Registered number: 02549857

Good Energy Generation Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2017

Company Information

Directors	Juliet Davenport Stephen Rosser
Registered number	02549857
Registered office	Monkton Reach Monkton Hill Chippenham Wiltshire SN15 1EE
Independent auditors	Ernst & Young LLP The Paragon Bristol BS1 6BX

Contents

Directors' Report
For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The company's principal activity during the year was the development of energy generating sites.

Good Energy Generation Limited is a private limited company incorporated in England and Wales under the Companies Act, and it is domiciled within the United Kingdom. Good Energy Group PLC is the parent of the company and ultimate parent of the group to which the company belongs.

Results and dividends

The loss for the year, after taxation, amounted to £5,403,728 *(2016 - loss £412,123)*.

The loss during the year was due to the discontinuation of the Company's operations & the associated impairment of the project's work in progress.

During the year no dividend (2016: £Nil) was paid. The directors do not recommend the payment of a final dividend (2016: £Nil).

Going concern

The company has net liabilities and incurred a loss for the financial year, and receives on-going financial support from the ultimate parent company. This support has been confirmed for at least 12 months from the date of signing these financial statements. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Director

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Juliet Davenport
Stephen Rosser (appointed 31 March 2018)
David Brooks (resigned 7 April 2017)
Denise Cockrem (resigned 31 March 2018)

Directors' indemnity statement

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

The ultimate parent company, Good Energy Group plc, also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Small companies exemptions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 3 December 2018 and signed on its behalf.

Juliet Davenport
Director

Independent Auditors' Report to the Members of Good Energy Generation Limited

Opinion

We have audited the financial statements of Good Energy Generation Limited for the year ended 31 December 2017 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Good Energy Generation Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and not preparing a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditors' Report to the Members of Good Energy Generation Limited

Use of our report

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

Ernst & Young LLP

John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

The Paragon
Bristol
BS1 6BX

3 December 2018

Statement of Comprehensive Income
For the Year Ended 31 December 2017

	Note	2017 £	*2016 £*
Revenue	4	**-**	*918,699*
Cost of sales		**(3,221)**	*(710,028)*
Impairment	5	**(3,206,190)**	*-*
Gross (loss)/profit		**(3,209,411)**	*208,671*
Administrative expenses		**(2,173,950)**	*(466,616)*
Operating (loss)	5	**(5,383,361)**	*(257,945)*
Finance costs	9	**(21)**	*(174,172)*
(Loss) before tax		**(5,383,382)**	*(432,117)*
Tax on loss	10	**(20,346)**	*19,994*
(Loss) for the financial year		**(5,403,728)**	*(412,123)*
Total comprehensive (loss) for the year		**(5,403,728)**	*(412,123)*

The notes on pages 9 to 23 form part of these financial statements.

Statement of Financial Position
As at 31 December 2017

	Note		2017 £		As restated 2016 £
Fixed assets					
Intangible assets	11		-		630
Investments	12		-		85
			-		715
Current assets					
Inventory	13	**904,000**		5,493,364	
Deferred tax asset	19	**2,901**		19,994	
Debtors: amounts falling due within one year	14	**276,116**		2,657,683	
Current assets held for sale	15	**1,265,482**		-	
Cash at bank and in hand	16	**1,654**		-	
		2,450,153		8,171,041	
Creditors: amounts falling due within one year	17	**(12,464,848)**		(12,782,723)	
Net current liabilities			**(10,014,695)**		(4,611,682)
Total assets less current liabilities			**(10,014,695)**		(4,610,967)
Net liabilities			**(10,014,695)**		(4,610,967)
Capital and reserves					
Called up share capital	20		**147**		147
Accumulated losses	21		**(10,014,842)**		(4,611,114)
			(10,014,695)		(4,610,967)

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 3 December 2018.

Juliet Davenport
Director

The notes on pages 9 to 23 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2017

	Ordinary shares	Accumulated losses	Total deficit
	£	£	£
At 1 January 2017	147	(4,611,114)	(4,610,967)
Comprehensive expense for the year			
(Loss) for the year	-	(5,403,728)	(5,403,728)
Total comprehensive expense for the year	-	(5,403,728)	(5,403,728)
At 31 December 2017	147	(10,014,842)	(10,014,695)

The notes on pages 9 to 23 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2016

	Ordinary shares	Accumulated losses	Total deficit
	£	£	£
At 1 January 2016	147	(4,198,991)	(4,198,844)
Comprehensive expense for the year			
(Loss) for the year	-	(412,123)	(412,123)
Total comprehensive expense for the year	-	(412,123)	(412,123)
At 31 December 2016	147	(4,611,114)	(4,610,967)

The notes on pages 9 to 23 form part of these financial statements.

1. General information

Good Energy Generation Limited is a private limited company incorporated in the United Kingdom under the Companies Act 2006 and is domiciled within the United Kingdom.

