Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

		Note	2022	2021 Underlying	2021 Non-underlying items	2021
			£000's	£000's	£000's	£000's
Revenue		6	**248,682**	**146,045**	-	**146,045**
Cost of sales		6	(218,768)	(119,019)	-	(119,019)
Gross profit			**29,914**	**27,026**	**-**	**27,026**
Administrative expenses		7	(28,109)	(23,816)	(806)	(24,622)
Other operating income		6	66	-	-	-
Operating profit/(loss)		**6**	**1,871**	**3,210**	**(806)**	**2,404**
Finance income		10	633	14	-	14
Finance costs		11	(351)	(584)	-	(584)
Gain arising on loss of control of subsidiary		18	7,767	-	-	-
Share of loss of associate		18	(712)	-	-	-
Profit/(loss) before tax		**6**	**9,208**	**2,640**	**(806)**	**1,834**
Taxation (charge)/credit		12	(637)	(340)	153	(187)
Profit/(loss) for the year from continuing operations			**8,571**	**2,300**	**(653)**	**1,647**
Profit/(loss) from discontinued operations, before tax			64	(6,752)	-	(6,752)
Taxation on discontinued operations		5	-	1,206	-	1,206
Profit/(loss) for the year			**8,635**	**(3,246)**	**(653)**	**(3,899)**
Attributable to: Good Energy Group PLC			**9,227**	**(2,736)**	**(653)**	**(3,389)**
Attributable to: Non-controlling Interests			(592)	(510)	-	(510)
Earnings/(Loss) per share	Basic	13	55.7p	(16.7p)	(4.0p)	(20.7p)
	Diluted	13	55.6p	(16.7p)	(4.0p)	(20.7p)
Earnings/(Loss) per share (continuing operations)	Basic	13	51.7p	17.1p	(4.0p)	13.2p
	Diluted	13	51.7p	17.0p	(4.0p)	13.0p

Consolidated Statement of Comprehensive Income (continued)

For the year ended 31 December 2022

	Note	2022	2021 Underlying	2021 Non-underlying items	2021
		£000's	£000's	£000's	£000's
Profit/(loss) for the year		8,635	(3,246)	(653)	(3,899)
Other comprehensive income		-	-	-	-
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)		-	-	-	-
Other comprehensive income for the year, net of tax (this relates to the revaluation of generation sites)		-	677	-	677
Total comprehensive income for the year attributable to owners of the parent company		**8,635**	**(2,569)**	**(653)**	**(3,222)**
Attributable to: Good Energy Group PLC		**9,227**	**(2,059)**	**(653)**	**(2,712)**
Attributable to: Non-controlling Interests		(592)	(510)	-	(510)

The notes on pages 107 to 170 form part of these financial statements.

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Consolidated Statement of Financial Position

As at 31 December 2022

Good Energy Group plc
Company registered no: 04000623

	Note	**2022**	2021
		£000's	£000's
Non-current assets			
Property, plant and equipment	14	**117**	209
Right of use assets	15	**324**	851
Intangible assets	16	**3,503**	3,891
Deferred tax asset	23	**162**	173
Equity investments in associate	18	**12,578**	-
Total non-current assets		**16,684**	5,124
Current assets			
Inventories	19	**9,212**	7,682
Trade and other receivables	20	**57,497**	35,928
Restricted deposit accounts	3	**8,462**	2,414
Cash at bank and in hand	21	**24,487**	6,699
Total current assets		**99,658**	52,723
Held for sale assets	5	**-**	64,798
TOTAL ASSETS		**116,342**	122,645
Equity and liabilities			
Capital and reserves			
Called up share capital	22	**844**	840
Share premium account	22	**12,915**	12,790
Employee Benefit Trust shares		**(7)**	(444)
Revaluation Surplus		**-**	11,693
Retained earnings		**25,234**	4.774
Total equity attributable to members of the Parent Company		**38,986**	29,653
Non-controlling interest		**-**	(325)
Total equity		**38,986**	29,328
Non-current liabilities			
Borrowings	24	**4,927**	5,066
Total non-current liabilities		**4,927**	5,066

Consolidated Statement of Financial Position (continued)

As at 31 December 2022

Good Energy Group plc
Company registered no: 04000623

Current liabilities			
Borrowings and other financial liabilities	24	**294**	2,118
Trade and other payables	27	**72,135**	40,911
Total current liabilities		**72,429**	43,029
Liabilities associated with assets held for sale	5	**-**	45,223
Total liabilities		**77,356**	93,318
TOTAL EQUITY AND LIABILITIES		**116,342**	122,646

The financial statements on pages 96 to 106 were approved by the Board of Directors on 5 May 2023 and signed on its behalf by:

Nigel Pocklington

Chief Executive
5 May 2023

The notes on pages 107 to 170 form part of these financial statements.

Parent Company Statement of Financial Position

As at 31 December 2022

Good Energy Group plc
Company registered no: 04000623

	Note	**2022**	2021
		£000's	£000's
Non-current assets			
Intangible assets		**-**	3
Deferred taxation		**111**	311
Shares in group undertakings	17	**10,260**	3,275
Loans to group undertakings	17	**-**	1,250
Total non-current assets		**10,371**	4,839
Current assets			
Trade and other receivables	20	**5,224**	236
Cash at bank and in hand	21	**4,021**	496
Held for sale assets		**-**	20,398
Total current assets		**9,245**	21,130
TOTAL ASSETS		**19,616**	25,969
Equity and Liabilities			
Capital and reserves			
Share capital	22	**844**	840
Share premium account	22	**12,915**	12,790
Employee Benefit Trust shares		**(7)**	(444)
Retained Earnings		**527**	4,276
Total Equity		**14,279**	17,462

Parent Company Statement of Financial Position (continued)

As at 31 December 2022

Good Energy Group plc
Company registered no: 04000623

Non-current liabilities			
Long term financial liabilities		**-**	-
Borrowings	24	**4,922**	4,749
Total non-current liabilities		**4,922**	4,749
Current liabilities			
Borrowings and other financial liabilities	24	**10**	3,264
Trade and other payables	27	**405**	495
Total current liabilities		**415**	3,759
Total liabilities		**5,337**	8,505
TOTAL EQUITY AND LIABILITIES		**19,616**	25,969

The Parent Company's loss for the financial year was £3,289,000 (2021: profit of £1,998,000). The financial statements on pages 96 to 106 were approved by the Board of Directors on 5 May 2023 and signed on its behalf by:

Nigel Pocklington

Chief Executive
5 May 2022

The notes on pages 107 to 170 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share capital	Share premium account	EBT shares	Retained earnings	Revaluation surplus	Total equity attributable to members of the Parent Company	Non-controlling interest	Total equity
		£000's	£000's	£000's	£000's	£000's	£'000	£000's	£000's
At 1 January 2021		833	12,790	(502)	6,854	12,472	32,447	185	32,632
Loss for the year		–	–	–	(3,389)	–	(3,389)	(510)	(3,899)
Other comprehensive income for the year		–	–	–	677	–	677	–	677
Total comprehensive income for the year		**-**	**-**	**-**	**(2,712)**	**-**	**(2,712)**	**(510)**	**(4,222)**
Exercise of options	30	7	–	58	(40)	–	25	–	25
Dividend paid	28	–	–	–	(108)	–	(108)	–	(108)
Transfer of revaluation to retained earnings		–	–	–	779	(779)	–	–	–
Total contributions by and distributions to owners of the parent, recognised directly in equity		**7**	**-**	**58**	**631**	**(779)**	**(83)**	**-**	**(83)**
At 31 December 2021		**840**	**12,790**	**(444)**	**4,773**	**11,693**	**29,652**	**(325)**	**29,327**

The notes on pages 107 to 170 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2022

	Note	Share capital	Share premium account	EBT shares	Retained earnings	Revaluation surplus	Total equity attributable to members of the Parent Company	Non-controlling interest	Total equity
		£000's	£000's	£000's	£000's	£000's	£'000	£000's	£000's
At 1 January 2022		840	12,790	(444)	4,773	11,693	29,652	(325)	29,327
Profit for the year		-	-	-	9,227	-	9,227	(592)	8,635
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Total comprehensive income for the year		**-**	**-**	**-**	**9,227**	**-**	**9,227**	**(592)**	**8,635**
Share based payments	30	-	-	-	198	-	198	-	198
Scrip dividends issued	28	3	125	-	(128)	-	-	-	-
Exercise of options	30	1	-	437	(232)	-	206	-	206
Dividend paid	28	-	-	-	(297)	-	(297)	-	(297)
Disposal of subsidiary		-	-	-	-	-	-	917	917
Transfer of revaluation to retained earnings		-	-	-	11,693	(11,693)	-	-	-
Total contributions by and distributions to owners of the parent, recognised directly in equity		**4**	**125**	**437**	**11,234**	**(11,693)**	**107**	**917**	**1,024**
At 31 December 2022		**844**	**12,915**	**(7)**	**25,234**	**-**	**38,986**	**-**	**38,986**

The notes on pages 107 to 170 form part of these financial statements.

Parent Company Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share capital	Share premium account	EBT shares	Retained earnings	Total equity
		£000's	£000's	£000's	£000's	£000's
At 1 January 2021		**833**	**12,790**	**(502)**	**2,424**	**15,545**
Profit for the year and total comprehensive income		–	–	–	1,998	1,998
Share based payments	30	–	–	–	–	–
Exercise of options	30	7	–	58	(39)	26
Dividend paid	28	–	–	–	(108)	(108)
Total contributions by and distributions to owners of the parent, recognised directly in equity		7	–	58	(147)	(82)
At 31 December 2021		**840**	**12,790**	**(444)**	**4,275**	**17,461**
At 1 January 2022		**840**	**12,790**	**(444)**	**4,275**	**17,461**
Loss for the year and total comprehensive income		–	–	–	(3,289)	(3,289)
Share based payments	30	–	–	–	198	198
Exercise of options	30	1	–	437	(232)	206
Scrip dividends issued	28	3	125	–	(128)	–
Dividend paid	28	–	–	–	(297)	(297)
Total contributions by and distributions to owners of the parent, recognised directly in equity		4	125	437	(459)	107
At 31 December 2022		**844**	**12,915**	**(7)**	**527**	**14,279**

The notes on pages 107 to 170 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022	2021
		£000's	£000's
Cash flows from operating activities			
Cash generated from operations	29	**5,180**	5,871
Finance income		**17**	620
Finance cost		**(70)**	(2,902)
Income tax received		**-**	-
Net cash flows generated from operating activities		**5,127**	3,589
Cash flows from investing activities			
Purchase of property, plant and equipment	14	**(9)**	(248)
Purchase of intangible fixed assets	16	**(125)**	(760)
Investment in associate		**(3,494)**	-
Proceeds from disposal of held for sale assets		**20,351**	-
Acquisition of subsidiary, net of cash held in the subsidiary		**(1,725)**	-
Net cash flows generated from/(used in) investing activities		**14,998**	(1,008)
Cash flows from financing activities			
Payments of dividends	28	**(297)**	(108)
Proceeds from borrowings		**-**	6,786
Repayment of borrowings		**(1,619)**	(18,076)
Capital repayments of leases		**(626)**	(616)
Proceeds from exercise of share options		**205**	26
Net cash flows used in financing activities		**(2,337)**	(11,988)
Net (decrease)/increase in cash and cash equivalents		**17,788**	(9,408)
Cash and cash equivalents at beginning of year		**6,699**	18,282
Cash and cash equivalents at end of year		**24,487**	6,699
Cash and cash equivalents for discontinued operations at end of year		**-**	2,175

Transfers (to)/from restricted deposit accounts were previously classified as investing activities and have been restated as operating activites in the current year.

The notes on pages 107 to 170 form part of these financial statements.

Parent Company Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022	2021
		£000's	£000's
Cash flows from operating activities			
Cash used in operations	29	**(8,776)**	(1,829)
Interest paid		**(49)**	(724)
Net cash flows used in operating activities		**(8,825)**	(2,553)
Cash flows from investing activities			
Investment in subsidiaries	17	**(1,750)**	(1,250)
Proceeds from disposal of held for sale assets		**20,351**	
Equity investment in associate	18	**(3,494)**	-
Cash dividend received		**-**	5,917
Net cash flows generated from/(used in) investing activities		**15,107**	4,667
Cash flows from financing activities			
Proceeds from intercompany loans		**-**	1,159
Proceeds from the exercise of share options		**1**	26
Proceeds from issue of shares		**205**	-
Payments of dividends	28	**(297)**	(108)
Repayments of borrowings		**(2,666)**	(11,905)
Repayments of intercompany loans		**-**	4,261
Net cash (used in)/generated from financing activities		**(2,757)**	(6,567)
Net decrease in cash and cash equivalents		**3,525**	(4,452)
Cash and cash equivalents at beginning of year		**496**	4,948
Cash and cash equivalents at end of year		**4,021**	496

The notes on pages 107 to 170 form part of these financial statements.

