

**Green Britain Group Limited**

**Annual report and consolidated  
financial statements**

Registered number 12456925

Year ended 30 April 2021

Ecotalk Limited (07442414) is listed as  
a subsidiary on page 47 with the  
guarantee statement on page 48

WEDNESDAY



\*AAXZTBU1\*

A18

16/02/2022

#126

COMPANIES HOUSE

## Contents

Company information	2
Strategic report	3
Sustainability Report	8
Directors' report	10
Statement of Directors' responsibilities in respect of the Annual report and the Financial statements	13
Independent auditor's report to the members of Green Britain Group Limited	14
Consolidated Profit and Loss Account	18
Consolidated Statement of Other Comprehensive Income	19
Consolidated Balance Sheet	20
Company Balance Sheet	21
Consolidated Statement of Changes in Equity	22
Company Statement of Changes in Equity	24
Consolidated Cash Flow Statement	25
Consolidated Analysis of Net Debt	26
Notes	27

## Company information

<b>Directors</b>	Dale Vince
	Kate Vince
<b>Registered office</b>	Lion House Rowcroft Stroud Gloucestershire GL5 3BY
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants 2 Glass Wharf Bristol BS2 0EL

## Strategic report

The directors present their strategic report for the period ended 30 April 2021.

### Principal activities

The principal activities of Green Britain Group Limited (the "Group") are those of the supply and generation of green energy, along with development projects and building a sustainable future with our other subsidiaries. The Company serves as a holding company for the Group.

#### *Group activities*

The Group's mission is to promote sustainability in all walks of life but principally in the sectors of Energy, Transport and Food – which account for approximately 80% of the average individual's personal carbon emissions. It does this in pursuit of its vision of a Green Britain.

The Group's main focus is in Energy and activities fall into two main categories:

- the supply of green energy – electricity and gas, to homes and businesses in Britain and;
- the generation of power through the Group's wind and solar park portfolio.

The unique business model we operate uses customers' energy bills to fund the building of new sources of Green Energy, which we term 'Bills to Mills' – energy bills into windmills or sunmills.

Within Transport we have grown membership numbers in the Electric Highway, the national electric vehicle charging network, and have now sold our interest in the company to Gridserve. This will allow ramped up investment as the electric vehicle revolution reaches the exponential growth phase.

We support our mission in Food through The Devil's Kitchen, our vegan food production company, and Forest Green Rovers Football Club, the first certified vegan football club.

The Group operates a 'not for dividend' model which enables the re-investment of profits back into the mission.

### Business review

#### Trading

##### *Supply*

Ecotricity Limited continued to grow its revenue during 2021, despite challenging trading conditions resulting primarily from the Covid-19 pandemic. Turnover grew by 7.1% to £239,774k (2020: £222,313k).

In aggregate, business and domestic customer numbers remained steady year-on-year (2020: steady). Maintaining customer numbers has been a success in an extremely price competitive market. This has been achieved by the Supply business remaining true to its values as a 'deep green' energy supplier rather than competing on price.

We have continued to see a change in our customer mix in 2021 with a decline in our domestic customer numbers and a focus by management on growing our business customer base. However, the average volume per business customer has declined year on year, due to the Covid-19 pandemic, as employees of our customers continued to work from home. This has meant that despite the growth of our turnover, our gross margin has been lower than prior year. This has been partially offset by higher average domestic customer consumption as a result of customer's spending more time at home due to the Covid-19 pandemic.

### **Generation**

The Generation business currently consists of 23 wind assets (88.5 MW) (windmills) and one solar asset (1MW) (sunmill).

Wind and solar generation was 167 GWh (2020: 188 GWh). This was driven by lower wind availability and technical faults with some turbines which could not be resolved promptly due to the Covid-19 pandemic restricting access of technical teams onto site.

### **Development Projects**

The Domestic Gas and Electricity (Tariff Cap) Act 2019 came into force in July 2018. This Act places a duty on Ofgem to introduce a default tariff cap for domestic consumers on Standard Variable Tariffs (SVTs) and default tariffs. Ofgem granted a temporary derogation in January 2019 and extended this to an enduring derogation in September 2019. The Group has committed that it will continue to develop and build new green energy generation projects as part of the derogation.

Development of projects slowed down during 2021 due to Covid-19 which restricted the ability of colleagues and partners to go to site. Following the relaxation of government restrictions, project work has continued to progress in the areas of energy storage, solar and green gas.

### **Sustainable subsidiaries**

Building a sustainable future isn't just about changing how energy is made and used, it also includes our lifestyle choices. This includes:

Forest Green Rovers which continued to establish itself within League Two and finished 10<sup>th</sup> in the division for the 2019-20 Season, 6<sup>th</sup> in the division for the 2020-21 season, and is currently 1<sup>st</sup> in League Two for the 2021-22 season, having played 25 matches.

The Devil's Kitchen a vegan food manufacture business has established itself in FY21 with sales across universities, schools and a major retailer.

The Sky Mining Company has continued to develop and perfect the process to capture atmospheric carbon and turn it into diamonds.

The Electric Highway was established in 2011 and played a pivotal role in kickstarting the country's electric car revolution, enabling early adopters to drive the country's electric car revolution – allowing early adopters to drive the length and breadth of Great Britain. In June 2021 the company was sold to Gridserve to move the company forward to its next phase.

Performance in the Group's sustainable subsidiaries remains steady with progress continuing to be made across the portfolio.

## **Full year results**

The turnover of the Group has grown year on year to £247,531k (2020: £230,014k). The increase is mainly due to strong trading performance in the electricity and supply business and a continued change in customer mix to higher usage by business customers.

Despite strong volume growth in the year, gross profit has decreased to £47,032k (2020: £54,343k). Prior to the Covid-19 pandemic the strategy for the Group was to grow volumes at the cost of margin percentage, however the pandemic caused a significant drop of business volumes at the lower margin. Compounding this the Group experienced rising industry costs and change in customer mix to include more lower margin business customers, which has led to a drop in gross margin from 23.6% to 19.0%.

Total pre-tax loss was £10,919k (2020: £3,914k (loss)). This is resulting from a combination of both a change in customer mix due to the Covid-19 pandemic, compounded with lower generation due to wind availability and technical faults.

The overall net asset position of the group decreased from £64,830k to £62,269k primarily driven by the losses outlined above.

Long term liabilities which stood at £63,366k as at the balance sheet date (2020: £77,651k) have declined with repayments being in line with obligations, bond redemptions and bonds maturing to become redeemable thus becoming current liabilities.

Overall the Directors are pleased with the results of the Group during this financial year, having faced significant challenges resulting from the Covid-19 pandemic and the associated impact on customer demand.

### **Future developments**

The Directors continue to be pleased with the performance of the Group despite extremely challenging trading conditions with a combination of the Covid-19 pandemic along with the so called 'energy crisis'. The Directors are confident that the future for the group remains positive through a mixture of strategic initiatives in its sustainable subsidiaries and through a set of initiatives within the energy supply business to improve efficiency and operational processes. The Group continues to implement a prudent hedging policy to mitigate the gross margin impact of the increasing industry costs being experienced as far as possible.

The Directors continue to commit to re-investing any profits made into the Group's projects, primarily to support the continued generation of green energy, but also its other initiatives which underpin the wider Group's mission, to promote sustainability in Energy, Transport and Food.

### **Principal risks and uncertainties**

The principal risks arising from the Group's activities continue to be:

#### **Political and regulatory risk**

There have been a significant number of changes to the regulations governing the energy industry. SMART requires the Group to continue to invest resource and cost to ensure the Group remains both compliant and competitive.

Autumn 2021 has seen power and gas prices reach record highs. There has been a large number of supplier failures. Current government policy and regulation means that the cost of these supplier failures will be passed onto consumers through higher industry costs. As these accounts have been prepared it is not possible to predict the final cost for this restructure in the energy market and the additional costs that the company will face.

The medium- and long-term effects on the economy remain uncertain, including energy prices and Government approach to renewable energy, following the UK leaving the EU in 2020.

#### **Weather volatility and demand**

Variability in relation to the weather directly impacts both customer demand and the energy purchasing strategy. The supply business purchases energy both within the Group from the generation portfolio as well as trading on the wholesale market. 2021 has seen the lowest wind levels in a decade, this has resulted in having to trade more energy in the wholesale market and has further added to the high price environment. These conditions are expected to have an adverse effect on financial results, however, are expected to be short term effects.

To mitigate commodity price risk associated with weather change, a robust hedging model is maintained. This facilitates the ability to avoid short-term system imbalances and ensures we are adequately hedged.

#### **Financial risks**

The Group is exposed to a variety of financial risks including commodity price risk, interest rate risk, credit risk and liquidity risk. The Group monitors energy prices and analyses supply and demand volumes to manage exposure to

these risks. The Group's hedging policy results in buying power and gas forward to mitigate future risk. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

#### **Competition**

The Group is exposed to a competitive supply market for gas and electricity for both domestic and business customers. This impacts the operation in a number of ways including customer growth, customer retention, supply volume, and earnings. The Group manages this risk through its ethical pricing strategy, consistent offering of excellent customer service, underpinned by its green credential status to attract like-minded customers.

#### **COVID-19**

The Group's top priority during the pandemic has been to ensure the safety of colleagues and customers whilst maintaining customer's energy supply. The Group implemented plans to maintain its core services whilst operating within Government restrictions, with more than 80% of its employees working from home. The Group has a Covid-19 policy and maintains a variety of prevention measures in its workplaces to mitigate the risk of transmission.

Shifts in consumption patterns have been noticed with reduced volumes from business customers and higher consumption from domestic customers following the shift of people staying at home. The continued impact of Covid-19 on the economy and society remains difficult to predict and as such the impact on our customers consumption, our portfolio mix and financial performance over the next few years.

#### **Section 172 statement**

The stakeholders of Green Britain Group Limited and its subsidiaries are critical to the success of our strategy and business model. Engagement with our stakeholders sets out the key priorities on the direction of the company, assisting with Directors' decision making throughout the year.

A director of a company must act to promote the success of the Company for the benefit of all its members, and in so doing considering (amongst other matters):

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly between members of the Company.

