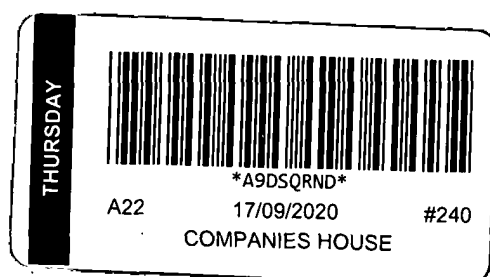


Company Registration No. 04194006 (England and Wales)

**GREEN ENERGY (UK) PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2020**



# GREEN ENERGY (UK) PLC

## COMPANY INFORMATION

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<b>Directors</b>	D C Stewart Sir P Thompson T J Smith C K Crossley Cooke
<b>Secretary</b>	Aldbury Associates Limited
<b>Company number</b>	04194006
<b>Registered office</b>	Black Swan House 23 Baldock Street Ware Hertfordshire SG12 9DH
<b>Auditor</b>	Mercer & Hole 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF

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# **GREEN ENERGY (UK) PLC**

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# **GREEN ENERGY (UK) PLC**

## **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 APRIL 2020**

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### **Highlights**

The results for the year under review are set out in this report and continue to reflect the challenging environment energy supply has become. Turnover continues to rise and we have seen an improvement in profitability this year. Customer numbers remain suppressed as we move our focus onto the quality of our offering.

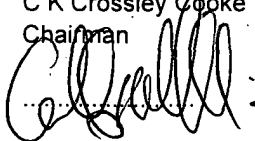
Ofgem's introduction of tougher tests for new entrants has stemmed the proliferation of new entrants and current consultations are going some way to addressing the activities of existing licence holders with terms like 'unsustainable tariffs' appearing in the Ofgem dictionary for the first time that we can remember!

We continue to attract new customers and have maintained our position as the only supplier with a 100% renewable electricity and 100% green gas proposition. And we have further extended our tariff offering to include sustainability goals looking after bird habitats and fish migration routes.

The strength of our balance sheet and the prudent approach the board have taken to cash management has served the Company well during a year that has thrown a number of challenges at us from diverse quarters. It has ensured we can be supportive of our customers in the face of the challenges brought about by the Coronavirus.

I said last year I didn't see the commercial landscape improving significantly in the short term; what I didn't know then was quite how the commercial landscape would be overtaken by global events. Brexit has been removed from my vocabulary at a stroke to be replaced by another made up word COVID. What will the next 12 months bring.....

C K Crossley Cooke  
Chairman



# GREEN ENERGY (UK) PLC

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### FOR THE YEAR ENDED 30 APRIL 2020

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Continued market pressure on margins has meant we have only seen a small improvement in our financial results this year, and they remain some way from the returns that should be available to reflect the risk business that energy retailing really is.

As if to reinforce this point, we have worked against a backdrop of failing suppliers, unsustainable tariff offerings, government intervention, and the price cap. However, we believe we have navigated the year with agility, a financial year that ended with a lockdown due to Covid-19, which overshadowed everything that had gone before.

Last year we called for tougher sanctions on existing suppliers in the market to complement the introduction of additional stress testing on new entrants; these are at last being introduced and it will be interesting to see how the Ofgem regime under a new CEO, Jonathan Brierley, implement these changes. In the past there seemed little appetite to ensure the industry was on a firm financial footing and the regulatory 'Safety Net' brought in to protect consumer balances as a result of a failed supplier, gave rise to an explosion of suppliers using upfront consumer payments to fund their working capital. On the face of it, Ofgem want to ensure that consumers don't pick up the tab for failed suppliers. Current measures protect customers of failing suppliers but only by smearing the costs across all consumers. How they proceed with the new regulations remains to be seen, but we welcome the references to sustainable tariffs in the consultations and draft regulations.

Our customer numbers remain slightly down this year and you may recall that we explained last year the steps we took in advance of the price cap to realign our tariffs and to avoid being unable to recover policy costs as they continued to spiral upwards. The withdrawal of the TAP tariff, which had been very popular and had drawn significant numbers to us, had a substantial effect. However, we have halted the negative effect of unrecoverable costs and this has had a positive effect on our returns, margins and overall profitability. We have retained about 30% of our Tap customers, while continuing to appeal to new customers by maintaining our 'value with values' proposition.

As part of supplementing that proposition, in September we added an NGO-certified EKO tariff which was designed to offer more choice within the green energy space. Taking effect from 1 October 2019, we introduced the greenest and cleanest energy tariff to residential customers in the UK. Adhering to EKO Energy's strict environmental criteria, the first domestic energy tariff in the UK to do so; it addresses climate change but also the wider environmental and sustainability impacts of energy production. It is sourced from 100% renewable energy schemes that protect birds' natural habitats, safeguard fish migration and doesn't use energy generated from crops. It also supports the EKO energy Climate Fund, investing in new renewable energy projects around the world, while providing customers with greater choice, clarity and independent verification.