Notes to the Financial Statements

1. General Information

Good Energy Group PLC ("the Company") is listed on the Alternative Investment Market of the London Stock Exchange, is incorporated in England and Wales and domiciled in the United Kingdom. The Group's shares are publicly traded. The registered office is located at Good Energy, Monkton Park Offices, Monkton Park, Chippenham, Wiltshire, United Kingdom, SN15 1GH.

The ultimate parent of the Group is Good Energy Group PLC. There is no ultimate controlling party of the Group.

The principal activities of Good Energy Group PLC are those of a holding and management company to the Group.

The principal activities of its subsidiaries include the purchase and sale of electricity from renewable sources, as well as the sale of gas and services relating to micro-renewable generation, and the sale of EV market data services.

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

These financial statements are presented in pounds sterling, which is the functional currency and presentational currency of the Group, as this is the currency of the primary environment in which the Group operates. All values are rounded to the nearest thousand (£000), except where otherwise indicated.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 5 May 2023. The directors have the power to amend and reissue the financial statements.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation of financial statements

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

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

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

Although these estimates are based on management's reasonable knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in note 4, and in the following accounting policy notes: revenue recognition (2.4), property, plant and equipment (2.5), leases (2.6), inventories (2.10) and credit risk (3.1.3).

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Parent Company is not presented as part of these financial statements. The Parent Company profit or loss for the year (after taxation) is disclosed at the foot of the Parent Company Statement of Financial Position.

The accounting policies adopted, other than as documented above, are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those financial statements.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis as the Directors have assessed that there is a reasonable expectation that the Group will be able to continue in operation and meet its commitments as they fall due over the going concern period.

The Group has had a strong financial performance in 2022 despite significant pressure from commodity markets and has continued its strategic growth into Energy services.

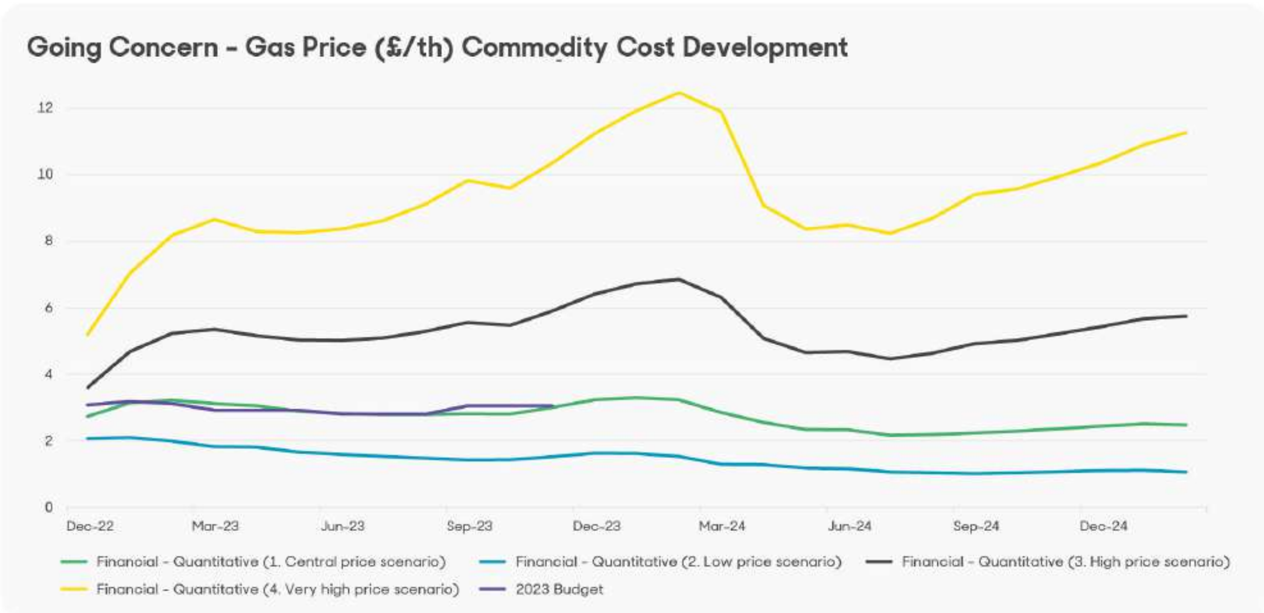
The unrestricted cash balance at the end of 2022 stood at £24.5m, giving the business a strong and stable base to deliver on businesses commitments and to deliver its strategic objectives.

Looking to the future, the Group has performed a going concern review, going out until the end of 2024, considering both a base case, and various externally provided scenarios. The scenarios were provided by OFGEM in late 2022 as part of their review into the financial stability of UK Energy suppliers. Having reviewed this forecast, the business can demonstrate that it can meet all tested scenarios with sufficient cash reserves in place to support further unexpected challenges.

The scenarios are price-based impacts reflecting the volatility in the wholesale and supply market seen over the past 18 months. All scenarios include existing hedge positions for Good Energy (Mar23). All scenarios assume domestic customer churn continues at minimal levels as seen in the supply industry over the past 2 years. This low level of churn is expected to remain until wholesale prices stabilise and suppliers develop confidence in the future stability of wholesale costs. The scenarios assume the Government support schemes EBSS ends in March 2023, and that EPG support (and the equivalent EBRS/EBDS scheme for business) continue but with support levels reduced from Apr-23 (EPG support assumed to start at £3,000 dual fuel domestic annual bill). The scenarios are:

1. Scenario 1 – Central Price
2. Scenario 2 – Low Price
3. Scenario 3 – High Price
4. Scenario 4 – Very High Price
5. Budget 2023

The wholesale prices covered by these scenarios are demonstrated in the below chart. Whilst the chart reflects gas wholesale costs, the chart for electricity wholesale costs looks very similar as gas powered power stations help set electricity wholesale prices.



Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.3 Going concern (continued)

From a tariff perspective all scenarios reflect the movement in default/deemed price capped tariffs directly linked to wholesale costs developments. These deemed and default price movements were provided by OFGEM to ensure these key assumptions mirrored the wholesale costs scenarios. As Good Energy has a derogation from the price cap, it is allowed to change the level of its SVT tariff to reflect the true cost of supplying renewable energy. This derogation allows Good Energy to change price sooner than changes to default/deemed tariff changes, allowing us to match more effectively between cash in and cash out of the business. However, for the purpose of going concern modelling, the business has prudently assumed its SVT tariff is priced at the level of the price cap.

In all scenarios cashflow remains sufficient to meet all commitment as they fall due without additional mitigations being implemented or a need for additional funding sources to be found. Further to this, in all scenarios the business could deliver additional mitigations which could include discretionary costs reductions, additional prices increase as well as working capital optimisation to further strengthen the cash position to cover unexpected shocks.

Other impacts not included in the modelling include low wind output levels in a year. The company hedges to seasonal normal levels of wind, solar and temperature. In 2021 there was a year of significantly lower wind than seasonally normal which had a materially negative financial impact on the business. However, the business has not modelled this as a going concern scenario for two reasons. The first is modelling to seasonal norms will work over a longer-term basis, and secondly, we have taken significant steps to mitigate the impacts of low wind within our portfolio and thus feel the scenario is already addressed.

All scenarios prudently reflect the repayment of £3.8m of bond debt in 2022/2023, however, formal redemptions mean less than £0.1m is officially due for repayment in 2023. Excluding bond debt, the business has no other material (£1m+) debt repayments due in the next 18 months.

Therefore, Directors are confident in the ongoing stability of the Group, and its ability to continue operation and meet its commitments as they fall due over the going concern period. Accordingly, the Directors adopt the going concern basis in preparing the financial statements.

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue recognition

The Group is in the business of providing supplies of electricity and gas, the generation of power, the sale of advertising space and EV market data, as well as Feed-in-Tariff (FiT) administration services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the FiT administration services below, because it typically controls the goods or services before transferring to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in notes 4.1.1 and 4.2.1.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract. The Group recognises contract liabilities when customers are in a credit position.

2.4.1 Power supply

Revenue for the supply of electricity is accrued based on industry data flows and National Grid data. Revenue calculated from energy sales includes an estimate of the quantity in units of electricity or gas supplied to customers by profile class in the 12 months preceding the end of the period, and an estimate of the average sales price per unit, and standing charge.

1% of the total revenue figure is estimated, with a fixed transaction price and estimated unit consumption. The estimate is made using historical consumption patterns, industry estimated consumption rates, and takes into consideration industry reconciliation processes, upon which the Group takes a prudent position until final reconciliation data is available from the industry 14 months after the supply date.

Unbilled revenue is superseded when customer meter reads are received; at which point estimates are adjusted to actual usage. Transaction price is explicitly stated per unit and per day. Unbilled revenue is estimated using the most likely outcome approach.

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

Revenue is recognised over time as the electricity or gas is delivered to the customer. The transaction price is clearly stated, there are no separate performance obligations to which a portion of the transaction price needs to be allocated, and there is no variable consideration. Discounts are given to 100% of customers who meet certain criteria, and a provision is built up monthly to account for these, offsetting against revenue over time as the discount is incurred, which is in line with IFRS 15 Revenue from Contracts with Customers.

For electricity and gas supply, payment is collected either as a direct debit or paid on receipt of bill in arrears. Overdue amounts are reviewed regularly for impairment and provision made as necessary. No refunds, returns or warranties are applicable.

Power supply revenue is split between the electricity and gas segments within the segmental analysis in note 6.

2.4.2 Feed-in-Tariff revenue

The FiT scheme (introduced in April 2010) is a government scheme designed to promote the uptake of renewable generation technologies. FiT payments are received quarterly for the electricity that the generating asset has generated and exported in the period, based on meter readings supplied. This is a single performance obligation (to generate renewable electricity) and the transaction price is explicitly set out per unit of electricity generated. The performance obligation is satisfied immediately when the power is generated. Payment is received from Ofgem approximately 45 days after the end of the period of generation. No refunds, returns or warranties are applicable.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue recognition (continued)

2.4.3 Feed-in-Tariff administration services

The Group provides FiT administration services to micro-generators who are signed up to the FiT scheme. For FiT services, revenue is earned from Ofgem for administering the scheme, which is deemed to be the transaction price. For FiT services, there is an initial fee paid by Ofgem for taking on a generator, and then an ongoing amount that is received annually for provision of FiT services.

The initial fee is spread over the period from when the customer signs up with Good Energy until the following April, when the FiT compliance year ends for a new customer, and the ongoing fee that is received is spread over the 12 month compliance period. No refunds, returns or warranties are applicable.

FiT administration services is included within the FiT administration segment within the segmental analysis in note 6.

2.4.4 Renewable Obligation Certificates (ROCs) revenue recognition

ROCs are awarded to the Group from Ofgem based on generation of power. These ROCs are sold on receipt of certificates from Ofgem allowing transfer of title. ROC revenue is deemed to be subsidy revenue rather than revenue from contracts with customers.

The amount of revenue recognised on sale is in accordance with a contractual agreement where the pricing is based on Ofgem's minimum ROC value (the buy-out) and a prudent estimate of the re-cycle element of the final value of a ROC once all energy suppliers have complied or paid the penalty for non-compliance with the renewables obligation (the recycle). A final adjustment to ROC revenue and profit is recognised once Ofgem have announced the final out-turn ROC price, but this is not accounted for in advance of the receipt of the final out-turn price as the transaction price is not measurable. The amount receivable is a contingent asset.

The performance obligation is satisfied when the power is generated as this ensures the certificates are generated by Ofgem. There is a three-month delay from generation to invoice, and payment is made 5 days after receipt of the invoice. No refunds, returns or warranties are applicable.

2.4.5 Advertising revenue

The Group has contracts to provide advertising space to companies on the nextgreencar.com website and Zap-Map app. Advertising contracts are entered into for adverts to run for a set period of time, and explicitly state the transaction price. Payment is made on receipt of bill in advance. The performance obligation for revenue recognition is satisfied over time based upon the amount of time that the advert has been running on the platforms. No refunds, returns or warranties are applicable.

Advertising revenue is included within the energy as a service segment within the segmental analysis in note 6.

2.4.6 Sale of EV market data

The Group sells licences for access to data feeds on the EV market and sells data insight reports. The transaction is explicitly stated in the contract. The performance obligation for the data feed licence is satisfied over time as the customer has a licence to access data when they require for a set contracted time period. Payment is made on receipt of bill in advance. The performance obligation for the sale of data insight reports is satisfied at the point in time the report is delivered to the customer. No refunds, returns or warranties are applicable.

Sale of EV market data revenue is included within the energy as a service segment within the segmental analysis in note 6.

2. Summary of Significant Accounting Policies (continued)

2.5 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use.

The Group recognises part of an asset when that cost is incurred, if the recognition criteria are satisfied. The carrying amount of the replaced part is derecognised. All other repaid and maintenance costs are charged to profit or loss in the period in which they are incurred.

