 64,281        |
| Inter-segment revenue                   | -                     | -                          | -             | -                            | 3,882                     | -                         | (3,882)   | -             |
| <b>Total revenue</b>                    | <b>40,192</b>         | <b>3,902</b>               | <b>16,411</b> | <b>60,505</b>                | <b>7,458</b>              | <b>200</b>                | <b>(3,882)</b>  | <b>64,281</b> |
| <b>Expenditure</b>                      |                       |                            |               |                              |                           |                           |   |               |
| Cost of sales                           | (24,542)              | (1,655)                    | (12,987)      | (39,184)                     | (3,440)                   | (358)                     | -   | (42,982)      |
| Inter-segment cost of sales             | (3,882)               | -                          | -             | (3,882)                      | -                         | -                         | 3,882   | -             |
| <b>Gross profit</b>                     | <b>11,768</b>         | <b>2,247</b>               | <b>3,424</b>  | <b>17,439</b>                | <b>4,018</b>              | <b>(158)</b>              | <b>-</b>  | <b>21,299</b> |
| Administrative expenses                 |                       |                            |               | (12,877)                     | (353)                     | (1,448)                   | (1,408)   | (16,086)      |
| Depreciation & amortisation             |                       |                            |               | (975)                        | -                         | (3)                       | (1)   | (979)         |
| <b>Operating profit/(loss)</b>          |                       |                            |               | <b>3,587</b>                 | <b>3,665</b>              | <b>(1,609)</b>            | <b>(1,409)</b>  | <b>4,234</b>  |
| Net finance income/(costs)              |                       |                            |               | 136                          | (4,301)                   | (494)                     | 553   | (4,106)       |
| <b>Profit/(loss) before tax</b>         |                       |                            |               | <b>3,723</b>                 | <b>(636)</b>              | <b>(2,103)</b>            | <b>(856)</b>  | <b>128</b>    |
| <b>Segment assets &amp; liabilities</b> |                       |                            |               |                              |                           |                           |   |               |
| Segment assets                          |                       |                            |               | 34,628                       | 96,091                    | 6,778                     | (43,936)  | 93,561        |
| Segment liabilities                     |                       |                            |               | 29,040                       | 94,239                    | 12,414                    | (59,075)  | 76,618        |
| <b>Net assets/(liabilities)</b>         |                       |                            |               | <b>5,588</b>                 | <b>1,852</b>              | <b>(5,636)</b>            | <b>15,139</b>   | <b>16,943</b> |
| <b>Additions to non-current assets</b>  |                       |                            |               | <b>755</b>                   | <b>18,090</b>             | <b>-</b>                  | <b>-</b>  | <b>18,845</b> |



# Notes to the Financial Statements

## For the year ended 31 December 2015

### 5 Segmental Analysis (continued)

| Year ended 31<br>December 2014                 | Electricity<br>Supply | FIT<br>admin-<br>istration | Gas<br>Supply | Total<br>Supply<br>Companies | Electricity<br>Generation | Generation<br>Development | Holding<br>Companies/<br>consolidation<br>adjustments | Total         |
|--|-----------------------|----------------------------|---------------|------------------------------|---------------------------|---------------------------|---|---------------|
|  | £000's                | £000's                     | £000's        | £000's                       | £000's                    | £000's                    | £000's  | £000's        |
| <b>Revenue</b>                                 |                       |                            |               |                              |                           |                           |   |               |
| Revenue from<br>external<br>customers          | 31,593                | 2,544                      | 11,568        | 45,705                       | 1,754                     | 10,159                    | -   | 57,618        |
| Inter-segment<br>revenue                       | -                     | -                          | -             | -                            | 2,106                     | -                         | (2,106)   | -             |
| <b>Total Revenue</b>                           | <b>31,593</b>         | <b>2,544</b>               | <b>11,568</b> | <b>45,705</b>                | <b>3,860</b>              | <b>10,159</b>             | <b>(2,106)</b>  | <b>57,618</b> |
| <b>Expensive</b>                               |                       |                            |               |                              |                           |                           |   |               |
| Cost of sales                                  | (19,789)              | (1,619)                    | (9,064)       | (30,472)                     | (1,840)                   | (6,470)                   | -   | (38,782)      |
| Inter-segment cost<br>of sales                 | (2,106)               | -                          | -             | (2,106)                      | -                         | -                         | 2,106   | -             |
| <b>Gross Profit</b>                            | <b>9,698</b>          | <b>925</b>                 | <b>2,504</b>  | <b>13,127</b>                | <b>2,020</b>              | <b>3,689</b>              | <b>-</b>  | <b>18,836</b> |
| Administrative<br>expenses                     |                       |                            |               | (11,812)                     | (271)                     | (1,251)                   | (895)   | (14,229)      |
| Depreciation &<br>amortisation                 |                       |                            |               | (808)                        | -                         | (4)                       | (4)   | (816)         |
| Operating profit/<br>(loss)                    |                       |                            |               | 507                          | 1,749                     | 2,434                     | (899)   | 3,791         |
| Net finance<br>(costs)/income                  |                       |                            |               | (13)                         | (2,346)                   | (430)                     | 286   | (2,503)       |
| <b>Profit/(loss)<br/>before tax</b>            |                       |                            |               | <b>494</b>                   | <b>(597)</b>              | <b>2,004</b>              | <b>(613)</b>  | <b>1,288</b>  |
| <b>Segments assets &amp; liabilities</b>       |                       |                            |               |                              |                           |                           |   |               |
| Segment assets                                 |                       |                            |               | 21,910                       | 63,214                    | 13,626                    | (19,432)  | 79,318        |
| Segment liabilities                            |                       |                            |               | (15,000)                     | (58,518)                  | (16,889)                  | 29,032  | (61,375)      |
| <b>Net assets/<br/>(liabilities)</b>           |                       |                            |               | <b>6,910</b>                 | <b>4,696</b>              | <b>(3,263)</b>            | <b>9,600</b>  | <b>17,943</b> |
| <b>Additions to<br/>non-current<br/>assets</b> |                       |                            |               | <b>247</b>                   | <b>25,208</b>             | <b>-</b>                  | <b>-</b>  | <b>25,455</b> |

All turnover arose within the United Kingdom

Consolidation adjustments relate to inter-company sales of generated electricity and the elimination of inter-company balances

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 6 Operating Profit and Administrative Expenses

|   | Note | 2015<br>£000's | 2014<br>£000's |
|---|------|----------------|----------------|
| <b>The operating profit is stated after charging</b>      |      |                |                |
| Depreciation of property, plant and equipment             | 14   | 2,351          | 1,347          |
| Amortisation of Intangible assets                         | 15   | 705            | 567            |
| Operating lease rentals                                   |      | 676            | 329            |
| <b>Auditors' Remuneration</b>                             |      |                |                |
| Audit of parent and consolidated financial statements     |      | 27             | 27             |
| Audit of subsidiaries                                     |      | 108            | 95             |
| <b>Subtotal (audit)</b>                                   |      | <b>135</b>     | <b>122</b>     |
| Other services - financial statement preparation          |      | 25             | 22             |
| Other services  |      | 34             | -              |
| Tax services  |      | 60             | 20             |
| <b>Subtotal (non-audit)</b>                               |      | <b>119</b>     | <b>42</b>      |
| <b>The administrative expenses comprise the following</b> |      |                |                |
| Staff costs   |      | 7,345          | 6,640          |
| Rent and office costs                                     |      | 3,573          | 3,759          |
| Marketing costs   |      | 1,776          | 1,619          |
| Professional fees and bank charges                        |      | 2,152          | 1,528          |
| Bad Debts   |      | 1,240          | 633            |
| Depreciation and amortisation                             |      | 979            | 866            |
| <b>Total</b>  |      | <b>17,065</b>  | <b>15,045</b>  |

### 7 Profit of the Parent Company

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements

The parent company's profit for the financial year was £1,123,794 (2014 profit £2,919,980)