It has proved popular despite a price premium and confirms that price is not the sole determining factor in the consumer's choice of an energy tariff.

The winter this year was relatively benign in energy terms, but the new year brought us something that made the 'Beast from the East' look like a warmup act!

The virus COVID-19, the unprecedented action of the government in locking down the population and the economy, and a new 2020 lexicon about 'R' rates, social distancing and self-isolating. It served to change the social and business landscapes at a stroke and remove the word Brexit from the front pages and possibly from the nation's consciousness!

Whatever your view regarding the actions taken, it is clear there are things we know about COVID-19 and equally there are things that we don't.

To paraphrase Donald Rumsfeld once again, what really causes us concern is 'what we don't know we don't know' about the disease and its effects on ourselves, our communities and our businesses.

There are so many unknowns as I write this, while we try to kick start the economy after lockdown.

# **GREEN ENERGY (UK) PLC**

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

### **FOR THE YEAR ENDED 30 APRIL 2020**

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Whether our government got it right or the Swedes did will be something 20:20 hindsight will eventually tell us, but we are where we are, and getting out of lockdown will be far more complex than getting in. Quite what the effects on general employment, business viability and just how many of our businesses will be materially affected is simply unknown at present.

What we do know, is that our own business model and practices have helped us navigate the most difficult of circumstances, and our prudence in past years has lent us the breathing space and stability to steer the business through to date.

We have taken additional provisions for bad debt and expect the effects of the pandemic to be more on cash flow than on outright losses and write-offs, but time will tell.

What we have learned from our customer interaction during lockdown is that personal contact and access to the right people is key to delivering helpful support and advice.

On a positive note we are in the process of putting into practice a number of process and procedural changes that have spun out of things we learned during 'The Big Pause', as I have heard it referred to. In advance of a request from BEIS and Ofgem we had already formulated a more proactive and flexible approach to a number of issues that we anticipated lockdown would bring about and it paid dividends in efficiency, tone of voice and customer cooperation. While transparency is a much-overused marketing term these days, right now I think it aptly describes the approach we have taken, and continue to take, both in customer service and metering.

As we exit lockdown and remobilise the smart meter programme, the introduction of SMETs 2 meters – admittedly somewhat delayed by COVID-19 – and our new installation partners are providing efficiencies we can already see for the industry as a whole and along with other internal changes, to us in particular.

We have always strived to avoid the blanket use of estimated readings while producing accurate bills for our customers, by encouraging those customers who want to, to send us readings. Smart metering will in time, bring an end to the communications we send to achieve this and the need for our customer to be part of the billing process.

There will also be those who don't want a smart meter and we will respect their wishes, but as a participant in an industry that revolves around readings, whether they be for customer consumption or generator export, we can see the logic and benefits of the smart meter programme and that's before we even look to the efficiencies of demand side management. We are not over the hump yet, but I believe we can see the valley beyond.

We plan to reintroduce the smart-meter-dependent Tide tariff on the website later this year when we move further out of lockdown and the energy markets begin to normalise again. It has been a long and painful journey since January 2017 when launched the first UK domestic time of use tariff, but we believe we are set fair to broaden our offer to the UK consumer in the coming months and years.

In terms of long-term goals, climate change is firmly back on the agenda and not just as a result of parliament setting a net zero target for 2050 in June 2019. The COVID lockdown has had a material effect on the environment and carbon emissions are at low levels due to a lack of aviation, reduced personal transportation and a general lack of movement on a global scale!

What is clear is that governments can make the big decisions of they want to – it's the 'wanting to' that is paramount.

We know from COVID-19 that the immediacy of a the pandemic overwhelming the NHS, and its likely effects on the additional death rates, was something HM Government was not prepared to ignore and the 'want to' turned into a 'must do'!. And not just Government here in the UK, but universally in the western world (if you include State Governors in the USA).

# **GREEN ENERGY (UK) PLC**

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

### **FOR THE YEAR ENDED 30 APRIL 2020**

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The difficulty we face with climate change is that 2050 seems a long way off and a staging post to the end of the century when without action the Armageddon theorists get very excited! The uncomfortable truth is that we will have been in business for 20 years next year and that has flown by; which makes 2050 seem awfully close!

As pointed out in last year's report we have come a long way in those intervening years and I won't repeat the points made again here.

What has happened in the interim as a result of the pandemic and lockdown is that the UK has gone over 2 months without using coal for generation and that is a significant milestone! Admittedly the lack of business and industrial consumption has made managing the intermittency of renewable energy on the grid that much easier, but manage it we have, and any return to a 'new normal' should take account of the lessons learned during the COVID crisis and spur us on to a greener future, quicker!