Generation assets are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A valuation is completed at least every 3 years, with a formal external valuation taking place at least every 5 years.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, less any estimated residual value, on the following bases:

Fixtures, fittings and equipment	between 3 and 5 years
Leasehold improvements	over the life of the lease
Assets under construction	not depreciated

Depreciation of property, plant and equipment is included in the Consolidated Statement of Comprehensive Income in those expense categories consistent with the function of the asset.

An item of property, plant and equipment is derecognised upon disposal (i.e. at the date on which the recipient obtains control), or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (being the difference between the carrying amount of the asset and the net disposal proceeds) is included in profit or loss, upon derecognition.

2.5.1 Impairment of property, plant and equipment (including right-of-use assets)

The useful economic lives of assets and their residual values are reviewed on an annual basis and revised where considered appropriate.

At each reporting date, property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment in carrying value is charged to the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset, and is recognised in the period in which it occurs.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.6 Leases (the Group as a lessee)

For any new contracts entered into on or after 1 January 2019, the Group performs an assessment at the inception of a contract to determine whether the contract is, or contains, a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration".

The Group applies a single recognition and measurement approach for all leases, with the exception of those which are short-term, or which comprise low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

At the lease commencement date (i.e. the date on which the underlying asset is made available for use), the Group recognises a right-of-use asset on the Statement of Financial Position. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of the right-of-use asset comprises:

- the initial measurement of the lease liability,
- any initial direct costs incurred by the Group,
- an estimate of any costs required to dismantle or remove the asset at the end of the lease; and
- any lease payments made in advance of the lease commencement date, net of any incentives received.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the estimated useful life of the right-of-use assets and the end of the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group classifies its right-of-use assets in a manner consistent with that of its property, plant and equipment, which includes the application of the same estimated useful life bases - please see note 2.6 for details.

The Group also assesses the right-of-use assets for impairment, when such indicators exist. Please refer to note 2.6.1 for the accounting policy in respect of impairment.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability include:

- fixed payments (including in-substance fixed payments) less any incentives receivable,
- variable lease payments that depend on an index or rate; and
- amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Group, along with payments of penalties for termination of the lease if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event of condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the rate implicit in the lease is not readily determinable. Subsequent to initial measurement, the amount of lease liabilities is increased to reflect the accretion of interest and reduced to reflect lease payments made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine the lease payments) or a change in the assessment of an option to purchase the underlying asset.

In the Statement of Financial Position, the Group's lease liabilities are included within borrowings (please refer to note 24).

2. Summary of Significant Accounting Policies (continued)

2.6 Leases (the Group as a lessee) (continued)

(c) Short-term leases and leases of low value assets

The Group has elected to apply the recognition exemption in respect of short-term leases (i.e. those which have a lease term of 12 months from the lease commencement date, and do not contain a purchase option), as well as the recognition exemption applicable to leases of assets that are considered to be low value.

Instead of recognising a right-of-use asset and lease liability, lease payments in relation to these are recognised as an expense in the Statement of Comprehensive Income, on a straight-line basis over the lease term.

2.7 Goodwill, intangible assets and amortisation

Goodwill is measured as the difference between:

- the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, and
- the aggregate of:
  - (i) the value of consideration transferred (at fair value),
  - (ii) the amount of any non-controlling interest, and
  - (iii) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

2.7.1 Definite life intangible assets

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

2.7.2 Indefinite life intangible assets

Indefinite life intangible assets comprise goodwill and the power supply licence. The power supply licence is held as an indefinite life intangible asset according to the criteria of IAS 38 Intangible Assets, and is carried at cost less accumulated impairment losses. Cost comprises purchase price from third parties as well as directly attributable internally generated development costs, where relevant.

2.7.3 Amortisation

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

Software licenses	between 3 and 10 years
Website development costs	between 2 and 5 years
Assets under the course of development	not amortised

An intangible asset is derecognised upon disposal (i.e. at the date on which the recipient obtains control), or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (being the difference between the carrying amount of the asset and the net disposal proceeds) is included in profit or loss, upon derecognition.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.7 Goodwill, intangible assets and amortisation (continued)

2.7.4 Impairment of intangible assets

The Directors regularly review intangible assets for impairment and provision is made if necessary. Assets with indefinite useful lives are not subject to amortisation, therefore are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Any impairment in carrying value is charged to the Statement of Comprehensive Income within administrative expenses and is recognised in the period in which it occurs.

2.8 Investments in subsidiaries

The Parent Company holds investments in subsidiary companies, and these are accounted for at cost less impairment in the Parent Company financial statements only.

2.9 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is defined as "the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control of those policies".

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. Generally, there is a presumption that a holding of 20% or more of the voting power of the investee results in significant influence.

To support this presumption - and when the Group has less than a 20% holding - the Group considers all relevant facts and circumstances in assessing whether it has significant influence, including:

- Representation on the Board of Directors or equivalent governing body of the investee.
- Participation in policy making processes.
- The interchange of managerial personnel.

The Group reassesses whether or not there is significant influence over an investee if facts and circumstances indicate that there are one or more changes to the above.

The Group's investments in associates are accounted for using the equity method. Under this method, the investment in the associate is initially recognised at cost. Subsequent movements in the carrying value of the investment are accounted for by recognising the Group's share of the associate's profit or loss since the acquisition date, as well as any fair value movements in the associate's net assets.

Gains or losses from the associate's operating activities are recognised in the Consolidated Statement of Comprehensive Income, outside of operating profit. Any changes in OCI of the associate is presented as part of the Group's OCI.

Goodwill relating to the associate is included in the carrying value of the investment, and is not separately tested for impairment. Rather, the entire carrying amount of the investment is tested for impairment.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.9.1 Impairment of investments in associates

The Group recognises an impairment loss if, and only if, there is a triggering event giving rise to objective evidence that the associate is impaired, and that the triggering event has an impact on the future estimated cash flows from the net investment that can be reliably estimated. Where such evidence exists, the Group calculates the amount of the impairment as the difference between the recoverable amount of the investment (being the higher of its value in use and its fair value less costs to sell) and its carrying value.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.9 Investments in associates (continued)

Any impairment is recognised within the "Share of Profit of Associate" line in the Consolidated Statement of Comprehensive Income.

2.10 Inventories

2.10.1 Renewable Obligation Certificates (ROCs)

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

2.10.2 Carbon Offset Instruments

Carbon Offset Instruments are used by the Group to offset emissions generated by gas supply, as part of the Group's green gas offering. These instruments are recognised as inventory at the lower of cost and net realisable value.

2.11 Financial instruments

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

Financial instruments recognised on the Consolidated Statement of Financial Position include: cash and cash equivalents, trade receivables, trade payables, borrowings, and financial assets and financial liabilities at fair value through profit and loss.

Financial assets and liabilities are recognised on the Consolidated Statement of Financial Position when the Group has become a party to the contractual provisions of the instrument.

2.11.1 Financial assets at amortised cost

The Group's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and are solely payments of principal and interest. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less allowances for expected credit losses (ECLs). These are held in a business model which intends to hold the financial assets to collect the contractual cash flows rather than through sale. Trade receivables are shown inclusive of unbilled amounts to customers.

The Group recognises an allowance for ECLs for all financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Consolidated Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.11 Financial instruments (continued)

Restricted deposits are held by financing providers to cover debt service and maintenance expenses on generation sites to which the funding relates. Short-term security deposits are held by trading exchanges to cover short-term electricity trades.

2.11.2 Financial assets and financial liabilities at fair value through profit or loss (FVTPL) and equity instruments

Both financial assets and financial liabilities at FVTPL are initially recognised at fair value in the Statement of Financial Position. Any fair value gains and losses on subsequent remeasurement are recognised directly in profit or loss.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

2.11.3 Trade and other payables

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

2.11.4 Borrowings

The Group expenses borrowing costs over the term of the loan facility. Where borrowing costs are attributable to the acquisition, construction or production of a qualifying asset, such costs are capitalised as part of the specific asset. Details of the Group's borrowings are included in note 24.

2.12 Disposal groups held for sale

Disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and the sale is highly probable. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. They are not depreciated or amortised.

2.13 Non-underlying costs

Non-underlying items are those that in the Directors' view should be separately disclosed by virtue of their size, nature or incidence to enable a full understanding of the Group's financial performance.

2.14 Current and deferred taxation

The tax charge or credit included in the Consolidated Statement of Comprehensive Income for the period comprises current and deferred tax. Current and deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also recognised within equity.

Current tax is the expected tax payable or receivable based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income as it excludes items of income or expense that are taxable or deductible in other years, and it further excludes permanent differences (i.e. items that are never taxable or deductible).

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the expected tax payable or recoverable on temporary differences which arise between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit, and is provided for using the liability method. extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.14 Current and deferred taxation (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority. The Group intends to settle its current tax assets and current tax liabilities on a net basis.

2.15 Share-based payments

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

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

- including any market performance conditions (e.g. an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save).

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

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

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

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.16 Share capital

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

2.17 Pensions

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

2.18 Segmental reporting

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

2.19 Finance income and finance costs

Finance income is received in respect of cash deposits and is recognised in the Statement of Comprehensive Income using the effective interest method. Finance costs comprise interest on external debt, finance lease interest costs and the amortisation of loan issue costs. Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.20 Dividend distribution

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

2.21 Changes in accounting policies and disclosures

New and amended standards and interpretations

The following new and amended standards and interpretations that are effective from 1 January 2022 have been applied with no impact on the financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Onerous contracts – Costs of fulfilling a contract: Amendments to IAS 37
- Reference to the Conceptual Framework: Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16 Leases
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

Notes to the Financial Statements

3. Financial and Capital Risk Management

3.1 Financial risk factors

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

3.1.1 Liquidity risk

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

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

A maturity analysis of financial instruments based on contractual undiscounted cash flows is provided below:

Consolidated 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	**10**	**4,921**	**-**	**-**
Borrowings	**-**	**-**	**-**	**-**
Lease liabilities	**284**	**6**	**-**	**-**
Trade and other payables	**72,119**	**-**	**-**	**-**
Total	**72,413**	**4,927**	**-**	**-**

Consolidated 31 December 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	557	4,748	-	-
Borrowings	1,007	-	-	-
Lease liabilities	555	317	-	-
Trade and other payables	41,253	-	-	-
Total	43,372	5,065	-	-

Notes to the Financial Statements

3. Financial and Capital Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.1 Liquidity risk (continued)

Parent 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	**10**	**4,922**	**-**	**-**
Lease liabilities	**-**	**-**	**-**	**-**
Loans from group companies	**-**	**-**	**-**	**-**
Trade and other payables	**397**	**-**	**-**	**-**
Total	**407**	**4,922**	**-**	**-**

Parent 31 December 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000's	£000's	£000's	£000's
Corporate bond	557	4,748	-	-
Lease liabilities	7	-	-	-
Loans from group companies	2,700	-	-	-
Trade and other payables	495	-	-	-
Total	3,759	4,748	-	-

IFRS 16 requires that the maturity analysis of lease liabilities are disclosed separately from the maturity analyses of other financial liabilities.

Notes to the Financial Statements

3. Financial and Capital Risk Management (continued)

3.1 Financial risk factors (continued)

3.1.2 Market Risk

3.1.2a Cash flow and fair value interest rate risk

The financial risk is the risk to the Group's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. For short-term bank overdraft facilities, the Group does not use derivative instruments to reduce its exposure to interest rate fluctuations as the policy of the Group is not to rely on short-term borrowing facilities for any significant duration. The Directors use interest rate swaps if they consider their exposure to interest rate risk to be material. For long term borrowings, the Group may use interest rate swaps to fix the interest rate payable on these material balances in order to mitigate the risk of any fluctuations in interest rates. There were no such swaps at the year end and the interest rate risk at 31 December 2022 is considered to be nil. None of the group's cash balances or restricted deposit accounts are exposed to interest rate risk. The interest rate on the bond is 4.75% and the only other exposure to this risk is on a small amount of interest income which is considered immaterial to warrant the preparation of a sensitivity analysis.

3.1.2b Commodity price risk

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

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

Vertical integration of the Group during 2021 and 2022 helped further mitigate exposure to changes in power prices. Fluctuations in commodity prices flow directly into the price cap set by Ofgem, therefore commodity risk will be offset by revenue fluctuations as the price cap adjusts for commodity cost movements. A sensitivity analysis on commodity price risk is therefore not considered necessary.

3.1.3 Credit risk

The Group's exposure to credit risk arises from its receivables from customers. At 31 December 2022 and 31 December 2021, the Group's trade and other receivables were classed as due within one year, details of which are included in note 20. The Group's policy is to undertake credit checks where appropriate on new customers and to provide for expected credit losses (ECLs) based on estimated irrecoverable amounts determined by reference to specific circumstances and past debt collection experience. Credit risk is also in part mitigated by the policy to offer direct debit as a preferred method of payment for customers. At the end of the reporting period the Directors have provided for specific expected credit losses and believe that there is no further credit risk.

