

Registered number: 02549857

## **Good Energy Generation Limited**

### **Annual Report and Financial Statements**

**For the Year Ended 31 December 2021**

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## **Good Energy Generation Limited**

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### **Company Information**

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**Directors**                      Juliet Davenport (resigned 31 July 2021)  
                                        Rupert Sanderson  
                                        Nigel Pocklington (appointed 1 May 2021)

**Registered number**                      02549857

**Registered office**                      Monkton Park Offices  
                                        Monkton Park  
                                        Chippenham  
                                        Wiltshire  
                                        SN15 1GH

**Independent auditor**                      Mazars LLP  
                                        90 Victoria St  
                                        Bristol  
                                        BS1 6DP

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## **Good Energy Generation Limited**

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## **Good Energy Generation Limited**

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### **Directors' Report For the Year Ended 31 December 2021**

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The directors present their report and the financial statements for Good Energy Generation Limited (the "Company") for the year ended 31 December 2021.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 101, 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £10,877 (2020 - £51,673).

During the year no dividend (2020: £nil) was paid. The directors do not recommend the payment of a final dividend (2020: £nil).

#### **Engagement with suppliers, customers and others**

The Directors recognise their primary legal responsibility to promote the success of the Company for the benefit of its members as a whole, taking into account the interests of other stakeholders including customers, employees, partners, suppliers, regulators, the environment and the local communities in which Good Energy operates.

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## **Good Energy Generation Limited**

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### **Directors' Report (continued) For the Year Ended 31 December 2021**

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#### **Going concern**

The Company has net current liabilities, net liabilities and incurred a loss before tax for the financial year, and is reliant upon ongoing financial support from its ultimate parent company, Good Energy Group PLC. This support has been confirmed for at least 12 months from the date of signing these financial statements, by way of a letter of comfort from the parent company, that provides comfort that no demands for payment of amounts due pursuant to loan agreements, or alterations to payment dates, would be made that would prevent the Company from meeting its obligations to any third party that become due in the next 12 months.

On this basis, the Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

#### **Directors**

The directors who served during the year were:

Juliet Davenport (resigned 31 July 2021)  
Rupert Sanderson  
Nigel Pocklington (appointed 1 May 2021)

#### **Qualifying third party indemnity provision**

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.

#### **Principal risks and uncertainties**

The main financial risks arising from the Company's activities are liquidity risk, credit risk and interest rate cash flow risk.

##### **Liquidity risk**

The Company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient funds to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. It achieves this by monitoring cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its cash reserves at all times so as not to breach borrowing limits or covenants.

##### **Interest rate cash flow risk**

The financial risk is the risk to the Company's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The Company has borrowings in the form of a loan from the parent company. The directors do not consider the risk from the intercompany loan interest rate to be significant. There is risk of legislative change and impact on the economy and therefore interest rates as a result of inflation pressures, and management are alert to any decisions that may be made over the coming year in this area.

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## **Good Energy Generation Limited**

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### **Directors' Report (continued) For the Year Ended 31 December 2021**

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#### **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

#### **Post balance sheet events**

On 24 February 2022, Russia invaded Ukraine. Since this date the uncertainty around gas and oil supplies to western Europe from Russia; the impact of global sanction on Russia and their subsequent global impacts; and the additional inflationary pressure placed on both UK and global economies related to the impacts of the invasion have created a non-adjusting post balance sheet event. For Good Energy the impacts of this are currently uncertain.


The wholesale market for electricity and gas spiked significantly in the weeks following the invasion then settled down to a level like what had been seen at various points in the the last six months of 2021 (when wholesale markets were already proving very volatile). The wholesale market has since spiked again during Q2 and Q3 2022. The Company's hedge position mitigates the immediate impacts of the conflict, but there will remain uncertainty through 2022 and into 2023 as the conflict and related inflationary impacts develop. The Company has mitigations it can employ through 2022 and into 2023 to offset further risks caused by the situation.

On 8 September 2022, the UK government announced details of domestic financial support available through the Energy Price Guarantee. This has been factored into the going concern disclosure in note 2.3 and is treated as a non-adjusting post balance sheet event.

#### **Companies Act 2006 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 and signed on its behalf.

  
ND Pocklington (Sep 14, 2022 21:56 GMT+1)

**Nigel Pocklington**  
Director

Date: 14 September 2022

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## Good Energy Generation Limited

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### Independent Auditor's Report to the Members of Good Energy Generation Limited

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#### Opinion

We have audited the financial statements of Good Energy Generation Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 18, 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

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

#### Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In forming our opinion on the financial statements, which is not modified, we draw your attention to the directors' consideration of the impact of the energy crisis in the UK on the going concern basis of preparation in note 2.3.

The impact of the current energy crisis in the UK continues to evolve and, based on the information available at this point in time, the directors have assessed that adopting the going concern basis for preparation of the financial statements is appropriate.