So, you can change the world – you just need to make some brave decisions.

For the greater good we were all required to make sacrifices and reduce our freedom of movement. We also cut down our conspicuous consumption and the world is a slightly different, cleaner place.

Depending on your point of view about what will stop COVID-19, a sobering thought is there isn't going to be a vaccine for climate change.

Certainly there is a change of sentiment in the public psyche, and a greater appreciation of nature since lockdown and carrying that forward will be a delicate balance when Governments will be keen to get economies up and running in a V shaped recovery in order to raise tax revenues to meet the costs of the various programmes put in place to help us through the crisis.

That will be the real green challenge, but another key to our greener future remains managing the intermittency of renewable power.

Smart metering, as I said earlier is beginning to mature and storage solutions continue to develop. I read recently that in 2019 Nissan boasted that, based on cumulative Leaf sales, there's 12 GWh of energy storage potential in Nissan electric vehicles worldwide. To put that into some kind of context, Tesla reported in July 2019 that it had deployed a cumulative 2 GWh of global energy storage through its Powerwall and Powerpack storage products.

A quick straw poll among friends suggested they thought the Powerwall would have had the higher capacity.

In UK terms, last year the ave daily capacity of the grid was 31.6GW with a max of 48.815 GW <https://gridwatch.co.uk>.

So there are real technology solutions combined with the drive for cleaner vehicles that can help balance the grid, make renewables more deployable, and clean the air moving forward.

Admittedly there has been much talk about vehicle to grid (V2G) for the last 5 years with broken promises along the way, but with the mass adoption of electric vehicles facilitated by the major manufacturers offering attractive vehicles with competitive ranges, that element of the future looks both interesting and bright.

What COVID brought a temporary end to was supplier failure. Ofgem introduced a number of measures to help the industry smooth its cash flow, where the measures offered by the Treasury were unavailable to some, but leading up to the pandemic, there was still a steady stream of failures throughout our financial year.

# **GREEN ENERGY (UK) PLC**

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2020***

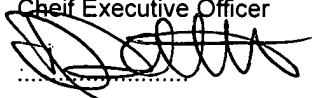
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I always end by thanking the dedicated team of people that make up Green Energy UK and this year is no exception. In fact, it is obligatory, given the nature of the year we have been through, the cooperation we have sought and the flexibility they have had to put into their working week and their working practices. I hope as customers you feel they have been there for you throughout this period of uncertainty. We are an essential service and as such we remained open for those that needed us. No one complained, everyone did as they were asked without question and I sincerely hope that filtered through on the phone, over email or however you came in to contact with us during the pandemic. We will all have our stories to tell about 2020 but I hope they will be about hope and change for the better. Thanks also to our customers who have remained loyal and patient through what has been uncharted territory.

We continue on our journey towards 2050 and while we think we have some tough years still before us, we are on a journey that is essential and valuable, thank you all.

D Stewart

Chief Executive Officer





# **GREEN ENERGY (UK) PLC**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 APRIL 2020**

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The directors present the strategic report for the year ended 30 April 2020.

### **Section 172 statement**

The directors take their duties and responsibilities for managing the company seriously. In addition to the corporate governance principles adopted as outlined in the Directors' report of these financial statements the directors have applied the requirements of section 172.

In considering the likely long-term consequences of any strategic decisions they make, the directors recognise their understanding of the business and the evolving environment in which the company operates is critical. Through their day to day involvement in the business, the directors are able to keep pace with the changes and challenges faced and can ensure this is incorporated into their strategic plans.

By providing a safe and secure working environment for employees, contractors and local stakeholders, the directors are mindful that the company's employees are fundamental and core to the business and delivery of the Board's strategic plans. The success of the business depends on attracting, retaining and motivating employees. Delivering the strategy also requires good relationships with suppliers, customers, governments and local communities and the directors work continuously to achieve this.

In order to maintain the company's reputation for high standards of business conduct the directors review and approve clear plans, policies and frameworks periodically, such as Code of Conduct and specific ethics and compliance directives so they can ensure that those high standards are maintained across all relationships, internally and externally. This is complemented by the way the directors monitor ongoing changes with governance standards and adapt the company's policies and procedures to reflect those that are relevant to the size of the business.

Finally, the directors recognise their role is key through not just their words but their own actions in ensuring the desired culture is embedded in the values, attitudes and behaviours the company demonstrates through its external activities and stakeholder relationships.

### **Fair review of the business**

Highlights include:

- Turnover up 7.9% at £22.4m, last year £20.8m.
- Profit up by 74% from £170k to £295k

The company has continued to perform well throughout the year with a strong growth in turnover and margins have recovered, leading to an increase in profits for this year.

The company has focused on maintaining the strength of its balance sheet and has been able to improve its credit position.

