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Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

		Note	**2023**	2022
			£000's	£000's
Revenue		5	**254,703**	**248,682**
Cost of sales		5	(210,458)	(218,768)
Gross profit			**44,245**	**29,914**
Administrative expenses		6	(37,282)	(28,109)
Other operating income		5	171	66
Operating profit		**5**	**7,134**	**1,871**
Finance income		9	897	633
Finance costs		10	(321)	(351)
Gain arising on loss of control of subsidiary		17	-	7,767
Share of loss of associate		17	(2,027)	(712)
Profit before tax		**5**	**5,683**	**9,208**
Taxation charge		11	(2,807)	(637)
Profit for the year from continuing operations			**2,876**	**8,571**
Profit from discontinued operations, before tax			-	64
Profit and total comprehensive income for the year attributable to owners of the parent company			**2,876**	**8,635**
Attributable to: Good Energy Group PLC			**2,876**	**9,227**
Attributable to: Non-controlling Interests			-	(592)
Earnings per share	Basic	12	17.1p	55.7p
	Diluted	12	17.0p	55.6p
Earnings per share (continuing operations)	Basic	12	17.1p	51.7p
	Diluted	12	17.0p	51.7p

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

	Note	2023	2022
		£000's	£000's
Non-current assets			
Property, plant and equipment	13	**180**	117
Right of use assets	14	**1,227**	324
Intangible assets	15	**5,694**	3,503
Deferred tax asset	22	**131**	162
Equity investments in associate	17	**10,551**	12,578
Total non-current assets		**17,783**	16,684
Current assets			
Inventories	18	**11,026**	9,212
Trade and other receivables	19	**35,858**	57,497
Restricted deposit accounts	3	**5,912**	8,462
Cash at bank and in hand	20	**41,346**	24,487
Total current assets		**94,142**	99,658
TOTAL ASSETS		**111,925**	116,342
Equity and liabilities			
Capital and reserves			
Called up share capital	21	**845**	844
Share premium account	21	**12,975**	12,915
Employee Benefit Trust shares		**-**	(7)
Retained earnings		**28,185**	25,234
Total equity		**42,005**	38,986
Non-current liabilities			
Borrowings and other financial liabilities	23	**5,687**	4,927
Total non-current liabilities		**5,687**	4,927
Current liabilities			
Borrowings and other financial liabilities	23	**531**	294
Trade and other payables	25	**63,702**	72,135
Total current liabilities		**64,233**	72,429

Consolidated Statement of Financial Position (continued)

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

Total liabilities	**69,920**	77,356
TOTAL EQUITY AND LIABILITIES	**111,925**	116,342

The financial statements on pages 81 to 90 were approved by the Board of Directors on 26 April 2024 and signed on its behalf by:

Nigel Pocklington

Chief Executive
26 April 2024

The notes on pages 91 to 144 form part of these financial statements.

Parent Company Statement of Financial Position

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

	Note	2023	2022
		£000's	£000's
Non-current assets			
Deferred taxation		**306**	111
Shares in group undertakings	16	**12,814**	10,260
Total non-current assets		**13.120**	10,371
Current assets			
Trade and other receivables	19	**6,423**	5,224
Cash at bank and in hand	20	**1,373**	4,021
Total current assets		**7,796**	9,245
TOTAL ASSETS		**20,916**	19,616
Equity and Liabilities			
Capital and reserves			
Share capital	21	**845**	844
Share premium account	21	**12,975**	12,915
Employee Benefit Trust shares		**-**	(7)
Retained Earnings		**824**	527
Total Equity		**14,644**	14,279

Parent Company Statement of Financial Position (continued)

As at 31 December 2023

Good Energy Group plc
Company registered no: 04000623

Non-current liabilities			
Borrowings	23	**4,726**	4,922
Total non-current liabilities		**4,726**	4,922
Current liabilities			
Borrowings and other financial liabilities	23	**215**	10
Trade and other payables	25	**1,331**	405
Total current liabilities		**1,546**	415
Total liabilities		**6,272**	5,337
TOTAL EQUITY AND LIABILITIES		**20,916**	19,616

The Parent Company's profit for the financial year was £222,000 (2022: loss of £3,289,000). The financial statements on pages 81 to 90 were approved by the Board of Directors on 26 April 2024 and signed on its behalf by:

Nigel Pocklington

Chief Executive
26 April 2024

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	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's	£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
Total comprehensive income for the year		**-**	**-**	**-**	**9,227**	**-**	**9,227**	**(592)**	**8,635**
Share based Payments	28	–	–	–	198	–	198	–	198
Dividend paid	26	–	–	–	(297)	–	(297)	–	(297)
Scrip dividends issued	26	3	125	–	(128)	–	–	–	–
Disposal of subsidiary		–	–	–	–	–	–	917	917
Exercise of options	28	1	–	437	(232)	–	206	–	206
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 91 to 144 form part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2023

	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 2023		844	12,915	(7)	25,234	38,986
Profit for the year		-	-	-	2,876	2,876
Total comprehensive income for the year		**-**	**-**	**-**	**2,876**	**2,876**
Share based payments	28	-	-	-	341	341
Deferred tax movement charged to equity	22	-	-	-	239	239
Dividend paid	26	-	-	-	(444)	(444)
Scrip dividends issued	26	1	60	-	(61)	-
Exercise of options	28	-	-	7	-	7
Total contributions by and distributions to owners of the parent, recognised directly in equity		**1**	**60**	**7**	**75**	**143**
At 31 December 2023		**845**	**12,975**	**-**	**28,185**	**42,005**

The notes on pages 91 to 144 form part of these financial statements.

Strategic Report

Governance Report

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Parent Company Statement of Changes in Equity

For the year ended 31 December 2023

	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 2022		**840**	**12,790**	**(444)**	**4,275**	**17,461**
Profit for the year and total comprehensive income		–	–	–	(3,289)	(3,289)
Share based payments	28	–	–	–	198	198
Scrip dividends issued	26	3	125	–	(128)	–
Exercise of options	28	1	–	437	(232)	206
Dividend paid	26	–	–	–	(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**
At 1 January 2023		**844**	**12,915**	**(7)**	**527**	**14,279**
Profit for the year and total comprehensive income		–	–	–	222	222
Share based payments	28	–	–	–	341	341
Exercise of options	28	–	–	7	–	7
Deferred tax movement charged to equity	22	–	–	–	239	239
Scrip dividends issued	26	1	60	–	(61)	–
Dividend paid	26	–	–	–	(444)	(444)
Total contributions by and distributions to owners of the parent, recognised directly in equity		1	60	7	75	143
At 31 December 2023		**845**	**12,975**	**-**	**824**	**14,644**