In order to fulfil these duties, the Directors consider a number of areas including;

#### **Our people**

Our people are at the heart of what we are aiming to do. They drive the Group forward in achieving our goal to provide 100% green energy to help stop climate change. We support our employees in areas such as their health and wellbeing through provision of Simply Health care plan, as well as providing a safe, inclusive and enjoyable place to work. We focus on great management of people to bring out the best in our team and to focus on their development. We offer our people the opportunity to give back to our community in providing a charity day each year.

#### **Our customers**

We focus on engagement with our customers in order to deliver a quality service, whilst at the same time assisting our customers in their own green journeys to work towards the mission of a Green Britain. What makes Ecotricity different from other energy companies is that we take the money we make from our customers' bills and use it to build new forms of green energy.

We call it Bills into Mills and it means that by paying your bill every month you're helping fight climate change. Every new windmill or solar park we build reduces Britain's reliance on fossil fuels to generate electricity.

#### **Business relationships and the community**

Building a green Britain isn't something we can do alone. That's why we partner with companies and organisations who share our values. From powering their operations to running campaigns about the issues we care about. We've formed some really great partnerships with around 200 organisations. You can read about how our partners are helping to make Britain greener on our website.

#### **Environment**

At Ecotricity, our mission is to fight climate change. As an energy company, the best way we can do this is to end the use of fossil fuels by giving people an alternative – green energy. As Britain's greenest energy company, we're aware that we need to go further than supplying green energy to our customers. We also need to ensure that all our activities are as sustainable as possible. To achieve this we have put in place an environmental policy, which we regularly update, alongside a whole range of measures including constant monitoring of our environmental footprint. We don't just talk the talk, we walk the walk, and sustainability is there in everything we do.

#### **Government**

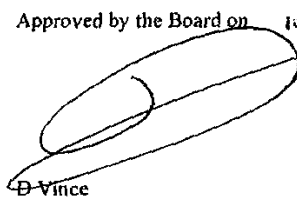
Since Ecotricity was founded in 1995, Britain has increased its green energy output from 3% to 33%, but there's still a long way to go. That's why we've been lobbying the UK government to pursue wider reaching and more determined policies to address the climate emergency.

#### **Post Balance Sheet Events**

See note 28 to the financial statements.

Approved by the Board on 10 FEBRUARY 2022

and signed on its behalf by:



D. Vince

Lion House  
Rowcroft  
Stroud  
Gloucestershire  
GL5 3BY



## Sustainability Report

### Scope

This is the second year that we have published our carbon emissions data as a “large” unquoted company since the implementation of the Streamlined Energy and Carbon Reporting. However, we continue to provide this information on our company website, as we have done since 2010, as part of our Environmental Management System which is certified to ISO14001:2015. The scope of the data below includes emissions generated through all activities of the Green Britain Group across all of our owned sites during FY21 (1 May 2020 to 30 April 2021). All sites are UK based and the emissions relate to:

Scope 1 - direct emissions from burning gas for heating, fuel used by pool cars and service vans, escape emissions from air-conditioning and refrigeration equipment.

Scope 2 – indirect emissions from the use of grid electricity.

Scope 3 – emissions from staff use of their own vehicles for business purposes (grey fleet), water consumption and treatment, business air travel, coach travel for FGR team.

### Emissions

During 2020/21 our operations consumed 2,042,017 kWh of grid electricity and 334,629 kWh of natural gas. In addition, we also generated and consumed 73,910 kWh of electricity from solar PV installed at Forest Green Rovers and at Unicorn House in Stroud.

			Location based emissions (Tonnes CO <sub>2</sub> )		Market based emissions factors(Tonnes CO <sub>2</sub> )	
			2019/20	2020/21	2019/20 Emissions	
Scope 1	Natural Gas	334,629 kWh	48.17	61.86	5.18	0
	Pool Car & Van Fuel	84,199 Litres Diesel	188.46	214	188.46	214
	Escape (fugitive) emissions from cooling equipment	0 Kg	0	0	0	0
Scope 2	Grid Electricity	2,042,017 kWh	439	476	0	0
Scope 3	Transport (grey fleet)	26,255 Miles	16.95	7.0	17.09	7.0
	Transport (air travel)	15,210 km	2.40	0	2.40	0
	Transport (FGR Team Coach)	322,320 passenger km	8.65	8.81	8.65	8.81
	Water	7,885 m <sup>3</sup>	10.36	8.00	10.36	8.00
<b>Total Gross CO<sub>2</sub> Emissions</b>	<b>Tonnes CO<sub>2</sub></b>		<b>714.2</b>	<b>776.5</b>	<b>231.1</b>	<b>238.5</b>
<b>Intensity Ratio</b>	<b>Tonnes Emissions per £m Revenue</b>		<b>3.1</b>	<b>3.1</b>	<b>1.0</b>	<b>1.0</b>

### Methodology

Emissions factors used in the above calculations are taken from UK Government *Greenhouse Gas Reporting: Conversion Factors 2019* ([www.gov.uk](http://www.gov.uk)) and are used in line with the methodology set out within the Greenhouse Gas Protocol – Corporate Standard.

Utility figures for electricity, gas and water are taken directly from meter readings on site or remotely via smart metering.

Market based emissions methodology – Grid electricity was supplied throughout the year from a 100% renewable tariff from Ecotricity and has zero associated carbon emissions as per Ecotricity Ltd fuel mix disclosure. Gas purchased through Ecotricity has been, since 1<sup>st</sup> September 2020, carbon neutral with the residual emissions from the burning of the gas covered by United Nations Certified Emission Reductions certificates (CERs). Prior to September 1<sup>st</sup> 2020 the emission factor for natural gas is used to calculate associated carbon emissions.

Escape emissions from cooling systems are taken from annual service records as reported internally via our Environmental Management System.

Transport fuel figures are taken from records held by the Finance team and are converted using the average monthly forecourt pump price for diesel in the UK from the AA (<https://www.theaa.com/driving-advice/driving-costs/fuel-prices>). Grey fleet emissions are calculated from Finance data using mileage claims and converted to tonnes of CO<sub>2</sub> using the emissions factor for a medium sized diesel car.

### **Carbon Reduction Initiatives**

On a site by site basis we have seen significant reductions in energy and water usage due to the impacts of COVID during the last financial year as staff have switched to remote working. However, these reductions are largely masked by the introduction of two new businesses to the Green Britain Group – Devil's Kitchen and Sky Mining, although present in 2019/20 production has scaled up over the past 12 months for both adding to our energy and water demands.

Likewise our transport emissions have shown reductions across the grey fleet and a drop in pool car usage with more staff using Teams and virtual conferencing to replace traditional face to face meetings, something that we intend to retain in the future. Our Operations and Maintenance teams have stayed operational throughout the past 12 months with an increase in traffic to meet the demands of turbine servicing and repairs.

### **Omissions**

This report does not include energy related emissions from our rented office in Bristol where gas and electricity are shared utilities with other tenants.

## Directors' report

The directors present the Directors' Report and financial statements for the period ended 30 April 2021.

### Incorporation

The Company was incorporated on 11 February 2020.

### Group Restructure

On 28 August 2020 Green Britain Group Limited acquired 100% of the share capital of Ecotricity Group Limited by way of a share for share exchange.

The transaction qualifies as a group reconstruction within the meaning of FRS102, 19.27 and has been accounted for using the merger accounting method. Accordingly, the financial information for the current period and comparatives have been presented as if Green Britain Group Limited existed throughout the current and prior periods.

The Company's financial period covers the period from incorporation to 30 April 2021. The Group's financial period is the twelve months to 30 April 2021. There was no trade in the Company between incorporation and 30 April 2020.

### Directors

The directors who held office during the period and up to the date of this report were as follows:

Dale Vince

Kate Vince

### Employees

Ecotricity is committed to ensuring the development of its employees including disabled employees. The Group values the differences between employees that define them as unique individuals and that diversity within the workplace is an integral part of achieving success. This includes giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities and the continuing employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company.

### Political and charitable contributions

The Group made charitable donations of £103,000 (2020: £20,000) in the period. This includes £7,000 (2020: £Nil) to the Green Britain Foundation and £41,000 (2020: £Nil) to Sustainability in Sport Foundation, charities and companies of which one of the directors is also a director.

The Group made political donations of £51,000 (2020: £106,000) in the period.

### Directors' liabilities

The company has put in place qualifying third party indemnity provisions for all of the directors of Green Britain Group Limited.

### Disclosures

Certain disclosures required in the Directors' report have been presented in the Strategic Report.

### Going concern

The group has net assets of £62,269k which includes net current liabilities of £45,597k. The group has made a loss before taxation of £10,919k in the year. The Group has cash and cash equivalents of £13,008k, including disposal proceeds from the sale of a stake in The Electric Highway (see cash flow statement) and a loan from the directors (see note 16). The group is funded via £45,825k of bonds, all of which can be redeemed from December 2021 if called upon (see note 18). The Directors believe mass redemption

events are highly unlikely due to low rates of redemption historically and bond holders' commitment to supporting the Group's vision of sustainability.

As mentioned in note 28 of the Green Britain Group Limited, the Group sold its remaining shareholding in The Electric Highway Company Limited. The current financial results of the Group have exceeded the forecast year to date. Current full year projections show the company is expected to make a double digit profit driven by the proceeds from the sale of The Electric Highway, and underlying operational performance. The Group also has initiatives in place to manage debt and deliver stronger working capital management. The Group, at the time of preparing this report, has significant cash reserves (c£55m as at end December 2021) driven by operational performance, proceeds from the sale of Electric Highway and shareholder support.

During preparation of the financial statements, there has been significant volatility in the energy market, which is causing well publicised failures of energy suppliers who did not employ the same rigorous hedging strategy as Ecotricity Limited. This will, unavoidably, impact on the energy retail market, with the industry costs of these failed companies likely spread across the remaining companies through mutualisation. In addition, wholesale costs of energy, particularly gas, are currently experiencing record highs. The Directors believe this volatility may continue through the next 12-month period and it is materially uncertain how the market or regulation will change as a result. This could impact both the company, its competitors and consumers.