The Group's management would consider a default to occur should a customer debt remain unpaid after 12 months. This is appropriate due to the seasonal nature of the business and the use of direct debit as a common method of payment. Write offs are performed on an individual customer basis upon cessation of trade in the case of business customers, or if extensive debt collection efforts are unsuccessful.

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

The ECL model has been calculated in line with requirements under IFRS 9. The Group's trade receivables have no significant financing component, so the Group has used the simplified method for providing for these under IFRS 9. Therefore, the impairment loss is measured at lifetime ECL. Trade debtors have been segmented into categories of customer type and debt age, meaning the debt is split into categories with similar expected credit losses.

Notes to the Financial Statements

3. Financial and Capital Risk Management (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2 Capital risk management

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

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

	Note	**2022**	2021
		£000's	£000's
Total borrowings	24	**5,221**	7,185
Less: cash in restricted deposit accounts (current)		**(8,462)**	(2,414)
Less: cash and cash equivalents	21	**(24,487)**	(6,699)
Net debt		**(27,728)**	(1,928)
Total equity		**38,987**	27,681
Total capital		**11,259**	25,753
Gearing ratio		**(246.3%)**	(7.5%)

The Group's borrowings are subject to maintaining covenants as defined by the debt funders. Throughout the year ended 31 December 2022 the Group complied with all external borrowing covenants and management monitors the continued compliance with these covenants on a monthly or quarterly basis.

3. Financial and Capital Risk Management (continued)

3.3 Fair value estimation

The Group measures certain financial instruments at fair value, at each reporting date. Fair value is defined as "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date". The fair value measurement assumes that the transaction to sell the asset or to transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market available for the asset or liability, which must be accessible by the Group.

All financial assets and financial liabilities subject to measurement at fair value and disclosed within these financial statements are categorised within the fair value hierarchy, the levels of which are defined as follows:

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

If one or more of the significant inputs is not based on observable market data, the instrument is included within Level 3.

As part of our overall financial review, we continue to monitor the fair value of all of our investments through both an understanding of the wider environment in addition to the underlying economics of all assets across the business.

The table below presents the Group's financial assets that are measured at fair value at 31 December 2021.

2021	Level 1	Level 2	Level 3	Total
	£000's	£000's	£000's	£000's
Assets				
Generation sites	–	19,575	–	19,575
Total financial assets	–	19,575	–	19,575

During the prior year, a revaluation of the generation assets was performed using the discounted cash flow methodology on the held for sale date of 24 November 2021, followed by a valuation of fair value less costs to sell at the year end. The offer to purchase the generation assets and the costs to sell the assets are considered to be directly observable inputs and are therefore categorised as Level 2 in the fair value hierarchy.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates

In the process of applying the Group's accounting policies, management has to make judgements and estimates that have a significant effect on the amounts recognised in the financial statements. These judgements and estimates are evaluated continually and are based on historical experience and other factors, including expectations of future events.

Given the nature of the estimates and judgements made, it is not appropriate to provide sensitivity analyses, unless explicitly stated otherwise. Actual results may differ from the initial judgement or estimate, and any subsequent changes are accounted for at a time when updated information becomes available.

The most critical of these accounting judgements and estimates are detailed below.

4.1 Judgements

4.1.1 Judgements over revenue from contracts with customers

The Group applied the following judgements that affect the determination of the amount and timing of revenue from contracts with customers:

(a) Identifying performance obligations in contracts

Good Energy's revenues from contracts with customers include unit charges and standing charges for the supply of electricity and gas, operational generation site revenue, and FiT administration fees. Most of these performance obligations are easily identifiable and are separable.

For FiT administration revenue from customers who are new to the FiT scheme, Good Energy is required to both register and administer that customer for a year, and there is a higher administration payment from Ofgem as a result. Registering a customer to the FiT scheme and administering their account are not separable performance obligations, as there is no fee for registering and not administering the customer.

(b) Principal versus agent considerations

Contracts are entered into with customers to supply electricity and gas, which is a service delivered over time (as the customer consumes the electricity or gas), in which the Group is the principal.

FiT administration contracts are entered into with the customer, to supply administration services on behalf of Ofgem. The Group acts as an agent for Ofgem, not a principal, because the Group is not entitled to revenue from the customers' FiT sites, only the administration fee.

Payment normally takes place after performance by the Group; NHH customers with 15-day payment terms and HH customers with 30-day payment terms. Some customers pay by monthly direct debit and the Group aims to recover billed amounts every 3 months.

4.1.2 Leases: determining if a contract contains a lease

Under IFRS 16, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for consideration.

The Group assesses whether it has the right to obtain substantially all of the economic benefits from use of the identified asset, as well as the right to direct the use of that asset.

The Group also determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The majority of the Group's lease arrangements concern the sites on which its generation assets are located. These arrangements require additional consideration in respect of various lease costs associated with the sites, being primarily base rent, substation rent and easements/access rights.

Access rights in particular refer to land easements or rights to use, access or cross the land of another entity or individual, for a specified purpose. The lease arrangements give the Group the right to use the land but do not give the Group exclusivity of use or right to control.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.1 Judgements (continued)

4.1.2 Leases: determining if a contract contains a lease (continued)

In assessing whether these land easements and access rights form part of the relevant leases, management have determined the following:

- The land easements and access rights are distinct identified assets, which enable to Group to access the land and wind/solar farms, for the specific purposes of power generation, and maintenance of the generation equipment. These land easements and access rights are active for the duration of the lease term, meaning that they are deemed specific, not perpetual, in nature.
- The Group receives substantially all of the economic benefits from the use of those easements and access right, for the specific purposes of power generation and maintenance of the generation equipment.
- The leases state that the landlord must not breach the Group's right as a tenant to access the land. The Group instructs maintenance, repair and replacement work to be completed on the generation assets by third parties, which requires the Group to have the right to direct the use of the identified assets - being the land easements and access rights.

On the basis of the above, management have concluded that these land easements and access rights therefore be treated as part of the underlying lease.

4.2 Estimates

4.2.1 Estimates over revenue from contracts with customers

Revenue calculated from energy sales includes an industry estimate of the quantity in units of electricity or gas supplied to the Group's customers during the 12 months preceding the end of the reporting period. It also includes an estimate in the form of the average sales price per unit, and standing charge.

1% of the total revenue figure is estimated, with a fixed transaction price and estimated unit consumption.

The estimate is made using historical consumption patterns, industry estimated consumption rates, seasonality data available, and takes into consideration industry reconciliation processes, upon which the Group takes a prudent position until final reconciliation data is available from the industry 14 months after the supply date.

The Group identified the amount of accrued income subject to estimation uncertainty is approximately £1.8m out of a total carrying amount of £42m held on the balance sheet at the year end included within note 20.

4.2.2 Provision for expected credit losses of trade and intercompany receivables, and contract assets

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (e.g. by customer type).

The provision matrix is initially based on the Group's historic observed default rates, calibrated to adjust the historic credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The group has considered external benchmarks for future macro-economic indicators and concluded that the inclusion of a macroeconomic overlay was not appropriate in the ECL calculation as at 31 December 2022 due to falling wholesale prices and the resulting decrease in Ofgem's energy price cap. In addition, wider macroeconomic pressures such as inflation are likely to fall rapidly during 2023.

The assessments undertaken in recognising provisions have been made in accordance with IFRS 9. A provision for impairment of trade receivables is established based on an expected credit loss model. Information about the ECLs on the Group's trade receivables is disclosed in note 20.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates (continued)

4.2.2 Provision for expected credit losses of trade and intercompany receivables, and contract assets (continued)

The Parent Company also holds material receivable balances with its subsidiaries, for which the expected credit loss model is also used in establishing a provision for impairment, in accordance with IFRS 9. Information about the Parent Company loans to Group undertakings can be found per note 17.

4.2.3 Power purchase costs

Power purchase costs can typically take 14 months from the date of supply to be finalised due to the processes that the energy market has to complete in order to finalise generation and consumption data for any one particular month. Therefore, there is an element of power purchase costs that needs to be estimated based on a combination of in-house and industry data that is available at any particular point in time. The estimation uncertainty relates to a carrying amount of £6.9m held on the balance sheet at the year end included within note 27.

4.2.4 Inventories

The Group carries Renewable Obligation Certificates (ROCs) as inventory in its Consolidated Statement of Financial Position. These are valued at the lower of cost or estimated realisable value. Gains or losses made on ROCs which are subsequently sold, are only recognised in the Statement of Comprehensive Income when they crystallise.

The final out-turn value of a ROC is only published by Ofgem in October following the compliance year (April to March) which may require a final adjustment to gains or losses on the sale or purchase of ROCs previously recognised in the Consolidated Statement of Comprehensive Income. The estimation uncertainty relates to a carrying amount of £9.2m held on the balance sheet at the year end included within note 19.

4.2.5 Impairment of indefinite life assets

The carrying values of indefinite life assets included in intangible assets as disclosed in Note 16 are: goodwill of £2,866,000 (2021: £1,984,000), and a power supply licence of £180,000 (2021: £180,000) which relates to the subsidiary, Good Energy Ltd. In arriving at the conclusion that these assets have an indefinite life, management have observed that the power supply license is awarded until any breach of conditions stipulated by Ofgem. The treatment of goodwill is aligned with relevant accounting standards. An impairment review is undertaken annually or more frequently.

The result of this review was that no impairment is required in respect of the carrying values of the indefinite life assets.

The indefinite life assets are held within a cash generating units (CGU) of £1,061k within Good Energy Ltd. An impairment review has been carried out.

The key assumptions for value in use excluding goodwill in Good Energy Ltd are as follows:

- Growth rate beyond five-year plan: 1.0%
- Pre-tax discount rate: 4.75%

The projected cash flows have been adjusted to allow for normalised business (i.e. no new business activity costs or revenue are included), and are considering a prudent case. It was concluded that the future cash flows do exceed the value of indefinite life assets, and therefore no impairment is required

Sensitivity analysis has been conducted on the cost of capital for Good Energy Ltd and the Directors noted that an increase of the post-tax discount rate to 100% would still leave significant headroom before impairment was required. Also the terminal growth rate could decrease to -5% with headroom remaining. Directors believe there to be significant headroom and therefore no impairment is required.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates (continued)

4.2.6 Investment in associate

During the current year, the group recognised an investment in associate in respect of Zap-Map, measured under the equity method. An independent external valuation was carried out to determine a fair value for the purposes of calculating the initial value of the investment in the associate.

On 8th August 2022, the group holding in Zap-Map was restructured. Zap-Map undertook a Series A funding round in which the Group participated. Following a competitive process, the Series A funding round was successfully completed with the Group and Fleetcor UK Acquisition Limited ("Fleetcor") investing in the round. Following the transaction, Good Energy has a significant minority 49.9% shareholding and Fleetcor will have a shareholding of 19.9%. Fleetcor purchased its 19.9% stage for an investment of £5.3m.

The valuation of the revised holding in Zap-Map has been conducted using the Merton model valuing the company's holding at £13.2m as of December 31st, 2022. The valuation of Zap-Map can be considered subjective due to various factors. Firstly, the fact that Zap-Map's shares are unlisted shares; secondly, the mix of Ordinary and Preference share holdings; thirdly, the volatility assumption made within the valuation modelling; and finally, the application of value to a significant minority shareholding. The valuation was based on current prices in an active market for similar companies within the industry and is therefore categorised as Level 2 in the fair value hierarchy.

Notes to the Financial Statements

5. Discontinued Operations

On 24 November 2021, the Group publicly announced the decision of its Board of Directors to sell the Good Energy Holding Company No. 1 Limited group including its wholly owned subsidiaries ("GEGAN group"). The sale of GEGAN group was completed on 19 January 2022. At 31 December 2021 GEGAN group was classified as a disposal group held for sale and as a discontinued operation. The business of GEGAN group represented the entirety of the Group's Electricity Generation operation segment until 24 November 2021. With GEGAN group being classified as discontinued operations, the Electricity Generation segment is no longer presented in the segment note.

The results of GEGAN group for the year are presented below:

	2022	2021
	£000's	£000's
Revenue		
Revenue from contracts with customers	**494**	405
FiT/ROC subsidy revenue	**-**	2,109
Inter-segment revenue	**-**	5,974
Inter-segment adjustment	**-**	(5,974)
Total revenue	**494**	2,513
Cost of sales	**(300)**	(5,250)
Gross Profit/(Loss)	**194**	(2,736)
Administrative Expenses	**(33)**	(383)
Operating Profit/(Loss)	**161**	(3,119)
Net finance income/(costs)	**(97)**	(2,309)
Impairment loss/(profit) on the remeasurement to fair	-	(1,324)
Profit/(Loss) before tax from discontinued operations	**64**	(6,752)
Taxation benefit: Related to pre-tax loss from the ordinary activities for the year	**-**	1,206
Profit/(Loss) for the year from discontinued operations	**64**	(5,546)

Notes to the Financial Statements

5. Discontinued Operations (continued)

In accordance with IFRS 5, inter-segment revenue between the discontinued group and the continuing business totalling £6.0m was excluded from revenue in the prior year. Without this adjustment, the loss before tax for the discontinued group would have been £1.0m in 2021.