The nature of the company's operations and its principal activities are set out in the Directors' Report. The company is not listed. The company's registered office and principal place of business is Monkton Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE. The company's registered number is 02549857.

These financial statements are presented in pounds sterling which is the functional and presentation currency.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101 where applicable:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

2.3 Restatement of prior year

Good Energy Generation Limited has identified that invoices in relation to one of its subsidiaries, Good Energy Cedar Windfarm Limited, were incorrectly recognised with Good Energy Generation Limited in the prior year. This has now been corrected to reflect the invoices being held by Good Energy Cedar Windfarm Limited.

The impact of this reclassification is a reduction of project WIP of £177,932 and an increase of amounts due from other group companies of £177,932.

During the year Good Energy Generation Limited has identified that the initial investment in Good Energy Cedar Windfarm Limited had been omitted from prior year accounts in error. This has now been corrected and the impact has resulted in an increase in investments of £85 and an increase in amounts due to other group companies of £85.

2.4 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2017, have had a material impact on the company.

2.5 Consolidated financial statements

The company is a wholly owned subsidiary of Good Energy Group PLC. It is included in the consolidated financial statements of Good Energy Group PLC which are publicly available. Therefore the company is exempt as defined in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

2.6 Going concern

The company has net liabilities and a loss for the financial year, and receives on-going financial support from the ultimate parent company. This support has been confirmed for at least 12 months from the date of signing these financial statements. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

2.7 Revenue

Revenue represents amounts recoverable from customers on generation development activities including the sale of generation development sites and development services provided on early stage sites. All turnover arose within the United Kingdom.

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

The company recognition of revenue from develoment services is based on contractual agreements in place with customers.

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Intangible assets

Definite life intangible assets

Definite life intangible assets comprise software licences which meet the criteria of IAS 38 "Intangible assets". The software licence costs are carried at costs less accumulated impairment losses.

Cost comprises purchase price from thirs parties as well as directly attributable internaly generated develoment costs where relevant.

Amortisation

Amortisation on definite life intangible assets is charged to the Statement of Comprehensive Income on a straight line basis over the estimated useful lives if intangible assets.

The estimated useful lives range as follows:

Software licenses	-	between 3 and 5 years

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

Impairment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Inventories

Generation development sites

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

2. Accounting policies (continued)

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.16 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.20 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Recoverability of inventories

The company carries develoment costs in respect of new power generation sites as inventory in its Statement of Financial Position. These are valued at the lower of cost and the net realisable value which is determined by management assessment of the relevant project being successful.

4. Revenue

The whole of the turnover is attributable to the company's principal activity being the development of energy generating sites.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2017 £	*2016* *£*
Amortisation of intangible assets	**630**	*2,200*
Impairment of inventory	**3,206,190**	-
Impairment of investment	**275,085**	-
Impairment of amounts owed by group undertakings	**1,586,580**	-

6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2017 £	*2016* *£*
Fees payables to the company's auditors for the audit of the company's annual financial statements	**19,000**	*20,000*
	19,000	*20,000*

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries recharged	**273,887**	*280,260*
	273,887	*280,260*

During the year salary costs were recharged from Good Energy Limited, its fellow subsidiary, for time spent by its employees working for the company. The recharge amount relates to time spent by 8 (2016: 13) full time equivalent employees. The payments to staff are all borne by Good Energy Limited along with all responsibilities surrounding those payments.

8. Directors' remuneration

During the year, no director received any emoluments (2016:£Nil).

The directors are employed by other group companies within the Good Energy Group PLC group and are remunerated by fellow group companies for their services to the group as a whole. It is not practical to allocate their remuneration for their services as a director between group companies. Details of their remuneration and any compensation for loss of office can be found in the financial statements of Good Energy Group PLC.

9. Finance costs

	2017 £	2016 £
Bank interest payable	**21**	*2*
Loans from group undertakings	**-**	*174,170*
	21	*174,172*

10. Taxation

	2017 £	*2016 £*
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	77	*(20,656)*
Adjustment in resect of prior years	20,269	*662*
Total deferred tax	20,346	*(19,994)*
Taxation on profit/(loss) on ordinary activities	20,346	*(19,994)*

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	2017 £	*2016 £*
Loss on ordinary activities before tax	(5,383,382)	*(432,117)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	(1,036,301)	*(86,423)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	358,370	-
Adjustments to tax charge in respect of prior periods, deferred tax	20,269	*662*
Effects of changes in tax rate	(10)	*3,645*
Group relief	678,018	*62,122*
Total tax credit/charge for the year	20,346	*(19,994)*

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11. Intangible assets

	Licenses £
Cost	
At 1 January 2017	**7,415**
At 31 December 2017	**7,415**
Amortisation	
At 1 January 2017	**6,785**
Charge for the year	**630**
At 31 December 2017	**7,415**
Net book value	
At 31 December 2017	**-**
At 31 December 2016	*630*

Amortisation of intangible assets is included in administrative costs in the Statement of Comprehensive Income.