The Directors believe the Group is well positioned in the market to react to these risks. The Group has significant cash reserves, it can forward purchase its customers' energy requirements, and adjust prices beyond the published price cap in order to continue to operate as a going concern.

The Directors have prepared a detailed assessment of the Group's ability to continue as a going concern. This assessment covers 12 months from the date of this report. As part of this analysis both the company's liquidity and performance against its financial covenants has been assessed. This took into account:

- Changing energy usage from our customers due to Covid-19
- Stable customer numbers throughout FY22
- Steady trading including normal levels of bad debt and improvement in the company's working capital from focused debt management

In this scenario the company had sufficient resources to meet its obligations and the Directors consider that it can continue to operate as a going concern for a period of at least 12 months from the date of approving these financial statements.

Downside stress tests, considered plausible, have also been prepared. These included:

- 10% energy supply customer churn
- No working capital improvement
- 35% lower wind yields
- No growth in New Ventures businesses
- Ecobonds being redeemed by all bond holders at one time for repayment in January 2023
- Higher energy prices continuing for 12 months

Were any one of these scenarios to occur in isolation, the Group has sufficient cash to meet these challenges without mitigating actions.

Plausible mitigating actions have also been considered in the preparation of these stress tests. Due to its strong green credentials, the Group can raise prices to react to rising industry costs because of the derogation from the price cap. A hedging strategy allows it to manage volatile wholesale prices, seen in the energy crisis to date, and navigate peaks of really high prices. Bonds redemptions must be notified at least 6 months in advance of cash being released, giving the Directors time to arrange alternate sources of funding or the generation of cash through asset sales. The Group has an 89.5 MW generation fleet which is a highly attractive set of assets that could be sold in highly unlikely but plausible scenarios.

In assessing the downside cases, in the Director's view, a severe but theoretically possible scenario has been created which would break the model.

- In it materially uncertain conditions from the energy crisis lead to significant additional costs to the company and its competitors
- No government intervention occurs to reduce consumer exposure or support the industry
- Most of the Group's Ecobonds are redeemed all at once
- The Group is unable to undertake any mitigating actions such as the disposal of its assets, price rises or cost cutting

These conditions represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, be able to realise its assets and discharge its liabilities in a normal course of business.

However, the Directors believe, as outlined above, the Group's current position of strength and mitigating actions that can be employed put it in a strong position in an uncertain market. Therefore, the Directors conclude it appropriate to continue to adopt the going concern principle in preparing the financial statements.

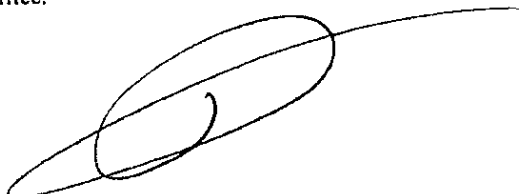
### Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware; and that the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

By order of the board



Lion House  
Rowcroft  
Stroud  
Gloucestershire  
GL5 3BY

**D Vince**

*Director*

*Date: 10 February 2022*

## **Statement of Directors' responsibilities in respect of the Annual report and the Financial statements**

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## Independent auditor's report to the members of Green Britain Group Limited

### Opinion

We have audited the financial statements of Green Britain Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 April 2021, which comprise Consolidated Profit and Loss account, Statement of Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 '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 group's and of the parent company's affairs as at 30 April 2021 and of the group's loss for the period 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the group incurred a net loss before taxation of £10,919k during the year ended 30 April 2021, and as of that date the group's net current liabilities were £45,597k. As stated in note 1.2 there is currently significant volatility in the energy market, which is causing well publicised failures of energy suppliers. This will, unavoidably, impact on the energy retail market, with the industry costs of these failed companies being spread across the remaining suppliers in the market. Furthermore, wholesale costs of energy, particularly gas, are currently at record highs. This situation is expected to persist beyond the next 12-months, and it is materially uncertain how the market or regulation will change in respect of this. This will impact the group and company, its competitors, and consumers.

In addition, a severe but theoretically possible downside scenario exists that would break the cashflow model. This involves the materially uncertain conditions arising from the volatility in the energy market leading to significant additional costs to the group and its competitors; there being no government intervention occurring to reduce consumer exposure or to support the industry; most of the Ecobonds being redeemed simultaneously; and the group being unable to undertake mitigating actions such as the disposal of its assets, passing on to consumers price rises or significant cost cutting. These events or conditions, along with other matters as set out in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the group and the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report,<sup>1</sup> 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.

### **Independent auditor's report to the members of Green Britain Group Limited (continued)**

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

We have nothing to report in this regard.

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

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

- the information given in the 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.

#### **Matter on which we are required to report under the Companies Act 2006**

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

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

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

- adequate accounting records have not been kept 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; 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 for the financial statements**

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.



## Independent auditor's report to the members of Green Britain Group Limited (continued)

### 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

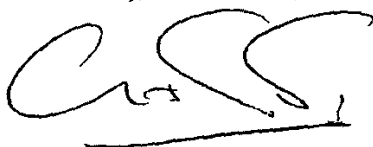
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company, and determined that the most significant are those that relate to the financial reporting framework (Financial Reporting Standard 102, Companies Act 2006 and the UK tax legislation); health and safety, employee matters, environmental and bribery and corruption procedures;
- We enquired of management, the directors and the in-house legal counsel as to whether they were aware of any non-compliance with laws and regulations and whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results of our enquiries to board minutes to supporting documentation;
- We assessed the susceptibility of the group's and parent company's financial statements to material misstatement, including how fraud might occur by meeting with employees from different parts of the business, including the finance team, in-house legal counsel and the IT department, to understand where it is considered there was a susceptibility of fraud;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the group's and parent company's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the group's and parent company's control environment including:
    - the finance system and controls, including the controls over journal postings that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitor the finance system and the controls;
    - Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. Our audit procedures involved: journal entry testing, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and management; and
    - In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

**Independent auditor's report to the members of Green Britain Group Limited (continued)**

- We also considered the key performance indicators and their propensity to influence efforts made by management to manage earnings;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the group operates; and
  - understanding of the legal and regulatory requirements specific to the group.
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud;
- For components on which audit procedures were performed, we did not identify any material matters relating to non-compliance with laws or regulations.

**Use of our report**

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



Timothy Lincoln BA ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Bristol

10 February 2022

**Consolidated Profit and Loss Account**  
*for the year ended 30 April 2021*

	<i>Note</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Turnover	2	247,531	230,014
Cost of sales		(200,499)	(175,671)
<b>Gross profit</b>		<b>47,032</b>	<b>54,343</b>
Administrative expenses		(68,446)	(56,500)
Other operating income	3	4,397	3,281
Profit/(loss) on sale of fixed assets		(205)	75
Profit on disposal of operations		8,334	-
<b>Trading loss/(profit)</b>		<b>(8,888)</b>	<b>1,199</b>
Change in fair value of strategic investment		4,535	1,122
<b>Operating (loss)/profit</b>	4	<b>(4,353)</b>	<b>2,321</b>
Loss from associate		(107)	-
Interest receivable and similar income	7	42	29
Interest payable and similar charges	8	(6,501)	(6,264)
<b>Loss on ordinary activities before taxation</b>		<b>(10,919)</b>	<b>(3,914)</b>
Tax charge on loss/profit on ordinary activities	9	6,463	(1,404)
<b>Loss for the financial year</b>		<b>(4,456)</b>	<b>(5,318)</b>
<i>Loss attributable to:</i>			
Shareholders of the parent company		(3,481)	(4,748)
Non-controlling interests		(975)	(570)
<b>Total loss for the year</b>		<b>(4,456)</b>	<b>(5,318)</b>

The notes on pages 27 to 59 form part of the financial statements.

**Consolidated Statement of Other Comprehensive Income**  
*for the year ended 30 April 2021*

	<i>Note</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Loss for the year</b>		<b>(4,456)</b>	<b>(5,318)</b>
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets	<i>11</i>	1,452	19,658
Deferred tax on other comprehensive income	<i>9</i>	443	(3,957)
<b>Other comprehensive income/(loss) for the year, net of income tax</b>		<b>1,895</b>	<b>15,701</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>(2,561)</b>	<b>10,383</b>
<i>Total comprehensive income attributable to:</i>			
Shareholders of the parent company		(1,586)	10,953
Non-controlling interests		(975)	(570)
		<b>(2,561)</b>	<b>10,383</b>

The notes on pages 27 to 59 form part of the financial statements.

**Consolidated Balance Sheet**  
*at 30 April 2021*

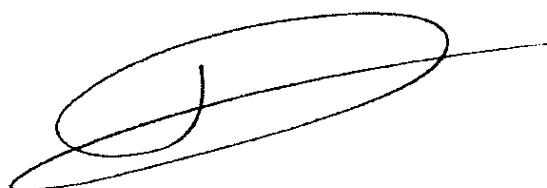
	<i>Note</i>	2021		2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Negative goodwill	10		(1,724)		(1,839)
Other intangible assets	10		12,636		9,388
			<hr/>		<hr/>
			10,912		7,549
Tangible assets	11		160,065		173,329
Other investments	12		11,738		7,203
Associates			525		-
			<hr/>		<hr/>
			183,240		188,081
<b>Current assets</b>					
Stock	13	1,379		1,293	
Debtors	14	79,785		76,959	
Cash at bank and in hand	15	14,497		17,524	
		<hr/>		<hr/>	
		95,661		95,776	
<b>Creditors: amounts falling due within one year</b>	16	(141,258)		(122,616)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(45,597)		(26,840)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			137,643		161,241
			<hr/>		<hr/>
<b>Creditors: amounts falling due after more than one year</b>	17	(63,366)		(77,651)	
Deferred tax liability	20	(12,008)		(18,760)	
		<hr/>		<hr/>	
<b>Net assets</b>			62,269		64,830
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	21		18		18
Merger reserve			(18)		(18)
Revaluation reserve			62,286		64,100
Profit and loss account			1,253		3,379
			<hr/>		<hr/>
Equity attributable to the parent's shareholders			63,539		67,479
			<hr/>		<hr/>
Non-controlling interests			(1,270)		(2,649)
			<hr/>		<hr/>
<b>Shareholders' funds</b>			62,269		64,830
			<hr/>		<hr/>

The notes on pages 27 to 59 form part of the financial statements.