The notes on pages 91 to 144 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023	2022
		£000's	£000's
Cash flows from operating activities			
Cash generated from operations	27	**20,634**	5,180
Finance income received		**434**	17
Finance costs paid		**(189)**	(70)
Corporation tax paid		**(550)**	-
Net cash flows generated from operating activities		**20,329**	5,127
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(168)**	(9)
Purchase of intangible fixed assets	15	**(12)**	(125)
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		**(2,204)**	(1,725)
Net cash flows (used in)/generated from investing activities		**(2,384)**	14,998
Cash flows from financing activities			
Payment of dividends	26	**(444)**	(297)
Repayment of borrowings	24	**(180)**	(1,619)
Proceeds from borrowings	24	**134**	-
Capital repayment of leases		**(646)**	(626)
Proceeds from EBT shares		**50**	-
Proceeds from exercise of share options		**-**	205
Net cash flows used in financing activities		**(1,086)**	(2,337)
Net increase in cash and cash equivalents		**16,859**	17,788
Cash and cash equivalents at beginning of year		**24,487**	6,699
Cash and cash equivalents at end of year		**41,346**	24,487

The notes on pages 91 to 144 form part of these financial statements.

Parent Company Statement of Cash Flows

For the year ended 31 December 2023

	Note	**2023**	2022
		£000's	£000's
Cash flows from operating activities			
Cash generated from/(used in) operations	27	**496**	(8,776)
Finance income received		**15**	-
Finance costs paid		**(170)**	(49)
Net cash flows generated from/(used in) operating activities		**341**	(8,825)
Cash flows from investing activities			
Investment in subsidiaries	16	**(2,554)**	(1,750)
Proceeds from disposal of held for sale assets		**-**	20,351
Equity investment in associate	17	**-**	(3,494)
Cash dividend received		**-**	-
Net cash flows (used in)/generated from investing activities		**(2,554)**	15,107
Cash flows from financing activities			
Proceeds from the exercise of share options		**50**	1
Proceeds from issue of shares		**-**	205
Payment of dividends	26	**(444)**	(297)
Repayment of borrowings		**(41)**	(2,666)
Net cash used in financing activities		**(435)**	(2,757)
Net decrease in cash and cash equivalents		**(2,648)**	3,525
Cash and cash equivalents at beginning of year		**4,021**	496
Cash and cash equivalents at end of year		**1,373**	4,021

The notes on pages 91 to 144 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, solar and heat pump installation services 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 the Consolidated and Company 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 26 April 2024. 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 2022, 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 2023. 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 going concern assessment covers a period of at least 12 months from the date of approval of the financial statements.

The Group has had a strong financial performance in 2023 despite significant pressure from commodity markets and has continued its strategic growth into Energy services.

The unrestricted cash balance at the end of 2023 stood at £41.3m, 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 2025, considering both a base case, and various externally provided scenarios. The scenarios were provided by Ofgem in late 2023 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 couple of years. All scenarios include existing hedge positions for Good Energy (Dec23). 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 feel confident in pricing below the current prices set by Ofgem. The scenarios assume no Government support schemes are in place. The scenarios are:

1. Scenario 1 – Central Price
2. Scenario 2 – Low Price
3. Scenario 3 - High Price
4. Scenario 4 – Supplier Base Case

From a tariff perspective all scenarios reflect the movement in default/deemed price capped tariffs directly linked to wholesale cost developments. These deemed and default price movements were provided by Ofgem to ensure these key assumptions mirrored the wholesale cost scenarios. As Good Energy has 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.

In all scenarios cashflow remains sufficient to meet all commitments 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 cost reductions, additional price increases 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 £5m of bond debt in 2024/25, however formal redemptions mean only £0.2m is officially due for repayment in 2024. Excluding bond debt, the business has no other material (£1m+) debt repayments due in the next 18 months. The business has also taken a prudent approach to customer credit balances with significant reductions forecast over 2024/25 before holding the remaining balance stable.

Therefore, Directors are confident in the ongoing stability of the Group, and its ability to continue in 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.

Notes to 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 note 4.1.1.

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 5.

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.

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 5.

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 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 Zapmap 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 5.

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 5.

2.4.7 Sale of heat pumps and installation

The Group sells a range of air source heat pumps. Sales are recognised when control of the product is transferred, being when the products are delivered to the customer and installed. Delivery and installation occur when the products have been delivered to the specific location and installed, the risks of obsolescence and loss have been transferred and the customer has accepted the products including objective evidence of acceptance.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.4 Revenue recognition (continued)

2.4.7 Sale of solar panels and installation

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, stated net of discounts and value added taxes.

The Group recognises revenue when performance obligations have been satisfied which is when the solar panels have transferred to the customer, the installation services are complete and the customer has control of the products. The Group provides solar panel installation and maintenance services across Dorset, Somerset, Surrey, Hampshire, Wiltshire and Devon and revenue is recognised when the solar panels are installed and in operational use. Maintenance services are one-off in nature and maintenance revenue is recognised as and when required by the customer.

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.

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.

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 2.5 for details.

The Group also assesses the right-of-use assets for impairment, when such indicators exist. Please refer to note 2.5.1 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 23).

Notes to the Financial Statements

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
Brand	between 10 and 15 years
Customer relationships	between 5 and 10 years
Order backlog	between 0 and 1 year
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 inflows (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 loss of Associate" line in the Consolidated Statement of Comprehensive Income. In 2022, the Group lost control of Zapmap as a subsidiary following a successful funding round. It is now accounted for as an associate under the equity method.

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.

2. Summary of Significant Accounting Policies (continued)

2.11 Financial instruments (continued)

The expected credit loss on intercompany receivables is measured at an amount equal to the 12 months expected credit loss where the credit risk has not increased significantly since initial recognition, otherwise it is measured at an amount equal to the lifetime expected credit losses.

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.

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 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.

2.11.3 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 23.

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.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (continued)

2.14 Current and deferred taxation (continued)

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.

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 2023 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. Standards issued but not yet effective are not exptected to have a material impact on the financial statements.

Standards applicable for the first time in 2023:

- IFRS 17 Insurance Contracts (issued May 2017) and Amendments to IFRS 17 Insurance Contracts (Issued June 2020)
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Issued December 2021)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies (Issued February 2021)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Issued February 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Issued May 2021)
- Amendments to IAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules (Issued May 2023)

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 2023	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
Bank loan	11	16	-	-
Corporate bond	220	5,063	-	-
Lease liabilities	389	1,055	-	-
Trade and other payables	63,702	-	-	-
Total	64,322	6,134	-	-

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	5,272	-	-
Lease liabilities	284	6	-	-
Trade and other payables	72,119	-	-	-
Total	72,413	5,278	-	-

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 2023	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	220	5,063	-	-
Trade and other payables	1,331	-	-	-
Total	1,551	5,063	-	-

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	5,272	-	-
Trade and other payables	397	-	-	-
Total	407	5,272	-	-

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 2023 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 2022 and 2023 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 2023 and 31 December 2022, the Group's trade and other receivables were classed as due within one year, details of which are included in note 19. 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)

3.1.3 Credit risk (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.

Intercompany balances owed to Good Energy Group PLC are reviewed regularly to monitor credit risk for the Parent Company.