12. Investments

	2017 £	*As restated* *2016* *£*
As at 1 January 2017	**85**	*85*
Additions in year	**275,000**	-
Impairment	**(275,085)**	-
As at 31 January 2017	**-**	*85*

The investment relates to the initial shareholding in Good Energy Generation Limited's subsidiary - Good Energy Cedar Windfarm Limited. During 2017 Good Energy Generation Limited invested a further £275,000 into Good Energy Cedar Windfarm Limited, so that it could appeal against a refusal of planning permission for the development of wind farm. The follow up appeal was also rejected which resulted in Good Energy Cedar Windfarm Limited being unable to develop the wind farm. Following this Good Energy Generation Limited has decided to impair it's investment in Good Energy Cedar Windfarm Limited in it's entirety.

13. Inventory

	2017 £	*As restated* *2016* *£*
Stocks and work in progress	**904,000**	*5,493,364*
	904,000	*5,493,364*

Following on from the government announcement made in 2016, regarding reductions in the subsidies available for certain renewable technologies, an impairment has been recognised in the year of £3,206,190 (2016:122,000). The remaining inventory balance has been valued at cost.

14. Debtors

	2017 £	2016 £
Trade debtors	**249,115**	*8,322*
Amounts owed by group undertakings	-	*1,807,884*
Other debtors	**27,001**	*665,642*
Tax recoverable	-	*175,835*
	276,116	*2,657,683*

Trade receivables are stated after provisions for impairment of £Nil (2016: £Nil).

During the year intercompany receivables totalling £1,586,580 were written off as they were deemed irrecoverable.

15. Current assets held for sale

	2017 £	2016 £
Inventories	**1,265,482**	-
	1,265,482	-

Held for sale inventory costs relate to a wind development project within Good Energy Development (No.7) Limited. The entity was actively marketed for sale in the year ended 31 December 2017 and various offers are under consideration.

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**1,654**	-
	1,654	-

17. Creditors: Amounts falling due within one year

	2017 £	*As restated 2016 £*
Bank overdraft	-	*3,412*
Trade creditors	-	*172,866*
Amounts owed to group undertakings	**12,412,173**	*11,775,980*
Other creditors	-	*1,341*
Accruals and deferred income	**52,675**	*531,039*
Financial instruments (note 18)	-	*298,000*
	12,464,848	*12,782,638*

Amounts due to group companies are unsecured, bear interest at 2.5% above Bank of England base rate and are repayable within one year of the balance sheet date.

18. Financial instruments

	2016 £	*2015 £*
Financial liabilities		
Derivative financial instruments	-	*(298,000)*
	-	*(298,000)*

Derivative financial instruments relate to put options on non-controlling interest shares in Good Energy Cedar Windfarm Limited. An equivalent asset of nil (2016: £298,000) relating to the fair value of the shares in Good Energy Cedar Windfarm Limited has been recognised in other debtors. The value has decreased to nil in 2017 as it understood that the Company will no longer receive planning permission and therefore the put option will not be payable.

19. Deferred taxation

	2017 £	*2016 £*
Charged to profit or loss	**2,901**	*19,994*
At end of year	**2,901**	*19,994*

19. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	352	(673)
Tax losses carried forward	2,549	20,667
	2,901	19,994
Comprising:		
Asset	2,901	19,994
	2,901	19,994

20. Ordinary shares

	2017 £	2016 £
Allotted, called up and fully paid		
14,661 (2015: 14,661) Ordinary shares of £0.01 (2016: £0.01) each	147	147

21. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

22. Related party transactions

The company is a wholly owned subsidiary of Good Energy Group PLC and has taken advantage of the exemption onferred by Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) not to disclose transactions with Good Energy Group PLC or its subsidiaries.

In 2012, the Group entered in to an agreement in connection with generation development activities with Shire Oak Energy Limited (Shire Oak), a company owned by Mark Shorrock who is the husband of Juliet Davenport. During 2017 the Generation Development business segment was discontinued, no payments were made to Shire Oak under the terms of the agreement in 2017 (2016: £nil). No further payments remain to be paid as a final payment, capped at £150,000, is no longer due as it relates to a solar farm development which will not be energised.

23. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Good Energy Group PLC, a company incorporated in England and Wales.

Good Energy Group PLC is the parent undertaking of the largest and the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Good Energy Group PLC can be obtained from:

Monkton Reach
Monkton Hill
Chippenham
Wiltshire
SN15 1EE

24. Sudsidiary undertakings

Good Energy Cedar Windfarm Limited is a subsidiary undertaking of Good Energy Generation Limited. Good Energy Cedar Windfarm Limited is incorporated in the UK. Good Energy Generation Limited directly owns 85% of ordinary share capital of Good Energy Cedar Windfarm Limited. Good Energy Cedar Windfarm Limited's principal activity during the year was the development of an energy generating asset. The registered address for the subsidiary is the same address as listed in note 22 above.