#### 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 contained within the annual report.

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.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material

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## Good Energy Generation Limited

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### Independent Auditor's Report to the Members of Good Energy Generation Limited

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misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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 exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-money laundering regulation.



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## Good Energy Generation Limited

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### Independent Auditor's Report to the Members of Good Energy Generation Limited

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To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to recognition of deferred tax and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

#### 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.



Jonathan Barnard (Senior Statutory Auditor) for and behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol, BS1 6DP

Date: 15<sup>th</sup> September 2022.

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**Good Energy Generation Limited**

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**Statement of Comprehensive Income  
For the Year Ended 31 December 2021**

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	Note	2021 £	2020 £
Cost of sales		(25,117)	954
<b>Gross (loss)/profit</b>		<b>(25,117)</b>	<b>954</b>
Administrative expenses		(11,635)	(11,552)
Other operating income		28,000	-
<b>Operating loss</b>	4	<b>(8,752)</b>	<b>(10,598)</b>
Tax credit on loss	8	19,629	62,271
<b>Profit for the financial year</b>		<b>10,877</b>	<b>51,673</b>
<b>Total comprehensive income for the year from continuing operations</b>		<b>10,877</b>	<b>51,673</b>

The notes on pages 10 to 18 form part of these financial statements.


**Good Energy Generation Limited**  
Registered number:02549857

**Statement of Financial Position**  
As at 31 December 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	10	83,836	62,507
Cash and cash equivalents	11	11,293	312,901
		<u>95,129</u>	<u>375,408</u>
Creditors	12	(12,318,189)	(12,609,345)
<b>Net current liabilities</b>		<u>(12,223,060)</u>	<u>(12,233,937)</u>
<b>Net liabilities</b>		<u>(12,223,060)</u>	<u>(12,233,937)</u>
<b>Capital and reserves</b>			
Called up share capital	14	147	147
Profit and loss account		(12,223,207)	(12,234,084)
		<u>(12,223,060)</u>	<u>(12,233,937)</u>

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 and were signed on its behalf by:

  
Nigel Pocklington (Sep 14, 2022 21:56 GMT+1)

**Nigel Pocklington**  
Director

Date: 14 September 2022

The notes on pages 10 to 18 form part of these financial statements.

**Good Energy Generation Limited**

**Statement of Changes in Equity  
For the Year Ended 31 December 2021**

	Ordinary shares	Accumulated losses	Total deficit
	£	£	£
At 1 January 2021	147	(12,234,084)	(12,233,937)
<b>Comprehensive income for the year</b>			
Profit for the year		10,877	10,877
<b>Total comprehensive income for the year</b>		10,877	10,877
<b>At 31 December 2021</b>	<b>147</b>	<b>(12,223,207)</b>	<b>(12,223,060)</b>

The notes on pages 10 to 18 form part of these financial statements.

**Statement of Changes in Equity  
For the Year Ended 31 December 2020**

	Ordinary shares	Accumulated losses	Total deficit
	£	£	£
At 1 January 2020	147	(12,285,757)	(12,285,610)
<b>Comprehensive income for the year</b>			
Profit for the year		51,673	51,673
<b>Total comprehensive income for the year</b>		51,673	51,673
<b>At 31 December 2020</b>	<b>147</b>	<b>(12,234,084)</b>	<b>(12,233,937)</b>

The notes on pages 10 to 18 form part of these financial statements.

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## Good Energy Generation Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2021

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#### 1. General information

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

The Company's principal activity during the year was the development of energy generating sites. The Company is not listed. The Company's registered office and principal place of business is Monkton Park Offices, Monkton Park, Chippenham, Wiltshire, SN15 1GH. 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 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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;
- 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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## **Good Energy Generation Limited**

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### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **2. Accounting policies (continued)**

##### **2.3 Going concern.**

The Company has net current liabilities, net liabilities and incurred a loss before tax for the financial year, and is reliant upon ongoing financial support from its ultimate parent company, Good Energy Group PLC. This support has been confirmed for at least 12 months from the date of signing these financial statements, by way of a letter of comfort from the parent company, that provides comfort that no demands for payment of amounts due pursuant to loan agreements, or alterations to payment dates, would be made that would prevent the Company from meeting its obligations to any third party that become due in the next 12 months.

On this basis, the Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

##### **2.4 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.

##### **2.5 Financial instruments**

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

Financial instruments recognised on the Statement of Financial Position include cash and cash equivalents, trade payables and borrowings. Financial assets and liabilities are recognised on the Statement of Financial Position when the Company has become a party to the contractual provisions of the instrument.

###### **Financial assets at amortised cost**

The Company's financial assets at amortised cost comprise intercompany and other receivables and cash and cash equivalents in the 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 via other group companies (e.g. intercompany 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. These are held in a business model which intends to hold the financial assets to collect the contractual cash flows rather than through sale.

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.