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	**2023**	2022
		£000's	£000's
Total borrowings	23	**6,218**	5,221
Less: cash in restricted deposit accounts (current)		**(5,912)**	(8,462)
Less: cash and cash equivalents	20	**(41,346)**	(24,487)
Net debt		**(41,040)**	(27,728)
Total equity		**42,005**	38,987
Total capital		**965**	11,259
Gearing ratio		**(4257%)**	(246.3%)

The Group's borrowings are subject to maintaining covenants as defined by the debt funders. Throughout the year ended 31 December 2023 the Group complied with all external borrowing covenants and management monitors the continued compliance with these covenants on a quarterly basis.

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 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. Contract assets and liabilities are based on timing of meter reads and changes in volumes due to factors such as weather therefore it is not possible to quantify year on year movements. Due to the nature of the business and the amount of customer accounts, it is not possible to quantify individual factors causing movements on contract assets and contract liability balances between the periods.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates

Critical 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 £1.6m out of a total carrying amount of £23m held on the balance sheet at the year end included within note 19. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset.

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 domestic macroeconomic overlay was not appropriate in the ECL calculation as at 31 December 2023 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 continue to fall during 2024. A commercial overlay was included in the ECL calculation in the current year reflecting a significant increase in UK small and medium-sized enterprises (SMEs) entering into voluntary liquidation during 2023.

It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset.

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 19.

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 16.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates (continued)

4.2.3 Impairment of indefinite life assets

The carrying values of indefinite life assets included in intangible assets as disclosed in Note 15 are: goodwill of £4,633,000 (2022: £2,866,000). Within the total goodwill value of £4,633,000, £1,061,000 is allocated to Good Energy Limited, £1,805,000 is allocated to Good Energy Works Limited and £1,767,000 is allocated to Wessex ECOEnergy Limited, and a power supply license of £180,000 (2022: £180,000) is allocated to Good Energy Limited. Cash generating units (CGUs) are allocated at legal entity level.

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.

Indefinite life assets are held within a CGU of £1,061k within Good Energy Limited. An impairment review has been carried out.

The key assumptions for value in use excluding goodwill in Good Energy Limited 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 considered 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 Limited and the Directors noted that an increase of the pre-tax discount rate to 100% would leave significant headroom before impairment is 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.

Indefinite life assets are also held within a CGU of £1,805k for goodwill in relation to the subsidiary Good Energy Works Limited.

The key assumptions used in the impairment review are as follows:

- Growth rate beyond five-year plan: 1.0%
- Pre-tax discount rate: 8%

Sensitivity analysis has been conducted on the cost of capital for Good Energy Works Limited and the Directors noted that an increase of the post-tax discount rate to 45% would leave significant headroom before impairment is 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.

The final indefinite life asset is held within a CGU of £1,767k for goodwill in relation to Wessex ECOEnergy Limited, a subsidiary acquired during the year. An external purchase price allocation valuation exercise was obtained to support the fair values of separately identifiable intangible assets arising on acquisition included within note 15. The impairment exercise carried out supports the carrying value of goodwill recognised in respect of Wessex ECOEnergy and the directors are comfortable that no impairment is required.

4.2.4 Investment in associate

During the prior year, the group recognised an investment in associate in respect of Zapmap, 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.

Notes to the Financial Statements

4. Critical Accounting Judgements and Estimates (continued)

4.2 Estimates (continued)

4.2.4 Investment in associate (continued)

On 8th August 2022, the group holding in Zapmap was restructured. Zapmap 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 have a shareholding of 19.9%. Fleetcor purchased its 19.9% stake for an investment of £5.3m.

The valuation of the revised holding in Zapmap has been conducted using the Merton model valuing the company's holding at £13.2m as at 31 December 2022. The valuation of Zapmap can be considered subjective due to various factors. Firstly, the fact that Zapmap's shares are unlisted; 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.

In the current year, a further independent external valuation exercise was undertaken under the Merton model to support the carrying value of Good Energy's investment in Zapmap at 31 December 2023 included within note 17. The external advisors took into account the performance of the business during the year and assumptions related to December 2023 to reach a minimum enterprise value for Zapmap. Management consider the valuation approach taken and the assumptions used reasonable and are comfortable that no impairment is required.

Other estimates:

4.2.5 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. Industry information from the Data Transfer Network catalogue is used in the estimation process. Specifically, D36 data flows are used to determine unbilled volume from industry data. Internal contract prices are then applied to the industry data to arrive at an estimate for power purchase costs. The estimation uncertainty relates to a carrying amount of £6.0m held on the balance sheet at the year end included within note 25.

Sensitivity anlaysis is not considered appropriate for power purchase costs. If power is not received via renewable generators, it is purchased through trades. Therefore, there is a natural control in place to mitigate unexpected shocks.

4.2.6 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 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 £10.9m held on the balance sheet at year end included within note 18.

Sensitivity analysis is not conducted for ROCs due to the low level of risk involved. If no certificates are received, no payment is made. A change in the final out-turn value of a ROC is not expected to have a material impact on the financial statements. Volumes are monitored closely during the year for any movements that could materially impact the Renewable Obligation provision.

Notes to the Financial Statements

5. Segmental Analysis

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

The main segments are:-

- Electricity Supply
- FiT Administration
- Gas Supply
- Energy as a service (including Good Energy Works, Wessex ECOEnergy and Zapmap)
- 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

5. Segmental Analysis (continued)

Year ended 31 December 2023	Electricity Supply	FIT Administration	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	204,815	5,464	41,402	**251,681**	3,043	(21)	**254,703**
Total revenue	204,815	5,464	41,402	**251,681**	3,043	(21)	**254,703**
Expenditure							
Cost of sales	(163,234)	(640)	(43,754)	**(207,628)**	(2,851)	21	**(210,458)**
Gross profit/(loss)	41,581	4,824	(2,352)	**44,053**	192	-	**44,245**
Administrative expenses				**(33,049)**	(3,424)	-	**(36,520)**
Net other operating income				**88**	83	-	**171**
Depreciation & amortisation				**(671)**	(37)	(54)	**(762)**
Operating profit/ (loss)				**10,374**	(3,186)	(54)	**7,134**
Net finance income/(costs)				**754**	(16)	(162)	**576**
Share of loss of associate				**-**	(2,027)	-	**(2,027)**
Profit/(loss) before tax				**11,128**	(5,229)	(216)	**5,683**
Segments assets & liabilities							
Segment assets				**38,822**	1,516	71,587	**111,925**
Segment liabilities				**(7,779)**	(4,985)	(57,156)	**(69,920)**
Net assets/ (liabilities)				**31,043**	(3,469)	14,431	**42,005**
Additions to non-current assets				**1,281**	328	2,656	**4,265**

All turnover arose within the United Kingdom.