The profit for the parent company in 2014 included part of the proceeds from the sale of West Raynham solar site. In the segmental analysis 100% of the proceeds from West Raynham were shown within Generation Development reflecting the operational performance of the segment

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 8 Staff Costs

Staff costs, including Directors' remuneration, were as follows

|                                   | 2015          | 2014         |
|-----------------------------------|---------------|--------------|
|                                   | £000's        | £000's       |
| Wages and salaries                | 8,741         | 7,651        |
| Social security costs             | 866           | 798          |
| Share based payments              | 51            | 30           |
| Other pension costs               | 343           | 334          |
| <b>Total staff costs</b>          | <b>10,001</b> | <b>8,813</b> |
| Capitalised staff costs           | (729)         | (1,233)      |
| <b>Total expensed staff costs</b> | <b>9,272</b>  | <b>7,580</b> |

Details of share based payments can be found in note 26

The average monthly number of employees, including the Directors, during the year was as follows

|  | 2015       | 2014       |
|--|------------|------------|
|  | Number     | Number     |
| Operations                                 | 135        | 101        |
| Business services                          | 141        | 127        |
| <b>Total management and administration</b> | <b>276</b> | <b>228</b> |

### 9. Directors' and Key Management Remuneration

| Directors' and Key Management emoluments        | 2015   | 2014   |
|---|--------|--------|
|   | £000's | £000's |
| Aggregate emoluments                            | 922    | 1,208  |
| Contributions to money purchase pension schemes | 69     | 57     |

Key management are considered to be the directors of Good Energy Group PLC and the executive team. The emoluments relating to these teams are included in the table above.

During the year retirement benefits were accruing to 2 Directors of the Group (2014: 3) in respect of money purchase pension schemes.

In respect of the highest paid Director, the Group paid remuneration of £222,740 (2014: £252,183), including contributions to the money purchase pension scheme of £23,868 (2014: £22,950).

Individual remuneration for the Directors is set by the Remuneration Committee of the Board which consists entirely of Non-Executive Directors. Appropriate keyman insurance policies are in place.

During the year, no share options were exercised by Directors or key management (2014: 117,616). The aggregate amount of gains made by directors or key management on the exercise of share options was nil (2014: £187,077).

Details of Directors' emoluments are given in the Directors' Remuneration Report on page 31.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 10 Finance Income

|                                     | 2015<br>£000's | 2014<br>£000's |
|-------------------------------------|----------------|----------------|
| Bank and other interest receivables | 23             | 87             |

### 11 Finance Costs

|   | 2015<br>£000's | 2014<br>£000's |
|---|----------------|----------------|
| On bank loans and overdrafts                        | 3,192          | 1,467          |
| On corporate bond                                   | 1,110          | 929            |
| Other interest payable                              | 1              | 56             |
| Amortisation of debt issue costs                    | 327            | 196            |
| Exceptional finance cost on repayment of borrowings | -              | 881            |
| Total finance costs                                 | 4,630          | 3,529          |
| Less amounts capitalised on qualifying assets       | (501)          | (939)          |
| <b>Total</b>  | <b>4,129</b>   | <b>2,590</b>   |

### 12 Taxation

|   | 2015<br>£000's | 2014<br>£000's |
|---|----------------|----------------|
| <b>Analysis of tax charge 12 year</b>             |                |                |
| <b>Current tax (see note below)</b>               |                |                |
| Current Tax                                       | 165            | -              |
| Adjustments in respect of prior years             | (243)          | (108)          |
| <b>Total current tax</b>                          | <b>(78)</b>    | <b>(108)</b>   |
| <b>Deferred tax</b>                               |                |                |
| Origination and reversal of temporary differences | (132)          | (420)          |
| Adjustments in respect of prior years             | 533            | 8              |
| <b>Total deferred tax (see note 21)</b>           | <b>401</b>     | <b>(412)</b>   |
| <b>Tax on profit on ordinary activities</b>       | <b>323</b>     | <b>(520)</b>   |

Adjustments in respect of prior years' deferred tax amounts are from updated assumptions used in the treatment of Group relieved losses and capital allowances and also relate to the reduction arising due to carry back of losses to previous years

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 12 Taxation (continued)

#### Factors affecting the tax credit for the year

The tax assessed for the year is higher (2014: lower) than the standard weighted average rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are explained as follows:

|   | 2015<br>£000's | 2014<br>£000's |
|---|----------------|----------------|
| <b>Profit before tax</b>  | <b>128</b>     | <b>1,288</b>   |
| Profit before tax multiplied by the weighted average rate of Corporation Tax in the UK of 20.25% (2014: 21.50%) | 26             | 277            |
| <b>Tax effects of:</b>  |                |                |
| Expenses not deductible for tax purposes  | (9)            | (2)            |
| Non-taxable gain on sale of investment  | -              | (728)          |
| Effects of changes in tax rate  | 16             | 33             |
| Prior year adjustment - current tax   | (243)          | (108)          |
| Prior year adjustment - deferred tax  | 533            | 8              |
| <b>Total tax charge/(credit) for year</b>   | <b>323</b>     | <b>(520)</b>   |

#### Factors that may affect future tax charges

The main corporation tax rate was reduced from 21% to 20% from 1 April 2015 under the Finance Act 2013. Accordingly the company's profits are taxed at an effective rate of 20.25%. The July 2015 Budget Statement announced changes to the UK Corporation tax rate which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. These changes were substantively enacted on 26 October 2015 and accordingly the deferred tax balance has been calculated using a rate of 18%. On 17 March 2016 the Government announced that on 1 April 2016 the rate of corporation tax will reduce to 17%.

#### Corporation tax payable/(recoverable) as per Statement of Financial Position

|  | Parent Company |                | Consolidated   |                |
|--|----------------|----------------|----------------|----------------|
|  | 2015<br>£000's | 2014<br>£000's | 2015<br>£000's | 2014<br>£000's |
| UK Corporation Tax on profits for the year | -              | -              | (126)          | (109)          |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 13 (Loss)/Earnings Per Ordinary Share

#### Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the company by the weighted average number of ordinary shares during the year after excluding 521,989 (2014 208,863) shares held by Clarke Willmott Trust Corporation Limited in trust for the Good Energy Group Employee Benefit Trust

|  | Consolidated  |              |
|--|---------------|--------------|
|  | 2015          | 2014         |
| (Loss)/profit attributable to owners of the Company (£000's) | (195)         | 1,808        |
| Basic weighted average number of ordinary shares (000's)     | 14,455        | 14,322       |
| <b>Basic (loss)/earnings per share</b>                       | <b>(1 4p)</b> | <b>12 6p</b> |

#### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares arise from awards made under the Group's share-based incentive plans. Where the vesting of these awards is contingent on satisfying a service or performance condition, the number of potentially dilutive ordinary shares is calculated based on the status of the condition at the end of the year. Potentially dilutive ordinary shares are actually dilutive only when the average market price of the company's ordinary shares during the year exceeds their exercise price (options) or issue price (other awards). The greater any such excess, the greater the dilutive effect. In accordance with IAS 33 'Earnings per share', for the purposes of calculating diluted loss per share, the effect of potentially dilutive ordinary shares has not been taken into account for the year ended 31 December 2015 due to there being a loss for the year. The average market price of the company's ordinary shares during the year was 222p (2014 243p). The dilutive effect of share-based incentives was nil (2014 863,326 shares).