The major classes of assets and liabilities of the GEGAN group classified as held for sale at 31 December 2021 were as follows:

	2021
	£000's
Non-current assets	
Property, plant and equipment	57,506
Right-of-use assets	4,280
Intangible assets	385
Restricted deposit accounts	866
Total non-current assets	63,037
Current assets	
Trade and other receivables	910
Cash and cash equivalents	2,175
Total current assets	3,085
Cost to sell	(1,325)
Held for sale assets	64,797
Non-current liabilities	
Deferred taxation - NC	4,759
Borrowings - LT	33,665
LT Financial Liabilities	3,263
Provisions for liabilities	1,339
Total non-current liabilities	43,026
Current liabilities	
Borrowings - ST	1,485
Trade and other payables	409
ST Financial Liabilities	302
Total current liabilities	2,196
Liabilities directly associated with assets held for sale	45,222
Net assets directly associated with disposal group	19,575

Notes to the Financial Statements

5. Discontinued Operations (continued)

The net cash flows of the discontinued operations in the year are as follows:

	2022	2021
	£000's	£000's
Operating	(64)	3,193
Investing	20,351	3,665
Financing	-	(7,764)
Net cash outflows	20,287	(906)

Earnings/(Loss) per share: discontinued operations	2022	2021
	£000's	£000's
Basic	0.4p	(33.8)
Diluted	0.4p	(33.8)

Write down of property plant and equipment

The recoverable amount was taken as the final agreed sale price subsequent to the sale completion of GEGAN group on 19 January 2022, less costs to sell. A remeasurement of discontinued operations of £1.3m was performed in the prior year at the held for sale date.

Notes to the Financial Statements

6. Segmental Analysis

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

The main segments are:-

- Electricity Supply
- FiT Administration
- Gas Supply
- Energy as a Service (including Zap-map, nextgreencar.com and Igloo Works Limited),
- Holding companies, being the activity of Good Energy Group PLC.

No operating segments have been aggregated to form the above reportable operating segments.

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

Transfer prices in the prior year between operating segments are in a manner similar to transactions with third parties.

Notes to the Financial Statements

6. Segmental Analysis (continued)

Year ended 31 December 2022	Electricity Supply	FIT Admin-istration	Gas Supply	Total supply companies	Energy as a Service	Holding companies/ consolidation adjustments	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Revenue							
Revenue from contracts with customers	205,942	5,588	36,500	**248,030**	652	-	**248,682**
Total revenue	205,942	5,588	36,500	**248,030**	652	-	**248,682**
Expenditure							
Cost of sales	(190,391)	(688)	(27,516)	**(218,595)**	(196)	23	**(218,768)**
Gross profit/(loss)	15,551	4,900	8,984	**29,435**	456	23	**29,914**
Administrative expenses				**(20,685)**	(2,041)	(3,577)	**(26,303)**
Net other operating income/ (costs)				**(156)**	170	52	**66**
Depreciation & amortisation				**(1,806)**	-	-	**(1,806)**
Operating profit/ (loss)				**6,788**	(1,415)	(3,502)	**1,871**
Net finance income/(costs)				**(96)**	(3)	381	**282**
Gain arising on loss of control of subsidiary					7,767		**7,767**
Share of Loss of Associate					(712)		**(712)**
Profit/(loss) before tax				**6,692**	5,637	(3,121)	**9,208**
Segments assets & liabilities							
Segment assets				**68,248**	56	48,038	**116,342**
Segment liabilities				**(60,156)**	(279)	(16,921)	**(77,356)**
Net assets/ (liabilities)				**8,092**	(223)	31,117	**38,986**
Additions to non-current assets						133	**133**

Notes to the Financial Statements

6. Segmental Analysis (continued)

Year ended 31 December 2021	Electricity Supply	FIT Admin-istration	Gas Supply	Total supply companies	Energy as a Service	Holding companies/ consolidation adjustments	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Revenue							
Revenue from contracts with customers	116,521	5,323	23,491	145,335	643	1	145,979
FiT/ROC subsidy revenue	66	-	-	66	-	-	66
Total revenue	116,587	5,323	23,491	145,401	643	1	146,045
Expenditure							
Cost of sales	(103,339)	(647)	(14,851)	(118,837)	(154)	(28)	(119,019)
Inter-segment cost of sales*	(5,974)	-	-	(5,974)	-	-	(5,974)
Inter-segment cost of sales adjustment	5,974	-	-	5,974	-	-	5,974
Gross profit/(loss)	13,248	4,676	8,640	26,564	489	(27)	27,026
Administrative expenses				(17,849)	(1,448)	(3,612)	(22,909)
Depreciation & amortisation				(1,578)	(134)	(1)	(1,713)
Operating profit/ (loss)				7,137	(1,093)	(3,640)	2,404
Net finance income/(costs)				(67)	(2)	(501)	(570)
Profit/(loss) before tax				7,070	(1,095)	(4,141)	1,834
Segments assets & liabilities							
Segment assets				63,415	633	(6,201)	57,847
Segment liabilities				(47,826)	(1,549)	1,281	(48,094)
Net assets/ (liabilities)				15,589	(916)	(4,920)	9,753
Additions to non-current assets				1,746	3	-	1,749

All turnover arose within the United Kingdom.

Notes to the Financial Statements

7. Operating Profit and Administrative Expenses

	Note	2022	2021
		£000's	£000's
The operating profit is stated after charging:			
Depreciation of property, plant and equipment	14	**98**	66
Depreciation of right of use assets	15	**526**	516
Amortisation of intangible assets	16	**653**	1,133
Auditors' remuneration			
Audit of parent and consolidated financial statements		**113**	109
Audit of subsidiaries		**112**	108
Additional fees in relation to prior year audit		–	8
Subtotal (audit)		**225**	225
Other services		–	–
Subtotal (non-audit)		–	–
The administrative expenses comprise the following:			
Staff and associated costs		**14,565**	12,090
Office costs		**3,900**	2,772
Marketing costs		**461**	1,739
Professional fees and bank charges		**3,747**	3,143
Expected credit loss provision		**3,636**	3,134
Depreciation and amortisation		**1,277**	1,713
WIP writedown		–	38
Impairment loss		298	–
Gain/(loss) on disposals		–	(7)
Total		**28,109**	24,622
Split between:			
Continuing administrative expenses		**28,109**	23,816
Non-underlying costs		**-**	806
Total		**28,109**	24,622

Non-underlying costs in the prior year relate to third party legal and professional advice in response to a takeover bid by Ecotricity for the entire issued share capital of Good Energy Group PLC not already owned by Ecotricity. The costs incurred are not part of the ongoing and underlying success of the business and were reported separately.

Notes to the Financial Statements

8. Staff Costs

Staff costs, including Directors' remuneration, were as follows:

	2022	2021
	£000's	£000's
Wages and salaries	11,436	9,928
Social security costs	1,290	1,173
Share based payments	198	–
Other pension costs	619	515
Total staff costs	13,543	11,616
Total expensed staff costs	13,543	11,616

Details of share based payments can be found in note 30.

No staff members were employed by the parent company during the year. The average monthly number of employees, including the Directors, during the year was as follows:

	2022	2021
	Number	Number
Operations	113	92
Business services	179	185
Total management and administration	292	277

Notes to the Financial Statements

9. Directors' and Key Management Remuneration

Directors' and Key Management emoluments	2022	2021
	£000's	£000's
Short term employee benefits	**1,049**	1,118
Post employment benefits	**85**	64
Share based payments	**190**	287
Total	**1,324**	1,469

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

During the year retirement benefits were accruing to 3 Directors of the Group (2021: 3) in respect of money purchase pension schemes.

In respect of the highest paid Director, the Group paid remuneration of £320,384 (2021: £565,000), including contributions to money purchase pension schemes of £26,000 (2021: £27,580).

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

During the year, 170,956 share options were exercised by current or former Directors and Key Management (2021: 90,000). The aggregate amount of gains made by current Directors or Key Management on the exercise of share options was £90,509 (2021: £474,312).

Details of the Directors' remuneration as required by AIM rule 19 are given in the table in the Directors' remuneration report on page 74 and are included in this note by cross reference.

10. Finance Income

	2022	2021
	£000's	£000's
Bank and other interest receivables	**17**	14
Preference share dividends	**187**	–
Discount on purchase of preference shares	**429**	–
Total finance income	**633**	14

11. Finance Costs

	2022 £000's	2021 £000's
On bank loans and overdrafts	-	3
On corporate bond	**237**	485
Other interest payable	**70**	27
Interest on lease liabilities	**44**	69
Total finance costs	**351**	584

12. Taxation

	2022 £000's	2021 £000's
Analysis of tax charge for the year		
Current tax		
Current tax	-	-
Adjustments in respect of prior years	(516)	(35)
Adjustments in respect of assets held for sale	-	10
Total current tax (see below)	(516)	(25)
Deferred tax		
Origination and reversal of temporary differences	**(117)**	(979)
Adjustments in respect of prior years	**1,270**	(15)
Total deferred tax (see note 24)	**1,153**	(994)
Tax on profit on ordinary activities	**637**	(1,019)

Adjustments in respect of prior year deferred tax amounts are from differences in profit before tax and qualifying fixed assets arising on finalisation of tax computations.

	2022 £000's	2021 £000's
Income tax expense reported in the statement of profit and loss - continuing operations	**637**	187
Tax from Discontinued operations	-	(1,206)
Total tax charge for the year	**637**	(1,019)

Notes to the Financial Statements

12. Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained as follows:

	2022	2021
	£000's	£000's
Accounting profit before tax from continuing operations	9,208	1,834
Profit/(loss) before tax from discontinued operations	64	(6,752)
Accounting profit/(loss) before income tax	9,272	(4,918)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,762	(934)
Tax effects of:		
Expenses not deductible for tax purposes	208	66
Non-taxable income	(1,557)	-
Effects of changes in tax rate	(28)	(61)
Share-based payment adjustment	58	(79)
Prior year adjustments	754	(50)
Deferred tax on consolidation	(570)	-
Deferred tax on losses not recognised	10	39
Total tax charge/(credit) for the year	637	(1,019)

Factors that may affect future tax charges

The UK Budget 2022 announcements on 15 March 2023 confirmed that the UK's main corporation tax rate will increase to 25% from 1 April 2023. These changes were substantively enacted at the balance sheet date and have been reflected in the measurement of deferred tax balances at the year end.

Corporation tax payable

	Parent Company		Consolidated	
	2022	2021	2022	2021
	£000's	£000's	£000's	£000's
UK Corporation Tax on profits for the year	-	-	-	-

Notes to the Financial Statements

13. Earnings/(Loss) per Share

Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares during the year after excluding 79,924 (2021: 250,880) shares held by Clarke Willmott Trust Corporation Limited in trust for the Good Energy Group Employee Benefit Trust.

	Consolidated	
	2022	2021
Profit/(loss) attributable to owners of the Company (£000's)	**9,227**	(3,389)
Basic weighted average number of ordinary shares (000's)	**16,575**	16,399
Basic earnings/(loss) per share	**55.7p**	(20.7p)

Continuing operations	Consolidated	
	2022	2021
Profit attributable to owners of the Company (£000's)	**8,571**	2,157
Basic weighted average number of ordinary shares (000's)	**16,575**	16,399
Basic earnings per share	**51.7p**	13.2p

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares arise from awards made under the Group's share-based incentive plans. Where the vesting of these awards is contingent on satisfying a service or performance condition, the number of potentially dilutive ordinary shares is calculated based on the status of the condition at the end of the period. Potentially dilutive ordinary shares are actually dilutive only when the average market price of the Company's ordinary shares during the period exceeds their exercise price (options) or issue price (other awards).

The greater any such excess, the greater the dilutive effect. The average market price of the Company's ordinary shares during the year was 242p (2021: 269p). The dilutive effect of share-based incentives was 10,497 (2021: 145,752). The dilutive effect of share-based incentives for continuing operations was 10,497 shares (2021: 145,752 shares).