Notes to the Financial Statements

5. 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	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 (costs)/ income				(156)	170	52	66
Depreciation & amortisation				(1,806)	–	–	(1,806)
Operating profit/ (loss)				6,788	(1,415)	(3,502)	1,871
Net finance (costs)/income				(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

All turnover arose within the United Kingdom.

Notes to the Financial Statements

6. Operating Profit and Administrative Expenses

	Note	**2023**	2022
		£000's	£000's
The operating profit is stated after charging:			
Depreciation of property, plant and equipment	13	**123**	98
Depreciation of right of use assets	14	**493**	526
Amortisation of intangible assets	15	**192**	653
Auditors' remuneration			
Audit of parent and consolidated financial statements		**138**	113
Audit of subsidiaries		**103**	112
Subtotal (audit)		**241**	225
The administrative expenses comprise the following:			
Staff and associated costs		**19,197**	14,565
Office costs		**3,766**	3,900
Marketing costs		**1,198**	461
Professional fees and bank charges		**8,326**	3,747
Expected credit loss provision		**3,444**	3,636
Depreciation and amortisation		**809**	1,277
Impairment loss	15	**286**	298
Loss on disposal of non-current assets		**15**	-
Total		**37,282**	28,109

Notes to the Financial Statements

7. Staff Costs

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

	2023	2022
	£000's	£000's
Wages and salaries	**15,971**	11,436
Social security costs	**1,630**	1,290
Share based payments	**341**	198
Other pension costs	**727**	619
Total staff costs	**18,669**	13,543
Total expensed staff costs	**18,669**	13,543

Details of share based payments can be found in note 28.

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:

	2023	2022
	Number	Number
Operations	**144**	113
Business services	**218**	179
Total management and administration	**362**	292

Notes to the Financial Statements

8. Directors' and Key Management Remuneration

Directors' and Key Management emoluments	2023	2022
	£000's	£000's
Short term employee benefits	1,228	1,049
Post employment benefits	64	85
Share based payments	341	190
Total	1,633	1,324

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

During the year retirement benefits were accruing to 3 Directors of the Group (2022: 3) in respect of money purchase pension schemes.

In respect of the highest paid Director, the Group paid remuneration of £463,391 (2022: £320,384), including contributions to money purchase pension schemes of £28,158 (2022: £26,000).

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.

Details of the Directors' remuneration as requried by AIM rule 19 are given in the table in the Directors' remuneration report on page 61 and are included in this note by cross reference.

9. Finance Income

	2023	2022
	£000's	£000's
Bank and other interest receivable	434	17
Preference share dividends	463	187
Discount on purchase of preference shares	-	429
Total finance income	897	633

Notes to the Financial Statements

10. Finance Costs

	2023	2022
	£000's	£000's
On corporate bond	220	237
Other interest payable	18	70
Interest on lease liabilities	83	44
Total finance costs	321	351

11. Taxation

	2023	2022
	£000's	£000's
Analysis of tax charge for the year		
Current tax		
Current tax	2,382	–
Adjustments in respect of prior years	377	(516)
Total current tax (see below)	2,759	(516)
Deferred tax		
Origination and reversal of temporary differences	55	(117)
Adjustments in respect of prior years	(7)	1,270
Total deferred tax (see note 22)	48	1,153
Tax on profit on ordinary activities	2,807	637

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.

	2023	2022
	£000's	£000's
Income tax expense reported in the statement of profit and loss – continuing operations	2,807	637
Total tax charge for the year	2,807	637

Notes to the Financial Statements

11. Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained as follows:

	2023	2022
	£000's	£000's
Accounting profit before tax from continuing operations	**5,683**	9,208
Profit before tax from discontinued operations	**-**	64
Accounting profit before income tax	**5,683**	9,272
Profit before tax multiplied by the standard rate of corporation tax in the UK of 23.5% (2022: 19%)	**1,336**	1,762

Tax effects of:		
Expenses not deductible for tax purposes	**539**	208
Non-taxable income	**-**	(1,557)
Effects of changes in tax rate	**4**	(28)
Share-based payment adjustment	**53**	58
Prior year adjustments	**389**	754
Non taxable item on consolidation	**490**	(570)
Deferred tax on losses not recognised	**(4)**	10
Total tax charge for the year	**2,807**	637

Corporation tax payable

	Parent Company		**Consolidated**	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
UK corporation tax on profits for the year	-	-	**2,228**	-

Notes to the Financial Statements

12. Earnings per Share

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares during the year. At the year end, there were no shares held by Clarke Willmott Trust Corporation Limited (2022: 79,924) in trust for the Good Energy Group Employee Benefit Trust. The Employee Benefit Trust was wound up during 2023.

	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	**2,876**	9,227
Basic weighted average number of ordinary shares (000's)	**16,793**	16,575
Basic earnings per share	**17.1p**	55.7p

Continuing operations	**Consolidated**	
	2023	2022
Profit attributable to owners of the Company (£000's)	**2,876**	8,571
Basic weighted average number of ordinary shares (000's)	**16,793**	16,575
Basic earnings per share	**17.1p**	51.7p

Discontinued operations	**Consolidated**	
	2023	2022
Profit attributable to owners of the Company (£000's)	-	64
Basic weighted average number of ordinary shares (000's)	-	16,575
Basic earnings per share	-	0.4p

12. Earnings per Share (continued)

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 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 209p (2022: 242p).

	Consolidated	
	2023	2022
Profit attributable to owners of the Company (£000's)	**2,876**	9,227
Weighted average number of diluted ordinary shares (000's)	**16,963**	16,585
Diluted earnings per share	**17.0p**	55.6p

The dilutive effect of share-based incentives was 169,580 shares (2022: 10,497 shares). The dilutive effect of share-based incentives for continuing operations was 169,580 shares (2022: 10,497 shares).