These financial statements were approved by the board of directors on 10 FEBRUARY 2022  
and were signed by:

**D Vince**  
Director

Company registered number: 12456925



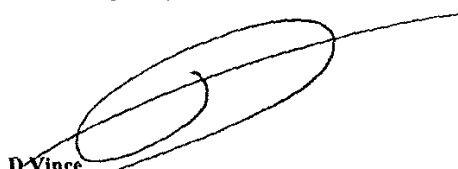
**Company Balance Sheet**  
*at 30 April 2021*

	Note	2021 £'000	£'000
<b>Fixed assets</b>			
Investments	12		6,017
			<u>6,017</u>
<b>Current assets</b>			
Creditors: amounts falling due within one year	16	(5,999)	
		<u>(5,999)</u>	
<b>Net current liabilities</b>			<u>(5,999)</u>
<b>Total assets less current liabilities</b>			<u>18</u>
Creditors: amounts falling due after more than one year	17		-
			<u>-</u>
<b>Net Assets</b>			<u>18</u>
<b>Capital and reserves</b>			
Called up share capital	21		18
Profit and loss account			-
			<u>-</u>
<b>Shareholders' equity</b>			<u>18</u>

The financial statements consolidate the accounts of Green Britain Group Ltd and all of its subsidiary undertakings ('subsidiaries'). Intra-group sales and profits are eliminated fully on consolidation. No individual profit and loss account is prepared for Green Britain Group Ltd as provided by Section 408 of the Companies Act 2006, there was no profit or loss for the Company in the period from 11 February 2020 to 30 April 2021.

The notes on pages 27 to 59 form part of the financial statements.

These financial statements were approved by the board of directors on 10 FEBRUARY 2022  
and were signed by:

  
D Vince  
Director

Company registered number: 12456925

## Consolidated Statement of Changes in Equity

	Called up Share capital £'000	Merger reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total share- holders' equity £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 May 2019	18	(18)	51,704	4,822	56,526	(2,079)	54,447
<b>Total comprehensive income for the year</b>							
Loss for the year	-	-	-	(4,748)	(4,748)	(570)	(5,318)
Other comprehensive income	-	-	15,701	-	15,701	-	15,701
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	15,701	(4,748)	10,953	(570)	(10,383)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Transactions with owners, recorded directly in equity:</i>							
Acquisition of non-controlling interests	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	-	(3,305)	3,305	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	(3,305)	3,305	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2020</b>	<b>18</b>	<b>(18)</b>	<b>64,100</b>	<b>3,379</b>	<b>67,479</b>	<b>(2,649)</b>	<b>64,830</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 27 to 59 form part of the financial statements.

**Consolidated Statement of Changes in Equity (continued)**

	Called up Share capital £'000	Merger reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total share- holders' equity £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 May 2020	18	(18)	64,100	3,379	67,479	(2,649)	64,830
<b>Total comprehensive income for the year</b>							
Loss for the year	-	-	-	(3,481)	(3,481)	(975)	(4,456)
Other comprehensive income	-	-	1,895	-	1,895	-	1,895
<b>Total comprehensive income for the year</b>	-	-	1,895	(3,481)	(1,586)	(975)	(2,561)
<i>Transactions with owners, recorded directly in equity:</i>							
Group reconstruction	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	60	60	(60)	-
Transfer of non-controlling interest on disposal of investment	-	-	-	(2,414)	(2,414)	2,414	-
Transfer from revaluation reserve	-	-	(3,709)	3,709	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	(3,709)	1,355	(2,354)	(2,354)	-
<b>Balance at 30 April 2021</b>	<b>18</b>	<b>(18)</b>	<b>62,286</b>	<b>1,235</b>	<b>63,539</b>	<b>(1,270)</b>	<b>62,269</b>

The notes on pages 27 to 59 form part of the financial statements.



## Company Statement of Changes in Equity

	Called up Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance on incorporation	-	-	-
<b>Total comprehensive income for the period</b>			
Profit for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Transactions with owners, recorded directly in equity:</i>			
New shares issued	18	-	18
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	18	-	18
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 April 2021</b>	<b>18</b>	<b>-</b>	<b>18</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 27 to 59 form part of the financial statements.

**Consolidated Cash Flow Statement**  
*for the year ended 30 April 2021*

	<i>Note</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Cash flows from operating activities</b>			
Loss for the year		(4,456)	(5,318)
Adjustments for:			
Depreciation, amortisation and impairment		15,196	10,942
Interest receivable and similar income	7	(42)	(29)
Interest payable and similar charges	8	6,501	6,264
(Gain)/loss on sale of tangible fixed assets		205	(363)
Gain on sale of intangible fixed assets		-	(193)
Gain on sale of investments		(8,334)	-
Change in fair value of investments		(4,535)	(1,122)
Taxation		(6,463)	1,404
Change in provisions		(65)	164
Amortisation of borrowing fees		-	287
		(1,993)	12,036
(Increase) / decrease in trade and other debtors		(2,826)	(15,435)
Decrease / (increase) in stocks		(86)	203
Increase / (decrease) in trade and other creditors		8,473	9,923
		3,568	6,727
Tax credit received		-	631
<b>Net cash inflow from operating activities</b>		<b>3,568</b>	<b>7,340</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible fixed assets		-	794
Proceeds from sale of intangible fixed assets		-	200
Net proceeds from sale of other investments		9,731	-
Interest received		42	29
Acquisition of tangible fixed assets		(3,399)	(8,014)
Acquisition of other intangible assets	10	(3,270)	(1,135)
<b>Net cash inflow from investing activities</b>		<b>3,104</b>	<b>(8,126)</b>
<b>Cash flows from financing activities</b>			
Proceeds from new loans		15,000	5,248
Advances from directors		10,000	-
Interest paid		(6,501)	(6,264)
Repayment of borrowings		(9,655)	(9,159)
Payment of finance lease liabilities		(132)	(129)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>8,712</b>	<b>(10,084)</b>
Net increase in cash and cash equivalents		15,384	(10,870)
Cash and cash equivalents at 1 May		(2,376)	8,494
<b>Cash and cash equivalents at 30 April</b>	15	<b>13,008</b>	<b>(2,376)</b>

The notes on pages 27 to 59 form part of the financial statements.

## Consolidated Analysis of Net Debt

	At 1 May 2020 £	Cash flows £	New loans £	New finance leases £	Non-cash changes £	At 30 April 2021 £
<b>Cash and cash equivalents</b>						
Cash	17,524	(3,027)	-	-	-	14,497
Overdraft	(19,900)	18,411	-	-	-	(1,489)
<b>Borrowings</b>						
Debt due within one year	(40,669)	9,787	(5,625)	(22)	(24,950)	(61,479)
Debt due more than one year	(77,651)	-	(9,375)	443	24,103	(63,366)
	<b>(120,696)</b>	<b>25,171</b>	<b>(15,000)</b>	<b>(465)</b>	<b>(847)</b>	<b>(111,837)</b>

The notes on pages 27 to 59 form part of the financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Green Britain Group Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a material impact in the next year are discussed in Note 27.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial instruments classified at fair value through profit or loss and tangible fixed assets measured in accordance with the revaluation model.

#### 1.2 Going concern

The group has net assets of £62,269k which includes net current liabilities of £45,597k. The group has made a loss before taxation of £10,919k in the year. The Group has cash and cash equivalents of £13,008k, including disposal proceeds from the sale of a stake in The Electric Highway (see cash flow statement) and a loan from the directors (see note 16). The group is funded via £45,825k of bonds, all of which can be redeemed from December 2021 if called upon (see note 18). The Directors believe mass redemption events are highly unlikely due to low rates of redemption historically and bond holders' commitment to supporting the Group's vision of sustainability.

As mentioned in note 28 of the Green Britain Group Limited, the Group sold its remaining shareholding in The Electric Highway Company Limited. The current financial results of the Group have exceeded the forecast year to date. Current full year projections show the company is expected to make a double digit profit driven by the proceeds from the sale of The Electric Highway, and underlying operational performance. The Group also has initiatives in place to manage debt and deliver stronger working capital management. The Group, at the time of preparing this report, has significant cash reserves (c£55m as at end December 2021) driven by operational performance, proceeds from the sale of Electric Highway and shareholder support.

During preparation of the financial statements, there has been significant volatility in the energy market, which is causing well publicised failures of energy suppliers who did not employ the same rigorous hedging strategy as Ecotricity Limited. This will, unavoidably, impact on the energy retail market, with the industry costs of these failed companies likely spread across the remaining companies through mutualisation. In addition, wholesale costs of energy, particularly gas, are currently experiencing record highs. The Directors believe this volatility may continue through the next 12-month period

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.2 Going concern (continued)

and it is materially uncertain how the market or regulation will change as a result. This could impact both the company, its competitors and consumers.

The Directors believe the Group is well positioned in the market to react to these risks. The Group has significant cash reserves, it can forward purchase its customers' energy requirements, and adjust prices beyond the published price cap in order to continue to operate as a going concern.

The Directors have prepared a detailed assessment of the Group's ability to continue as a going concern. This assessment covers 12 months from the date of this report. As part of this analysis both the company's liquidity and performance against its financial covenants has been assessed. This took into account:

- Changing energy usage from our customers due to Covid-19
- Stable customer numbers throughout FY22
- Steady trading including normal levels of bad debt and improvement in the company's working capital from focused debt management

In this scenario the company had sufficient resources to meet its obligations and the Directors consider that it can continue to operate as a going concern for a period of at least 12 months from the date of approving these financial statements.

Downside stress tests, considered plausible, have also been prepared. These included:

- 10% energy supply customer churn
- No working capital improvement
- 35% lower wind yields
- No growth in New Ventures businesses
- Ecobonds being redeemed by all bond holders at one time for repayment in January 2023
- Higher energy prices continuing for 12 months

Were any one of these scenarios to occur in isolation, the Group has sufficient cash to meet these challenges without mitigating actions.