	Consolidated	
	2022	2021
Profit/(loss) attributable to owners of the Company (£000's)	**9,227**	(3,389)
Weighted average number of diluted ordinary shares (000's)	**16,585**	16,544
Diluted earnings/(loss) per share	**55.6p**	(20.7p)

13. Earnings/(Loss) per Share (continued)

Continuing operations	Consolidated	
	2022	2021
Profit attributable to owners of the Company (£000's)	**8,571**	2,157
Weighted average number of diluted ordinary shares (000's)	**16,585**	16,544
Diluted earnings per share	**51.7p**	13.0p

Discontinued operations	Consolidated	
	2022	2021
Profit/(loss) attributable to owners of the Company (£000's)	**64**	(5,546)
Weighted average number of diluted ordinary shares (000's)	**16,585**	16,544
Diluted loss per share	**0.4p**	(33.8p)

Notes to the Financial Statements

14. Property, Plant and Equipment

Consolidated Year ended 31 December 2022	Leasehold improvements	Furniture, fittings & equipment	Total
	£000's	£000's	£000's
Cost or valuation			
At 1 January 2022	447	1,192	1,639
Additions	–	9	9
On acquisition of subsidiary	–	22	22
Eliminated on disposal of subsidiary	–	(39)	(39)
At 31 December 2022	**447**	**1,184**	**1,631**
Accumulated depreciation			
At 1 January 2022	(359)	(1,071)	(1,430)
Charge for the year	(56)	(42)	(98)
Depreciation eliminated on disposal of subsidiary	–	14	14
At 31 December 2022	**(415)**	**(1,099)**	**(1,514)**
Net book value			
At 1 January 2022	88	121	209
At 31 December 2022	**32**	**85**	**117**

Notes to the Financial Statements

14. Property, Plant and Equipment (continued)

Consolidated Year ended 31 December 2021	Leasehold improvements	Furniture, fittings & equipment	Generation assets	Total
	£000's	£000's	£000's	£000's
Cost or valuation				
At 1 January 2021	340	1,072	62,045	63,457
Additions	107	120	21	248
Revaluation adjustment*	-	-	(4,561)	(4,561)
Reclassified as held for sale	-	-	(57,506)	(57,506)
At 31 December 2021	**447**	**1,192**	**-**	**1,639**
Accumulated depreciation				
At 1 January 2021	(340)	(1,024)	(3,491)	(4,855)
Charge for the year	(19)	(47)	(3,191)	(3,257)
Disposals	-	-	-	-
Eliminated on revaluation*	-	-	6,682	6,682
At 31 December 2021	**(359)**	**(1,071)**	**-**	**(1,430)**
Net book value				
At 1 January 2021	-	48	58,554	58,602
At 31 December 2021	**88**	**121**	**-**	**209**

*The generation assets were revalued at the held for sale date by £2.121K. This was recognised in OCI less deferred tax of £1.444k in the prior year.

Notes to the Financial Statements

15. Right of Use Assets and Leases

Office buildings typically have lease terms of between 4 to 6 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of printers, laptops, and coffee and water machines, with low value underlying assets. The Group has applied the recognition exemption in respect of these leases.

Each lease generally imposes a restriction from subleasing the underlying assets to another party, therefore the right-of-use assets can only be used by the Group.

The lease payments within the Group's lease agreements (with the exception of short-term leases, leases of low value underlying assets, and those leases containing a variable lease payment component) are linked to annual charges in the Retail Price Index.

The Group classifies its right-of-use assets in a manner consistent with that of its property, plant and equipment. The carrying values of the right-of-use assets, together with the depreciation charge split by class of underlying asset, are shown below:

Consolidated Year ended 31 December 2022	**Land, land easements and buildings**	**Total**
	£000s	**£000's**
Cost		
At 1 January 2022	2,187	2,187
At 31 December 2022	**2,187**	**2,187**
Accumulated depreciation		
At 1 January 2022	(1,337)	(1,337)
Charge for the year	(526)	(526)
At 31 December 2022	**(1,863)**	**(1,863)**
Net book value		
At 1 January 2022	850	850
At 31 December 2022	**324**	**324**

Notes to the Financial Statements

15. Right of Use Assets and Leases (continued)

Consolidated Year ended 31 December 2021	Land, land easements and buildings	Generation assets	Total
	£000s	£000s	£000's
Cost			
At 1 January 2021	5,169	1,250	6,419
Additions	738	-	738
Reassessment of lease liabilities	39	-	39
Assets held for sale	(3,759)	(1,250)	(5,009)
At 31 December 2021	**2,187**	**-**	**2,187**
Accumulated depreciation			
At 1 January 2021	(1,157)	(154)	(1,311)
Charge for the year	(702)	(55)	(757)
Assets held for sale	522	209	731
At 31 December 2021	**(1,337)**	**-**	**(1,337)**
Net book value			
At 1 January 2021	4,012	1,096	5,108
At 31 December 2021	**850**	**-**	**850**

Notes to the Financial Statements

15. Right of Use Assets and Leases (continued)

Set out below are the carrying amounts of lease liabilities (included within borrowings) and the movements during the period:

	2022	2021
	£000s	£000s
At 1 January	**872**	4,307
Additions	-	738
Remeasurement of Lease liabilities	-	39
Accretion of interest	**44**	319
Payments	**(626)**	(951)
Liability arising on assets held for sale	-	(3,565)
At 31 December	**290**	887
Current (see note 24)	**284**	562
Non-current (see note 24)	**6**	327
Total	290	889

The maturity analysis of lease liabilities is disclosed in note 24.

The following are the amounts recognised in the Statement of Comprehensive Income:

	2022	2021
	£000s	£000s
Depreciation of right-of-use assets (included within cost-of-sales and administration expenses)	**526**	757
Interest expense on lease liabilities	**44**	319
Expense relating to leases of low-value assets (included within administration expenses)	**161**	102
Variable lease payments (included within administration expenses)	**-**	92
Total amount recognised in the Statement of Comprehensive Income	**731**	1,270

During the year, the Group had the following:

- Total cash outflows for leases of £787,000 (2021: £1,145,000);
- No transactions giving rise to gains or losses arising from sale and leaseback transactions;
- No amounts relating to short-term leases.

15. Right of Use Assets and Leases (continued)

The Group also has lease contracts concerning office buildings which include extension and termination options.

Materially, for all leases, management do not expect to exercise any options to extend the lease term and expect to not exercise any options to terminate the lease.

At the Statement of Financial Position date, the Group had no lease commitments in respect of leases committed to, but not yet commenced. The Group has not yet entered into any lease agreements in respect of the construction of new premises.

16. Intangible Assets

Consolidated Year ended 31 December 2022	Power supply licence	Software licences	Website development costs	Goodwill	Assets under the course of development	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
At 1 January 2022	180	7,500	219	1,984	733	10,616
Acquired in business combination	-	-	-	1,805	-	1,805
Additions	-	-	-	-	124	124
Disposal of subsidiary	-	(402)	(6)	(923)	(273)	(1,604)
Impairment	-	-	-	-	(298)	(298)
At 31 December 2022	**180**	**7,098**	**213**	**2,866**	**286**	**10,643**
Accumulated amortisation						
At 1 January 2022	-	(6,576)	(148)	-	-	(6,724)
Charge for the year	-	(629)	(24)	-	-	(653)
Disposal of subsidiary	-	234	3	-	-	237
At 31 December 2022	-	**(6,971)**	**(169)**	-	**-**	**(7,140)**
Net book value						
At 1 January 2022	180	924	71	1,984	733	3,892
At 31 December 2022	**180**	**127**	**44**	**2,866**	**286**	**3,503**

Notes to the Financial Statements

16. Intangible Assets (continued)

Consolidated Year ended 31 December 2021	Power supply licence	Software licences	Website development costs	Goodwill	Assets under the course of development	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
At 1 January 2021	180	7,425	213	2,369	491	10,678
Additions	–	11	–	–	749	760
Transfers from assets under development	–	185	70	–	(255)	–
Disposals	–	(120)	(64)	–	(252)	(436)
Assets held for sale	–	(1)	–	(385)	–	(386)
At 31 December 2021	**180**	**7,500**	**219**	**1,984**	**733**	**10,616**
Accumulated amortisation						
At 1 January 2021	–	(5,470)	(166)	–	(209)	(5,845)
Charge for the year	–	(1,108)	(25)	–	–	(1,133)
Impairment	–	–	–	–	–	–
Disposals	–	2	43	–	209	254
At 31 December 2021	**-**	**(6,576)**	**(148)**	**-**	**-**	**(6,724)**
Net book value						
At 1 January 2021	180	1,955	47	2,369	282	4,833
At 31 December 2021	**180**	**924**	**71**	**1,984**	**733**	**3,892**

Assets under the course of development in the prior year related largely to implementation costs for the customer billing system Ensek. All amortisation amounts are included within administration expenses.

Notes to the Financial Statements

16. Intangible Assets (continued)

The carrying values of indefinite life assets included in intangible assets are: goodwill of £2,866,000 (2021: £1,984,000), and a power supply licence of £180,000 (2021: £180,000) which relates to the subsidiaries Good Energy Limited and Igloo Works Limited. In arriving at the conclusion that these assets have an indefinite life, management have observed that the power supply licence is awarded until any breach of conditions stipulated by Ofgem. The treatment of goodwill is aligned with relevant accounting standards. An impairment review is undertaken annually or more frequently.

The indefinite life assets are held within Good Energy Ltd. An impairment review has therefore been carried out.

The key assumptions for value in use excluding goodwill in Good Energy Ltd are as follows:

- Growth rate beyond five year plan 1.0%

- Pre-tax discount rate 4.75%

The basis for these assumptions are as per those disclosed in note 17. The projected cash flows have been adjusted to allow for normalised business (i.e. no new business activity costs or revenue are included), and are considering a prudent case. It was concluded that the future cash flows do exceed the value of indefinite life assets, and therefore no impairment is required.

Sensitivity analysis has been conducted on the cost of capital for Good Energy Ltd and the Directors noted that an increase of the post-tax discount rate to 100% would still leave significant headroom before impairment was required. Also the terminal growth rate could decrease to -5% with headroom remaining.

17. Investments and Subsidiaries

Parent Company Year ended 31 December 2022	**Shares in Group undertakings**	**Loans to Group undertakings**	**Total**
	£000's	**£000's**	**£000's**
Cost and net book value			
At 1 January 2022	3,275	1,250	4,525
Acquisition of subsidiary	1,813	-	1,813
Loss of control of subsidiary and subsequent investment in associate	5,172	(1,250)	3,922
At 31 December 2022	**10,260**	-	**10,260**

Parent Company Year ended 31 December 2021	Shares in Group undertakings	Loans to Group undertakings	Total
	£000's	£000's	£000's
Cost and net book value			
At 1 January 2021	5,880	22,054	27,934
Additions	-	1,250	1,250
Assets held for sale	(2,605)	(17,793)	(20,398)
Repayments	-	(4,261)	(4,261)
At 31 December 2021	3,275	1,250	4,525

Loans to Group undertakings are repayable by 31 December 2035. Interest rates charged on these loans range from 0.00% to 8.85%. Repayments include dividends not settled in cash.

Notes to the Financial Statements

17. Investments and Subsidiaries (continued)

The Group had the following subsidiaries at 31 December 2022 (all of which have the same registered address as Good Energy Group PLC unless otherwise noted, which can be found within the Directors and Corporate Resources section on the final page of this report):

Name	Country of incorporation and place of business	Proportion of ordinary shares directly held by Parent Company	Nature of business
Good Energy Limited	UK	100%	Supply of renewably sourced electricity and FIT administration
Good Energy Gas Limited	UK	100%	Supply of gas
Good Energy Generation Limited	UK	100%	An investor in potential new generation sites
Good Energy Works Limited	UK	100%	Heat pump installation
Good Energy Cedar Windfarm Limited*	UK	85%	Dormant
Good Energy Lanyon Solar Park (011) Limited	UK	100%	Dormant
Good Energy Mapperton Solar Park (007) Limited	UK	100%	Dormant
Good Energy Tidal Limited	UK	100%	Investment holding company
Good Energy Development (No.1) Limited	UK	100%	Dormant
Good Energy Development (No.4) Limited	UK	100%	Dormant
Good Energy Development (No.5) Limited	UK	100%	Dormant
Good Energy Development (No.6) Limited	UK	100%	Dormant
Good Energy Development (No.7) Limited	UK	100%	Dormant
Good Energy Development (No.8) Limited	UK	100%	Dormant
Good Energy Development (No.12) Limited	UK	100%	Dormant
Good Energy Development (No.16) Limited	UK	100%	Dormant
Llangyfelach Community Solar Farm C.I.C	UK	100%	Dormant
Worminster Down Somerset Community Solar Farm C.I.C	UK	100%	Dormant

Notes to the Financial Statements

17. Investments and Subsidiaries (continued)

Good Energy Development (No.24) Limited	UK	100%	Dormant
Good Energy Development (No.26) Limited	UK	100%	Dormant
Good Energy Development (No.30) Limited	UK	100%	Dormant

*Entities indirectly owned by Good Energy Group PLC.