|  | Consolidated  |              |
|--|---------------|--------------|
|  | 2015          | 2014         |
| (Loss)/profit attributable to owners of the Company (£000's) | (195)         | 1,808        |
| Weighted average number of diluted ordinary shares (000's)   | 14,455        | 15,185       |
| <b>Diluted (loss)/earnings per share</b>                     | <b>(1 4p)</b> | <b>11 9p</b> |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 14 Property, Plant and Equipment

| <b>Consolidated<br/>Year ended 31<br/>December 2015</b>    | <b>Leasehold<br/>improvements</b> | <b>Furniture,<br/>fittings &amp;<br/>equipment</b> | <b>Generation<br/>assets</b> | <b>Assets under<br/>construction</b> | <b>Total</b>   |
|--|-----------------------------------|--|------------------------------|--------------------------------------|----------------|
| <b>£000's</b>  | <b>£000's</b>                     | <b>£000's</b>                                      | <b>£000's</b>                | <b>£000's</b>                        | <b>£000's</b>  |
| <b>Cost</b>  |                                   |  |                              |                                      |                |
| At 1 January 2015  | 247                               | 1,193  | 35,239                       | 11,659                               | 48,338         |
| Transfer of Assets under construction to Generation assets | -                                 | -  | 11,659                       | (11,659)                             | -              |
| Reclassification of assets                                 | 45                                | (45)   | -                            | -                                    | -              |
| Additions  | 137                               | 120  | 18,349                       | -                                    | 18,606         |
| Disposals  | -                                 | (393)  | -                            | -                                    | (393)          |
| <b>At 31 December 2015</b>                                 | <b>429</b>                        | <b>875</b>   | <b>65,247</b>                | <b>-</b>                             | <b>66,551</b>  |
| <b>Accumulated depreciation</b>                            |                                   |  |                              |                                      |                |
| At 1 January 2015  | (156)                             | (861)  | (2,592)                      | -                                    | (3,609)        |
| Charge for the year  | (118)                             | (157)  | (2,076)                      | -                                    | (2,351)        |
| Disposals  | -                                 | 393  | -                            | -                                    | 393            |
| <b>At 31 December 2015</b>                                 | <b>(274)</b>                      | <b>(625)</b>                                       | <b>(4,668)</b>               | <b>-</b>                             | <b>(5,567)</b> |
| <b>Net book value</b>                                      |                                   |  |                              |                                      |                |
| At 1 January 2015  | 91                                | 332  | 32,647                       | 11,659                               | 44,729         |
| <b>At 31 December 2015</b>                                 | <b>155</b>                        | <b>250</b>   | <b>60,579</b>                | <b>-</b>                             | <b>60,984</b>  |
| <b>Consolidated<br/>Year ended 31 December 2014</b>        | <b>Leasehold<br/>improvements</b> | <b>Furniture,<br/>fittings &amp;<br/>equipment</b> | <b>Generation<br/>assets</b> | <b>Assets under<br/>construction</b> | <b>Total</b>   |
| <b>£000's</b>  | <b>£000's</b>                     | <b>£000's</b>                                      | <b>£000's</b>                | <b>£000's</b>                        | <b>£000's</b>  |
| <b>Cost</b>  |                                   |  |                              |                                      |                |
| At 1 January 2014  | 212                               | 980  | 11,733                       | 9,449                                | 22,374         |
| Transfer of Assets under construction to Generation assets | -                                 | -  | 9,449                        | (9,449)                              | -              |
| Additions  | 35                                | 213  | 14,057                       | 11,659                               | 25,964         |
| <b>At 31 December 2014</b>                                 | <b>247</b>                        | <b>1,193</b>                                       | <b>35,239</b>                | <b>11,659</b>                        | <b>48,338</b>  |
| <b>Accumulated depreciation</b>                            |                                   |  |                              |                                      |                |
| At 1 January 2014  | (103)                             | (672)  | (1,487)                      | -                                    | (2,262)        |
| Charge for the year  | (53)                              | (189)  | (1,105)                      | -                                    | (1,347)        |
| <b>At 31 December 2014</b>                                 | <b>(156)</b>                      | <b>(861)</b>                                       | <b>(2,592)</b>               | <b>-</b>                             | <b>(3,609)</b> |
| <b>Net book value</b>                                      |                                   |  |                              |                                      |                |
| At 1 January 2014  | 109                               | 308  | 10,246                       | 9,449                                | 20,112         |
| <b>At 31 December 2014</b>                                 | <b>91</b>                         | <b>332</b>   | <b>32,647</b>                | <b>11,659</b>                        | <b>44,729</b>  |

The Generation assets relate to electricity generating assets (wind turbines, solar panels and ancillaries) Those assets held within the company's subsidiaries Good Energy Delabole Wind Farm Limited, Good Energy Hampole Wind Farm Limited, Good Energy Woolbridge Solar Park Limited, Good Energy Creathorne Solar Park Limited, Good Energy Rook Wood Solar Park Limited, Good Energy Carloggas Solar Park Limited, Good Energy Lower End Solar Park Limited and Good Energy Cross Roads Solar Park Limited have been pledged as security against bank and other loan liabilities There is no charge against the assets held within Good Energy Oaklands Plantation Solar Park Limited

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 15 Intangible Assets

| Consolidated<br>Year ended 31 December 2015 | Power supply<br>Licences | Software<br>Licences | Website<br>development<br>costs | Goodwill     | Total        |
|---|--------------------------|----------------------|---------------------------------|--------------|--------------|
|   | £000's                   | £000's               | £000's                          | £000's       | £000's       |
| <b>Cost</b>                                 |                          |                      |                                 |              |              |
| At 1 January 2015                           | 180                      | 3,868                | 132                             | 1,446        | 5,626        |
| Additions                                   | -                        | 492                  | -                               | -            | 492          |
| Disposals                                   | -                        | (1,009)              | (123)                           | -            | (1,132)      |
| <b>At 31 December 2015</b>                  | <b>180</b>               | <b>3,351</b>         | <b>9</b>                        | <b>1,446</b> | <b>4,986</b> |

|                                 |          |                |            |          |                |
|---------------------------------|----------|----------------|------------|----------|----------------|
| <b>Accumulated amortisation</b> |          |                |            |          |                |
| At 1 January 2015               | -        | (1,964)        | (132)      | -        | (2,096)        |
| Charge for the year             | -        | (705)          | -          | -        | (705)          |
| Disposals                       | -        | 1,009          | 123        | -        | 1,132          |
| <b>At 31 December 2015</b>      | <b>-</b> | <b>(1,660)</b> | <b>(9)</b> | <b>-</b> | <b>(1,669)</b> |

|                            |            |              |          |              |              |
|----------------------------|------------|--------------|----------|--------------|--------------|
| <b>Net book value</b>      |            |              |          |              |              |
| At 1 January 2015          | 180        | 1,904        | -        | 1,446        | 3,530        |
| <b>At 31 December 2015</b> | <b>180</b> | <b>1,691</b> | <b>-</b> | <b>1,446</b> | <b>3,317</b> |

| Consolidated<br>Year ended 31 December 2014 | Power<br>supply<br>Licences | Software<br>Licences | Website<br>development<br>costs | Goodwill     | Total        |
|---|-----------------------------|----------------------|---------------------------------|--------------|--------------|
|   | £000's                      | £000's               | £000's                          | £000's       | £000's       |
| <b>Cost</b>                                 |                             |                      |                                 |              |              |
| At 1 January 2014                           | 180                         | 3,249                | 132                             | 1,446        | 5,007        |
| Additions                                   | -                           | 619                  | -                               | -            | 619          |
| <b>At 31 December 2014</b>                  | <b>180</b>                  | <b>3,868</b>         | <b>132</b>                      | <b>1,446</b> | <b>5,626</b> |

|                                 |          |                |              |          |                |
|---------------------------------|----------|----------------|--------------|----------|----------------|
| <b>Accumulated amortisation</b> |          |                |              |          |                |
| At 1 January 2014               | -        | (1,400)        | (129)        | -        | (1,529)        |
| Charge for the year             | -        | (564)          | (3)          | -        | (567)          |
| <b>At 31 December 2014</b>      | <b>-</b> | <b>(1,964)</b> | <b>(132)</b> | <b>-</b> | <b>(2,096)</b> |

|                            |            |              |          |              |              |
|----------------------------|------------|--------------|----------|--------------|--------------|
| <b>Net book value</b>      |            |              |          |              |              |
| At 1 January 2014          | 180        | 1,849        | 3        | 1,446        | 3,478        |
| <b>At 31 December 2014</b> | <b>180</b> | <b>1,904</b> | <b>-</b> | <b>1,446</b> | <b>3,530</b> |