Plausible mitigating actions have also been considered in the preparation of these stress tests. Due to its strong green credentials, the Group can raise prices to react to rising industry costs because of the derogation from the price cap. A hedging strategy allows it to manage volatile wholesale prices, seen in the energy crisis to date, and navigate peaks of really high prices. Bonds redemptions must be notified at least 6 months in advance of cash being released, giving the Directors time to arrange alternate sources of funding or the generation of cash through asset sales. The Group has an 89.5 MW generation fleet which is a highly attractive set of assets that could be sold in highly unlikely but plausible scenarios.

In assessing the downside cases, in the Director's view, a severe but theoretically possible scenario has been created which would break the model.

- In it materially uncertain conditions from the energy crisis lead to significant additional costs to the company and its competitors
- No government intervention occurs to reduce consumer exposure or support the industry
- Most of the Group's Ecobonds are redeemed all at once
- The Group is unable to undertake any mitigating actions such as the disposal of its assets, price rises or cost cutting

These conditions represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, be able to realise its assets and discharge its liabilities in a normal course of business.

However, the Directors believe, as outlined above, the Group's current position of strength and mitigating actions that can be employed put it in a strong position in an uncertain market. Therefore, the Directors conclude it appropriate to continue to adopt the going concern principle in preparing the financial statements.

## Notes (continued)

### I Accounting policies (continued)

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 April 2021. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights. However, where there is no significant influence despite a holding between 20% and 50%, this presumption can be rebutted. Investments with a holding between 20% and 50% without significant influence have been presented in the Balance Sheet within fixed asset investments.

On 28 August 2020 Green Britain Group Limited acquired 100% of the share capital of Ecotricity Group Limited by way of a share for share exchange. The transaction qualifies as a group reconstruction within the meaning of FRS102, 19.27 and has been accounted for using the merger accounting method. Accordingly, the financial information for the current period and comparatives have been presented as if Ecotricity Group Limited had been owned by Green Britain Group Limited throughout the current and prior periods.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries and associates are carried at cost less impairment.

#### 1.4 Changes in accounting estimates

##### Depreciation

The depreciation estimate on energy generating assets has changed as a result of new information received during the financial period.

The useful economic life of plant and machinery has been extended by 3 years from 24 to 27 because of new information obtained from an independent review of similar assets held at 30 April 2020.

The residual value has changed from 25% of the revalued carrying value to a value based on estimated costs to decommission the site and estimated scrap values because of information from similar decommissioned assets.

The effect of the change on assets, liabilities, income and expense in the current year is as follows:

	£'000
Administration expenses	3,438
Tangible assets	(3,438)

#### 1.5 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### 1.7 Basic financial instruments

*Trade, other debtors / creditors and deferred / accrued income.*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Investments in ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### 1.8 Other financial instruments

*Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Tangible fixed assets

Tangible fixed assets, including assets under construction, other than power generating assets, are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.16 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

#### Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings 10-50 years
- Plant and machinery 15-30 years (less residual value based on estimates of scrap value)
- Fixtures, fittings and equipment 3-20 years
- Motor vehicles 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

#### Revaluation

Power generating assets are stated at fair value less any subsequent accumulated depreciation and impairment losses. Gains on revaluation are recognised in other comprehensive income and accumulated in a revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss. Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

#### 1.11 Intangible assets and goodwill and negative goodwill

##### Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

##### Negative goodwill

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit. The expected life of negative goodwill is 20 years, based upon the duration of the Purchase Price Agreements in place.

##### Development projects

Included in intangible assets are development energy generation assets and other projects which represent the costs incurred in bringing individual wind park projects and other assets to the consented stage. Expenditure on research into identifying suitable sites for and other initial costs incurred before site selection are expensed. Once site selection stage has been reached an option over the land is acquired.

Subsequent directly attributable costs, including attributable labour and overhead costs, planning application costs and environmental impact studies costs over the land in respect of which the interest is held are capitalised only if there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be exceeded by related future sales and adequate resources exist to enable the project to be completed.

Development generation assets and other projects are not amortised until the asset is substantially complete and ready for its intended use. At the time the planning permission is approved and the option is exercised the carrying value of the project is transferred to property, plant and equipment as assets under construction. Amortisation is over the expected useful life of the related operational asset. The asset is derecognised on disposal. Where planning permission is not granted or a decision is made not to acquire the land the related assets are written off.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.11 Intangible assets and goodwill and negative goodwill (continued)

##### Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Contracts, player registrations, software, carbon foot printing and other intangibles that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

##### Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Brand name 15 years
- Players registrations over contract length
- Contracts over contract length
- Software 10 years

The basis for choosing these useful lives is a prudent assessment of the period in which the intangible will not require additional expenditure to refresh the brand.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 *Impairment of assets* when there is an indication that goodwill or an intangible asset may be impaired.

#### 1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.13 Impairment excluding stocks and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, (or "CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses associated with goodwill are not reversed.

#### 1.14 Employee benefits

##### *Defined contribution plans and other long-term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.15 Provisions and Accruals

A provision or an accrual is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### 1.16 Turnover

Turnover comprises turnover from i) the sale of electricity and gas to industrial and commercial and domestic customers, ii) electricity generation and related renewable credits, iii) football club and iv) the sale of goods and services sold during the year.

Turnover from the sale of electricity and gas to 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.

Turnover from electricity generation and renewable credits is recognised when power is supplied.

Sales of goods and services are recognised when goods are delivered and title has passed, along with the risks and rewards of ownership, or when the service has been performed.

Forest Green Rovers Football Club Limited receives grant funding from the English Football League relating to individual football seasons, this is recognised on a straight-line basis over the football season period (August to May). Revenues from Ticket sales, sponsorship, merchandise and food/beverages are also included within the turnover of the football club which are recognised as they occur.

#### 1.17 Expenses

##### Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

##### Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable, including payments on bonds issued by Ecotricity Bonds Plc, are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.17 Expenses (continued)

account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### *Research and Development*

Certain activities within the group relate to Research and Development, expenses are recognised as they are incurred. The Research and Development claim from HMRC was accounted for in the 2021 accounts, relating to 2020 tax returns.

#### 1.18 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates actually or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.19 Forward contracts for the purchase of energy

These contracts are entered into and continue to be held for the purpose of the receipt or delivery of electricity and gas in accordance with the entity's expected usage requirements. These contracts are not settled net in cash and are not settled with another financial instrument. As such these contracts are not accounted for as financial instruments.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.18 Forward contracts for the purchase of energy

These contracts are entered into and continue to be held for the purpose of the receipt or delivery of electricity and gas in accordance with the entity's expected usage requirements. These contracts are not settled net in cash and are not settled with another financial instrument. As such these contracts are not accounted for as financial instruments.

## Notes (continued)

### 2 Turnover

Turnover consists of sales wholly in the United Kingdom arising on the following activities:

	2021 £'000	2020 £'000
Electric and gas supply	240,093	221,356
Electricity generation and related renewable energy credits	1,695	2,410
Football club	3,291	3,918
Other goods and services	2,452	2,330
	<u>247,531</u>	<u>230,014</u>

### 3 Other operating income

	2021 £'000	2020 £'000
FiT administration income	2,729	2,762
Grants	13	9
Coronavirus job retention scheme	1,536	282
Other income	119	228
	<u>4,397</u>	<u>3,281</u>

### 4 Operating (loss)/profit

Included in loss/(profit) are the following:

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets	14,737	9,886
Impairment of tangible fixed assets	261	-
Operating lease expenses	923	787
Amortisation of intangible fixed assets	412	566
Impairment of intangible fixed assets	(114)	604
Change in fair value of investment	(4,535)	(1,122)
Net loss/(gain) on disposal of tangible fixed assets	205	(75)
	<u></u>	<u></u>

Auditor's remuneration:

	2021 £'000	2020 £'000
Audit of these financial statements	69	-
Amounts receivable by the current auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	131	240
Other advisory services	-	4
	<u></u>	<u></u>

There were no non-audit services provided by the auditor in 2021.

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Group 2021	Group 2020
Administration	611	587
Football club	64	73
	<u>675</u>	<u>660</u>

The Company had no staff in the period.

The aggregate payroll costs of these persons were as follows:

	Group 2021 £'000	Group 2020 £'000
Wages and salaries	22,638	20,611
Social security costs	2,212	2,287
Other pension costs	1,207	1,131
	<u>26,069</u>	<u>24,029</u>

The Company had no staff costs in the period.

### 6 Remuneration of key management personnel

	2021 £'000	2020 £'000
Key management's remuneration	1,456	1,354
Company contributions to money purchase pension plans	65	45
	<u>1,521</u>	<u>1,400</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid key management personnel was £260,000 (2020: £242,000), and company pension contributions of £14,000 (2020: £nil) were made to a money purchase scheme on their behalf.

### 7 Interest receivable and similar income

	2021 £'000	2020 £'000
Bank interest receivable	42	29
	<u>42</u>	<u>29</u>



**8 Interest payable and similar charges**

	2021 £'000	2020 £'000
On bank loans and overdrafts	3,725	3,536
On Eco bonds	2,776	2,715
Other interest payable	-	13
	<u>6,501</u>	<u>6,264</u>

**9 Taxation**

**Total tax expense recognised in the profit and loss account, other comprehensive income and equity**

	2021 £'000	2020 £'000
<i>Current tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	37	16
Total current tax	<u>37</u>	<u>16</u>
<i>Deferred tax (see Note 20)</i>		
Origination and reversal of timing differences	(6,741)	3,633
Adjustments in respect of prior periods	(202)	62
Effect of tax rate change on opening balance	-	1,650
Total deferred tax	<u>(6,943)</u>	<u>(5,345)</u>
Total tax	<u>(6,906)</u>	<u>(5,361)</u>

## Notes (continued)

### 9 Taxation (continued)

	2021			2020		
	£'000	£'000	£'000	£'000	£'000	£'000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	37	(6,500)	(6,463)	16	1,388	1,404
Recognised in other comprehensive income	-	(443)	(443)	-	3,957	3,957
Recognised directly in equity	-	-	-	-	-	-
Total tax	37	(6,943)	(6,906)	16	5,345	5,361

### Reconciliation of effective tax rate

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Loss for the year	(4,474)	(5,318)
Total tax (credit)/charge	(6,463)	1,404
(Loss) excluding taxation	(10,937)	(3,914)
Tax using the UK corporation tax rate of 19% (2020: 19%)	(2,078)	(744)
Change in fair value of strategic investment	-	-
Fixed asset differences	527	4,052
Expenses not deductible for tax purposes	(497)	1,803
Income not taxable for tax purposes	(3,998)	(1,698)
Adjustments to brought forward values	-	2
Reduction in tax rate on deferred tax balances	-	1,446
Current year losses for which no deferred tax asset was recognised	(696)	421
Adjustments in respect of prior years	(165)	79
Deferred tax charged directly to other comprehensive income	443	(3,957)
Other permanent differences	1	-
Total tax expense/(credit) included in profit or loss	6,463	1,404

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using this enacted tax rate of 19% and reflected in the financial statements.