Continuing operations	**Consolidated**	
	2023	2022
Profit attributable to owners of the Company (£000's)	**2,876**	8,571
Weighted average number of diluted ordinary shares (000's)	**16,963**	16,585
Diluted earnings per share	**17.0p**	51.7p

Discontinued operations	**Consolidated**	
	2023	2022
Profit attributable to owners of the Company (£000's)	-	64
Weighted average number of diluted ordinary shares (000's)	-	16,585
Diluted earnings per share	-	0.4p

Notes to the Financial Statements

13. Property, Plant and Equipment

Consolidated Year ended 31 December 2023	Leasehold improvements	Furniture, fittings & equipment	Total
	£000's	£000's	£000's
Cost or valuation			
At 1 January 2023	447	1,184	1,631
Additions	–	168	168
On acquisition of subsidiary	–	33	33
Disposals	–	(18)	(18)
At 31 December 2023	**447**	**1,367**	**1,814**
Accumulated depreciation			
At 1 January 2023	(415)	(1,099)	(1,514)
Charge for the year	(32)	(91)	(123)
Eliminated on disposal	–	3	3
At 31 December 2023	**(447)**	**(1,187)**	**(1,634)**
Net book value			
At 1 January 2023	32	85	117
At 31 December 2023	**-**	**180**	**180**

Notes to the Financial Statements

13. Property, Plant and Equipment (continued)

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
Addition on acquistion of subsidary	-	22	22
Elimination on disposal of subsidary	-	(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 on acquistion of subsidary	-	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. Right of Use Assets and Leases

Office buildings typically have lease terms of between 4 to 6 years. The Group's obligations under its office lease 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 recogntion exemption in respect of these leases.

The office 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 leases of low value underlying assets) 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 2023	Land, land easements and buildings	Motor vehicles	Total
	£000's	£000's	£000's
Cost			
At 1 January 2023	2,187	-	2,187
Additions	1,203	55	1,258
Additions on acquisition of subsidiary	-	138	138
At 31 December 2023	**3,390**	**193**	**3,583**
Accumulated depreciation			
At 1 January 2023	(1,863)	-	(1,863)
Charge for the year	(447)	(46)	(493)
At 31 December 2023	**(2,310)**	**(46)**	**(2,356)**
Net book value			
At 1 January 2023	324	-	324
At 31 December 2023	**1,080**	**147**	**1,227**

Notes to the Financial Statements

14. Right of Use Assets and Leases (continued)

Consolidated Year ended 31 December 2022	Land, land easements and buildings	Total
	£000's	£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

14. Right of Use Assets and Leases (continued)

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

	2023	2022
	£000's	£000's
At 1 January	**290**	872
Additions	**1,258**	–
Additions from acquisition of subsidiary	**267**	–
Accretion of interest	**83**	44
Payments	**(646)**	(626)
At 31 December	**1,252**	290
Current (see note 23)	**306**	284
Non-current (see note 23)	**946**	6
Total	**1,252**	290

The maturity analysis of lease liabilities is disclosed in note 23.

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

	2023	2022
	£000's	£000's
Depreciation of right-of-use assets (included within cost-of-sales and administration expenses)	**493**	526
Interest expense on lease liabilities	**83**	44
Expense relating to leases of low-value assets (included within administration expenses)	**194**	161
Total amount recognised in the Statement of Comprehensive Income	**770**	731

During the year, the Group had the following:

- Total cash outflows for leases of £840,000 (2022: £787,000)
- No transactions giving rise to gains or losses arising from sale and leaseback transactions
- No amounts relating to short-term leases.

Notes to the Financial Statements

14. Right of Use Assets and Leases (continued)

The Group also has lease contracts concerning office buildings which include extension and termination options. Management do not expect to exercise any options to extend the lease term and do not expect to 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 entered into any lease agreements in respect of the construction of a new premises.

15. Intangible Assets

Consolidated Year ended 31 December 2023	**Power supply licence**	**Software licences**	**Website development costs**	**Goodwill**	**Brand, customer relationships & order backlog acquired***	**Assets under the course of development**	**Total**
	£000's	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Cost							
At 1 January 2023	180	7,098	213	2,866	-	286	10,643
Acquired in a business combination	-	-	-	1,767	889	-	2,656
Additions	-	9	3	-	-	-	12
At 31 December 2023	**180**	**7,107**	**216**	**4,633**	**889**	**286**	**13,311**
Accumulated amortisation and impairment losses							
At 1 January 2023	-	(6,971)	(169)	-	-	-	(7,140)
Charge for the year	-	(114)	(24)	-	(54)	-	(192)
Impairment	-	-	-	-	-	(286)	(286)
At 31 December 2023	**-**	**(7,085)**	**(193)**	**-**	**(54)**	**(286)**	**(7,618)**
Net book value							
At 1 January 2023	180	127	44	2,866	-	286	3,503
At 31 December 2023	**180**	**22**	**23**	**4,633**	**835**	**-**	**5,694**

*The brand, customer relationshis & order backlog were recognised on acquisition of Wessex ECOEnergy Limited. An external valuation was obtained during the year resulting in the recognition of £0.9m of intangible assets, of which £0.8m relates to the Wessex brand name and £0.1m relates to Wessex customer relationships and order backlog acquired by the Group on completion of the transaction.

Notes to the Financial Statements

15. Intangible Assets (continued)

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
Additions	–	–	–	–	124	124
Acquired in buisness combination	–	–	–	1,805	–	1,805
Disposal of subsidary	–	(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)
Disposals	–	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**

Assets under the course of development in the current and prior year relate to costs initially capitalised in respect of a project that is no longer going ahead. The associated impairment losses are included within administrative expenses in the Consolidated Statement of Comprehensive Income, and in the electricity supply category within the segmental analysis in note 5.

Notes to the Financial Statements

15. Intangible Assets (continued)

The carrying values of indefinite life assets included in intangible assets are: goodwill of £4,633,000 (2022: £2,866,000). Within the total goodwill value of £4,633,000, £1,061,000 is allocated to Good Energy Limited, £1,805,000 is allocated to Good Energy Works Limited and £1,767,000 is allocated to Wessex ECOEnergy Limited, and a power supply license of £180,000 (2022: £180,000) is allocated to Good Energy Limited. Cash generating units (CGUs) are allocated at legal entity level.

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

Indefinite life assets are held within a cash generating unit of £1,061,000 within Good Energy Limited. An impairment review has been carried out.

The key assumptions for value in use excluding goodwill in Good Energy Limited 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 revenues are included), and are considered 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 Limited and the Directors noted that an increase of the pre-tax discount rate to 100% would leave significant headroom before impairment is 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.

Indefinite life assets are also held within a CGU of £1,805k for goodwill in relation to the subsidiary Good Energy Works Limited.

The key assumptions used in the impairment review are as follows:

- Growth rate beyond five-year plan: 1.0%

- Pre-tax discount rate: 8%

Sensitivity analysis has been conducted on the cost of capital for Good Energy Works Limited and the Directors noted that an increase of the post-tax discount rate to 45% would leave significant headroom before impairment is 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.

The final indefinite life asset is held within a CGU of £1,767k for goodwill in relation to Wessex ECOEnergy Limited, a subsidiary acquired during the year. An external purchase price allocation valuation exercise was obtained to support the fair values of separately identifiable intangible assets arising on acquisition included within note 15. The impairment exercise carried out supports the carrying value of goodwill recognised in respect of Wessex ECOEnergy and the directors are comfortable that no impairment is required.