Full details of the company's performance and future developments can be found in the Chief Executive Officer's Statement.

# GREEN ENERGY (UK) PLC

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### Principal risks and uncertainties

Principal risks and uncertainties facing the company are outlined below:

#### ***Energy price volatility***

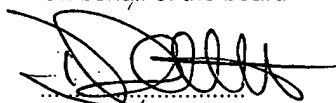
The company's turnover from energy sales may be affected by fluctuations in wholesale electricity and gas prices. The company has adopted a cautious strategy to mitigate this whereby forward hedges for power are secured to fix wholesale prices. During the reporting year the long term hedge that was purchased in the previous year which yielded slightly higher prices increased pressure on margins but reflected the company's risk adverse strategy.

#### ***Balancing Risk***

The company manages its risk by using short, medium and long term volume forecasts to allow it to buy a mixture of short, medium and long term hedges. This gives certainty to the wholesale price of electricity and gas but does create the risk of imbalance charges if there is a significant change both up and down in total customer volumes.

The company pro-actively seeks to grow at a steady rate to mitigate this risk and ensure a smooth and controlled growth in customer numbers.

On behalf of the board



D C Stewart

Director

11 September 2020

# **GREEN ENERGY (UK) PLC**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2020**

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The directors present their annual report and financial statements for the year ended 30 April 2020.

### **Principal activities**

The principal activity of the company is that of domestic and commercial electricity and gas supply.

The directors are satisfied with the results for the year and expect significant further growth in the following year.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D C Stewart  
Sir P Thompson  
T J Smith  
C K Crossley Cooke

### **Results and dividends**

The results for the year are set out on page 14.

The directors do not recommend payment of an ordinary dividend.

### **Financial instruments**

#### **Commodity price risk**

The company's operations results in exposure to fluctuations in electricity and gas prices. Management monitors electricity and gas prices and analyses supply and demand volumes to manage exposure to this risk. The company has entered into forward contracts in order to mitigate some of its exposure to these fluctuations.

If the wholesale market moves significantly up or down, the price risk to the company will depend on a number of factors including the excess or deficiency of power being supplied by Renewable Power Purchase contracts in place at the time. The company may be required to pass on the price risk to customers. Retail prices can be amended with 30 days advance notification to customers. Management closely monitors wholesale market movements and assesses trends in order to take action when necessary.

#### **Liquidity risk**

The company's policy in respect of liquidity risk is to maintain a mixture of short term debt finance and readily accessible bank deposit accounts, to ensure the company has sufficient funds for operations. The cash deposits are held in current accounts which earn interest at a floating rate. Debt is maintained at fixed and floating interest rates.

#### **Credit risk**

The company's exposure to credit risk arises from amounts due from customers. The company's policy in respect of credit risk is to require appropriate credit checks on potential customers and to provide for doubtful debts based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience. At the balance sheet date the directors have provided for all known specific doubtful debts and believe that there is no further credit risk.

#### **Green energy**

The company's policy is to purchase its green electricity only from fully renewable generators. Green gas is only purchased with an associated green gas certificate.

# GREEN ENERGY (UK) PLC

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2020**

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### **Post reporting date events**

In order to facilitate the retirement of Sir Peter Thompson, a motion to repurchase and cancel the shares held by Sir Peter and his wife will be proposed at the next AGM.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Mercer & Hole be reappointed as auditor of the company will be put at a General Meeting.

### **Corporate governance**

Green Energy (UK) Plc has always been committed to high standards of corporate governance and acknowledges the importance of customers, shareholders and 'doing the right thing' and places them at the heart of the business.

Whilst we are owned by our customers, we are not signed up to any specific industry or corporate governance codes as we do not believe they are appropriate for a business our size but work to a number of overarching principles:

#### ***Establish a strategy and business model which promotes long-term value***

Green Energy does what it says on the tin, and has an environmental agenda, so it works to values as well as commercial objectives

In establishing Green Energy's strategy, the Board considers the company's role in facilitating a clean energy future as we move towards net zero in 2050. As part of this strategy all our energy is certificated and we do NOT carbon offset.

#### ***Maintain the Board as a well-functioning, balanced team led by the Chairman***

The roles of Chairman and Chief Executive have always been split with the Chairman acting in a non-executive capacity.

The Executive Directors are accountable to the Board for the operating and financial performance of the company.

At the end of the reporting period, the Board comprised the Chairman, Chief Executive Officer, Chief Financial Officer and a second Non-Executive Director, who the Board considers to be independent.

The Board is satisfied that it currently has a sufficient range of relevant operational and financial experience to be able to discharge its responsibilities.

#### ***Promote a corporate culture that is based on ethical values***

The company's employment policies follow best practice based on equal opportunities for all employees, irrespective of race, gender, nationality, 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.