In addition, in the March 2021 Budget statement it was announced that the main rate of corporation tax would increase to 25% from 1 April 2023. This announced change was not substantively enacted by the balance sheet date and therefore its effects have not been included within the financial statements.

**Notes (continued)**

**10 Intangible assets and goodwill**

<i>Group</i>	<b>Goodwill £'000</b>	<b>Contracts £'000</b>	<b>Negative goodwill £'000</b>	<b>Development assets £'000</b>	<b>Brand name £'000</b>	<b>Players' registration £'000</b>	<b>Software £'000</b>	<b>Carbon Foot printing £'000</b>	<b>Total £'000</b>
<i>Cost</i>									
At beginning of year	347	334	(2,298)	5,596	3,330	161	6,381	25	13,876
Additions	-	-	-	563	-	-	2,707	-	3,270
Disposals	-	-	-	-	-	(77)	-	-	(77)
Transfers from tangible fixed assets	-	152	-	-	-	-	249	-	401
At end of year	347	486	(2,298)	6,159	3,330	84	9,337	25	17,470
<i>Amortisation</i>									
At beginning of year	347	200	(459)	3,157	2,739	81	245	17	6,327
Charge in year	-	50	(115)	-	221	48	203	5	412
Disposals	-	-	-	-	-	(67)	-	-	(67)
Impairment reversal	-	-	-	(114)	-	-	-	-	(114)
At end of year	347	250	(574)	3,043	2,960	62	448	22	6,558
<i>Net book value</i>									
At 30 April 2021	-	236	(1,724)	3,116	370	22	8,889	3	10,912
At 30 April 2020	-	134	(1,839)	2,439	591	80	6,136	8	7,549

Amortisation and impairment charges are recognised as follows in the profit and loss account: £298,000 (2020: £1,170,000) in administrative expenses.

The Company had no intangible assets in the period.

## Notes (continued)

### 11 Tangible fixed assets

Group	Freehold land and buildings (Historic Cost) £'000	Freehold land and buildings (Revaluation) £'000	Plant and machinery (Historic cost) £'000	Plant and machinery (Revaluation) £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Assets in course of construction £'000	Total £'000
<b>Cost or valuation</b>								
At beginning of year	8,149	2,600	21,198	146,738	19,776	1,067	10,450	209,978
Additions	700	-	416	-	395	282	2,071	3,864
Disposals	(70)	-	(2,122)	-	(265)	(16)	(2,445)	(4,918)
Transfers between items	4,681	-	46	-	1,266	89	(6,483)	(401)
Revaluations	-	-	-	(598)	-	-	-	(598)
At end of year	13,460	2,600	19,538	146,140	21,172	1,422	3,593	207,925
<b>Depreciation</b>								
At beginning of year	3,036	265	4,963	12,380	14,977	1,028	-	36,649
Charge for year	253	52	1,600	9,181	3,542	109	-	14,737
On disposals	(45)	-	(1,609)	-	(70)	(13)	-	(1,737)
Impairments	-	-	117	144	-	-	-	261
Revaluations	-	-	-	(2,050)	-	-	-	(2,050)
At end of year	3,244	317	5,071	19,655	18,449	1,124	-	47,860
<b>Net book value</b>								
At 30 April 2021	10,216	2,283	14,467	126,485	2,723	298	3,593	160,065
At 30 April 2020	5,113	2,335	16,235	134,358	4,799	39	10,450	173,329

Included in the total net book value of freehold land and buildings is £80,000 (2020: £80,000) in respect of land which is not depreciated.

Included in the total net book value of fixtures, fittings and equipment is £619,000 (2020: £353,000) in respect of assets that were held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £270,000 (2020: £119,000).

#### Revaluation

An internal valuation of plant and machinery was performed by the Directors as at 30 April 2020 based on the asset's forecasted discounted future cash flow. The future cash flow model assumes that the historic generation levels recorded by the asset over its life will continue at the same rate and that the current power price agreement and renewables credits available will continue with expected inflationary increases. Expenditure patterns are assumed to be consistent with expected inflationary increases and with expected maintenance works taken into account. The discount rate has been calculated in reference to available industry data.

External valuations are performed with sufficient frequency to ensure that the carrying value does not differ materially from the fair value at the end of the reporting period which is normally deemed to be 5 years. There was an external revaluation completed as at 31 October 2019 by BDO LLP and the relevant assumptions were used as the basis of the internal valuation at year end.

An impairment review was conducted as at 30 April 2021 rather than a revaluation. The review considered evidence for indicators of impairment in line with FRS 102, 27.9.

**Notes (continued)**

**11 Tangible fixed assets (continued)**

The following information relates to tangible fixed assets carried on the basis of revaluations.

	Freehold buildings		Plant and Machinery	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
At full valuation	2,600	2,600	146,738	146,738
Aggregate depreciation thereon	(52)	(265)	(12,379)	(12,379)
Net book value	<u>2,335</u>	<u>2,335</u>	<u>134,359</u>	<u>134,359</u>
Historical cost of revalued assets	1,722	1,722	92,790	92,790
Aggregate depreciation thereon	(337)	(303)	(35,041)	(31,887)
Historical cost net book value	<u>1,385</u>	<u>1,419</u>	<u>57,719</u>	<u>60,903</u>

The Company had no tangible fixed assets in the period.

**Notes (continued)**

**12 Fixed asset investments**

<i>Group</i>	<b>Interests in associated undertakings £'000</b>	<b>Other listed investments £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>				
At beginning of year	-	7,193	10	7,203
Additions	632	-	-	632
Disposals	-	-	-	-
Change in fair value	-	4,535	-	4,535
At end of year	632	11,728	10	12,370
<i>Share of post-acquisition reserves</i>				
At beginning of year	-	-	-	-
Disposals	-	-	-	-
At end of year	-	-	-	-
<i>Provisions</i>				
At beginning of year	-	-	-	-
Share of (profit)/loss from associate	107	-	-	107
At end of year	107	-	-	107
<i>Net book value</i>				
At 30 April 2021	525	11,728	10	12,263
At 30 April 2020	-	7,193	10	7,203

During the year the Group disposed of 12.5% of the share holding in The Electric Highway Company Limited resulting in a loss of control. As at 30 April 2021, the Group retained a significant influence in the company and as such the investment is treated as an associate.

Other listed investments have been revalued to their fair value at the balance sheet date resulting in a gain through the profit and loss account.

## Notes (continued)

### 12 Fixed asset investments (continued)

Company	Shares in subsidiary undertakings £'000
<i>Cost or valuation</i>	
Additions	6,017
Disposals	-
At end of year	6,017
<i>Provisions</i>	
Made/(released) during the year	-
At end of year	-
<i>Net book value</i>	
At 30 April 2021	6,017

On 28 August 2020, the Company acquired 1,287,525 £10 Ordinary shares in Forest Green Rovers Football Club Limited at a total cost of £5,699,000.

On 28 August 2020, the Company acquired 50,000 £1 Ordinary shares in Ecotricity Bonds PLC at a total cost of £300,000.

On 28 August 2020, the Company acquired 180 £0.01 Ordinary shares in Ecotricity Group Limited at a total cost of £17,900.

On 28 August 2020, the Company acquired 1 £1 Ordinary shares in Ecotricity New Ventures Limited at a total cost of £1.

**Notes (continued)**

**12 Fixed asset investments (continued)**

The undertakings in which the Company's interest at the year-end is more than 20% are as follows:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>	
Alveston Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Ballymena Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Bambers Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Bristol Port Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Cardiff Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Dagenham Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Dalby Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Dundee Merchant Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Ecotech Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Fen Farm Solar Park Limited <sup>1, 2</sup>	UK	Solar park	Ordinary	100%
Fen Farm Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Galsworthy Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Green Park Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Heck Fen Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	75.1%
Kings Lynn Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Lynch Knoll Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Merchant Wind Park (East Kilbride) Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Mablethorpe Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Pollington Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Sandy Wind Turbine Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Shooters Bottom Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Somerton Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Swaffham Windpark Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Worksop Wind Park Limited <sup>1, 2</sup>	UK	Wind park	Ordinary	100%
Ecotricity (Alveston) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Generation Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Group Limited	UK	Holding company	Ordinary	100%
Ecotricity Holding Co Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Merchant Holdings Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity New Ventures Limited <sup>2</sup>	UK	Holding company	Ordinary	100%
Ecotricity Solar (Borrower) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Solar (Holdco) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Wind and Sun Parks (Holding) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Ecotricity Wind and Sun Parks (Issuing) Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Green Britain Group Holding Company Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Next Generation Wind Holdings Limited <sup>1, 2</sup>	UK	Holding company	Ordinary	100%
New Power Company Limited <sup>1, 2</sup>	UK	Holding company	Ordinary	100%
Wind Holdings Nord Limited <sup>1, 2</sup>	UK	Holding company	Ordinary	100%
Britwind Limited <sup>1, 2</sup>	UK	Manufacturing	Ordinary	100%
Devil's Kitchen Limited <sup>1, 2</sup>	UK	Food production	Ordinary	100%
Ecotalk Limited <sup>1, 2</sup>	UK	Telecoms	Ordinary	100%
Ecotricity Bonds plc	UK	Financing	Ordinary	100%
Ecotricity Limited <sup>1</sup>	UK	Utilities supplier	Ordinary	100%
Forest Green Rovers Football Club Limited	UK	Football club	Ordinary	96.8%
Forest Green Sun Company Limited <sup>1, 2</sup>	UK	Roof-top solar	Ordinary	100%
The Sky Mining Company Limited <sup>1, 2</sup>	UK	Development	Ordinary	75%



## Notes (continued)

### 12 Fixed asset investments (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
<i>Subsidiary undertakings (continued)</i>				
Bicker Fen Energy Storage Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Carbon Bank Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Carbonaid Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Dulater Hill Wind Park Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Eco Cars Limited <sup>1, 2</sup>	UK	Dormant	Ordinary	100%
Ecobank Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotility Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotopia Limited <sup>1, 2</sup>	UK	Dormant	Ordinary	93.6%
Ecotricity (Berkeley Storage) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Bulkworthy Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Butts Field) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Charlton) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Dalby Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Heck Fen Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Leechpool) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Lodge Farm Solar) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Smart Grid) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Sparsholt Gasmill) <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity De France Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity J13 Ltd <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecowater Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Microtricity Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Underpowered Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Ecotricity (Vegan Supplies) Limited <sup>1</sup>	UK	Dormant	Ordinary	100%
Upper Sonachan Wind Park Limited <sup>1</sup>	UK	Dormant	Ordinary	100%

Note 1 – shares held by a subsidiary company

All companies are registered at Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

Note 2 – Ecotricity Group Limited has provided the necessary parental guarantees under section 479A of the Companies Act 2006 to enable the companies listed exemption from audit.