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

Impairment

The Group performed an impairment test in December 2022. The Group considers the relationship between its market capitalisation and its book value, as well as forward looking estimates of cash flows, when reviewing for indicators of impairment. As at 31 December 2022, the market capitalisation of the Group was higher than the book value of its equity. Management concluded from these reviews that no indicators of impairment existed.

The recoverable amount of the intercompany loan receivable balance in the Parent Company has been determined based on an assessment of forward looking estimates of cash flows and a probability of default. The projected cash flows have been adjusted to allow for normalised business (i.e. no new business activity costs or revenue are included), and are considering a prudent case. The pre-tax discount rate applied to cash flow projections is 4.75%, and cash flows beyond the five-year period are extrapolated using a 1.0% growth rate. It was concluded that the future cash flows do exceed the value of the intercompany loan receivable, and therefore no expected credit loss provision is required.

Key assumptions used in impairment calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the following assumptions:

- Discount rate
- Growth rates used to extrapolate cash flows beyond the forecast period

Discount rate – the discount rate represents the current market assessment of the risks specific to the Group, taking into consideration the time value of money. The discount rate is derived from the Group's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. A discount rate of 100% would still leave significant headroom, and would not trigger an indication of impairment.

Growth rate estimates – rates are based on management's prudent estimates of expected growth.

A decrease in the growth rate estimate to -5% would still leave significant headroom, and would not trigger an indication of impairment.

Notes to the Financial Statements

18. Investments in associates

Investments in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

	Principal place of business/Country of incorporation	Ownership Interest	
Name		**2022**	**2021**
Zap-Map Limited	United Kingdom	49.9%	50.1%

Following a successful Series A funding round completed on 8th August 2022, Good Energy's shareholding in Zap-Map fell from a controlling interest of 50.1% to a significant minority 49.9% stake. Zap-Map's results have therefore been deconsolidated from the Good Energy group and a gain of £7.8m has been recognised in the consolidated statement of comprehensive income, arising from Good Energy's loss of control in Zap-Map during the year.

The primary business of Zap-Map Limited is the provision of website, app and services in the electric vehicle sector.

Summarised financial information:

	2022
	£000s
Current assets	6,644
Non-current assets	946
Total assets	7,590
Current liabilities	(935)
Non-current liabilities	(10,739)
Total liabilities	(11,674)
Net assets/(liabilities)	**(4,084)**

There are no significant restrictions other than those set out in the Companies Act that prevent Zap-Map Limited from distributing a dividend.

Summarised statement of profit or loss and other comprehensive income:

	2022
	£000s
Revenue	503
Expenses	(1,930)
Profit before income tax	(1,427)
Income tax expense	-
Profit after income tax	**(1,427)**

Notes to the Financial Statements

18. Investments in associates (continued)

Reconciliation of the consolidated entity's carrying amount:

	2022
	£000s
Fair value of initial investment	13,290
Share of loss after income tax	(712)
Closing carrying amount	**12,578**

19. Inventories

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
Renewable Obligation Certificates	-	-	**8,767**	7,087
Emission Certificates	-	-	**425**	594
Consumables	-	-	**20**	-
Total	-	-	**9,212**	7,681

As at 31 December 2022 there were Renewable Obligation Certificates (ROCs) of £5,997,459 (2021: £5,584,765) included in the above amount that were unissued for generation that had already taken place and therefore these ROCs were not available for sale before the end of the financial year. The cost of inventories recognised as an expense, including any impairment value, and included in 'cost of sales' amounted to £16.1m (2021: £12.1m).

Notes to the Financial Statements

20. Trade and Other Receivables

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
Gross trade receivables and unbilled receivables	-	83	**69,007**	47,686
Provision for impairment/non-payment of trade receivables	-	-	**(15,428)**	(11,792)
Net trade receivables and unbilled receivables	-	83	**53,579**	35,894
Prepayments and other debtors	**5,224**	140	**1,330**	-
Other taxation	-	12	**2,588**	35
Total	**5,224**	235	**57,497**	35,929

Where a customer account is in credit this is included in contract liabilities (see note 27 Trade and Other Payables).

The Group has identified that the amount of accrued income subject to estimation uncertainty is approximately £1.8m.

The Group has a provision in place to set aside an allowance to cover potential impairment and non-payment of trade receivables. An expected credit loss provision has been calculated on trade receivables in accordance with IFRS 9 Financial Instruments. Some trade receivables are with customers who do not have externally available credit ratings.

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

Movement on the provision for impairment and non-payment of trade receivables	**2022**	2021
	£000's	£000's
Balance at 1 January	**11,792**	8,882
Increase in allowance for impairment/non-payment	**3,636**	3,134
Impairment/non-payment losses recognised	**-**	(224)
Balance at 31 December	**15,428**	11,792

Notes to the Financial Statements

20. Trade and Other Receivables (continued)

Trade receivables 31 December 2022	Current £000's	Days past due <30 days £000's	30-60 days £000's	61-90 days £000's	>91 days £000's	Total £000's
Expected credit loss rate	6.4%	15.0%	27.1%	39.1%	87.9%	
Estimated total gross carrying amount at default	41,471	3,041	1,805	1,492	12,780	60,589
Expected credit loss rate	**2,662**	**456**	**490**	**584**	**11,236**	**15,429**

Trade receivables 31 December 2021	Current £000's	Days past due <30 days £000's	30-60 days £000's	61-90 days £000's	>91 days £000's	Total £000's
Expected credit loss rate	3.3%	7.9%	17.0%	31.2%	90.1%	
Estimated total gross carrying amount at default	30,934	4,294	1,488	804	11,030	48,550
Expected credit loss rate	**1,015**	**340**	**253**	**251**	**9,931**	**11,792**

All trade receivables are designated as financial assets measured at amortised cost.

21. Cash and Cash Equivalents

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
Cash at bank and in hand	**4,021**	496	**24,063**	3,531
Short-term bank deposits	–	–	–	2
Security deposits	–	–	**424**	3,166
Total	**4,021**	496	**24,487**	6,699

Included within cash at bank and in hand for both the Parent Company and the Group is £592,893 (2021: £389,101) in respect of monies held by the Good Energy Employee Benefits Trust.

Cash and cash equivalents at the end of December 2022 were £24.5m, with a further £8.4m sat in restricted deposit accounts. £4.5m of this amount relates to Government support scheme monies received in late Decmeber for application to business and domestic customer accounts in January 2023.

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings as follows:

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
AA-	**593**	–	**593**	–
A+	**3,334**	392	**23,403**	390
A	–	10	–	3,076
A-	–	–	**397**	3,139
B	**94**	94	**94**	94
Total	**4,021**	496	**24,487**	6,699

Cash and cash equivalents are all financial assets designated as financial assets at amortised cost.

Notes to the Financial Statements

22. Share Capital and Share Premium

	Parent Company & Consolidated				
	Number of Authorised shares	Number of shares issued and fully paid	Share Capital	Share Premium Account	Total
			£000's	£000's	£000's
At 1 January 2021	20,000,000	16,643,067	833	12,790	13,623
Proceeds from shares issued	–	140,847	7	–	7
At 31 December 2021	20,000,000	16,783,914	840	12,790	13,630
Proceeds from shares issued		28,626	1	–	1
Scrip dividends issued	–	47,559	3	125	128
At 31 December 2022	**20,000,000**	**16,860,099**	**844**	**12,915**	**13,759**

The ordinary shares are the only class of shares in the Company. Holders of ordinary shares are entitled to vote at general meetings of the Company and receive dividends as declared. The Articles of Association of the Company do not contain any restrictions on the transfer of shares or on voting rights.

In 2022, the Company issued 47,559 (2021: 4,641) ordinary shares of 5p each in settlement of scrip dividends for a total exercise consideration of £128,705.

Clarke Willmott Trust Corporation Limited holds in trust 79,924 (2021: 250,880) ordinary shares of the Company for the present and the future beneficiaries of the Good Energy Group Employee Share Option Scheme. These are deducted from equity as the Employee Benefit Trust shares shown in the Consolidated and Parent Company Statements of Changes in Equity. During the year the Trust disposed of 170,956 (2021: 17,390) shares as a result of options exercised and acquired 28,626 (2021: nil) shares.

The Board recommend a final dividend for 2022 of 2.0p (2021: 1.80p) per ordinary share, taking the full year dividend to 2.75p (2021: 2.55p).

Notes to the Financial Statements

23. Deferred Taxation

The provision for deferred taxation is made up as follows:

Consolidated	2022	2021
	£000's	£000's
At 1 January	**4,583**	4,135
Charged to the Consolidated Statement of Comprehensive Income	**1,153**	(994)
Elimination on disposal	(5,898)	-
Charged to equity	**-**	1,442
At 31 December	**(162)**	4,583

Deferred tax assets	2022	2021
	£000's	£000's
On short term timing differences	**54**	130
Losses	**66**	2,212
On accelerated capital allowances	**42**	-
Total	**162**	2,342

Deferred tax liabilities	2022	2021
	£000's	£000's
On accelerated capital allowances	-	(2,779)
Revaluation of Generation sites	-	(4,111)
Acquisition of subsidiary fair values	-	(35)
Total	-	(6,925)

The prior year balances include figures relating to the disposal group (GEGAN).

Notes to the Financial Statements

23. Deferred Taxation (continued)

	Accelerated capital allowances	Revaluation of Generation sites	Acquisition of subsidiary fair values	Short-term timing differences	Losses	Interest deductible	Total
	£000's			£000's	£000's	£000's	£000's
Deferred tax assets/(liabilities)							
At 1 January 2021	**(2,029)**	**(3,123)**	**(47)**	**132**	**878**	**54**	**(4,135)**
Credited/ (charged) to the income statement	(297)	–	12	(2)	1,334	(54)	994
Assets held for sale	(454)	454	–	–	–	–	–
Charged to equity	–	(1,442)	–	–	–	–	(1,442)
At 31 December 2021	**(2,780)**	**(4,110)**	**(35)**	**130**	2,212	–	**(4,583)**
(Charged)/ credited to the income statement	2,822	(1,788)	35	(76)	(2,146)	–	(1,153)
Disposal	–	5,898	–	–	–	–	5,898
At 31 December 2022	**42**	**-**	**-**	**54**	**66**	**-**	**162**

Deferred tax on losses incurred pre 1 April 2017 has only been recognised to the extent that the relevant companies which incurred the losses have sufficient deferred tax liabilities available for offset. Should deferred tax be recognised on all such losses, the deferred tax asset and profit after tax would increase by £859,405 relating to losses of £3,347,620.

24. Borrowings and Other Financial Liabilities

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
Current:				
Bank and other borrowings	–	7	–	1,007
Bond	**10**	557	**10**	557
Loans from Group companies	–	2,700	–	–
Lease liabilities	–	–	**284**	555
Total	**10**	3,264	**294**	2,119

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
Non current:				
Bank and other borrowings	–	–	–	–
Bond	**4,922**	4,749	**4,921**	4,749
Lease liabilities	–	–	**6**	317
Total	**4,922**	4,749	**4,927**	5,066

The Group has an undrawn bank overdraft of £nil (2021: £nil) as at 31 December 2022. There is a revolving credit facility of £4,000,000 in place, of which £nil (2021: £1,000,000) was drawn down at 31 December 2022.

Intercompany loans are interest free and repayable on demand.

Notes to the Financial Statements

24. Borrowings and Other Financial Liabilities (continued)

Parent Company	Inter-company loan	Bond	Bank and other borrowings	Total
	£000's	£000's	£000's	£000's
31 December 2022				
Due less than 1 year	–	**10**	–	**10**
Due between 1 and 5 years	–	**4,922**	–	**4,922**
Total	–	**4,932**	–	**4,932**

Parent Company	Inter-company loan	Bond	Bank and other borrowings	Total
	£000's	£000's	£000's	£000's
31 December 2021				
Due less than 1 year	2,700	557	7	3,264
Due between 1 and 5 years	–	4,749	–	4,749
Total	2,700	5,306	7	8,013

The maturity profile of the bond is included in note 3.1.1.

Notes to the Financial Statements

24. Borrowings and Other Financial Liabilities (continued)

Consolidated	Bond	Bank and other borrowings	Lease liabilities	Total
	£000's	**£000's**	**£000's**	**£000's**
31 December 2022				
Due less than 1 year	**10**	–	**284**	**294**
Due between 1 and 5 years	**4,921**	–	**6**	**4,927**
Due more than 5 years	–	–	–	–
Total	**4,931**	–	**290**	**5,221**

Consolidated	Bond	Bank and other borrowings	Lease liabilities	Total
	£000's	**£000's**	**£000's**	**£000's**
31 December 2021				
Due less than 1 year	557	1,008	555	2,120
Due between 1 and 5 years	4,749	–	317	5,067
Due more than 5 years	–	–	–	–
Total	5,306	1,008	872	7,187

The fair values of borrowings have been calculated taking into account the interest rate risk inherent in the loans and the bond. The fair value estimates and carrying values of borrowings (excluding issue costs) in place at 31 December 2022 are:

	2022	**2022**	2021	2021
	Fair value	**Carrying value**	Fair value	Carrying value
	£000s	**£000s**	£000s	£000s
Corporate bond	**4,820**	**4,486**	5,189	4,902

Borrowings are designated as other financial liabilities held at amortised cost.