# Notes to the Financial Statements

## For the year ended 31 December 2015

### 15. Intangible Assets (continued)

All amortisation amounts are included within administration expenses

Goodwill of £1,446,453 (2014 £1,446,453) comprises £1,060,996 (2014 £1,060,996) arising from the original acquisition of Good Energy Limited, and £385,457 (2014 £385,457) from the original acquisition of the wind farm at Delabole

The carrying values of indefinite life assets included in Intangible assets are goodwill of £1,446,453 (2014 £1,446,453) and Power Supply Licence of £180,000 (2014 £180,000) which relates to the subsidiary, Good Energy Limited. In arriving at the conclusion that these assets have an indefinite life, management considers the fact that the Group is a profitable business and expects to hold and support these assets for an indefinite period

An impairment review is undertaken annually or more frequently, using value in use calculations, based on pre tax cash flow projections over a five year period approved by management and discounted at appropriate rates

The result of this review was that no impairment is required in respect of the carrying values of the indefinite life assets. The key assumptions for value in use are as follows

| Value in use assumptions          | 2015    | 2014 |
|-----------------------------------|---------|------|
| Gross margin*                     | 20%-30% | 26%  |
| Growth rate beyond five year plan | 2%      | 2%   |
| Pre tax discount rate             | 11%     | 11%  |

\*annual margins have been modelled in the five year cashflow at varying levels

Based on these assumptions the Directors consider there to be significant headroom and the assumptions accordingly are not sensitive

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 16a Investments and Subsidiaries

| Parent Company<br>Year ended 31 December 2015 | Shares in Group<br>undertakings<br>£000's | Loans to Group<br>undertakings<br>£000's | Total<br>£000's |
|---|---|--|-----------------|
| <i>Cost and Net book value</i>                |   |  |                 |
| At 1 January 2015                             | 4,646                                     | 25,295                                   | 29,941          |
| Additions                                     | -   | 56,555                                   | 56,555          |
| Provisions                                    | -   | (6,000)                                  | (6,000)         |
| Repayments                                    | -   | (45,290)                                 | (45,290)        |
| <b>At 31 December 2015</b>                    | <b>4,646</b>                              | <b>30,560</b>                            | <b>35,206</b>   |

A provision has been recorded against the intercompany loan receivable from Good Energy Generation Limited. This has no impact on the consolidated results of the Group.

| Parent Company<br>Year ended 31 December 2014 | Shares in Group<br>undertakings<br>£000's | Loans to Group<br>undertakings<br>£000's | Total<br>£000's |
|---|---|--|-----------------|
| <i>Cost and Net book value</i>                |   |  |                 |
| At 1 January 2014                             | 9,081                                     | 18,647                                   | 27,728          |
| Intra-group share transfers                   | (4,435)                                   | 4,435                                    | -               |
| Additions                                     | -   | 65,763                                   | 65,763          |
| Repayments                                    | -   | (63,550)                                 | (63,550)        |
| <b>At 31 December 2014</b>                    | <b>4,646</b>                              | <b>25,295</b>                            | <b>29,941</b>   |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 16a Investments and Subsidiaries (continued)

The Group had the following subsidiaries at 31 December 2015

| Name   | Country of incorporation and place of business | Proportion of ordinary shares directly held by Parent | Nature of business   |
|--|--|---|--|
| Good Energy Limited                                    | UK   | 100%  | supply of renewably sourced electricity and FIT administration |
| Good Energy Gas Limited                                | UK   | 100%  | supply of gas  |
| Good Energy Generation Limited                         | UK   | 100%  | an investor in potential new generation sites                  |
| Good Energy Generation Holding Company No 1 Limited    | UK   | 100%  | holding company for a generating asset sub group               |
| Good Energy Generation Assets No 1 Limited*            | UK   | 100%  | holding company for generating assets subsidiaries             |
| Good Energy Hampole Windfarm Limited*                  | UK   | 100%  | generation of electric power by wind turbine machinery         |
| Good Energy Woolbridge Solar Park Limited*             | UK   | 100%  | generation of electric power by solar panels                   |
| Good Energy Creathorne Solar Park Limited*             | UK   | 100%  | generation of electric power by solar panels                   |
| Good Energy Rook Wood Solar Park Limited*              | UK   | 100%  | generation of electric power by solar panels                   |
| Good Energy Carloggas Solar Park Limited*              | UK   | 100%  | generation of electric power by solar panels                   |
| Good Energy Lower End Solar Park Limited*              | UK   | 100%  | generation of electric power by solar panels                   |
| Good Energy Cross Roads Plantation Solar Park Limited* | UK   | 100%  | generation of electric power by solar panels                   |
| Good Energy Delabole Wind Farm Limited                 | UK   | 100%  | generation of electric power by wind turbine machinery         |
| Good Energy Cedar Windfarm Limited                     | UK   | 85%   | development of an energy generating asset                      |
| Good Energy Lanyon Solar Park Limited                  | UK   | 100%  | development of an energy generating asset                      |
| Good Energy Mapperton Solar Park Limited               | UK   | 100%  | development of an energy generating asset                      |
| Good Energy Brynwhilach Solar Park Limited             | UK   | 100%  | development of an energy generating asset                      |
| Good Energy Oaklands Plantation Solar Park Limited     | UK   | 100%  | development of an energy generating asset                      |
| Good Energy Tidal Limited                              | UK   | 100%  | investment holding company                                     |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 16a Investments and Subsidiaries (continued)

|   |    |      |   |
|---|----|------|---|
| Good Energy Development (No 1) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 2) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 3) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 4) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 5) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 6) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 7) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 8) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 9) Limited              | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 10) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 12) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 14) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 15) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 16) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 17) Limited             | UK | 100% | development of an energy generating asset |
| Llangyfelach Community Solar Farm C I C             | UK | 100% | development of an energy generating asset |
| Worminster Down Somerset Community Solar Farm C I C | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 20) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 21) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 22) Limited             | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 23) Limited             | UK | 100% | development of an energy generating asset |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 16a. Investments and Subsidiaries (continued)

|   |    |      |   |
|---|----|------|---|
| Good Energy Development (No 24) Limited | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 25) Limited | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 26) Limited | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 27) Limited | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 28) Limited | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 29) Limited | UK | 100% | development of an energy generating asset |
| Good Energy Development (No 30) Limited | UK | 100% | development of an energy generating asset |
| Homegrown Electricity Limited           | UK | 100% | dormant                                   |

\* Entities indirectly owned by Good Energy Group PLC

The subsidiaries above have all been included in the consolidated financial statements

### 16b Available-for-sale Financial Assets

| <b>Consolidated</b><br><b>Year ended 31 December 2015</b> | <b>Available-for-sale<br/>financial assets</b><br><b>£000's</b> |
|---|---|
| <b>Cost at Net book value</b>                             |   |
| At 1 January 2015   | 500   |
| Additions   | -   |
| <b>At 31 December 2015</b>                                | <b>500</b>  |

Available-for-sale financial assets comprise £500,000 (2014 £500,000) of unlisted securities denominated in sterling

## Notes to the Financial Statements

### For the year ended 31 December 2015

#### 17. Inventories

|                                   | Parent Company |        | Consolidated |              |
|-----------------------------------|----------------|--------|--------------|--------------|
|                                   | 2015           | 2014   | 2015         | 2014         |
|                                   | £000's         | £000's | £000's       | £000's       |
| Renewable Obligation Certificates | -              | -      | 2,426        | 1,787        |
| Levy Exemption Certificates       | -              | -      | 977          | -            |
| Generation development sites      | -              | -      | 6,079        | 4,679        |
| <b>Total</b>                      | -              | -      | <b>9,482</b> | <b>6,466</b> |

As at 31 December 2015 there were Renewable Obligation Certificates (ROCs) of £537,265 (2014 £896,223) included in the above amount that were unissued for generation that had already taken place and therefore these ROCs were not available for sale before the end of the financial year