Notes to the Financial Statements

16. Investments and Subsidiaries

Parent Company Year ended 31 December 2023	**Shares in Group undertakings**	**Loans to Group undertakings**	**Total**
	£000's	**£000's**	**£000's**
Cost and net book value			
At 1 January 2023	10,260	–	10,260
Acquisition of subsidiary	2,554	–	2,554
At 31 December 2023	**12,814**	**-**	**12,814**

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

Loans to Group undertakings were 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.

16. Investments and Subsidiaries (continued)

The Group had the following subsidiaries at 31 December 2023 (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 Services Limited	UK	100%	Holding company
Good Energy Works Limited*	UK	100%	Heat pump installation
Wessex ECOEnergy Limited*	UK	100%	Solar panel installation
Good Energy Cedar Windfarm Limited*	UK	85%	Dormant
Good Energy Tidal 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 2023. 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 2023, 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 amounts of investments in subsidiaries have 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 investments in subsidiaries, and therefore no impairment 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

17. Investments in Associates

Interests 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		2023	2022
Zapmap Limited	United Kingdom	49.9%	49.9%

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

Summarised financial information:

	2023	2022
	£000's	£000's
Current assets	1,895	6,644
Non-current assets	2,132	946
Total assets	4,027	7,590
Current liabilities	(975)	(935)
Non-current liabilities	(11,765)	(10,739)
Total liabilities	(12,740)	(11,674)
Net liabilities	**(8,713)**	**(4,084)**

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

Summarised statement of profit or loss and other comprehensive income:

	2023	2022
	£000's	£000's
Revenue	1,718	503
Expenses	(6,247)	(1,930)
Loss before income tax	(4,529)	(1,427)
Loss after income tax	**(4,529)**	**(1,427)**

17. Investments in associates (continued)

Reconciliation of the entity's carrying amount:

	2023	2022
	£000's	£000's
Opening carrying amount	12,578	-
Fair value of initial investment	-	13,290
Share of loss after income tax	(2,027)	(712)
Closing carrying amount	**10,551**	**12,578**

In the prior year, a £7.8m revaluation gain was recognised upon loss of control of Zapmap as a subsidiary following a Series A funding round in August 2022. Good Energy participated in the funding round and invested an additional £3.5m into Zapmap.

18. Inventories

	Parent Company		Consolidated	
	2023	2022	2023	2022
	£000's	£000's	£000's	£000's
Renewable Obligation Certificates	-	-	**10,861**	8,767
Emission Certificates	-	-	**144**	425
Consumables	-	-	**21**	20
Total	**-**	**-**	**11,026**	9,212

As at 31 December 2023 there were Renewable Obligation Certificates (ROCs) of £7,162,980 (2022: £5,997,459) 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 £12.7m (2022: £16.1m).

Notes to the Financial Statements

19. Trade and Other Receivables

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
Gross trade receivables and unbilled receivables	**1**	-	**49,211**	69,007
Provision for impairment/non-payment of trade receivables	**-**	-	**(18,872)**	(15,428)
Net trade receivables and unbilled receivables	**1**	-	**30,339**	53,579
Prepayments and other debtors	**743**	5,224	**3,611**	1,330
Other taxation	**-**	-	**1,908**	2,588
Amounts due from group companies	**5,679**	-	**-**	-
Total	**6,423**	5,224	**35,858**	57,497

Where a customer account is in credit this is included in contract liabilities (see note 25 Trade and Other Payables).

The Group has identified that the amount of accrued income subject to estimation uncertainty is approximately £1.6m.

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	**2023**	2022
	£000's	£000's
Balance at 1 January	**15,428**	11,792
Increase in allowance for impairment/non-payment	**3,444**	3,636
Balance at 31 December	**18,872**	15,428

Notes to the Financial Statements

19. Trade and Other Receivables (continued)

Trade receivables 31 December 2023		Days past due				
	Current £000's	<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	7.9%	13.9%	28.6%	43.6%	92.1%	
Estimated total gross carrying amount at default	22,153	4,302	1,963	960	16,869	46,247
Expected credit loss rate	**1,759**	**597**	**562**	**419**	**15,538**	**18,872**

Trade receivables 31 December 2022		Days past due				
	Current £000's	<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**	**15,428**

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

Notes to the Financial Statements

20. Cash and Cash Equivalents

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
Cash at bank and in hand	**1,373**	4,021	**25,319**	24,063
Short-term bank deposits	**-**	-	**16,000**	-
Security deposits	**-**	-	**27**	424
Total	**1,373**	4,021	**41,346**	24,487

No amounts were included within cash at bank and in hand (2022: £592,893 for both the Parent Company and the Group) in respect of monies held by the Good Energy Employee Benefit Trust. The Employee Benefit Trust was wound up during 2023.

Included within the cash and cash equivalents balance at 31 December 2023 are £13.9m of customer credit balances (2022: £4.9m).

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

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
AA-	**-**	593	**221**	593
A+	**1,280**	3,334	**40,656**	23,403
A	**-**	-	**-**	-
A-	**-**	-	**375**	397
B	**93**	94	**94**	94
Total	**1,373**	4,021	**41,346**	24,487

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

21. 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 2022	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
Scrip dividends issued	–	34,031	1	60	61
At 31 December 2023	**20,000,000**	**16,894,130**	**845**	**12,975**	**13,820**

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 2023, the Company issued 34,031 (2022: 47,559) ordinary shares of 5p each in settlement of scrip dividends for a total exercise consideration of £61,286.

The Group's Employee Benefit Trust was closed during the year. As a result, at the year end, Clarke Willmott Trust Corporation Limited held no ordinary shares (2022: 79,924) of the Company for the present and future beneficiaries of the Good Energy Group Employee Share Option Scheme.

The Board recommend a final dividend for 2023 of 2.25p (2022: 2.00p) per ordinary share, taking the full year dividend to 3.25p (2022: 2.75p).

Notes to the Financial Statements

22. Deferred Taxation

The provision for deferred taxation is made up as follows:

Consolidated	2023	2022
	£000's	£000's
At 1 January	(162)	4,583
Charged to the Consolidated Statement of Comprehensive Income	48	1,153
Deferred tax impact of amortisation movement on intangible assets acquired	13	-
Elimination on disposal	-	(5,898)
Acquisition of subsidiary	209	-
Charged to equity	(239)	-
At 31 December	(131)	(162)

Deferred tax assets	2023	2022
	£000's	£000's
On short term timing differences	16	54
Losses	38	66
Share based payments	270	-
On accelerated capital allowances	16	42
Total	340	162

Deferred tax liabilities	2023	2022
	£000's	£000's
Arising on recognition of intangible assets acquired	(209)	-
Total	(209)	-

Notes to the Financial Statements

22. Deferred Taxation (continued)

	Accelerated capital allowances	Revaluation of Generation sites	Acquisition of subsidiary fair values	Short-term timing differences	Losses	Share based payment	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Deferred tax assets/(liabilities)							
At 1 January 2022	**(2,780)**	**(4,110)**	**(35)**	**130**	**2,212**	**-**	**(4,583)**
Credited/ (charged) 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**
(Charged)/ credited to the statement of comprehensive income	(26)	-	-	(38)	(28)	31	(61)
Acquisition of subsidiary	-	-	(209)	-	-	-	(209)
Charged to equity	-	-	-	-	-	239	239
At 31 December 2023	**16**	**-**	**(209)**	**16**	**38**	**270**	**131**

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 £731,574 relating to losses of £2,926,295.