#### ***Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders***

### **Shareholders**

Green Energy has an eclectic shareholder base and communicates with them predominantly through newsletters the annual report which is a colourful and engaging document rather than the dry annual accounts of most businesses and at the AGM which shareholders are encouraged to attend.

# GREEN ENERGY (UK) PLC

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

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### Customers

Updating customers are kept up to date through newsletters, our social media presence and our website [www.greenenergyuk.com](http://www.greenenergyuk.com)

We seek Trustpilot reviews after customers have been with the company for at least 6 months.

### Policy-makers and regulators

Maintaining a constructive dialogue with policymakers on matters relevant to Green Energy's current operations;

Regular engagement with the energy regulator, Ofgem, both bilaterally as well as through public consultations and industry forums; and

Selective participation in industry groups associated with Green Energy's purpose, values and strategy.

### **Energy and carbon report**

The company has not made a statement regarding its greenhouse gas emissions, energy consumption and energy actions as its own consumption is less than 40,000 kWh.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

### **Going concern**

Following the declaration of a worldwide COVID-19 pandemic by the World Health Organisation in March 2020, the impact of the virus has been dominating the world social and economic climate presenting all businesses with a unique set of circumstances increasing the unpredictability of future trading conditions and threatening the global economy.

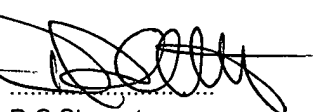
Having prepared forecasts to 30 April 2021 and considered likely trading levels through to 30 April 2021 based on expectations that the demand for energy, especially in the domestic sector, will remain steady, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

On 31 January 2020, the UK formally left the European Union. To date, there has been no impact on the business as a result of this. Whilst the directors do not anticipate any significant changes to this position they continue to monitor ongoing negotiations between the UK and EU.

The company remains well positioned with a strong balance sheet with no external borrowings and the expectation of continuing profits based on those forecasts.

The directors are therefore confident that the going concern basis is appropriate for the preparation of these financial statements.

On behalf of the board



D C Stewart  
Director

Date: 11 September 2020

# **GREEN ENERGY (UK) PLC**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2020***

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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 that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# GREEN ENERGY (UK) PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GREEN ENERGY (UK) PLC

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#### Opinion

We have audited the financial statements of Green Energy (UK) Plc (the 'company') for the year ended 30 April 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

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

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

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# GREEN ENERGY (UK) PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GREEN ENERGY (UK) PLC

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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

  
Paul Maberly FCA (Senior Statutory Auditor)  
for and on behalf of Mercer & Hole

Chartered Accountants  
Statutory Auditor

16<sup>th</sup> September 2020.

420 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 2AF



# GREEN ENERGY (UK) PLC

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2019 £
Turnover	3	22,408,273	20,760,880
Cost of sales		(18,630,273)	(17,837,757)
<b>Gross profit</b>		<b>3,778,000</b>	<b>2,923,123</b>
Administrative expenses		(3,459,538)	(2,710,133)
Other operating income		20,335	-
<b>Operating profit</b>	4	<b>338,797</b>	<b>212,990</b>
Interest receivable and similar income	8	10,867	6,626
Interest payable and similar expenses	9	(2,011)	(1,908)
<b>Profit before taxation</b>		<b>347,653</b>	<b>217,708</b>
Tax on profit	10	(72,240)	(48,103)
<b>Profit for the financial year</b>		<b>275,413</b>	<b>169,605</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

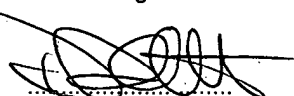
# GREEN ENERGY (UK) PLC

## BALANCE SHEET

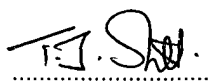
AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	11		49,999		49,999
Tangible assets	12		300,574		363,840
Investments	13		4		4
			<u>350,577</u>		<u>413,843</u>
<b>Current assets</b>					
Debtors	15	4,014,126		3,660,421	
Cash at bank and in hand		4,622,886		2,826,283	
		<u>8,637,012</u>		<u>6,486,704</u>	
<b>Creditors: amounts falling due within one year</b>	16	(5,268,478)		(3,413,918)	
<b>Net current assets</b>			<u>3,368,534</u>		<u>3,072,786</u>
<b>Total assets less current liabilities</b>			<u>3,719,111</u>		<u>3,486,629</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(5,329)		(45,129)
<b>Provisions for liabilities</b>	19		(28,584)		(31,715)
<b>Net assets</b>			<u><u>3,685,198</u></u>		<u><u>3,409,785</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		57,433		57,433
Capital redemption reserve	23		585		585
Profit and loss reserves	23		3,627,180		3,351,767
<b>Total equity</b>			<u><u>3,685,198</u></u>		<u><u>3,409,785</u></u>

The financial statements were approved by the board of directors and authorised for issue on 11 September 2020 and are signed on its behalf by:



D C Stewart  
Director



T J Smith  
Director

Company Registration No. 04194006

# GREEN ENERGY (UK) PLC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2020

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2018</b>	57,433	585	3,182,162	3,240,180
<b>Year ended 30 April 2019:</b>				
Profit and total comprehensive income for the year	-	-	169,605	169,605
<b>Balance at 30 April 2019</b>	57,433	585	3,351,767	3,409,785
<b>Year ended 30 April 2020:</b>				
Profit and total comprehensive income for the year	-	-	275,413	275,413
<b>Balance at 30 April 2020</b>	57,433	585	3,627,180	3,685,198

# GREEN ENERGY (UK) PLC

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	29		1,865,999		(58,037)
Interest paid			(2,011)		(1,908)
Income taxes paid			(40,701)		(68,347)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>1,823,287</b>		<b>(128,292)</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(11,635)		(16,706)	
Proceeds on disposal of tangible fixed assets		12,580		-	
Interest received		10,867		6,626	
<b>Net cash generated from/(used in) investing activities</b>			<b>11,812</b>		<b>(10,080)</b>
<b>Financing activities</b>					
Payment of finance leases obligations		(38,496)		(32,080)	
<b>Net cash used in financing activities</b>			<b>(38,496)</b>		<b>(32,080)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>1,796,603</b>		<b>(170,452)</b>
Cash and cash equivalents at beginning of year			2,826,283		2,996,735
<b>Cash and cash equivalents at end of year</b>			<b>4,622,886</b>		<b>2,826,283</b>

# **GREEN ENERGY (UK) PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2020**

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### **1 Accounting policies**

#### **Company information**

Green Energy (UK) Plc is a public company limited by shares incorporated in England and Wales. The registered office is Black Swan House, 23 Baldock Street, Ware, Hertfordshire, SG12 9DH.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405 (2) of the Companies Act 2006 not to prepare consolidated accounts as the directors consider the subsidiaries result are not material. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

Following the declaration of a worldwide COVID-19 pandemic by the World Health Organisation in March 2020, the impact of the virus has been dominating the world social and economic climate presenting all businesses with a unique set of circumstances increasing the unpredictability of future trading conditions and threatening the global economy.

Having prepared forecasts to 30 April 2021 and considered likely trading levels through to 30 April 2021 based on expectations that the demand for energy, especially in the domestic sector, will remain steady, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

On 31 January 2020, the UK formally left the European Union. To date, there has been no impact on the business as a result of this. Whilst the directors do not anticipate any significant changes to this position they continue to monitor ongoing negotiations between the UK and EU.

The company remains well positioned with a strong balance sheet with no external borrowings and the expectation of continuing profits based on those forecasts.

The directors are therefore confident that the going concern basis is appropriate for the preparation of these financial statements.

#### **1.3 Turnover**

Revenue comprises revenue from the sale of electricity and gas to commercial and domestic customers. Revenue excludes Value Added Tax. Revenue from the sale of electricity and gas to commercial and domestic customers is recognised when earned on the basis of a contractual agreement with the customer. It reflects the value of the volume supplied, including an estimated value of the volume supplied to customers, between the date of their last meter reading and the year end.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### *Power supply*

Revenue for the supply of electricity is 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. This information is reconciled over a 14 month period as customer and industry meter reads are received and estimates adjusted to actual usage. The company takes a prudent assumption of revenue based on the latest available data flow, with a final 'true-up' once the final industry supplied data flow is available, approximately 14 months after supply.

Revenue for the supply of gas is accrued based on information received from the company'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.

Payment is collected either as a direct debit, paid on receipt of bill in arrears or in advance for those customers on prepayment meters. Overdue amounts are reviewed regularly for impairment and provision made as necessary.

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

Green Energy (UK) Plc provide 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 the 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.

### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Power Supply Licences	10% straight line
-----------------------	-------------------

### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Fixtures, fittings & equipment	20% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

---

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.



# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Derivatives**

The company uses commodity purchase contracts to hedge its exposures to fluctuations in electricity commodity prices. When commodity purchase contracts have been entered into as part of the company's normal business activity, the company classifies them as 'own use' contracts and outside the scope of FRS102, Section 12.