As at 31 December 2015 there were Levy Exemption Certificates (LECs) of £977,001 (2014 nil) included in the above amount

Costs shown in respect of Generation development sites are for on-going projects to secure development rights and planning permission to establish power generation units on a number of different sites. The cost of inventories recognised as an expense and included in 'cost of sales' amounted to £147,416 (2014 £4,663,330). At 31 December 2015, an impairment of £1,041,077 (2014 £742,138) had been made against these sites resulting in an expense of £298,939 (2014 net credit of £108,000) which is included in 'cost of sales'.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 18 Trade and Other Receivables

|   | Parent Company |            | Consolidated  |               |
|---|----------------|------------|---------------|---------------|
|   | 2015           | 2014       | 2015          | 2014          |
|   | £000's         | £000's     | £000's        | £000's        |
| Gross trade receivables                                   | 16             | -          | 11,444        | 10,251        |
| Provision for impairment/non-payment of trade receivables | -              | -          | (2,131)       | (1,424)       |
| Net trade receivables                                     | 16             | -          | 9,313         | 8,827         |
| Prepayments   | 6              | 6          | 1,610         | 900           |
| Inter-company receivables                                 | -              | 347        | -             | -             |
| Other taxation  | -              | 12         | 675           | 554           |
| <b>Total</b>  | <b>22</b>      | <b>365</b> | <b>11,598</b> | <b>10,281</b> |

The Group has a provision in place to set aside an allowance to cover potential impairment and non-payment of trade receivables. Those debts which are neither past due nor impaired are considered to be good and are expected to be recoverable. Some trade receivables are with customers who do not have externally available credit ratings.

The movements on the provision for impairment and non-payment of trade receivables is shown below:

| Movement on the provision for impairment and non-payment of trade receivables | 2015   | 2014   |
|---|--------|--------|
|   | £000's | £000's |
| Balance at 1 January  | 1,424  | 864    |
| Increase in allowance for impairment/non-payment                              | 1,135  | 624    |
| Impairment/non-payment losses recognised                                      | (428)  | (64)   |
| Balance at 31 December  | 2,131  | 1,424  |

| Ageing analysis of trade receivables past due but not impaired | 2015         | 2014         |
|--|--------------|--------------|
|  | £000's       | £000's       |
| Current and not past due                                       | 6,636        | 7,117        |
| 1 to 2 months  | 71           | 243          |
| 2 to 3 months  | 793          | 267          |
| Over 3 months  | 1,813        | 1,200        |
| <b>Total</b>   | <b>9,313</b> | <b>8,827</b> |

Trade receivables past due but not impaired relate entirely to a number of independent customers for whom there is no recent history of default.

Trade and other receivables are all financial assets designated as loans and receivables.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 19 Cash and Cash Equivalents

|                          | Parent Company |            | Consolidated |               |
|--------------------------|----------------|------------|--------------|---------------|
|                          | 2015           | 2014       | 2015         | 2014          |
|                          | £000's         | £000's     | £000's       | £000's        |
| Cash at bank and in hand | 234            | 509        | 1,956        | 12,354        |
| Short-term bank deposits | -              | -          | 1,871        | 671           |
| Security deposits        | -              | -          | 924          | 678           |
| <b>Total</b>             | <b>234</b>     | <b>509</b> | <b>4,751</b> | <b>13,703</b> |

As part of the bank loan agreements, the lenders require a minimum cash balance to be held in separate reserve accounts. At the end of the year the total amount was £1,722,653 (2014: £670,717), which is included in short-term bank deposits in 2015. Included within cash at bank and in hand for both the parent company and the consolidated position is £139,680 (2014: £415,434) in respect of monies held by the Good Energy Employee Benefits Trust. The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings as follows -

|              | Parent Company |            | Consolidated |               |
|--------------|----------------|------------|--------------|---------------|
|              | 2015           | 2014       | 2015         | 2014          |
|              | £000's         | £000's     | £000's       | £000's        |
| AA-          | 140            | 415        | 140          | 415           |
| A+           | -              | -          | -            | 103           |
| A            | -              | -          | 3,568        | 12,162        |
| A-           | -              | -          | 450          | -             |
| B            | 94             | 94         | 593          | 1,023         |
| <b>Total</b> | <b>234</b>     | <b>509</b> | <b>4,751</b> | <b>13,703</b> |

Cash and cash equivalents are all financial assets designated as loans and receivables



## Notes to the Financial Statements

### For the year ended 31 December 2015

#### 20. Share Capital and Share Premium

|                             | Number of<br>authorised<br>shares | Parent Company & Consolidated                |                            |                                       |                 |
|-----------------------------|-----------------------------------|--|----------------------------|---------------------------------------|-----------------|
|                             |                                   | Number of<br>shares issued<br>and fully paid | Share<br>Capital<br>£000's | Share<br>Premium<br>Account<br>£000's | Total<br>£000's |
| At 1 January 2014           | 20,000,000                        | 14,667,896                                   | 733                        | 9,077                                 | 9,810           |
| Proceeds from shares issued | -                                 | -  | -                          | -                                     | -               |
| At 31 December 2014         | 20,000,000                        | 14,667,896                                   | 733                        | 9,077                                 | 9,810           |
| Proceeds from shares issued | -                                 | 302,784                                      | 15                         | 709                                   | 724             |
| At 31 December 2015         | <b>20,000,000</b>                 | <b>14,970,680</b>                            | <b>748</b>                 | <b>9,786</b>                          | <b>10,534</b>   |

In 2015, the company issued 302,784 ordinary shares of 5p each for total consideration of £724,282, resulting in a share premium of £709,143. This included the issue of 291,137 (2014: nil) shares to the EBT and 2 scrip dividend issues in lieu of full year and interim dividend cash payments (7,556 and 4,081 shares respectively). There were no share issues in 2014.

Clarke Willmott Trust Corporation Limited holds in trust 521,989 (2014: 208,863) ordinary shares of the company for the present and the future beneficiaries of the Good Energy Group Employee Share Option Scheme. These are deducted from equity as shown in the Consolidated and Parent Company Statements of Changes in Equity. During the year the Trust disposed of 197,000 (2014: 179,135) shares as a result of options exercised and acquired 493,137 (2014: nil) shares.

The Directors recommend a final dividend of 2.3p per share (2014: 2.3p) subject to shareholder approval at the Company's AGM.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 21 Deferred Taxation

The provision for deferred taxation is made up as follows

| Consolidated   | 2015<br>£000's | 2014<br>£000's |
|--|----------------|----------------|
| At 1 January   | 15             | 738            |
| Credited to the Consolidated Statement of Comprehensive Income | 401            | (412)          |
| Credited to equity   | 151            | (311)          |
| <b>At 31 December</b>  | <b>567</b>     | <b>15</b>      |

|  | 2015<br>£000's | 2014<br>£000's |
|--|----------------|----------------|
| Deferred tax asset to be recovered after more than 12 months | (142)          | (300)          |
| Deferred tax asset to be recovered within 12 months          | (186)          | (376)          |
| <b>Sub total-deferred tax assets</b>                         | <b>(328)</b>   | <b>(676)</b>   |

|  |            |            |
|--|------------|------------|
| Deferred tax liabilities to be settled after more than 12 months | 895        | 691        |
| Deferred tax liabilities to be settled within 12 months          | -          | -          |
| <b>Sub total-deferred tax liabilities</b>                        | <b>895</b> | <b>691</b> |
| <b>Total net deferred tax</b>                                    | <b>567</b> | <b>15</b>  |

| Deferred tax assets              | 2015<br>£000's | 2014<br>£000's |
|----------------------------------|----------------|----------------|
| On short term timing differences | 186            | 376            |
| Losses                           | 142            | 300            |
| <b>Total</b>                     | <b>328</b>     | <b>676</b>     |

| Deferred tax liabilities          | 2015<br>£000's | 2014<br>£000's |
|-----------------------------------|----------------|----------------|
| On accelerated capital allowances | 895            | 691            |

|  | Accelerated<br>capital<br>allowances<br>£000's | Short-term<br>timing<br>differences<br>£000's | Losses<br>£000's | Total<br>£000's |
|--|--|---|------------------|-----------------|
| <b>Deferred tax assets/(liabilities)</b> |  |   |                  |                 |
| <b>At 1 January 2014</b>                 | (830)  | 92  | -                | (738)           |
| Credited to income statement             | 152  | (40)  | 300              | 412             |
| Credited to equity                       | -  | 311   | -                | 311             |
| <b>At 31 December 2014</b>               | <b>(678)</b>                                   | <b>363</b>                                    | <b>300</b>       | <b>(15)</b>     |
| Credited to the income statement         | (217)  | (26)  | (158)            | (401)           |
| Credited to equity                       | -  | (151)   | -                | (151)           |
| <b>At 31 December 2015</b>               | <b>(895)</b>                                   | <b>186</b>                                    | <b>142</b>       | <b>(567)</b>    |