23. Borrowings and Other Financial Liabilities

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
Current:				
Bank loans	**-**	–	**10**	–
Corporate bond	**215**	10	**215**	10
Lease liabilities	–	–	**306**	284
Total	**215**	10	**531**	294

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
Non current:				
Bank loans	**-**	–	**15**	–
Corporate bond	**4,726**	4,922	**4,726**	4,921
Lease liabilities	–	–	**946**	6
Total	**4,726**	4,922	**5,687**	4,927

The current portion of the bond repayment represents the interest accrued and the amount of principal repayments requested prior to the year end. The latest redemption request deadline was in December 2023, for repayment of the remaining bond in June 2024.

The bank loan is in relation to a Government-backed Bounce Back loan held by Wessex ECOEnergy Limited.

Notes to the Financial Statements

23. Borrowings and Other Financial Liabilities (continued)

Parent Company	Bond	Total
	£000's	£000's
31 December 2023		
Due less than 1 year	**215**	**215**
Due between 1 and 5 years	**4,726**	**4,726**
Total	**4,941**	**4,941**

Parent Company	Bond	Total
	£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

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

Notes to the Financial Statements

23. Borrowings and Other Financial Liabilities (continued)

Consolidated	Bank loans	Bond	Lease liabilities	Total
	£000's	£000's	£000's	£000's
31 December 2023				
Due less than 1 year	**10**	**215**	**306**	**531**
Due between 1 and 5 years	**15**	**4,726**	**946**	**5,687**
Total	**25**	**4,941**	**1,252**	**6,218**

Consolidated	Bond	Lease liabilities	Total
	£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
Total	4,931	290	5,221

The fair values of borrowings have been calculated taking into account the interest rate risk inherent in the bond. The fair value estimates and carrying values of borrowings (excluding issue costs) in place at 31 December 2023 are:

	2023	2023	2022	2022
	Fair value	Carrying value	Fair value	Carrying value
	£000's	£000's	£000's	£000's
Corporate bond	**4,833**	**4,449**	4,820	4,486

Borrowings are designated as other financial liabilities held at amortised cost. The carrying amount is a reasonable approximation of fair value for all remaining financial assets and liabilities held by the Group.

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

24. Changes in Liabilities Arising from Financing Activities

	1 January 2023	Cash flows	Interest	New Leases	New Loans	31 December 2023
	£000's	£000's	£000's	£000's	£000's	£000's
Current interest-bearing loans and borrowings (excluding items listed below)	10	134	51	-	30	225
Non-current interest-bearing loans and borrowings (excluding items listed below)	4,921	(180)	-	-	-	4,741
Current lease obligations	284	(745)	83	684	-	306
Non-current lease obligations	6	99	-	841	-	946
Total liabilities from financing activities	5,221	(692)	134	1,525	30	6,218

The Group classifies interest paid as cash flows from operating activities.

Notes to the Financial Statements

25. Trade and Other Payables

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
Trade payables	**22**	–	**2,090**	11,465
Accruals	**706**	405	**41,497**	50,868
Social security and other taxes	**-**	–	**498**	377
Corporation Tax	**-**	–	**2,228**	–
Amounts due to group companies	**603**	–	**-**	–
Contract liabilities	**-**	–	**17,389**	9,425
Total	**1,331**	405	**63,702**	72,135

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 Group's FIT pot contribution.

All of the contract liabilities in 2022 as shown above were recognised as revenue in 2023.

26. 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	**2023**	2022
	£000's	£000's
Final dividend for prior year of 2p per share (2022: 1.8p)	**336**	187
Interim dividend for current year of 1p per share (2022: 0.75p)	**169**	238
Total	**505**	425

A final dividend of 2.25p per share was proposed on 19 March 2024, subject to shareholder approval at the Company's AGM.

Of the total dividend distributed for the year, £60,286 (2022: £127,274) was paid in the form of scrip dividends with a balance of £444,913 (2022: £297,458) settled in cash.

27. Cash Generated from Operations

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

	Parent Company		Consolidated	
	2023	2022	**2023**	2022
	£000's	£000's	**£000's**	£000's
(Loss)/profit before tax from continuing operations	**263**	(3,524)	**5,683**	9,208
Profit/(loss) before tax from discontinuing operations	**-**	-	**-**	64
(Loss)/profit before income tax	**263**	(3,524)	**5,683**	9,272
Adjustments for:				
Depreciation of PPE and ROU assets	**-**	-	**616**	624
Amortisation & impairment of intangibles	**-**	3	**478**	951
Transfers from/(to) restricted deposit accounts	-	-	**2,550**	(1,515)
Gain arising on loss of control of subsidiary	**-**	-	**-**	(7,767)
Gain/(loss) on sale of assets held for sale	**-**	47	**-**	(64)
Share based payments	**341**	198	**341**	198
Gain on closure of Employee Benefit Trust	**(43)**	-	**(43)**	-
Loss on asset disposals	**-**	-	**15**	-
Share of loss of associate	**-**	-	**2,027**	712
Dividend income from subsidiaries	**(2,000)**	-		-
Other finance income - net	**(422)**	(381)	**(576)**	(281)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation)				
Inventories	**-**	-	**(1,882)**	(1,509)
Trade and other receivables	**2,467**	(4,551)	**22,347**	(21,253)
Trade and other payables	**(111)**	(568)	**(10,923)**	25,812
Cash inflow/(outflow) from operations	**495**	(8,776)	**20,634**	5,180

Notes to the Financial Statements

28. 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 £341,000 (2022: £197,963) in respect of these options have been recognised in the Consolidated Statement of Comprehensive Income. As at 31 December 2023,the following options had been issued:

	Number of options		**Weighted average exercise price**		**Total exercise consideration**	
	2023	2022	**2023**	2022	**2023**	2022
	(Number)	(Number)	**(£)**	(£)	**£000's**	£000's
Outstanding at beginning of year	**878,307**	708,528	**2.23**	1.82	**1,956**	1,291
Granted	**840,288**	435,701	**1.49**	2.27	**1,252**	989
Exercised	**(60,000)**	(199,582)	**1.25**	1.03	**(75)**	(206)
Cancelled/surrendered	**(72,478)**	(66,340)	**2.37**	1.78	**(172)**	(118)
Outstanding at the end of year	**1,586,117**	878,307	**1.87**	2.23	**2,961**	1,956

Of the options outstanding, no shares (2022: 79,924) have already been issued and held by Clarke Willmott Trust Corporation Limited as the Trustee of the Good Energy Group Employee Benefit Trust. Dividends were waived on these shares in the prior year. The Employee Benefit Trust was wound up during 2023.