The undertakings in which the Company's interest at the year-end is assessed to be an associate are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held	
<i>Associate undertakings</i>				
The Electric Highway Company Limited	UK	Travel	Ordinary	43.9%

**Notes (continued)**

**13 Stocks**

	2021 £'000	2020 £'000
<i>Group</i>		
Raw materials and consumables	945	751
Work in progress	266	360
Finished goods and goods for resale	168	182
	<u>1,379</u>	<u>1,293</u>

The Company held no stocks in the period

**14 Debtors**

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
<i>Due within one year:</i>			
Trade debtors	33,673	48,566	-
Other debtors	3,907	5,520	-
Prepayments and accrued income	42,205	22,873	-
	<u>79,785</u>	<u>76,959</u>	<u>-</u>

Included within other debtors is £Nil (2020: £2,134,000) of loans to directors (see Note 25). These loans are interest free and are repayable on reasonable demand.

**15 Cash and bank overdrafts**

	Group 2021 £'000	Group 2020 £'000
<i>Group</i>		
Cash at bank and in hand	14,497	17,524
Bank overdrafts	(1,489)	(19,900)
	<u>13,008</u>	<u>(2,376)</u>

Included in the Group's cash and cash equivalents balance is £10,662,000 (2020: £13,753,000) which is held in restricted accounts as dictated by external financing covenants. Although the Group can access the cash the Directors do not intend to use the restricted amounts.

The Company had no cash in the period.

**Notes (continued)**

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

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank loans and overdrafts (see Note 18)	16,873	27,503	-	-
Bondholders (see Note 18)	45,825	32,686	-	-
Trade creditors	4,720	5,603	-	-
Amounts owed to group undertakings	-	-	5,999	-
Taxation and social security	4,160	3,985	-	-
Other creditors	9,570	15,476	-	-
Accruals and deferred income	59,455	36,653	-	-
Finance leases (see Note 18)	270	380	-	-
Corporation tax	385	330	-	-
	<u>141,258</u>	<u>122,616</u>	<u>5,999</u>	<u>-</u>

Included within other creditors is £3,455,000 (2020: £Nil) of loans to directors (see Note 25). These loans are interest free and are repayable on reasonable demand.

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

	Group 2021 £'000	Group 2020 £'000
Bank loans (see Note 18)	62,923	63,211
Bondholders (see Note 18)	-	14,440
Finance leases (see Note 18)	443	-
	<u>63,366</u>	<u>77,651</u>

The Company had no creditors due after more than one year in either year.

## 18 Interest-bearing loans and borrowings

This Note provides information about the contractual terms of the Group's and parent company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2021 £'000	Group 2020 £'000
<b>Creditors falling due after more than one year</b>		
Bank loans	62,923	63,211
Bondholders	-	14,440
Finance leases	443	
	<u>63,366</u>	<u>77,651</u>
<b>Creditors falling due within less than one year</b>		
Bank loans	15,384	7,603
Bank overdrafts	1,489	19,900
Finance leases	270	380
Bondholders	45,825	32,686
	<u>62,968</u>	<u>60,569</u>
<b>Total interest-bearing loans and borrowings</b>	<u>126,334</u>	<u>138,220</u>
	Group 2021 £'000	Group 2020 £'000
Wind and solar park construction loan 1	33,095	38,451
Wind and solar park construction loan 2	17,473	18,328
Wind and solar park construction loan 3	5,296	5,795
Coronavirus large business interruption loan scheme	15,000	-
Other bank loans	7,443	8,240
Bank overdrafts	1,489	19,900
Finance leases	713	380
Eco Bond 1	7,988	8,146
Eco Bond 2	7,109	7,419
Eco Bond 3	16,299	17,121
Eco Bond 4	14,429	14,440
	<u>126,355</u>	<u>138,220</u>

The Company had no interest-bearing loans and borrowings in either year.

## Notes (continued)

### 18 Interest-bearing loans and borrowings (continued)

#### Bank overdrafts

The Group has an agreed overdraft limit of up to £10,000,000 with an annual interest rate of 2.15% over the Bank of England base rate. The overdraft was not renewed upon the renewal date on 30 June 2021.

#### Bank loans

During the year, the Group entered into a loan under the Coronavirus Large Business Interruption Loan Scheme. This resulted in a long-term gross loan of £15,000,000 as at 30 April 2021 (2020: £Nil). This loan is repayable in instalments to 2033 with the first repayment falling due on 29 October 2021. The interest rate on this loan is 2.15% over the Bank of England base rate per annum.

In 2019 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £5,331,000 as at 30 April 2021 (2020: £5,666,000) secured on the related assets. This loan is repayable in instalments to 2033. The interest rate on this loan is 4.4% per annum.

In 2018 the Group refinanced some of its wind and solar park construction loans portfolio in a series of three tranches. A fourth tranche from this loan was drawn down in 2020. This resulted in a long-term gross loan of £2,957,000 as at 30 April 2021 (2020: £4,001,000) secured on the related assets. This loan is repayable in instalments to 2033. The interest rate on this loan varies between tranches from 3.8% to 4.4% per annum.

In 2016 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £18,056,000 as at 30 April 2021 (2020: £19,004,000) secured on the related assets. This loan is repayable in instalments to 2034. The interest rate on this loan is 4.2% per annum.

In 2015 the Group refinanced some of its wind and solar park construction loans portfolio. This resulted in a long-term gross loan of £34,576,000 as at 30 April 2021 (2020: £40,260,000), which is the bulk of loans held at year end, secured on the related assets. This loan is repayable in instalments to 2031. The interest rate on this loan is 4.0% per annum.

In accordance with FRS102.11.13, capitalised loan issue costs of £2,310,000 (2020: £2,686,000) have been presented as a reduction to the proceeds of the construction loans and are being amortised over the loan periods.

Also included in other bank loans are a number of other loans. These are repayable by instalments between 2021 and 2030 and interest rates between 3.2% and 17.9% apply. The bank loans are secured on the wind parks or property to which they relate.

The maturity of the bank loans is as follows:

	Group 2021 £'000	Group 2020 £'000
Less than one year	13,326	7,810
Between one and five years	38,134	29,599
Over five years	29,049	35,862
	<hr/>	<hr/>
	80,509	73,271
Less loan issue costs	(2,202)	(2,895)
	<hr/>	<hr/>
	78,307	70,376
	<hr/>	<hr/>

## Notes (continued)

### 18 Interest-bearing loans and borrowings (continued)

#### Eco Bonds

On 15 December 2010 the Group raised an unsecured bond ("Bond 1") of £10 million, before transaction costs, in multiples of £500. The coupon payable is 7% with an additional 0.5% for Ecotricity customers. Interest is payable every six months up to and including the date on which the bonds are redeemed. The Group may pre-pay all or any of the bonds at any time after 15 December 2014. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 15 December 2014 or any subsequent anniversary thereof.

At the Bond 1 redemption notice cut-off date of 15 June 2021, the Group had received valid repayment requests totalling £30,000 (2020: £125,000).

On 16 December 2011 the Group raised an unsecured bond ("Bond 2") of £10 million, before transaction costs, in multiples of £500. The coupon payable is 6% with an additional 0.5% for Ecotricity customers. Interest is payable every six months up to and including the date on which the bonds are redeemed. The Group may pre-pay all or any of the bonds at any time after 16 December 2015. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 16 December 2015 or any subsequent anniversary thereof.

At the Bond 2 redemption notice cut-off date of 15 June 2021, the Group had received valid repayment requests totalling £187,000 (2020: £308,000).

On 16 December 2015 the Group raised an unsecured bond ("Bond 3") of £17.3 million, before transaction costs, in multiples of £500. The coupon payable is 5.5% with an additional 0.5% for Ecotricity customers. Interest is payable every six months up to and including the date on which the bonds are redeemed. The Group may pre-pay all or any of the bonds at any time after 16 December 2020. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 16 December 2020 or any subsequent anniversary thereof.

At the Bond 3 redemption notice cut-off date of 16 June 2021, the Group had received valid repayment requests totalling £626,500 (2020: £784,500).

the bonds at any time after 16 December 2021. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 16 December 2021 or any subsequent anniversary thereof.

On 16 December 2016 the Group raised an unsecured bond ("Bond 4") of £14.5 million, before transaction costs, in multiples of £500. The coupon payable is 4.5% with an additional 0.5% for Ecotricity customers. Interest is payable every six months up to and including the date on which the bonds are redeemed. The Group may pre-pay all or any of the bonds at any time after 16 December 2021. Bondholders may, on six months' notice, at their option redeem the bonds on the later of 16 December 2021 or any subsequent anniversary thereof.