###### **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.

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## Good Energy Generation Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2021

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## 2. Accounting policies (continued)

### 2.6 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.

Profit and loss account

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

### 2.7 Dividends

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

### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

## 3. Judgements 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.

### Deferred Tax

In recognising deferred tax balances the Company makes judgements in determining whether assets will be able to be utilised against future profits or group relieved to other entities. See note 13 for deferred tax balances.

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## Good Energy Generation Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2021

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#### 4. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Gain on sale of tangible fixed assets	28,000	-
Impairment of contract costs	(25,117)	-
Reversal of write down	-	954
	<u>2,883</u>	<u>954</u>

#### 5. Auditor's 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:

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,393	10,000
	<u>9,393</u>	<u>10,000</u>

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.

#### 6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £nil).

#### 7. Directors' remuneration

During the year, no director received any emoluments (2020: £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.



**Good Energy Generation Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2021**

**8. Taxation**

	2021 £	2020 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	39	2,895
Adjustments in respect of prior years	1	(58,282)
Effect of tax rate change on opening balances	(19,669)	(6,884)
<b>Total deferred tax</b>	(19,629)	(62,271)
<b>Taxation on loss on ordinary activities</b>	(19,629)	(62,271)

**Factors affecting tax credit for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(8,752)	(10,598)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	(1,663)	(2,014)
<b>Effects of:</b>		
Adjustments in respect of prior years - deferred tax	1	(58,282)
Non-taxable income	-	(181)
Effects of changes in tax rate	(42,596)	(14,226)
Group relief surrendered/(claimed)	1,702	2,242
Deferred tax on losses not recognised	22,927	10,190
<b>Total tax credit for the year</b>	(19,629)	(62,271)

Deferred tax on losses not recognised represents the deferred tax on pre April 2017 losses that are unable to be utilised for group relief. Should deferred tax be recognised on all such losses, the deferred tax asset and profit after tax would increase by £31,645 relating to losses of £126,580.

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## Good Energy Generation Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2021

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#### 8. Taxation (continued)

##### Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and have been reflected in the measurement of deferred tax balances at the year end.

#### 9. Investments

The Company has a fully impaired investment relating 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.

#### 10. Debtors

	2021 £	2020 £
Other debtors	1,700	
Deferred taxation (see note 13)	82,136	62,507
	<u>83,836</u>	<u>62,507</u>

Trade debtors are stated after expected credit loss allowances of £nil (2020: £nil).

#### 11. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	11,293	312,901
	<u>11,293</u>	<u>312,901</u>

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**Good Energy Generation Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2021**

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**12. Creditors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<b>12,309,149</b>	<b>12,599,345</b>
Accruals and deferred income	<b>9,040</b>	<b>10,000</b>
	<b>12,318,189</b>	<b>12,609,345</b>

Loans from group companies are unsecured, do not bear any interest and are repayable on demand.

**13. Deferred taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>62,507</b>	<b>236</b>
Charged to profit or loss	<b>19,629</b>	<b>62,271</b>
<b>At end of year</b>	<b>82,136</b>	<b>62,507</b>

The deferred tax asset is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>178</b>	<b>217</b>
Tax losses carried forward	<b>81,958</b>	<b>62,290</b>
	<b>82,136</b>	<b>62,507</b>

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## Good Energy Generation Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2021

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#### 14. Called up share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
14,661 (2020 - 14,661) Ordinary shares of £0.01 each	147	147

#### 15. Related party transactions

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

#### 16. Subsidiary undertakings

Good Energy Cedar Windfarm Limited is a subsidiary undertaking of Good Energy Generation Limited. Good Energy Cedar Windfarm Limited is incorporated in England and Wales and it is domiciled in the UK.

Good Energy Generation Limited directly owns 99.995% of the 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 18 below.

#### 17. Events after the reporting period

On 24 February 2022, Russia invaded Ukraine. Since this date the uncertainty around gas and oil supplies to western Europe from Russia; the impact of global sanctions on Russia and their subsequent global impacts; and the additional inflationary pressure placed on both UK and global economies related to the impacts of the invasion have created a non-adjusting post balance sheet event. For Good Energy the impacts of this are currently uncertain.

The wholesale market for electricity and gas spiked significantly in the weeks following the invasion then settled down to a level like what had been seen at various points in the last six months of 2021 (when wholesale markets were already proving very volatile). The wholesale market has since spiked again during Q2 and Q3 2022. The Company's hedge position mitigates the immediate impacts of the conflict, but there will remain uncertainty through 2022 and into 2023 as the conflict and related inflationary impacts develop. The Company has mitigations it can employ through 2022 and into 2023 to offset further risks caused by the situation.

On 8 September 2022, the UK government announced details of domestic financial support available through the Energy Price Guarantee. This has been factored into the going concern disclosure in note 2.3 and is treated as a non-adjusting post balance sheet event.

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## **Good Energy Generation Limited**

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### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **18. 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 Park Offices  
Monkton Park  
Chippenham  
Wiltshire  
United Kingdom  
SN15 1GH.