The corporate bond is categorised as Level 1 in the fair value hierarchy as this is based on quoted prices in an active market.

Notes to the Financial Statements

25. Changes in Liabilities Arising from Financing Activities

	1 January 2022	Cash flows	Interest	Other	31 December 2022
	£000's	£000's	£000's	£000's	£000's
Current interest-bearing loans and borrowings (excluding items listed below)	1,563	(1,788)	237	(2)	10
Non-current interest-bearing loans and borrowings (excluding items listed below)	4,752	169	-	-	4,921
Current lease obligations	555	(315)	44	-	284
Non-current lease obligations	317	(311)	-	-	6
Total liabilities from financing activities	7,187	(2,245)	281	(2)	5,221

The 'Other' column includes the effect of reclassification of the non-current portion of interest-bearing loans and borrowings, including obligations under leases to current due to the passage of time, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

26. Provisions for Liabilities

In the prior year a provision was recognised for decommissioning costs associated with wind farms and solar parks owned and operated by the GEGAN group sold in January 2022. The value of the provision wholly related to the decommissioning provision based on MWh or number of turbines for the respective generating sites.

	2022	2021
	£000s	£000s
1 January	-	1,316
Charged to Profit or Loss	-	23
Liability associated with assets held for sale	-	(1,339)
31 December	-	-

Notes to the Financial Statements

27. Trade and Other Payables

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
Trade payables	**-**	(16)	**11,465**	6,532
Accruals	**405**	511	**50,868**	25,948
Social security and other taxes	**-**	-	**377**	1,334
Contract liabilities	**-**	-	**9,425**	7,097
Total	**405**	495	**72,135**	40,911

Trade payables, accruals and other payables are designated as other financial liabilities held at amortised cost. The accruals include liabilities such as the ROC accruals for the current compliance period, unbilled transmission network charges and the Groups FIT pot contribution.

All of the contract liabilities in 2021 as shown above were recognised as revenue in 2022.

28. Dividends Paid

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

Consolidated	**2022**	2021
	£000's	£000's
Final dividend for prior year of 1.8p per share (2021: 0p)	**187**	-
Interim dividend for current year of 0.75p per share (2021: 0.75p)	**238**	108
Total	**425**	108

A final dividend of 2p per share was proposed on 23 March 2023, subject to shareholder approval at the Company's AGM.

Of the total dividend distributed for the year, £127,274 (2021: £1,000) was paid in the form of scrip dividends with a balance of £297,458 (2021: £nil) settled in cash.

Notes to the Financial Statements

29. Cash Generated from Operations

Reconciliation of net income to net cash provided by operating activities:

	Parent Company		Consolidated	
	2022	2021	**2022**	2021
	£000's	£000's	**£000's**	£000's
(Loss)/profit before tax from continuing operations	**(3,524)**	1,998	**9,208**	1,834
Profit/(loss) before tax from discontinuing operations	**-**	-	**64**	(6,752)
(Loss)/profit before income tax	**(3,524)**	1,998	**9,272**	(4,918)
Adjustments for:				
Depreciation of PPE and ROU assets	**-**	-	**624**	4,014
Amortisation & impairment of intangibles	**3**	1	**951**	1,133
Loss on assets disposals	**-**	-	**-**	182
Transfers (to)/ from restricted deposit accounts	-	-	**(1,515)**	1,971
Revaluation of generation site	**-**	-	**-**	1,324
Gain arising on loss of control of subsidiary	**-**	-	**(7,767)**	-
Net gain on financial assets at FVTPL	**-**	(13)	**-**	-
Gain on sale of assets held for sale	**47**	-	**(64)**	-
Share based payments	**198**	-	**198**	-
Share of loss of associate	**-**	-	**712**	-
Dividend income from subsidiaries	**-**	(5,917)	**-**	-
Other finance costs - net	**(381)**	533	**(281)**	2,257
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)				
Inventories	**-**	-	**(1,509)**	5,582
Trade and other receivables	**(4,551)**	(60)	**(21,253)**	(10,098)
Trade and other payables	**(568)**	105	**25,812**	4,424
Cash inflow/(outflow) from operations	**(8,776)**	(3,353)	**5,180**	5,871

Notes to the Financial Statements

30. Share-Based Payments

In order to retain the services of key employees and to incentivise their performance, the Parent Company operates the Good Energy Employee Share Option Scheme under which certain employees of the Group are granted options to acquire Ordinary 5p shares at future dates. During the year costs of £197,963 (2021: £Nil) in respect of these options have been recognised in the Consolidated Statement of Comprehensive Income, of which £105,062 relates to the prior year. As at 31 December 2022,the following options had been issued:

	Number of options		Weighted average exercise price		Total exercise consideration	
	2022	2021	**2022**	2021	**2022**	2021
	(Number)	(Number)	**(£)**	(£)	**£000's**	£000's
Outstanding at beginning of year	**708,528**	628,009	**1.82**	0.68	**1,291**	428
Granted	**435,701**	473,109	**2.27**	2.18	**989**	1,030
Exercised	**(199,582)**	(153,596)	**1.03**	0.18	**(206)**	(27)
Cancelled/surrendered	**(66,340)**	(238,994)	**1.78**	0.59	**(118)**	(140)
Outstanding at the end of year	**878,307**	708,528	**2.23**	1.82	**1,956**	1,291

In order to partially fulfil the options granted, 79,924 (2021: 250,880) shares representing approximately 9% (2021: 35%) of the options outstanding have already been issued and held by Clarke Willmott Trust Corporation Limited as the Trustee of the Good Energy Group Employee Benefits Trust. Dividends have been waived on these shares.

The fairvalue of the share options granted during the year were measured using the black scholes model with the following inputs:

- Weighted average fair value at the measurement date: £2.42

- Exercise price: £2.27

- Expected life of share options: 3.01 years

- Annual risk-free interest rate: 1.454%

- Expected volatity: 36.61%

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the Financial Statements

30. Share-Based Payments (continued)

The options expire at various dates up to November 2026. Share options outstanding at the end of the year have the following expiry date and exercise price:

Grant-vest	Expiry year	Exercise price in £ per share options	Share options (thousands)	
			2022	2021
2012-2015	2023	1.15	-	87
2013-2016	2023	1.25	**60**	144
2015-2018	2028	2.25	**50**	50
2018-2021	2028	0.05	-	29
2021-2022	2023	1.78	**75**	141
2021-2024	2025	2.51	**258**	258
2022-2025	2026	2.27	**436**	-
			879	709

There were 435,701 share options granted in the current year. The right to exercise share options expires in line with contractual agreements between the group and the holder made at the grant date, or varied by agreement with both the Group and the holder.

See Note 9 for the total expense recognised in the Income Statement for share options granted to Directors and employees.

31. Business Combinations

On 2 December 2022 the Group acquired 100% of the voting equity instruments of Igloo Works Limited, a company whose principal activity is the provision of affordable heat pump installations. The acquisition will enable the group to build on its strategy to accelerate its capability in decentralised energy services.

Recognised amount of identifiable assets acquired and liabilities acquired:

	Book Value	Fair Value
	£000s	**£000s**
Property, plant and equipment	23	23
Inventories	20	20
Receivables	125	125
Cash	34	34
Payables	(194)	(194)
Total Identifiable net assets	**8**	**8**

Goodwill	**1,805**
Consideration	**1,813**

31. Business Combinations (continued)

The fair value of trade receivables at the acquisition date is £37,977. The gross contractual amount for trade receivables due is £37,977. All amounts are expected to be collected.

Fair value of consideration paid:

	£000s
Cash	1,759
Deferred consideration	**54**
Total consideration	**1,813**
Goodwill	**1,805**

The main factor leading to the recognition of goodwill is the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition. The goodwill recognised will not be deductible for tax purposes.

Acquisition costs of £130,218 arose as a result of the transaction. These have been recognised as part of administrative expenses in the statement of comprehensive income. No issue costs have been recognised in respect of the transaction.

The results of Igloo Works Limited since its acquisition are as follows:

	Current period since acquisition
Turnover	**27,540**
Loss	**(230,175)**

Since the acquisition date, Igloo Works Limited has contributed £27,540 to group revenues and a loss of £230,175 to the group's results. If the acquisition had occurred on 1 January 2022 group revenue would have been £249,195,000 and group profit for the year would have been £7,794,000.

32. Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £596,000 (2021: £518,000).

Total contributions of £182,000 (2021: £73,000) were payable to the fund at the end of the financial year and are included in other payables.

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

Notes to the Financial Statements

33. Related Party Transactions

During the year the Group recognised £187k in respect of preference dividends due from irredeemable preference shares held in Zap-Map Limited. The amount was unpaid at the year end and is included within trade and other receivables.

34. Subsequent Events

Proposed dividend

A dividend of 2.0p per share (2021: 1.80p) was proposed on 23 March 2023, subject to shareholder approval at the Group's AGM.

AQSE Growth Market

Good Energy voluntarily withdrew the Company's ordinary shares ("Ordinary Shares") from trading on the AQSE Growth Market and trading in the Ordinary Shares ceased at 4.30pm on 31 March 2023. Trading in the Ordinary Shares will continue on the AIM market of the London Stock Exchange.

35. Subsidiary Undertakings Exempt from Audit

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

Directly held subsidiaries:

Good Energy Cedar Windfarm Limited
Good Energy Lanyon Solar Park (011) Limited
Good Energy Mapperton Solar Park (007) Limited
Good Energy Tidal Limited
Llangyfelach Community Solar Farm C.I.C
Worminster Down Somerset Community Solar Farm C.I.C
Good Energy Development (No.1) Limited
Good Energy Development (No.4) Limited
Good Energy Development (No.5) Limited
Good Energy Development (No.6) Limited
Good Energy Development (No.7) Limited
Good Energy Development (No.8) Limited
Good Energy Development (No.12) Limited
Good Energy Development (No.16) Limited
Good Energy Development (No.24) Limited
Good Energy Development (No.26) Limited
Good Energy Development (No.30) Limited

Directors and Corporate Resources

Directors

William Whitehorn (Non-Executive Chairman)
Nigel Pocklington (Chief Executive)
Rupert Sanderson (Chief Financial Officer)
Timothy Jones (Non-Executive Director)
Emma Tinker (Non-Executive Director)
Nemone Wynn-Evans (Non-Executive Director)

Company Secretary

Computershare Company Secretarial Services Limited
Bridgewater Road, Bristol, BS13 8AE

Company Number

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Registrars

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Acronyms and definitions

API: Application Programme Interface solution

CAGR: Compound annual growth rate

Default/deemed tariffs: Good Energy's default and deemed tariffs are supply tariffs which are subject to the energy price cap. A customer automatically switches to the default tariff if they are on a fixed tariff which comes to an end and they take no other action (such as switching to our SVT or another fixed tariff). Customers on deemed tariffs are other instances where there has not been an active choice to switch, such as where a customer has moved into a property supplied by Good Energy.

Deemed export payments: The precursor to smart export payments. Under the FIT scheme, generators are usually paid a 'deemed' export of 50%, based on the assumption that they export 50% of what they generate to the grid. Smart export tariffs pay them for the actual amount of export.

DEFRA: The Government Department for Environmental, Food and Rural Affairs department that develops and implements policy on the environment, food and rural issues. They are responsible for supporting the growth of a sustainable green economy.

EBSS: The Energy Bill Support Scheme – government scheme that provided households with a one-off payment of £400 to support with winter energy costs. Other government energy support schemes include the Energy Price Guarantee (EPG) for consumers, and the Energy Bill Relief Scheme (EBRS) for businesses, which both reduce the per-unit rates of electricity and gas.

EPG: Energy price guarantee

EV: Electric vehicle

FIT: Feed in Tariff – government scheme live from 2010-1019 that pays small renewable generators.

GHG Protocol, ISO 14064-3: Is an international standard for quantifying and reporting GHG emissions.

Internal green audit: Annual internal green audit to an appropriate scale for a small business.

ISO 14001: Is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organisations improve their environmental performance through more efficient use of resources and reduction of waste.

PPA: Power purchase agreements in which Good Energy contracts with renewable generators to buy electricity.

SVT: Atandard variable tariff

SME: Small and medium sized enterprises

M&A: Mergers and acquisitions

MCS: Microgeneration Certification Scheme, an independent scheme that defines, improves and certifies quality standards for low-carbon and renewable energy technologies and installers.

SBT: Science based targets: provide a clearly-defined pathway for companies to reduce greenhouse gas emissions (GHG), helping prevent the worst impacts of climate change and future-proof business growth.

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Annual Report & Accounts 2022

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