The Group and company has unutilised management charges of £19,261 (2014 £19,261) resulting in a deferred tax asset which has not been recognised

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 22 Borrowings and Other Financial Liabilities

|                            | Parent Company |              | Consolidated |              |
|----------------------------|----------------|--------------|--------------|--------------|
|                            | 2015           | 2014         | 2015         | 2014         |
|                            | £000's         | £000's       | £000's       | £000's       |
| <b>Current</b>             |                |              |              |              |
| Bank and other borrowings  | 122            | -            | 5,626        | 6,608        |
| Loans from Group companies | 6,389          | 2,272        | -            | -            |
| <b>Total</b>               | <b>6,511</b>   | <b>2,272</b> | <b>5,626</b> | <b>6,608</b> |

|                           | Parent Company |               | Consolidated  |               |
|---------------------------|----------------|---------------|---------------|---------------|
|                           | 2015           | 2014          | 2015          | 2014          |
|                           | £000's         | £000's        | £000's        | £000's        |
| <b>Non-current</b>        |                |               |               |               |
| Bank and other borrowings | -              | -             | 41,265        | 24,981        |
| Bond                      | 14,646         | 14,695        | 14,646        | 14,695        |
| <b>Total</b>              | <b>14,646</b>  | <b>14,695</b> | <b>55,911</b> | <b>39,676</b> |

The Group has undrawn bank overdraft facilities of £5,000,000 (2014 £5,000,000) as at 31 December 2015 and undrawn revolving credit facilities of £2,882,140 (2014 £6,500,000). Those facilities are secured by guarantees from Good Energy Limited, Good Energy Gas Limited and other group entities.

At 31 December 2015, £7,681,950 (2014 £8,102,446) of the bank loans relate to the company's subsidiary, Good Energy Delabole Wind Farm Limited and is secured by a mortgage debenture on that company dated 16 January 2010 incorporating a fixed and floating charge over all current and future assets of that subsidiary. The facility will be repaid from future cash flows arising from the wind farm of this company.

On 7 January 2011, the loan balance was transferred from the build phase to the repayment phase, with repayments of capital and interest scheduled bi-annually over 15 years.

As part of the facility Good Energy Delabole Wind Farm Limited entered into a floating rate to fixed rate interest swap. They were entered into at the same time and in contemplation of one another, have the same counter-party, relate to the same risk and amortise concurrently. Given these circumstances and the fact that there is no economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction these instruments are treated as one fixed rate loan instrument in accordance with IAS 39. The fixed rate interest is payable at an annual rate of 7.15%.

At 31 December 2015, £37,959,777, inclusive of £659,777 of accrued interest (2014 £18,799,264 inclusive of £49,264 of accrued interest) of the bank loans relate to the company's subsidiary, Good Energy Generation Assets No 1 Limited. The loan is secured by a mortgage debenture on that company and its subsidiaries dated 17 December 2014 incorporating charges over the shares of that company and those of its subsidiaries. The facility will be repaid from future cash flows arising from the subsidiaries of that company with repayments of capital and interest scheduled quarterly over a period of 18 years commencing 17 December 2014. Interest is payable at 6.85% and the outstanding principal balance is partially exposed if annual RPI inflation exceeds 3%. Costs incurred in raising finance were £2,627,109 (2014 £1,393,313) and are being amortised over the life of the loan in accordance with IAS 39. The company had drawdown £37,300,000 of the £53,500,000 loan facility as at 31 December 2015.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 22 Borrowings and Other Financial Liabilities (continued)

On 2 October 2013 Good Energy Group launched a corporate bond which closed on 24 October 2013 with subscriptions having reached the maximum target of £15,000,000. The bond was issued to bondholders on 22 November 2013 with interest scheduled bi-annually. The coupon rate is 7.25% or 7.50% for bondholders that are customers of the Group. Capital repayment of the bond is payable following notice being received from the bondholder no earlier than 4 years from inception. The total costs of issue were £770,879 which are being amortised over the life of the bond. As at 31 December 2015 the amortisation recognised in 'finance costs' totalled £165,982 (2014: £76,424).

| Parent Company            | Inter-company<br>loan | Bond          | Total         |
|---------------------------|-----------------------|---------------|---------------|
|                           | £000's                | £000's        | £000's        |
| 31 December 2015          |                       |               |               |
| Due less than 1 year      | 6,389                 | 122           | 6,511         |
| Due between 1 and 5 years | -                     | 14,646        | 14,646        |
| Due more than 5 years     | -                     | -             | -             |
| <b>Total</b>              | <b>6,389</b>          | <b>14,768</b> | <b>21,157</b> |

| Parent Company            | Inter-company<br>loan | Bond          | Total         |
|---------------------------|-----------------------|---------------|---------------|
|                           | £000's                | £000's        | £000's        |
| 31 December 2014          |                       |               |               |
| Due less than 1 year      | 2,272                 | -             | 2,272         |
| Due between 1 and 5 years | -                     | 14,695        | 14,695        |
| Due more than 5 years     | -                     | -             | -             |
| <b>Total</b>              | <b>2,272</b>          | <b>14,695</b> | <b>16,967</b> |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 22. Borrowings and Other Financial Liabilities (continued)

| <b>Consolidated</b>       | <b>Bank and<br/>other<br/>borrowings<br/>£000's</b> | <b>Bond<br/>£000's</b> | <b>Total<br/>£000's</b> |
|---------------------------|---|------------------------|-------------------------|
| <b>31 December 2015</b>   |   |                        |                         |
| Due less than 1 year      | 5,626   | -                      | 5,626                   |
| Due between 1 and 5 years | 8,802   | 14,646                 | 23,448                  |
| Due more than 5 years     | 32,463  | -                      | 32,463                  |
| <b>Total</b>              | <b>46,891</b>                                       | <b>14,646</b>          | <b>61,537</b>           |

| <b>Consolidated</b>       | <b>Bank and<br/>other<br/>borrowings<br/>£000's</b> | <b>Bond<br/>£000's</b> | <b>Total<br/>£000's</b> |
|---------------------------|---|------------------------|-------------------------|
| <b>31 December 2014</b>   |   |                        |                         |
| Due less than 1 year      | 6,608   | -                      | 6,608                   |
| Due between 1 and 5 years | 8,287   | 14,695                 | 22,982                  |
| Due more than 5 years     | 16,694  | -                      | 16,694                  |
| <b>Total</b>              | <b>31,589</b>                                       | <b>14,695</b>          | <b>46,284</b>           |

The fair values of borrowings have been calculated taking into account the interest rate risk inherent in the loans and the bond. The fair value estimates and carrying values of borrowings (excluding issue costs) in place at 31 December 2015 are

|  | <b>2015<br/>Fair value<br/>£000s</b> | <b>2015<br/>Carrying<br/>value<br/>£000s</b> | <b>2014<br/>Fair value<br/>£000s</b> | <b>2014<br/>Carrying<br/>value<br/>£000s</b> |
|--|--------------------------------------|--|--------------------------------------|--|
| Good Energy Delabole Wind farm Ltd         | 7,759                                | 7,682  | 8,102                                | 8,102  |
| Good Energy Generation Assets No 1 Limited | 37,553                               | 37,300                                       | 18,784                               | 18,750                                       |
| Corporate bond                             | 15,114                               | 14,965                                       | 14,725                               | 15,000                                       |