At the Bond 4 redemption notice cut-off date of 16 June 2021, the Group had received valid repayment requests totalling £345,000 (2020: £Nil).

The maturity of the bonds is as follows:

	Group 2021 £'000	Group 2020 £'000
Less than one year	45,843	32,705
Between one and five years	-	14,487
Over five years	-	-
	<hr/> 45,843	<hr/> 47,192
Less loan issue costs	(18)	(62)
	<hr/> 45,825	<hr/> 47,126

## 19 Financial Instruments

The financial instruments are as follows:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
<b>Financial assets</b>			
Financial assets held at amortised cost	79,806	73,913	6,017
Financial assets held at fair value	14,497	17,524	-
	<u>94,303</u>	<u>91,437</u>	<u>6,017</u>
<b>Financial liabilities</b>			
Financial liabilities held at amortised cost	(204,606)	(193,696)	(5,999)
Financial liabilities held at fair value	-	(379)	-
	<u>(204,606)</u>	<u>(194,075)</u>	<u>(5,999)</u>

## 20 Deferred tax assets and liabilities

	Group £'000	Company £'000
<b>Deferred taxation</b>		
At beginning of year	18,760	-
Correction to prior year	191	-
Charge/(credit) to profit and loss for the year (see Note 9)	(6,500)	-
Charge to other comprehensive income for the year (see Note 9)	(443)	-
Charge included directly in equity for the year (see Note 9)	-	-
At end of year	<u>12,008</u>	<u>-</u>

The elements of deferred taxation are as follows:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Asset revaluations and accelerated capital allowances	20,888	20,762	-
Short term timing differences	-	82	-
Tax losses carried forward and other deductions	(8,880)	(2,084)	-
Tax liabilities/(assets)	<u>12,008</u>	<u>18,760</u>	<u>-</u>

Deferred tax assets of £4,580,000 (2020: £2,221,000) have not been recognised because they are trapped in loss-making companies.

## Notes (continued)

### 21 Capital and reserves

#### Share capital

	2021 £'000
<i>Allotted, called up and fully paid</i>	
18,000 ordinary shares of £1.00 each	18

#### New share capital issued

During the period 18,000 ordinary shares having an aggregated nominal value of £18,000 were allotted for an aggregate consideration of £18,000.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### Revaluation reserve

Where tangible fixed assets are revalued, the cumulative increase in the fair value in excess of any previous impairment losses is included in the revaluation reserve.

#### Other comprehensive income

Group	Revaluation reserve £'000	Profit and loss account £'000	Total other comprehensive income £'000
Revaluation of tangible fixed assets	1,452	-	1,452
Income tax on other comprehensive income	(276)	-	(276)
Total other comprehensive income	1,176	-	1,176

#### Company

	Profit and loss account £'000
Total other comprehensive income	-

### 22 Employee benefits

#### Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,207,000 (2020: £1,131,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 23 Commitments

#### Capital commitments

There were no capital commitments at the end of the financial year for which no provision has been made (2020: £Nil).



## Notes (continued)

### 24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2021 £'000	Group 2020 £'000
Less than one year	723	521
Between one and five years	2,237	2,352
More than five years	7,165	8,192
	<u>10,125</u>	<u>11,065</u>

During the year £794,000 was recognised as an expense in the profit and loss account in respect of operating leases (2020: £787,000).

### 25 Related party disclosures

#### Group

At 30 April 2021, the balance owed by the Company to D Vince is £3,455,000 (2020: £2,134,000 debtor), which is classified in other creditors (see Note 16). The balance is interest-free and is repayable on reasonable demand.

Charitable donations were made during the year to two charities of which one of the directors is also a Director of the Company. £7,000 was donated to the Green Britain Foundation (2020: £Nil) and £41,000 to Sustainability in Sport Foundation (2020: £Nil).

At 30 April 2021, the Group were owed £54,000 (2020: £Nil) from the Green Britain Foundation, which is classified in other debtors (see Note 14). The balance is interest-free and is repayable on reasonable demand.

At 30 April 2021, the Group were owed £468,000 (2020: £Nil) from its associate undertaking The Electric Highway Company Limited, which is classed in other debtors (see Note 14). The balance is interest-free and is repayable on reasonable demand.

During the year the Group recognised income of £115,000 (2020: £Nil) from recharges for central services provided, charge point energy supplied, and SIM cards supplied. Expenses of £8,000 (2020: £Nil) was paid to the associate to compensate for discounts offered by the associate to the Group's energy customers. These balances are recognised in turnover and administration expenses respectively.

#### Company

At 30 April 2021, the balance owed to the Company from D Vince is £100, which is classified in other debtors (see Note 14). The balance is interest-free and is repayable on reasonable demand.

The Company has taken advantage of the exemption contained in FRS 102.33 and has not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

### 26 Ultimate controlling party

The Company is controlled by D Vince, a director and only shareholder of the Company. The Directors are the ultimate controlling parties.

The largest and smallest group in which the results of the Company are consolidated are these financial statements, headed by Green Britain Group Limited. No other financial statements include the results of the Company.

## Notes (continued)

### 27 Accounting estimates and judgements

In the application on the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historic experience and other factors 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical accounting judgements in applying the Group and Company's accounting policies*

- **Generation asset valuation**

The Group's power generating assets are stated at fair value less any subsequent accumulated depreciation and impairment losses with a quarter residual value assumed. An internal valuation was performed by the Directors as at 30 April 2020 based on the asset's forecasted discounted future cashflow. The future cashflow model assumes that the historic average generation levels recorded by the asset over its life will continue at the same rate and that the current power price agreement and renewables credits available will continue with expected inflationary increases. Expenditure patterns are assumed to be consistent with expected inflationary increases and with expected maintenance works taken into account. The discount rate assumed by the group is the minimum rate of return the Group expects on similar investments. The assumed residual value reflects the value of the lease, which are typically longer than 24 years and plant and machinery, including the grid connection at that point. As the generating assets reach their maturity, the Group has engaged third parties to review the remaining useful economic life. These reviews have indicated that on average each asset will have its life extended by 3 years and the forecasted discounted future cashflow have been amended accordingly. No site has yet reached the end of its 24 year economic life and so this is a management estimate. The carrying amount relating to power generating assets is £126,485 (2020: £134,358,000).

- **REC unbilled income**

Turnover 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 is estimated using historical consumption patterns and data available upon which the Group takes a prudent position until the final reconciliation data is available. The total of accrued income relating to unbilled energy provision at year end is £40,077,000 (2020: £18,472,000).

- **Bad debt provision**

The Group provides for debts which are deemed to be irrecoverable. The provision is estimated by considering the ageing of the debts as well as payment method and assessing the likelihood of recoverability of specific debts. The likelihood is judged against historic patterns of recoverability. The carrying value of the provision at year end was £10,350,000 (2020: £5,253,000).

- **Intangibles**

Development costs for individual development projects are only capitalised as an intangible asset if the criteria to capitalise development expenditure set by FRS 102 Section 18 are met by the project. If the criteria are not met by the project then the development costs are expensed during the year to the profit and loss account.

The Directors review each project individually to assess whether they still comply with the criteria to capitalise development expenditure set by FRS 102 Section 18. If the criteria are no longer met due to new developments or events during the year, then the total capitalised development costs to date for that project are fully impaired. Indicators of impairment can be a rejection of planning permission, a negative outcome from an environmental impact study or if the development costs exceed the forecast future economic benefits.

## Notes (continued)

### 27 Accounting estimates and judgements (continued)

- Share classification

The shares in Good Energy have remained classed as other listed investments as the presumption of the shares being an associate was rebutted as significant influence could not be demonstrated due to:

- No representation on the board
- No influence over strategic decisions

The shares in The Electric Highway Company Limited have been classed as an associate as the Group had a significant influence in the entity. Control could not be demonstrated after the part disposal due to a loss of control of the entity's board.

- Investment impairment

The company makes an estimate of the recoverable value of investments. When assessing impairment of investments, management considers factors including the current net asset value of the investment entity, its projected future cash flows and historical experience. See note 12 for the net carrying amount of the fixed asset investments.

- Manufacturing plant & machinery valuation

The group makes an estimate of the recoverable value of bespoke manufacturing plant & machinery. Management forecast the discounted future cashflows to assess the requirement of any impairment to these assets. Due to the bespoke nature of the assets, management have taken into account information provided by independent experts to ensure that the underlying assumptions about the market and price are reasonable. The carrying value of these assets at 30 April 2020 was £4,759,000 (2020: £4,836,000).

- Merger Accounting

During the year the Directors enacted a change in the corporate structure of the wider Group. Although there has been a change in the Group's ownership in some subsidiaries, it was determined that each transfer should be considered individually as for the applicability of merger accounting. As such, merger accounting has been used where there was no change in the Group's ownership of its subsidiaries.

The acquisition method has been used for the transfer the Group's ownership changed and consequently as a transaction between equity holders as the controlling interest increased from 96% to 100%.

The accounting method for the individual transactions are as follows:

<i>Transferred company</i>	<i>Acquiring company</i>	<i>Date</i>	<i>Accounting method</i>
Ecotricity Group Limited	Green Britain Group Limited	28/08/2020	Merger
Ecotricity Bonds PLC	Green Britain Group Limited	28/08/2020	Merger
Ecotricity New Ventures Limited	Green Britain Group Limited	28/08/2020	Merger
Forest Green Rovers Football Club Limited	Green Britain Group Limited	28/08/2020	Merger
Ecotalk Limited	Ecotricity New Ventures Limited	28/08/2020	Merger
Forest Green Sun Company Limited	Ecotricity Generation Limited	28/08/2020	Acquisition
Green Devils Limited	Ecotricity New Ventures Limited	28/08/2020	Merger
The Sky Mining Company Limited	Ecotricity New Ventures Limited	28/08/2020	Merger

**28 Post Balance Sheet Events**

In June 2021, the Group sold all its remaining shareholding in The Electric Highway Company Limited for £32,364,000.

In June 2021, the loan from the directors included in other creditors (see note 16) increased by £22,730,000.

As a result of the sale of The Electric Highway Company Limited, the overdraft facility was not renegotiated in June 2021.