This is achieved when:

- A physical delivery takes place under all such contracts;
- The volumes purchased or sold under contracts corresponds to the company's operating requirement; and
- The contracts are not considered as written options as defined by the standard.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Revenue recognition

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

#### Power purchase costs

Electricity purchase costs can typically take 14 months 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 electricity 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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Electricity	19,636,263	18,298,659
Gas	2,772,010	2,462,221
	<u>22,408,273</u>	<u>20,760,880</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	10,867	6,626
	<u>2020 £</u>	<u>2019 £</u>
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>22,408,273</u>	<u>20,760,880</u>

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	36,357	76,340
Depreciation of tangible fixed assets held under finance leases	38,544	26,733
Profit on disposal of tangible fixed assets	(12,580)	-
Operating lease charges	75,111	73,113

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	20,500	18,016
<b>For other services</b>		
Other assurance services	11,104	11,460
Taxation compliance services	2,772	2,847
All other non-audit services	380	851
	14,256	15,158

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Customer service and sales	9	10
Metering	4	6
Other operations	3	4
Billing and credit control	5	5
Administration	4	5
Directors	4	4
Total	29	34

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 6 Employees

(Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,506,378	1,284,053
Social security costs	167,043	139,422
Pension costs	72,366	75,257
	<u>1,745,787</u>	<u>1,498,732</u>

### 7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	522,208	389,363
Company pension contributions to defined contribution schemes	38,400	38,400
	<u>560,608</u>	<u>427,763</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	233,601	196,227
Company pension contributions to defined contribution schemes	20,400	18,000
	<u>254,001</u>	<u>214,227</u>

### 8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	10,867	6,626
	<u>10,867</u>	<u>6,626</u>

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 9 Interest payable and similar expenses

	2020 £	2019 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	400
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	2,011	1,508
	<u>2,011</u>	<u>1,908</u>

### 10 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	75,371	40,701
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,131)	7,402
	<u>72,240</u>	<u>48,103</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	347,653	217,708
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	66,054	41,365
Tax effect of expenses that are not deductible in determining taxable profit	2,058	7,212
Depreciation on assets not qualifying for tax allowances	397	397
Adjust deferred tax to average rate	3,731	(871)
	<u>72,240</u>	<u>48,103</u>

From 1 April 2015, the main rate of corporation tax reduced to 20% and from 1 April 2017 the main rate reduced to 19%.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 11 Intangible fixed assets

	Power Supply Licences £
<b>Cost</b>	
At 1 May 2019 and 30 April 2020	49,999
<b>Amortisation and impairment</b>	
At 1 May 2019 and 30 April 2020	-
<b>Carrying amount</b>	
At 30 April 2020	49,999
At 30 April 2019	49,999

The directors are of the opinion that the residual value of the power supply licence is at least the value included in the financial statements. No amortisation has been charged on this basis.

### 12 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 May 2019	320,000	44,940	174,890	312,919	852,749
Additions	-	-	11,635	-	11,635
Disposals	-	-	-	(81,180)	(81,180)
At 30 April 2020	320,000	44,940	186,525	231,739	783,204
<b>Depreciation and impairment</b>					
At 1 May 2019	93,867	44,940	145,234	204,868	488,909
Depreciation charged in the year	12,800	-	23,557	38,544	74,901
Eliminated in respect of disposals	-	-	-	(81,180)	(81,180)
At 30 April 2020	106,667	44,940	168,791	162,232	482,630
<b>Carrying amount</b>					
At 30 April 2020	213,333	-	17,734	69,507	300,574
At 30 April 2019	226,133	-	29,656	108,051	363,840

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Motor vehicles	69,507	101,587
Depreciation charge for the year in respect of leased assets	38,544	26,733

### 13 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	14	4	4

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2019 & 30 April 2020	4
<b>Carrying amount</b>	
At 30 April 2020	4
At 30 April 2019	4

### 14 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct Indirect
Garsington Energy Limited	1	Dormant	Ordinary	100.00 -
Green Energy Electricity Limited	1	Dormant	Ordinary	100.00 -
Green Energy Gas Limited	1	Dormant	Ordinary	100.00 -
Green Energy Limited	1	Dormant	Ordinary	100.00 -



# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 14 Subsidiaries

(Continued)

#### Registered Office addresses:

1 Black Swan House, 23 Baldock Street, Ware, Hertfordshire SG12 9DH

### 15 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,302,957	3,271,344
Other debtors	273,694	40,199
Prepayments and accrued income	437,475	348,878
	<u>4,014,126</u>	<u>3,660,421</u>

### 16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	18	39,583	38,279
Trade creditors		1,175,063	762,718
Corporation tax		75,371	40,701
Other taxation and social security		73,725	76,671
Other creditors		271,079	212,799
Accruals and deferred income		3,633,657	2,282,750
		<u>5,268,478</u>	<u>3,413,918</u>

### 17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	18	<u>5,329</u>	<u>45,129</u>

### 18 Finance lease obligations

	2020 £	2019 £
<b>Future minimum lease payments due under finance leases:</b>		
Within one year	39,583	40,507
In two to five years	5,329	47,338
	<u>44,912</u>	<u>87,845</u>
Less: future finance charges	-	(4,437)
	<u>44,912</u>	<u>83,408</u>

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 18 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years from inception. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	20	28,584	31,715

### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	29,564	31,715
Short Term Timing Differences	(980)	-
	<u>28,584</u>	<u>31,715</u>
<b>Movements in the year:</b>		2020 £
Liability at 1 May 2019		31,715
Credit to profit or loss		(3,131)
Liability at 30 April 2020		<u>28,584</u>

Approximately a quarter of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 21 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	72,366	75,257

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 22 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
53,962,350 'A' Ordinary shares of 0.1p each	53,963	53,962
1,566,800 (2019: 1,733,600) 'D' Ordinary shares of 0.1p each	1,567	1,734
1,903,200 (2019: 1,736,400) 'C' Ordinary shares of 0.1p each	1,903	1,737
	<u>57,433</u>	<u>57,433</u>

During the year nil (2019: nil) 'C' Ordinary shares were issued at nominal value.

During the year 166,800 (2019: 232,900) 'D' Ordinary shares were converted into 'C' Ordinary shares.

During the year nil (2019: nil) 'D' Ordinary shares were issued at nominal value and set aside for allocation to customers.

'D' Ordinary shares hold a nominal value of £0.001 each. 'D' ordinary shares will be automatically converted into 'C' Ordinary shares on the earliest of the following:

- three and a half years after their allotment or when a successful offer to purchase a 90% or more of the issued equity share capital of the company is completed.

'D' Ordinary shares will be redeemed at the option of the company by written notice to the holder of the shares to be redeemed subject to the Companies Act 2006 for a total of one pence for the holder's entire holding of 'D' Ordinary shares.

If the customer does not remain a customer of the company for three consecutive calendar years after the date of allotment, 'D' Ordinary shares will be redeemed, at the option of the company, for a total of £0.01 for the customers entire shareholding.

The directors are personally responsible to pay up in full, the nominal value of customers 'D' Ordinary shares as and when they are allotted, without recourse to the customer. The directors will have no rights over the customer shares.

'A' Ordinary shares and 'C' Ordinary shares rank pari passu in respect of the distribution of profits. The 'D' Ordinary shares shall not be entitled to participate in the distribution of profits. Unlike the holders of 'A' and 'C' Ordinary shares, the 'D' Ordinary shareholders have no rights to receive any monies on the winding up of the company. Full rights of each class of share are outlined in the company's Articles of Association.

### 23 Reserves

#### Capital redemption reserve

The capital redemption reserve is a reserve created when the company buys its own shares which reduces its share capital. This reserve is not distributable to shareholders.

#### Profit and loss reserves

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 24 Financial commitments, guarantees and contingent liabilities

The Company is committed to purchase electric power under various short and long-term electricity supply contracts. At 30 April 2020 the estimated future commitment for the purchase of electricity under all these contracts totalled £6,971,399 (2019: £5,411,452)

At the year end the Company had also bought electricity under fixed rate forward contracts. At the year end they had committed to buying 40,061 MWh (2019: 20,341 MWh) for £1,970,956 (2019: £1,179,158)

The Company's bankers have a fixed and floating charge over the undertaking and all property and assets present and future for all monies due or to become due from the Company to the chargee on any account whatsoever.

### 25 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	54,000	54,000
Between two and five years	216,000	216,000
In over five years	366,500	414,500
	<u>636,500</u>	<u>684,500</u>

### 26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	<u>134,593</u>	<u>-</u>

### 27 Events after the reporting date

In order to facilitate the retirement of Sir Peter Thompson, a motion to repurchase and cancel the shares held by Sir Peter and his wife will be proposed at the next AGM.

### 28 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>557,092</u>	<u>435,383</u>

# GREEN ENERGY (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 28 Related party transactions

(Continued)

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2020	2019	2020	2019
	£	£	£	£
Key management personnel	12,435	9,062	-	-
Other related parties	32,917	37,276	294,748	271,659

### 29 Cash generated from operations

	2020	2019
	£	£
Profit for the year after tax	275,413	169,605
<b>Adjustments for:</b>		
Taxation charged	72,240	48,103
Finance costs	2,011	1,908
Investment income	(10,867)	(6,626)
Gain on disposal of tangible fixed assets	(12,580)	-
Depreciation and impairment of tangible fixed assets	74,901	103,073
<b>Movements in working capital:</b>		
(Increase) in debtors	(353,705)	(200,737)
Increase/(decrease) in creditors	1,818,586	(173,363)
<b>Cash generated from/(absorbed by) operations</b>	<b>1,865,999</b>	<b>(58,037)</b>

### 30 Analysis of changes in net funds

	1 May 2019	Cash flows	30 April 2020
	£	£	£
Cash at bank and in hand	2,826,283	1,796,603	4,622,886
Obligations under finance leases	(83,408)	38,496	(44,912)
	<u>2,742,875</u>	<u>1,835,099</u>	<u>4,577,974</u>