Borrowings are designated as other financial liabilities held at amortised cost

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 23 Trade and Other Payables

|                                 | Parent Company |           | Consolidated  |               |
|---------------------------------|----------------|-----------|---------------|---------------|
|                                 | 2015           | 2014      | 2015          | 2014          |
|                                 | £000's         | £000's    | £000's        | £000's        |
| Trade payables                  | 68             | 34        | 3,439         | 4,669         |
| Accruals and deferred income    | 64             | 60        | 10,655        | 8,302         |
| Social security and other taxes | -              | -         | 351           | 238           |
| Other payables                  | -              | -         | 69            | 1,867         |
| <b>Total</b>                    | <b>132</b>     | <b>94</b> | <b>14,514</b> | <b>15,076</b> |

Trade and other payables are designated as other financial liabilities held at amortised cost

### 24. Dividends

Amounts recognised as distributions to shareholders in the year (based on the number of shares in issue at the record date)

| Consolidated  | 2015       | 2014       |
|---|------------|------------|
|   | £000's     | £000's     |
| Final dividend prior year of 2 30p per share (2014 2 30p)     | 344        | 337        |
| Interim dividend current year of 1 00p per share (2014 1 00p) | 150        | 147        |
| <b>Sub-total</b>  | <b>494</b> | <b>484</b> |
| Dividends waived  | (16)       | (12)       |
| <b>Total</b>  | <b>478</b> | <b>472</b> |

Dividends waived represent dividends that would accrue on shares held by the Good Energy Group Employee Benefits Trust were they not held by the Trust

A final dividend of 2 3p per share was proposed on 18 March 2016, subject to shareholder approval at the company's AGM

Of the total dividend distributed for the year, £27,009 (2014 nil) was paid in the form of scrip dividends with the balance of £451,998 (2014 £471,782) settled in cash

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 25. Cash Generated from Operations

Reconciliation of net income to net cash provided by operating activities

|  | Parent Company |              | Consolidated |              |
|--|----------------|--------------|--------------|--------------|
|  | 2015           | 2014         | 2015         | 2014         |
|  | £000's         | £000's       | £000's       | £000's       |
| Profit before income tax   | 1,144          | 2,772        | 128          | 1,288        |
| <b>Adjustments for:</b>  |                |              |              |              |
| Depreciation   | -              | -            | 2,351        | 1,347        |
| Amortisation   | 1              | 4            | 705          | 567          |
| Share based payments   | -              | -            | 51           | 30           |
| Provision against investments in and loans to subsidiaries   | 6,000          | -            | -            | -            |
| Dividend income from subsidiaries  | (8,000)        | -            | -            | -            |
| Finance (income)/costs - net   | (552)          | (208)        | 4,106        | 2,503        |
| <b>Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)</b> |                |              |              |              |
| Inventories  | -              | -            | (3,872)      | (1,908)      |
| Trade and other receivables  | 165            | 120          | (1,318)      | (2,329)      |
| Trade and other payables   | 38             | (1,264)      | (561)        | 2,199        |
| <b>Cash (outflow)/inflow from operations</b>   | <b>(1,204)</b> | <b>1,424</b> | <b>1,590</b> | <b>3,697</b> |

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 26. Share Based Payments

In order to retain the services of key employees and to incentivise their performance, the Parent Company operates the Good Energy Employee Share Option Scheme under which certain employees of the Group are granted options to acquire Ordinary 5p Shares at future dates. Costs in respect of these options of £51,428 (2014: £30,040) are recognised in the Consolidated Statement of Comprehensive Income. As at 31 December 2015, the following options had been issued:

|                                  | Number of options |                  | Weighted average exercise price |             | Total exercise consideration |                |
|----------------------------------|-------------------|------------------|---------------------------------|-------------|------------------------------|----------------|
|                                  | 2015<br>(Number)  | 2014<br>(Number) | 2015<br>(£)                     | 2014<br>(£) | 2015<br>£000's               | 2014<br>£000's |
| Outstanding at beginning of year | 1,494,898         | 2,048,514        | 1.03                            | 1.03        | 1,536                        | 2,110          |
| Granted                          | 552,172           | 25,000           | 1.85                            | 1.25        | 1,022                        | 31             |
| Exercised                        | (197,000)         | (179,135)        | 1.01                            | 0.72        | (199)                        | (130)          |
| Cancelled/surrendered            | (310,000)         | (399,481)        | 1.25                            | 1.19        | (388)                        | (475)          |
| Outstanding at the end of year   | 1,540,070         | 1,494,898        | 1.28                            | 1.03        | 1,971                        | 1,536          |

In order to partially fulfil the options granted, 521,989 (2014: 208,863) shares representing approximately 42% (2014: 18%) of the options outstanding have already been issued and held by Clarke Willmott Trust Corporation Limited as the Trustee of the Good Energy Group Employee Benefits Trust. Dividends have been waived on these shares.

The options expire at various dates up to September 2025. Share options outstanding at the end of the year have the following expiry date and exercise price:

| Grant-vest | Expiry year | Exercise price in £ per share options | Share options (thousands) |              |
|------------|-------------|---------------------------------------|---------------------------|--------------|
|            |             |                                       | 2015                      | 2014         |
| 2003-2006  | 2014        | 0.75                                  | -                         | 45           |
| 2004-2007  | 2019        | 0.75                                  | 35                        | 120          |
| 2005-2008  | 2015        | 0.80                                  | -                         | 100          |
| 2006-2009  | 2016        | 0.75                                  | -                         | 114          |
| 2007-2010  | 2017        | 0.75                                  | -                         | 20           |
| 2012-2015  | 2022        | 0.50                                  | 189                       | 189          |
| 2012-2015  | 2022        | 1.15                                  | 179                       | 328          |
| 2013-2016  | 2023        | 1.25                                  | 289                       | 554          |
| 2014-2017  | 2024        | 1.25                                  | -                         | 25           |
| 2015-2018  | 2025        | 0                                     | 102                       | -            |
| 2015-2018  | 2025        | 2.25                                  | 100                       | -            |
| 2015-2018  | 2025        | 2.29                                  | 200                       | -            |
| 2015-2018  | 2025        | 2.27                                  | 150                       | -            |
|            |             |                                       | <b>1,244</b>              | <b>1,495</b> |

The weighted average fair value of options granted during the year determined using the Black-Scholes valuation model was £0.48 per option. The significant inputs into the model were weighted average share price of £2.24 at the grant date, exercise price shown above, volatility of 14%, dividend yield of 3%, an expected option life of three years and an annual risk-free interest rate of 0.3%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last year. See note 8 for the total expense recognised in the Income statement for share options granted to Directors and employees.



# Notes to the Financial Statements

## For the year ended 31 December 2015

### 27 Pensions

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £343,294 (2014: £333,644).

Contributions totalling £42,060 (2014: £41,142) were payable to the fund at the end of the financial year and are included in other payables.

The Group has no further pension liability either realised or contingent and in line with the Group's environmental position all employer contributions are invested within a suitable fund.

### 28. Commitments

#### 28.1 Operating Lease Commitments

The future aggregate minimum lease payments are as follows:

| Land and Buildings         | 2015<br>£000's | 2014<br>£000's |
|----------------------------|----------------|----------------|
| <b>Leases as lessee</b>    |                |                |
| Less than one year         | 341            | 391            |
| Between one and five years | 1,184          | 769            |
| More than five years       | 6,583          | 4,050          |
| <b>Total</b>               | <b>8,108</b>   | <b>5,210</b>   |

| Other operating leases     | 2015<br>£000's | 2014<br>£000's |
|----------------------------|----------------|----------------|
| <b>Leases as lessee.</b>   |                |                |
| Less than one year         | 6              | 6              |
| Between one and five years | 12             | 18             |
| More than five years       | -              | -              |
| <b>Total</b>               | <b>18</b>      | <b>24</b>      |

#### 28.2 Capital Commitments

At 31 December 2015, the total capital commitments amount is £418,134 (2014: £2,978,206). Of this £418,134 (2014: £2,978,206) related to contracts agreed on solar generation projects.