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: £2.09

- Exercise price: £1.49

- Expected life of share options: 3 years

- Annual risk-free interest rate: 5.348%

- Expected volatility: 61.99%

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

28. Share-Based Payments (continued)

Grant-vest	Expiry year	Exercise price in £ per share options	Share options (thousands)	
			2023	2022
2013-2016	2023	1.25	**-**	60
2015-2018	2028	2.25	**50**	50
2021-2022	2023	1.78	**75**	75
2021-2024	2025	2.51	**226**	258
2022-2025	2026	2.27	**395**	436
2023-2026	2027	1.49	**840**	-
			1,586	879

There were 840,288 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 8 for the total expense recognised in the Income Statement for share options granted to Directors and employees.

29. Business Combinations

On 22 June 2023 the Group acquired 100% of the voting equity instruments of Wessex ECOEnergy Limited, a company whose principal activity is the provision of solar panel 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 and liabilities acquired:

	Book Value	Fair Value
	£000s	**£000s**
Property, plant and equipment	171	171
Intangible assets	-	889
Inventories	362	362
Receivables	246	246
Cash	350	350
Payables	(297)	(297)
Borrowings	(711)	(711)
Deferred tax liability	-	(223)
Total Identifiable net assets	**119**	**787**
Goodwill	**1,767**	
Consideration	**2,554**	

Notes to the Financial Statements

29. Business Combinations (continued)

The fair value of trade receivables at the acquisition date is £103,911. The gross contractual amount for trade receivables due is £103,911. All amounts are expected to be collected.

Fair value of consideration paid:

	£000s
Cash	2,554
Total consideration	**2,554**
Goodwill	**1,767**

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 £634,000 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 Wessex EcoEnergy Limited since its acquisition are as follows:

	£
Turnover	**2,073,572**
Loss	**38,106**

Since the acquisition date, Wessex ECOEnergy Limited has contributed £2,073,572 to Group revenues and a loss of £38,106 to the group's results. If the acquisition had occurred on 1 January 2023 Good Energy Group's revenue would have been £256,432,000 and Group profit for the year would have been £2,676,000.

Post year end, on 12 February 2024, the Group acquired 100% of the issued share capital of JPS Group, a specialist solar and storage installation and distribution business. The acquisition strengthens Good Energy's service offering and accelerates the Company's energy services growth strategy in targeting higher margin, growth markets with lower working capital requirements.

The acquisition took place on a debt-free cash-free basis for an initial consideration of £7m with further deferred consideration of up to £6.75m, payable in cash over a two-year period, subject to certain performance conditions. The initial consideration was satisfied by a cash payment on completion and through the allotment of 1,322,000 new ordinary shares of 5p each in the Company. A proportion of the consideration shares have been placed on behalf of JPS Group's selling shareholders via a vendor placing of 842,000 consideration shares at a price of 250p per placing share, raising proceeds of approximately £2.1m for the vendors.

Due to the short period of time between acquisition and reporting, the accounting for the acquisition of JPS Group has only been provisionally determined at the date the financial statements for the year ended 31 December 2023 are authorised for issue. In accordance with the requirements of IFRS 3 Business Combinations, the Group will finalise the acquisition balance sheet within 12 months of the acquisition date.

JPS Group made no contribution to Group revenues or profits in 2023. It is impractical to disclose Group revenues and profits if the acquisition had occurred on 1 January 2023 due to differing financial year ends and limited access to finalised accounting information at the date of signing the financial statements.

Notes to the Financial Statements

30. 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 £706,000 (2021: £596,000).

Total contributions of £126,000 (2022: £182,000) 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.

31. Related Party Transactions

During the year the Group recognised £463k (2022: £187k) in respect of preference dividends due from irredeemable preference shares held in Zapmap Limited. The amount was unpaid at the year end and is included within trade and other receivables.

32. Subsequent Events

A final dividend of 2.25p per share (2022: 2.0p) was proposed on 19 March 2024, subject to shareholder approval at the Group's AGM.

On 12 February 2024, Good Energy Group PLC acquired the entire issued share capital of JPS Renewable Energy Ltd, a specialist solar and storage installation and distribution business, and its wholly owned subsidiary, Trust Solar Wholesale Ltd, a standalone distribution and procurement business, for an initial consideration of £7m.

The initial consideration was satisfied by a cash payment on completion and through the allotment of 1,322,000 new ordinary shares in Good Energy Group PLC. A proportion of the consideration shares have been placed on behalf of JPS Group's selling shareholders via a vendor placing of 842,000 consideration shares at a price of 250 pence per placing share raising proceeds of approximately £2.1m for the vendors.

33. 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 Tidal Limited

Good Energy Services Limited

Indirectly held subsidiaries:

Good Energy Cedar Windfarm Limited

Good Energy Works Limited

Wessex ECOEnergy Limited

Directors and Corporate Resources

Directors

William Whitehorn (Non-Executive Chairman)
Nigel Pocklington (Chief Executive)
Rupert Sanderson (Chief Financial Officer)
Francoise Woodward (Chief Operating 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

04000623

Principal Place of Business and Registered Office

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Wiltshire
SN15 1GH

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Bristol, BS1 6DP

Financial Advisors

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EC2V 7QP

Bankers

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Canons Way
Bristol
BS99 7LB

The Co-operative Bank PLC
PO Box 101, 1 Balloon Street
Manchester
M60 4EP

Legal Advisors

Norton Rose LLP
3 More London, Riverside
London
SE1 2AQ

Registrars

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
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BS99 6ZY

Acronyms and definitions

API: Application Programme Interface solution.

Board: The Board of the Company.

Company: Good Energy Group PLC.

CPO: Charge point operators build EV charging sites and manage charging network infrastructure.

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.

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.

EV: Electric vehicle.

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.

FIT: Feed in Tariff – government scheme live from 2010-2019 that pays small renewable generators.

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

Good Energy, Group, We and **Our:** The Company and the Good Energy group of companies.

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.

LCP Delta: Provide data-driven research and consultancy to companies navigating the energy transition.

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

POI: Point of interest data provides real-time intelligence and insights to Zapmap's EV mapping app.

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

RECC: The Renewable Energy Consumer Code sets high consumer protection standards for businesses selling renewable energy generation systems for domestic properties.

SME: Small and medium sized enterprises.

SVT: Standard variable tariff.

TCFD: Taskforce for Climate-related Financial Disclosures, with recommendations structured around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Annual Report & Accounts 2023

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