The figure for solar generation projects represents the maximum liability assuming sites continue in development.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 29. Related Party Transactions

The Group maintains processes to identify related party transactions which include ensuring that all meetings of the Board of Directors begin with a declaration of interest in the matters arising. When related party transactions are identified, steps are taken to ensure they are transparent and contracted on an arm's length basis. Dependent on the perceived risk and materiality of the transaction, these steps may include forming an independent sub-committee of the board to consider the transaction and requesting that the Group's nominated advisor reviews the contractual terms.

The company's significant subsidiary undertakings, including the name and proportion of ownership interest for each, are disclosed in note 16. Transactions between subsidiaries and between the company and its subsidiaries are eliminated on consolidation. During the year the company had inter-company balances with its subsidiaries. Interest is charged on these balances at either 2.5% above the Bank of England base rate or at 8.85%. The higher rate is charged on inter-company loans drawing on the GCP loan which carries an external rate of interest of 6.85%. Details of the amounts outstanding and received during the year on inter-company loans are contained in note 16a.

In January 2010 Good Energy Delabole Wind Farm Limited, a subsidiary company, entered into an agreement with Windelectric Management Limited, a company in which Martin Edwards (a director of the company) has a controlling interest, to provide site management for the new wind farm at Delabole. The amount payable each year is £75,000 index linked. The amount payable under this agreement during the current year was £83,647 (2014: £82,729). No amounts were outstanding at the end of the financial year (2014: £nil).

In January 2010, Good Energy Delabole Wind Farm Limited entered into a 25 year lease with Martin Edwards and other parties, in respect of the land which some of the new turbines occupy. For the first 10 years of operation the rent will be the higher of an annual base rent of £50,240 or 3.25% of gross income from the wind farm and from the 10th anniversary onwards it will be 4.5% of gross income from the wind farm.

The amount payable under this agreement during the current year was £76,649 (2014: £70,268). Of these figures no amounts were outstanding at the end of the financial year (2014: £nil).

In 2012, the Group entered into an agreement in connection with generation development activities with Shire Oak Energy Limited, a company wholly owned by Mark Shorrocks who is the husband of Juliet Davenport. During 2015, a payment of £500,000 (2014: £1,806,211) was made to Shire Oak under the terms of the contract. A final payment, capped at £150,000 is due on the successful energisation of one remaining solar farm under the agreement.

In April 2014, Good Energy Tidal Lagoon Limited, a subsidiary of the Group, made a £500,000 investment into Tidal Lagoon (Swansea Bay) plc. Mark Shorrocks (the husband of Juliet Davenport) is employed as its Chief Executive.

The investment is structured with an option to purchase up to 10% of the power output from the Tidal Lagoon project at market rates once completed.

# Notes to the Financial Statements

## For the year ended 31 December 2015

### 30 Subsequent Events

None

### 31 Subsidiary Undertakings Exempt From Audit

Good Energy Group PLC has provided the necessary parental guarantees under section 479A of the Companies Act 2006, to enable the following companies exemption from audit

Good Energy Pengelly Cluster Solar Park (008) Limited  
 Good Energy Lanyon Solar Park (011) Limited  
 Good Energy Development (No 1) Limited  
 Good Energy Development (No 3) Limited  
 Good Energy Development (No 4) Limited  
 Good Energy Development (No 5) Limited  
 Good Energy Development (No 6) Limited  
 Good Energy Development (No 8) Limited  
 Good Energy Development (No 9) Limited  
 Good Energy Development (No 10) Limited  
 Good Energy Development (No 12) Limited

Good Energy Development (No 14) Limited  
 Good Energy Development (No 15) Limited  
 Good Energy Development (No 16) Limited  
 Good Energy Development (No 17) Limited  
 Good Energy Development (No 18) Limited  
 Good Energy Development (No 19) Limited  
 Good Energy Development (No 20) Limited  
 Good Energy Development (No 21) Limited  
 Good Energy Development (No 22) Limited  
 Good Energy Development (No 24) Limited  
 Good Energy Development (No 30) Limited

### 32. Generation assets – technical data

#### Wind farms

Hampole, South Yorkshire  
 Turbine manufacturer Servion  
 No of turbines 4  
 Installed capacity 8.2MW  
 Turbine power output 2.05 MW

Delabole, Cornwall  
 Turbine manufacturer Enercon  
 No of turbines 4  
 Installed capacity 9.2MW  
 Turbine power output 2.3 MW

#### Solar farms

Woolbridge, Dorset  
 Solar modules Yingli  
 Nominal capacity DC 4,996 kWp

Creathorne, Cornwall  
 Solar modules Yingli  
 Nominal capacity DC 1,841 kWp

#### Solar farms (continued)

Rook Wood, Wiltshire  
 Solar modules ReneSola  
 Nominal capacity DC 4,981 kWp

Lower End, Wiltshire  
 Solar modules Jinko Solar  
 Nominal capacity DC 4,999 kWp

Crossroads, Dorset  
 Solar modules Jinko Solar  
 Nominal capacity DC 4,999 kWp

Carloggas, Cornwall  
 Solar modules ReneSola  
 Nominal capacity DC 8,304 kWp

Oaklands, Dorset  
 Solar modules REC  
 Nominal capacity DC 4,992 kWp

## Directors and Corporate Resources

|  |  |
|--|--|
| <i>Directors</i>                               | <p>John Maltby (Non-Executive Chairman)<br/> Juliet Davenport (Chief Executive)<br/> Denise Cockrem (Chief Financial Officer)<br/> Richard Squires (Non-Executive Director)<br/> Martin Edwards (Non-Executive Director)<br/> Francesca Eccsery (Non-Executive Director)</p> |
| <i>Company Secretary and Registered Office</i> | <p>Stephen Rosser<br/> Monkton Reach<br/> Monkton Hill, Chippenham<br/> Wiltshire SN15 1EE</p>   |
| <i>Company Number</i>                          | 04000623   |
| <i>Principal place of business</i>             | <p>Monkton Reach<br/> Monkton Hill, Chippenham<br/> Wiltshire SN15 1EE</p>   |
| <i>Independent Auditors</i>                    | <p>PricewaterhouseCoopers LLP<br/> 2 Glass Wharf<br/> Bristol BS2 0FR</p>  |
| <i>Financial Advisors</i>                      | <p>Arden Partners plc<br/> 125 Old Broad Street<br/> London, EC2N 1AR</p>  |
| <i>Bankers</i>                                 | <p>Lloyds Bank<br/> PO Box 112, Canons House, Canons Way<br/> Bristol BS99 7LB</p> <p>The Co-operative Bank PLC<br/> PO Box 101, 1 Balloon Street<br/> Manchester M60 4EP</p>  |
| <i>Legal Advisors</i>                          | <p>Norton Rose LLP<br/> 3 More London, Riverside<br/> London, SE1 2AQ</p>  |
| <i>Registrars</i>                              | <p>Computershare Investor Services PLC<br/> The Pavilions, Bridgwater Road<br/> Bristol BS99 6ZY</p>   |

Designed by [Leap.uk.net](http://Leap.uk.net)  
Printed by [applecolour.co.uk](http://applecolour.co.uk) on Cocoon Offset,  
a 100% recycled, FSC-certified paper.

Apple Colour and Leap are both Good Energy customers.

**Annual Report 2015**

Good Energy Group PLC  
Monkton Reach  
Monkton Hill  
Chippenham  
SN15 1EE

[goodenergygroup.co.uk](http://goodenergygroup.co.uk)